

Senate Calendar

WEDNESDAY, MAY 28, 2025

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ACTION CALENDAR

UNFINISHED BUSINESS OF FRIDAY, MAY 23, 2025

Second Reading

Favorable with Proposal of Amendment

H. 319.

An act relating to miscellaneous environmental subjects.

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

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

* * * Battery Extended Producer Responsibility * * *

Sec. 1. 2024 Acts and Resolves No. 152, Sec. 3 is amended to read:

Sec. 3. ANR BATTERY ASSESSMENT

(a) On or before July 1, ~~2026, the Secretary of Natural Resources 2027, the~~ stewardship organization formed pursuant to 10 V.S.A. chapter 168 shall complete an assessment of the opportunities, challenges, and feasibility of establishing mandatory end-of-life management programs for the following battery types:

- (1) batteries used in hybrid and electric vehicles;
- (2) battery energy storage systems; and
- (3) batteries that are not easily removable from the products they power.

(b) The assessment required by this section shall include:

(1) a summary of the work and progress other states have made in establishing end-of-life management programs for the three battery types listed under subsection (a) of this section; and

(2) policy recommendations on whether mandatory end-of-life management programs are necessary for the battery types listed under subsection (a) of this section.

(c) The assessment required by this section shall be provided to the Secretary of Natural Resources, the House Committee on Environment and Energy, and the Senate Committee on Natural Resources and Energy.

* * * Fuel Storage Tanks * * *

Sec. 2. 10 V.S.A. § 1927(d) is amended to read:

(d) No person shall deliver a regulated substance to a category one tank that is visibly designated by the Agency as not having a valid permit or not meeting standards adopted by the Secretary related to corrosion protection, spill prevention, leak detection, financial responsibility, or overfill protection that may result in the tank releasing a regulated substance to the environment.

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

Sec. 3. 10 V.S.A. § 7181 is amended to read:

§ 7181. DEFINITIONS

As used in this chapter:

* * *

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

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

(ii) the product is a gas cylinder.

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

* * *

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

* * *

Sec. 4. 10 V.S.A. § 7182 is amended to read:

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

(a) Sale prohibited.

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

(2) Beginning six months after a final decision on the adequacy of a collection plan by the Secretary, a manufacturer of a covered household hazardous product shall not sell, offer for sale, or deliver to a retailer for subsequent sale a covered household hazardous product unless all the following have been met:

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

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

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

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

(b) Stewardship organization registration requirements.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 5. 10 V.S.A. § 7183 is amended to read:

§ 7183. COLLECTION PLANS

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

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

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

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

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

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

~~(4) Public education and outreach. The collection plan shall include an education and outreach program that shall include a website and may include media advertising, retail displays, articles and publications, and other public educational efforts. Outreach and education shall be suitable for the State's diverse ethnic populations, through translated and culturally appropriate materials, including in-language and targeted outreach. Public education and outreach should include content to increase meaningful participation by environmental justice focus populations as required by 3 V.S.A. chapter 72. During the first year of program implementation and two years after adoption~~

~~of the collection plan, each stewardship organization shall carry out a survey of public awareness regarding the requirements of the program established under this chapter that can identify communities that have disparities in awareness and need more outreach. Each stewardship organization shall share the results of the public awareness surveys with the Secretary. If multiple stewardship organizations are implementing plans approved by the Secretary, the stewardship organizations shall coordinate in carrying out their education and outreach responsibilities under this subdivision and shall include in their annual reports to the Secretary a summary of their coordinated education and outreach efforts. The education and outreach program and website shall notify the public of the following:~~

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

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

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

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

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

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

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

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

households. The calculation methodology for the number of households shall be included in the plan.

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

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

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

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

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

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

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

education and outreach program and website shall notify the public of the following:

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

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

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

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

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

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

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

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

(ii) At a minimum, the collection performance goal for the initial plan approved pursuant to subdivision (1) of this subsection (b) shall be an annual participation rate of seven percent of the households for every collection program based on the number of households the collection program serves. After the initial approved program plan, the stewardship organization shall propose performance goals for subsequent program plans. The Secretary shall approve the performance goals for the plan at least every five years. The

stewardship organization shall use the results of the most recent waste composition study required under 6604 of this title and other relevant factors to propose the performance goals of the collection plan. If a stewardship organization does not meet its performance goals, the Secretary may require the stewardship organization to revise the collection plan to provide for one or more of the following: additional public education and outreach, additional collection events, or additional hours of operation for collection sites. A stewardship organization is not authorized to reduce or cease collection, education and outreach, or other activities implemented under an approved plan on the basis of achievement of program performance goals.

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

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

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

Sec. 6. 10 V.S.A. § 7184 is amended to read:

§ 7184. STEWARDSHIP ORGANIZATIONS

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

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

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

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

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

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

Sec. 7. 10 V.S.A. § 7187 is amended to read:

§ 7187. AGENCY RESPONSIBILITIES

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

* * *

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

Sec. 8. 10 V.S.A. § 6621a is amended to read:

§ 6621a. LANDFILL DISPOSAL REQUIREMENTS

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

* * *

(12) Covered household hazardous products after July 1, ~~2025~~ 2026.

* * *

Sec. 9. SOLID WASTE PLAN; FLEXIBILITY

(a) Notwithstanding the municipal household hazardous waste (HHW) collection requirements under the State Solid Waste Plan adopted pursuant to 10 V.S.A. § 6604, the Secretary of Natural Resources may grant a variance from the requirement to conduct at least two household hazardous waste collection events in that municipality. The variance shall allow a municipality to meet its obligations, as follows:

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

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

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

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

* * * Paint Product Stewardship Program * * *

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

Subchapter 4. Paint Product Stewardship Program

§ 6671. PURPOSE

The purpose of this subchapter is to establish an environmentally sound, cost-effective Paint Product Stewardship Program in the State that will undertake responsibility for the development and implementation of strategies to reduce the generation of postconsumer paint; promote the reuse of postconsumer paint; and collect, transport, and process postconsumer paint, including reuse, recycling, energy recovery, and disposal. The Paint Product Stewardship Program will follow the waste management hierarchy for managing and reducing postconsumer paint in the order as follows: reduce consumer generation of postconsumer paint, reuse, recycle, provide for energy recovery, and dispose. The Paint Product Stewardship Program will provide more opportunities for consumers to manage properly their postconsumer

paint, provide fiscal relief for local government in managing postconsumer paint, keep paint out of the waste stream, and conserve natural resources.

§ 6672. DEFINITIONS

As used in this subchapter:

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

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

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

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

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

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

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

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

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

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

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

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

(9)(A) “Paint product” includes:

- (i) architectural paint;
- (ii) aerosol coating products;
- (iii) coating-related products; and
- (iv) nonindustrial coatings.

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

~~(7)(10)~~ “Postconsumer paint” means architectural a paint product and its containers not used and no longer wanted by a purchaser.

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

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

~~(10)(13)~~ “Retailer” means any person that offers architectural a paint product for sale at retail in Vermont.

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

~~(12)(15)~~ “Secretary” means the Secretary of Natural Resources.

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

~~(14)~~(17) “Stewardship organization” means a nonprofit corporation or nonprofit organization created by a producer or group of producers to implement the Paint Product Stewardship Program required under this subchapter.

§ 6673. PAINT PRODUCT STEWARDSHIP PROGRAM

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

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

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

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

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

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

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

(B) one additional permanent site will be established for every 10,000 residents of a municipality and additional sites shall be distributed to

provide convenient and reasonably equitable access for residents within each municipality, unless otherwise approved by the Secretary.

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

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

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

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

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

member shall implement the approved plan for a Paint Product Stewardship Program.

(d) A producer or a stewardship organization of which a producer is a member shall promote a Paint Product Stewardship Program and provide consumers with educational and informational materials describing collection opportunities for postconsumer paint products Statewide and promotion of waste prevention, reuse, and recycling. The educational and informational program shall make consumers aware that the funding for the operation of the Paint Product Stewardship Program has been added to the purchase price of all ~~architectural~~ paint products sold in the State.

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

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

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

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

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

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

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

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

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

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

(3) the brands of ~~architectural~~ paint products identified under this section as part of the plan; and

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

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

§ 6674. RETAILER RESPONSIBILITY

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

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

§ 6675. AGENCY RESPONSIBILITY

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

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

(B) the Secretary determines that the plan:

- (i) achieves convenient collection for consumers;
- (ii) educates the public on proper paint product management; and
- (iii) manages waste paint products in a manner that is environmentally safe and promotes reuse and recycling; and
- (iv) is cost-effective.

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

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

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

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

§ 6676. ANTICOMPETITIVE CONDUCT

(a) A producer or an organization of producers that manages postconsumer paint products, including collection, transport, recycling, and processing of postconsumer paint products, as required by this subchapter may engage in anticompetitive conduct to the extent necessary to implement the plan

approved by the Secretary and is immune from liability for the conduct relating to antitrust, restraint of trade, unfair trade practices, and other regulation of trade or commerce.

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

- (1) establishing or affecting the price of paint products, ~~except for the paint stewardship assessment approved under subsection 6675(b) of this title;~~
- (2) setting or limiting the output or production of paint products;
- (3) setting or limiting the volume of paint products sold in a geographic area;
- (4) restricting the geographic area where paint products will be sold; or
- (5) restricting the customers to whom paint products will be sold or the volume of paint products that will be sold.

§ 6677. PRODUCER REPORTING REQUIREMENTS

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

- (1) a description of the methods the producer or Stewardship Program used to reduce, reuse, collect, transport, recycle, and process postconsumer paint products statewide in Vermont;
- (2) the volume and type of postconsumer paint products collected by the producer or Stewardship Program at each collection center in all regions of Vermont;
- (3) the volume of postconsumer paint products collected by the producer or Stewardship Program in Vermont by method of disposition, including reuse, recycling, energy recovery, and disposal;
- (4) an independent financial audit of the Paint Product Stewardship Program implemented by the producer or the Stewardship Program;
- (5) the prior year's actual direct and indirect costs for each Program element and the administrative and overhead costs of administering the approved Program; and

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

* * *

§ 6680. UNIVERSAL WASTE DESIGNATION FOR POSTCONSUMER PAINT

(a) The requirements of Subchapter 9 of the Vermont Hazardous Waste Management Rules, which allow certain categories of hazardous waste to be managed as universal waste, shall apply to postconsumer paint products until the postconsumer paint is discarded, provided that:

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

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

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

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

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

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

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

§ 6681. PAINT CONSUMER FEES

(a) The paint product stewardship assessment shall be sufficient to implement and sustain the Paint Product Stewardship Program. If at any time

the stewardship assessments established in this section are not sufficient to implement and sustain the Paint Product Stewardship Program, the Paint Product Stewardship Program shall propose new stewardship assessments that are sufficient to implement and sustain the Program.

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

<u>(1) Half pint or smaller:</u>	<u>No fee.</u>
<u>(2) Greater than a half pint to one gallon:</u>	<u>\$0.65.</u>
<u>(3) Greater than one gallon to two gallons:</u>	<u>\$1.35.</u>
<u>(4) Greater than two gallons to five gallons:</u>	<u>\$2.45.</u>

Sec. 11. IMPLEMENTATION; FEE REPORT

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

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

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

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

* * * Healthy Homes Initiative * * *

Sec. 12. 2024 Acts and Resolves No. 78, Sec. B.1103 is amended to read:

Sec. B.1103 CLIMATE AND ENVIRONMENT – FISCAL YEAR 2024
ONE-TIME APPROPRIATIONS

* * *

(j)(1) In fiscal year 2024, the amount of \$6,100,000 American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds is appropriated to the Department of Environmental Conservation for the Healthy Homes Initiative. Funds shall be used to make repairs or improvements to drinking water, wastewater, or stormwater systems for Vermonters who have low to moderate income or who live in manufactured housing communities, or both.

(2) All information submitted to or compiled by the Department of Environmental Conservation related to the issuance of individual funding awards under the Healthy Homes Initiative shall be considered confidential unless the person providing the information designates that it is not confidential. This shall include all personal information of applicants that request or receive funding. Notwithstanding 1 V.S.A. § 214, this subdivision shall take effect on passage and shall apply retroactively to July 1, 2023.

* * *

* * * Flood Safety * * *

Sec. 13. 2024 Act and Resolves No. 121, Sec. 3 is amended to read:

Sec. 3. DEPARTMENT OF ENVIRONMENTAL CONSERVATION;
RIVER CORRIDOR BASE MAP; INFILL MAPPING;
EDUCATION AND OUTREACH

(a) On or before January 1, ~~2026~~ 2027, the Department of Environmental Conservation, in consultation with the Agency of Commerce and Community Development and the regional planning commissions, shall amend by procedure the statewide River Corridor Base Map to identify areas suitable for development that are located within existing settlements and that will not cause or contribute to increases in fluvial erosion hazards.

(b) Beginning on January 1, 2025 and ending on January 1, ~~2027~~ 2028, the Department of Environmental Conservation shall conduct an education and outreach program to consult with and collect input from municipalities, environmental justice focus populations, the Environmental Justice Advisory Council, businesses, property owners, farmers, and other members of the public regarding how State permitting of development in mapped river corridors will be implemented, including potential restrictions on the use of land within mapped river corridors. The Department shall develop educational materials for the public as part of its charge under this section. The Department shall collect input from the public regarding the permitting of development in mapped river corridors as proposed by this act. On or before January 15, ~~2027~~ 2028 and until permitting of development in mapped river corridors begins under 10 V.S.A. § 754, the Department shall submit to the

Senate Committee on Natural Resources and Energy, the House Committee on Environment and Energy, and the Environmental Justice Advisory Council a report that shall include:

(1) a summary of the public input it received regarding State permitting of development in mapped river corridors during the public education and outreach required under this section;

(2) recommendations, based on the public input collected, for changes to the requirements for State permitting of development in mapped river corridors;

(3) an analysis and summary of State permitting of development in mapped river corridors on environmental justice populations; and

(4) a summary of the Department's progress in adopting the rules required under 10 V.S.A. § 754 for the regulation of development in mapped river corridors.

Sec. 14. 10 V.S.A. § 754 is amended to read:

§ 754. MAPPED RIVER CORRIDOR RULES

(a) Rulemaking authority.

(1) On or before ~~July 1, 2027~~ July 15, 2028, the Secretary shall adopt rules pursuant to 3 V.S.A. chapter 25 that establish requirements for issuing and enforcing permits for:

(A) all development within a mapped river corridor in the State; and

(B) for development exempt from municipal regulation in flood hazard areas.

(2) The Secretary shall not adopt rules under this subsection that regulate agricultural activities without the consent of the Secretary of Agriculture, Food and Markets, provided that the Secretary of Agriculture, Food and Markets shall not withhold consent under this subdivision when lack of such consent would result in the State's noncompliance with the National Flood Insurance Program.

(3) The Secretary shall seek the guidance of the Federal Emergency Management Agency in developing and drafting the rules required by this section in order to ensure that the rules are sufficient to meet eligibility requirements for the National Flood Insurance Program.

* * *

(e) Permit requirement. Beginning on ~~January 1, 2028~~ July 1, 2029, a person shall not commence or conduct development exempt from municipal regulation in a flood hazard area or commence or conduct any development in a mapped river corridor without a permit issued under the rules required under subsection (a) of this section by the Secretary or by a State agency delegated permitting authority under subsection (f) of this section. When an application is filed under this section, the Secretary or delegated State agency shall proceed in accordance with chapter 170 of this title.

* * *

Sec. 15. 2024 Acts and Resolves 121, Sec. 10 is amended to read:

Sec. 10. STUDY COMMITTEE ON STATE ADMINISTRATION OF
THE NATIONAL FLOOD INSURANCE PROGRAM

* * *

(e) Report. On or before August 15, ~~2025~~ 2026, the Study Committee shall submit a written report to the General Assembly with its findings and any recommendations for legislative action. Any recommendation for legislative action shall be as draft legislation.

* * *

Sec. 16. 2024 Acts and Resolves 121, Sec. 11(a) is amended to read:

(a) The Secretary of Natural Resources shall initiate rulemaking, including pre-rulemaking, for the rules required in Sec. 5 of this act, 10 V.S.A. § 754 (river corridor development), not later than July 1, 2025. The rules shall be adopted on or before July 1, ~~2027~~ 2028.

Sec. 17. 2024 Acts and Resolves No. 121, Sec. 29(b) is amended to read:

(b) All other sections shall take effect July 1, 2024, except that:

(1) Secs. 6a, 7, 8, 8a, and 9 (conforming amendments to municipal river corridor planning) shall take effect on January 1, 2028, except that in Sec. 9, 24 V.S.A. § 4424(a)(2)(B)(i) (municipal compliance with the State Flood Hazard Area Standards) shall take effect on January 1, ~~2026~~ 2028;

* * *

* * * Wetlands * * *

Sec. 18. 10 V.S.A. § 918 is amended to read:

§ 918. NET GAIN OF WETLANDS; STATE GOAL; RULEMAKING

(a) On or before ~~July 1~~ December 1, 2025, the Secretary of Natural Resources shall amend the Vermont Wetlands Rules pursuant to 3 V.S.A.

chapter 25 to clarify that the goal of wetlands regulation and management in the State is the net gain of wetlands to be achieved through protection of existing wetlands and restoration of wetlands that were previously adversely affected. This condition shall not apply to wetland, river, and flood plain restoration projects, including dam removals.

* * *

(c) At a minimum, the Wetlands Rules shall be revised to:

(1) Require an applicant for a wetland permit that authorizes adverse impacts to more than 5,000 square feet of wetlands to compensate for those impacts through restoration, enhancement, or creation of wetland resources.

(2) Incorporate the net gain rule into requirements for permits issued after ~~September 1~~ December 1, 2025.

* * *

* * * Dams * * *

Sec. 19. 2024 Acts and Resolves No. 121, Sec. 22 is amended to read:

Sec. 22. STUDY COMMITTEE ON DAM EMERGENCY OPERATIONS
PLANNING

(a) Creation. There is created the Study Committee on Dam Emergency Operations Planning to review and recommend how to improve regional emergency action planning for hazards caused by dam failure, including how to shift responsibility for emergency planning from individual municipalities to regional authorities, how to improve regional implementation of dam emergency response plans, and how to fund dam emergency action planning at the regional level.

* * *

(e) Report. On or before December 15, ~~2024~~ 2025, the Study Committee shall submit a written report to the General Assembly with its findings and any recommendations for legislative action. Any recommendation for legislative action shall be submitted as draft legislation.

(f) Meetings.

(1) The Secretary of Natural Resources or designee shall call the first meeting of the Study Committee.

(2) The Committee shall select a chair from among its members at the first meeting.

(3) A majority of the membership of the Study Committee shall constitute a quorum.

(4) The Study Committee shall cease to exist on March 1, ~~2025~~ 2026.

* * *

Sec. 20. 2024 Acts and Resolves No. 121, Sec. 24(f) is amended to read:

(f) On or before ~~January 15~~ September 1, 2025, the Agency of Natural Resources shall complete its analysis of the capital and ongoing operations and maintenance costs of the Green River Dam, as authorized in 2022 Acts and Resolves No. 83, Sec. 46, and shall submit the results of the analysis to the House Committees on Environment ~~and Energy~~ and on Appropriations and the Senate Committees on Natural Resources and Energy and on Appropriations.

* * * Resilience Implementation Strategy; Climate Superfund Act * * *

Sec. 21. 10 V.S.A. § 599a is amended to read:

§ 599a. REPORTS; RULEMAKING

(a) On or before January 15, 2025, the Agency, in consultation with the State Treasurer, shall submit a report to the General Assembly detailing the feasibility and progress of carrying out the requirements of this chapter, including any recommendations for improving the administration of the Program.

(b) The Agency shall adopt rules necessary to implement the requirements of this chapter, including:

(1) adopting methodologies using available science and publicly available data to identify responsible parties and determine their applicable share of covered greenhouse gas emissions; and

(2) requirements for registering entities that are responsible parties and issuing notices of cost recovery demands under the Program; ~~and~~

~~(3) the Resilience Implementation Strategy, which shall include:~~

~~(A) practices utilizing nature-based solutions intended to stabilize floodplains, riparian zones, lake shoreland, wetlands, and similar lands;~~

~~(B) practices to adapt infrastructure to the impacts of climate change;~~

~~(C) practices needed to build out early warning mechanisms and support fast, effective response to climate-related threats;~~

~~(D) practices that support economic and environmental sustainability in the face of changing climate conditions; and~~

~~(E) criteria and procedures for prioritizing climate change adaptation projects eligible to receive monies from the Climate Superfund Cost Recovery Program.~~

(c) On or before September 15, 2025, the Secretary shall submit to the House Committee on Environment and the Senate Committee on Natural Resources and Energy a report summarizing the Agency of Natural Resources' adoption of the Resilience Implementation Strategy. The Strategy shall include:

(1) practices utilizing nature-based solutions intended to stabilize floodplains, riparian zones, lake shoreland, wetlands, and similar lands;

(2) practices to adapt infrastructure to the impacts of climate change;

(3) practices needed to build out early warning mechanisms and support fast, effective response to climate-related threats;

(4) practices that support economic and environmental sustainability in the face of changing climate conditions; and

(5) criteria and procedures for prioritizing climate change adaptation projects eligible to receive monies from the Climate Superfund Cost Recovery Program.

~~(e)~~(d) In adopting the Strategy, the Agency shall:

(1) consult with the Environmental Justice Advisory Council;

(2) in consultation with other State agencies and departments, including the Department of Public Safety's Division of Vermont Emergency Management, assess the adaptation needs and vulnerabilities of various areas vital to the State's economy, normal functioning, and the health and well-being of Vermonters;

(3) identify major potential, proposed, and ongoing climate change adaptation projects throughout the State;

(4) identify opportunities for alignment with existing federal, State, and local funding streams;

(5) consult with stakeholders, including local governments, businesses, environmental advocates, relevant subject area experts, and representatives of environmental justice focus populations;

(6) consider components of the Vermont Climate Action Plan required under section 592 of this title that are related to adaptation or resilience, as defined in section 590 of this title; and

(7) conduct public engagement in areas and communities that have the most significant exposure to the impacts of climate change, including disadvantaged, low-income, and rural communities and areas.

~~(d)~~(e) Nothing in this section shall be construed to limit the existing authority of a State agency, department, or entity to regulate greenhouse gas emissions or establish strategies or adopt rules to mitigate climate risk and build resilience to climate change.

Sec. 22. 2024 Acts and Resolves No. 122, Sec. 3 is amended to read:

Sec. 3. IMPLEMENTATION

(a) ~~On or before July 1, 2025, the Agency of Natural Resources pursuant to 3 V.S.A. § 837 shall file with the Interagency Committee on Administrative Rules the proposed rule for the adoption of the Resilience Implementation Strategy required pursuant to 10 V.S.A. § 599a(b)(3). On or before January 1, 2026, the Agency of Natural Resources shall adopt the final rule establishing the Resilience Implementation Strategy required pursuant to 10 V.S.A. § 599a(b)(3). [Repealed.]~~

(b) On or before July 1, ~~2026~~ 2027, the Agency of Natural Resources pursuant to 3 V.S.A. § 837 shall file with the Interagency Committee on Administrative Rules the proposed rules required pursuant to 10 V.S.A. § 599a(b)(1) and (b)(2). On or before January 1, ~~2027~~ 2028, the Agency of Natural Resources shall adopt the final rule rules required pursuant to 10 V.S.A. § 599a(b)(1) and (b)(2).

Sec. 23. 10 V.S.A. § 596 is amended to read:

§ 596. DEFINITIONS

* * *

(7) “Covered greenhouse gas emissions” means the total quantity of greenhouse gases released into the atmosphere ~~during the covered period~~, expressed in metric tons of carbon dioxide equivalent, resulting from the use of fossil fuels extracted or refined by an entity during the covered period.

* * *

(22) “Responsible party” means any entity or a successor in interest to an entity that during any part of the covered period was engaged in the trade or business of extracting fossil fuel or refining crude oil and is determined by the Agency attributable to for more than one billion metric tons of covered greenhouse gas emissions ~~during the covered period~~. The term responsible party does not include any person who lacks sufficient connection with the State to satisfy the nexus requirements of the U.S. Constitution.

* * *

Sec. 24. 10 V.S.A. § 598(b) is amended to read:

(b) With respect to each responsible party, the cost recovery demand shall be equal to an amount that bears the same ratio to the cost to the State of Vermont and its residents, as calculated by the State Treasurer pursuant to section 599c of this title, from ~~the emission of covered greenhouse gases during the covered period~~ gas emissions as the responsible party's applicable share of covered greenhouse gas emissions bears to the aggregate applicable shares of covered greenhouse gas emissions ~~resulting from the use of fossil fuels extracted or refined during the covered period.~~

Sec. 25. 10 V.S.A. § 599c is amended to read:

§ 599c. STATE TREASURER REPORT ON THE COST TO VERMONT OF COVERED GREENHOUSE GAS EMISSIONS

On or before January 15, ~~2026~~ 2027, the State Treasurer, after consultation with the Interagency Advisory Board to the Climate Action Office, and with any other person or entity whom the State Treasurer decides to consult for the purpose of obtaining and utilizing credible data or methodologies that the State Treasurer determines may aid the State Treasurer in making the assessments and estimates required by this section, shall submit to the Senate Committees on Appropriations, on Finance, on Agriculture, and on Natural Resources and Energy and the House Committees on Appropriations; on Ways and Means; on Agriculture, Food Resiliency, and Forestry; and on Environment ~~and Energy~~ an assessment of the cost to the State of Vermont and its residents ~~of the emission of covered greenhouse gases for the period that began on January 1, 1995 and ended on December 31, 2024~~ gas emissions. The assessment shall include:

* * *

(3) a categorized calculation of the costs that have been incurred and are projected to be incurred in the future within the State of Vermont to abate the effects of covered greenhouse gas emissions ~~from between January 1, 1995 and December 31, 2024~~ on the State of Vermont and its residents.

* * * Agency of Natural Rules; Federal Reference * * *

Sec. 26. AGENCY OF NATURAL RESOURCES' RULES; FEDERAL REFERENCE

(a) Any federal regulation incorporated by reference into an Agency of Natural Resources' Rule as of January 1, 2025 shall continue in effect as an Agency rule until January 31, 2029 or when the Agency rule is next amended,

whichever is sooner, regardless of whether the federal regulation was later repealed or amended.

(b) The Secretary of Natural Resources shall provide notice of any incorporated federal regulations by posting them on the Agency of Natural Resources' website.

(c) Nothing in this section shall prevent the Secretary of Natural Resources from adopting or amending a rule pursuant to 3 V.S.A. chapter 25, including through emergency rulemaking.

* * * Commercial Salt Application * * *

Sec. 27. PURPOSE

It is the purpose of Secs. 28—32 of this act to establish the accepted standards of care for the application of salt and salt alternatives in an effective and efficient manner that provides safe conditions for pedestrians and motor vehicles on traveled surfaces while also reducing the impacts of salt and salt alternatives on the quality of the waters of the State.

Sec. 28. 10 V.S.A. chapter 47, subchapter 3A is added to read:

Subchapter 3A. Chloride Contamination Reduction Program

§ 1351. DEFINITIONS

As used in this subchapter:

(1) “Apply salt” or “application of salt” means to apply salt or a salt alternative to roadways, parking lots, or sidewalks for the purpose of winter maintenance or for summer dust control. “Apply salt” or “application of salt” does not mean the application of salt to a transportation infrastructure construction project.

(2) “Commercial salt applicator” means any individual who for compensation applies salt but does not include municipal or State employees.

(3) “Master commercial salt applicator” means any individual who employs and is responsible for individuals who for compensation apply salt but does not include municipal or State employees.

(4) “Salt” means sodium chloride, calcium chloride, magnesium chloride, or any other substance containing chloride used for the purpose of deicing, anti-icing, or dust control.

(5) “Salt alternative” means any substance not containing chloride used for the purpose of deicing, anti-icing, or dust control.

(6) “Secretary” means the Secretary of Natural Resources.

(7) “Transportation infrastructure construction project” means a project that involves the construction of roadways, parking lots, sidewalks, or other construction activities at transportation facilities or within transportation rights-of-way.

§ 1352. CHLORIDE CONTAMINATION REDUCTION PROGRAM

(a) The Secretary of Natural Resources, after consultation with the Secretary of Transportation and other states with similar chloride reduction programs, shall establish the Chloride Contamination Reduction Program for the voluntary education, training, and certification of commercial salt applicators regarding effective and efficient application of salt and salt alternatives to provide safe conditions for pedestrians and motor vehicles on traveled surfaces while also reducing the impacts of salt and salt alternatives on the quality of the waters of the State.

(b) As part of the Program, the Secretary of Natural Resources, on or before July 1, 2026, shall adopt by rule best management practices for application of salt or salt alternatives by commercial salt applicators. The best management practices may be based on practices currently implemented by the Agency of Transportation or other entities. The best management practices shall:

(1) establish measures or techniques to increase efficiency in the application of salt or salt alternatives so that the least amount of salt or salt alternatives are used while maintaining safe conditions for pedestrians and motor vehicles on traveled surfaces;

(2) establish standards for when and how salt and salt alternatives are applied in order to prevent salt or salt alternatives from entering waters of the State, including:

(A) salt alternatives that are cost-effective and less harmful to water quality while maintaining safe conditions for pedestrians and motor vehicles on traveled surfaces;

(B) whether and how to implement equipment to calibrate, monitor, or meter application of salt or salt alternatives; and

(C) when sand is an appropriate alternative to salt or salt alternatives for deicing or dust control, particularly in regard to when application of sand will be less harmful to water quality;

(3) establish record-keeping requirements for commercial salt applicators, including records of training and records describing the type and rate of application of salt or salt alternatives, the dates of use, weather conditions requiring use of salt or salt alternatives, and any other factors that

the Secretary of Natural Resources deems necessary for the purposes of the Program;

(4) create and circulate a model form for record-keeping information required under this section;

(5) establish requirements for certification under this subchapter, including frequency of training and manner of training;

(6) establish a testing requirement for applicators to complete prior to receiving an initial certification under the Program; and

(7) establish other requirements deemed necessary by the Secretary to achieve the purposes of the Program.

(c)(1) The Program shall offer training for commercial applicators in the implementation of the best management practices required under subsection (b) of this section. Upon completion of training, a commercial salt applicator shall be designated a certified commercial salt applicator. The term of a commercial salt applicator certification issued under the Program shall be for two years from the date of issuance of certification.

(2) A business that employs multiple commercial salt applicators may apply to the Secretary for certification of the business owner or other designated employee as a master commercial salt applicator. A certified master commercial salt applicator shall ensure that all persons employed by the business to apply salt or salt alternatives are trained to comply with the best management practices established under subsection (b) of this section.

(d)(1) A certified commercial salt applicator shall submit an annual summary of total winter salt usage to the Secretary of Natural Resources.

(2) The Secretary of Natural Resources shall establish methods to estimate and track the amount of salt applied by certified commercial salt applicators.

(e) The Secretary may revoke a certification issued under this subchapter after notice and opportunity for a hearing for a violation of the requirements of this subchapter, the rules of this subchapter, or the provisions of a certification issued under this subchapter.

(f)(1) The Program shall include requirements for certification of a master commercial salt applicator.

(2) The Program shall specifically exclude salt applications related to transportation infrastructure construction projects.

(3) The Secretary may elect to implement the Program with State agency staff or through a third-party vendor, or some combination.

§ 1353. AFFIRMATIVE DEFENSE; SALT APPLICATION;

(a) A commercial salt applicator or an owner, occupant, or lessee of real property maintained by a certified commercial salt applicator shall have an affirmative defense against a claim for damages resulting from a hazard caused by snow or ice if:

(1) the claimed damages were caused solely by snow or ice; and

(2) any failure or delay in removing or mitigating the hazard is the result of the certified commercial salt applicator's implementation of the best management practices established under section 1352 of this title for application of salt or salt alternatives.

(b) The affirmative defense provided under subsection (a) shall not apply when the civil damages are due to gross negligence or reckless disregard of the hazard.

(c) The affirmative defense provided under this section is not exclusive and is in addition to any other defenses or immunities provided under State law.

(d) In order to assert the affirmative defense provided under subsection (a) of this section, a commercial salt applicator or an owner, occupant, or lessee of real property maintained by a certified commercial salt applicator shall keep a record describing its road, parking lot, and property maintenance practices, consistent with the requirements determined by the Secretary under this subchapter. The record shall include the type and rate of application of salt and salt alternatives used, the dates of treatment, and the weather conditions for each event requiring deicing. Such records shall be retained by the applicator for a period of three years.

§ 1354. ENFORCEMENT; PRESUMPTION OF COMPLIANCE; WATER QUALITY

(a) A certified commercial salt applicator or a commercial salt applicator employed by a certified master commercial salt applicator is entitled to a rebuttable presumption that the certified commercial salt applicator or commercial salt applicator is in compliance with the requirements of sections 1263 and 1264 of this title when applying salt or salt alternatives according to the best management practices established under section 1352 of this title. The rebuttable presumption under this subsection shall not apply to requirements of a total maximum daily load plan required under this chapter or the requirements of a municipal separate storm sewer system permit required under section 1264 of this title.

(b) The Secretary may revoke a certification issued under this subchapter after notice and opportunity for a hearing for a violation of the requirements of this subchapter, the rules of this subchapter, or the provisions of a certification issued under this subchapter.

§ 1355. EDUCATION AND OUTREACH

The Secretary of Natural Resources, through the staff of the Chloride Contamination Reduction Program, shall conduct education and outreach to inform:

(1) commercial salt applicators of the existence of the Chloride Contamination Reduction Program and the training and affirmative defense offered under the Program; and

(2) members of the public who purchase salt or salt alternatives for use on driveways, sidewalks, private roads, and other paved surfaces of the potential harm to water quality, pets, and wildlife from excessive application of salt and salt alternatives and how to decrease the potential harm.

Sec. 29. ANR REPORT ON MANAGEMENT OF SALT AND SAND STORAGE FACILITIES

On or before January 15, 2026, the Secretary of Natural Resources shall submit to the Senate Committees on Natural Resources and Energy and on Transportation and the House Committees on Environment and on Transportation a report regarding the management of State and municipal facilities (facilities) for the storage of salt, salt and sand mixtures, and sand that is not mixed with salt. The report shall include:

(1) an inventory of facilities in the State used for the storage of salt, salt and sand mixtures, or sand that is not mixed with salt;

(2) an estimated number of facilities that are currently covered;

(3) an estimate of the number of facilities that are not covered and are within 100 yards of a surface water or drinking water source;

(4) an estimate of the number of facilities that are not covered and are more than 100 yards from a surface water or drinking water source; and

(5) an estimate of the total cost to cover or move facilities for the storage of salt, salt and sand mixtures, or sand that is not mixed with salt, including a proposed annual amount of funding that would be required to meet the timelines for cover or management.

Sec. 30. MUNICIPAL SALT APPLICATORS; VERMONT LOCAL ROADS CURRICULUM; AFFIRMATIVE DEFENSE

(a)(1) On or before November 1, 2026, the Secretary of Natural Resources, in collaboration with the Secretary of Transportation, shall identify and make changes to the Vermont Local Roads curriculum needed to support municipal salt applicators in meeting the purpose of this act, including training for best management practices for spreading salt on roads, parking lots, and sidewalks.

(2) As used in this subsection, “municipal salt applicator” means any individual who applies or supervises others who apply salt in the applicator’s capacity as an employee or agent of a town or a municipality but does not include State employees.

(b) Notwithstanding 24 V.S.A. § 901a to the contrary, a municipal employee shall have an affirmative defense against a claim for damages resulting from a hazard caused by snow or ice if:

(1) the municipal salt applicator completed the Vermont Local Roads curriculum providing best management practices for spreading salt on roads, parking lots, and sidewalks in that calendar year;

(2) the claimed damages were caused solely by snow or ice; and

(3) any failure or delay in removing or mitigating the hazard is the result of the certified commercial salt applicator’s implementation of the best management practices learned under the Vermont Local Roads curriculum.

(c) The affirmative defense provided under subsection (b) of this section shall not apply when the civil damages are due to gross negligence or reckless disregard of the hazard.

(d) The affirmative defense provided under this section is not exclusive and is in addition to any other defenses or immunities provided under State law.

(e) In order to assert the affirmative defense provided under subsection (b) of this section, a municipality shall keep a record describing its road, parking lot, and property maintenance practices, consistent with the requirements determined by the Secretary under this subchapter. The record shall include the type and rate of application of salt and salt alternatives used, the dates of treatment, and the weather conditions for each event requiring deicing. Such records shall be retained by the applicator for a period of three years.

Sec. 31. FEE REPORT

On or before January 15, 2026, the Secretary of Natural Resources shall solicit interest from third-party vendors for training and certifying commercial salt applicators under 10 V.S.A. chapter 47, subchapter 3A. The Secretary shall recommend to the Senate Committees on Natural Resources and Energy and on Finance and the House Committees on Environment and on Ways and

Means a fee to be charged either by the State or by a third-party vendor for certification of commercial salt applicators under 10 V.S.A. chapter 47, subchapter 3A. Any fee charged to commercial salt applicators by the State or a third-party vendor for certification under the Chloride Contamination Reduction Program shall be approved by the General Assembly.

Sec. 32. CONTINGENT IMPLEMENTATION; FUNDING

The duty of the Agency of Natural Resources to implement Secs. 28 (Chloride Contamination Reduction Program), 30 (municipal salt applicators), and 31 (fee report) of this act is contingent upon an appropriation from the General Fund for the specific purposes described in Secs. 28, 30, and 31 of this act.

* * * Renewable Power Portfolio * * *

Sec. 33. 30 V.S.A. § 8009 is amended to read:

§ 8009. BASELOAD RENEWABLE POWER PORTFOLIO
REQUIREMENT

* * *

(d) On or before November 1, ~~2027~~ 2028, the Commission shall determine, for the period beginning on November 1, ~~2026~~ 2028 and ending on November 1, 2032, the price to be paid to a plant used to satisfy the baseload renewable power portfolio requirement. The Commission shall not be required to make this determination as a contested case under 3 V.S.A. chapter 25. The price shall be the avoided cost of the Vermont composite electric utility system. As used in this subsection, the term “avoided cost” means the incremental cost to retail electricity providers of electric energy or capacity, or both, that, but for the purchase from the plant proposed to satisfy the baseload renewable power portfolio requirement, such providers would obtain from a source using the same generation technology as the proposed plant. For the purposes of this subsection, the term “avoided cost” also includes the Commission’s consideration of each of the following:

* * *

(k) Collocation and efficiency requirements.

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

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

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

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

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

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

(5) On or before ~~September 1, 2026~~ 2027, the Department shall investigate and submit a recommendation to the Commission on whether the plant has achieved the requirement of subdivision (1) of this subsection. If the Department recommends that the plant has not achieved the requirement of subdivision (1) of this subsection, the obligation under this section shall cease on ~~November 1, 2026~~ 2027, and the Commission is not required to conduct the rate determination provided for in subsection (d) of this section.

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

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

* * *

* * * Effective Date * * *

Sec. 34. EFFECTIVE DATE

This act shall take effect on passage.

(Committee vote: 5-0-0)

(For House amendments, see House Journal of March 21, 2025, pages 655 to 673)

Reported favorably by Senator Beck for the Committee on Finance.

The Committee recommends that the bill ought to pass in concurrence with proposal of amendment as recommended by the Committee on Natural Resources and Energy.

(Committee vote: 7-0-0)

Reported favorably by Senator Watson for the Committee on Appropriations.

The Committee recommends that the bill ought to pass in concurrence with proposal of amendment as recommended by the Committee on Natural Resources and Energy.

(Committee vote: 7-0-0)

Amendments to proposal of amendment of the Committee on Natural Resources and Energy to H. 319 to be offered by Senator Brennan

Senator Brennan moves to amend the proposal of amendment of the Committee on Natural Resources and Energy as follows:

First: By striking out Sec. 18, 10 V.S.A. 918, and its reader assistance in their entirety and inserting in lieu thereof a new Sec. 18 to read:

Sec. 18. [Deleted.]

Second: By striking out Sec. 34, effective date, and its reader assistance heading in their entirety and inserting in lieu thereof six new sections to be Secs. 34–39 and their related reader assistance headings to read:

* * * Wetlands; Permitting * * *

Sec. 34. 10 V.S.A. § 902 is amended to read:

§ 902. DEFINITIONS

Wherever used or referred to in this chapter, unless a different meaning clearly appears from the context:

* * *

(7) “Class II wetland” means a wetland other than a Class I or Class III wetland that:

(A) is a mapped wetland identified on the Vermont significant wetlands inventory maps; or

(B) is an unmapped wetland that the Secretary determines to merit protection, pursuant to section 914 of this title, based upon an evaluation of the extent to which it serves the functions and values set forth in subdivision 905b(18)(A) of this title and the rules of the Department.

(8) “Class III wetland” means a wetland that is neither a Class I wetland nor a Class II wetland.

(9) “Buffer zone” means an area contiguous to a significant wetland that protects the wetland’s functions and values.

(A) The Except as provided in subdivision (B) of this subdivision (9):

(i) the buffer zone for a Class I wetland shall extend at least 100 feet from the border of the wetland; unless the Department determines otherwise under section 915 of this title.~~The; and~~

(ii) the buffer zone for a Class II wetland shall extend at least 50 feet from the border of the wetland unless the Secretary determines otherwise under section 914 of this title.

(B) The buffer zone of a Class II wetland shall be 25 feet when the wetland is located in:

(i) an industrial park, as that term is defined in subdivision 212(7) of this title, that is permitted under chapter 151 of this title;

(ii) designated centers designated under 24 V.S.A. chapter 76A;

(iii) Tier 1A and Tier 1B areas approved by the Land Use Review Board; or

(iv) locations meeting the requirements established in subsection 6081(z) of this title as eligible for an interim exemption from the permit or permit amendment requirements of chapter 151 of this title.

~~(10) "Panel" means the Water Resources Panel of the Agency of Natural Resources.~~

~~(11)~~ "Significant wetland" means any Class I or Class II wetland.

~~(12)~~(11) "Secretary" means the Secretary of Natural Resources or the Secretary's authorized representative.

~~(13)~~(12) "Dam removal" has the same meaning as in section 1080 of this title.

Sec. 35. 10 V.S.A. § 913 is amended to read:

§ 913. PROHIBITION

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

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

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

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

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

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

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

(3) any construction or activity in an unmapped Class II wetland located in:

(A) an industrial park, as that term is defined in subdivision 212(7) of this title, that is permitted under chapter 151 of this title;

(B) designated centers designated under 24 V.S.A. chapter 76A;

(C) Tier 1A and Tier 1B areas approved by the Land Use Review Board; or

(D) locations meeting the requirements established in subsection 6081(z) of this title as eligible for an interim exemption from the permit or permit amendment requirements of chapter 151 of this title.

Sec. 36. 10 V.S.A. § 914 is amended to read:

§ 914. WETLANDS DETERMINATIONS

(a) The Secretary may, upon a petition or on ~~his or her~~ the Secretary's own motion, determine whether any wetland is a Class II or Class III wetland. ~~Such~~ The Secretary's determinations shall be based on an evaluation of the functions and values set forth in subdivision 905b(18)(A) of this title and the rules of the Department.

(b) The Secretary may establish the necessary width of the buffer zone of any Class II wetland as part of any wetland determination pursuant to the rules of the Department, except that the buffer zone of a Class II wetland shall be 25 feet when the wetland is located in:

(1) an industrial park, as that term is defined in subdivision 212(7) of this title, that is permitted under chapter 151 of this title;

(2) designated centers designated under 24 V.S.A. chapter 76A;

(3) Tier 1A and Tier 1B areas approved by the Land Use Review Board;
or

(4) locations meeting the requirements established in subsection 6081(z) of this title as eligible for an interim exemption from the permit or permit amendment requirements of chapter 151 of this title.

* * *

Sec. 37. 10 V.S.A. § 918 is amended to read:

§ 918. NET GAIN OF WETLANDS; STATE GOAL; RULEMAKING

(a) On or before July 1, ~~2025~~ 2026, the Secretary of Natural Resources shall amend the Vermont Wetlands Rules pursuant to 3 V.S.A. chapter 25 to clarify that the goal of wetlands regulation and management in the State is the net gain of wetlands to be achieved through protection of existing wetlands and restoration of wetlands that were previously adversely affected. ~~This condition shall not apply to wetland, river, and flood plain restoration projects, including dam removals.~~

(b)(1) The Vermont Wetlands Rules shall prioritize the protection of existing intact wetlands from adverse effects.

(2) Where a permitted activity in a wetland will cause more than 5,000 square feet of adverse effects that cannot be avoided, the Secretary shall mandate that the permit applicant restore, enhance, or create wetlands or buffers to compensate for the adverse effects on a wetland. The amount of wetlands to be restored, enhanced, or created shall be calculated, at a minimum, by determining the acreage or square footage of wetlands permanently drained or filled as a result of the permitted activity and multiplying that acreage or square footage by two, to result in a ratio of 2:1 restoration to wetland loss, except that a ratio of 1:1 restoration to wetland loss shall apply in:

(A) an industrial park, as that term is defined in subdivision 212(7) of this title, that is permitted under chapter 151 of this title;

(B) designated centers designated under 24 V.S.A. chapter 76A;

(C) Tier 1A and Tier 1B areas approved by the Land Use Review Board; or

(D) locations meeting the requirements established in subsection 6081(z) of this title as eligible for an interim exemption from the permit or permit amendment requirements of chapter 151 of this title.

(3) Establishment of a buffer zone contiguous to a wetland shall not substitute for the restoration, enhancement, or creation of wetlands. Adverse impacts to wetland buffers shall be compensated for based on the effects of the impact on wetland function.

* * *

Sec. 38. 10 V.S.A. § 919 is amended to read:

§ 919. WETLANDS PROGRAM REPORTS

(a) On or before April 30, 2025, and annually thereafter, the Secretary of Natural Resources shall submit to the House Committee on Environment ~~and Energy~~ and to the Senate Committee on Natural Resources and Energy a report on annual losses and gains of significant wetlands in the State. The report shall include:

(1) the location and acreage of Class II wetland and buffer losses permitted by the Agency in accordance with section 913 of this title, for which construction of the permitted project has commenced;

(2) the acreage of Class II wetlands and buffers gained through permit-related enhancement and restoration, and an estimate of wetlands gained through wetlands, river, and floodplain restoration projects, including dam removals;

(3) the number of site visits and technical assistance calls conducted by the Agency of Natural Resources, the number of permits processed by the Agency, and any enforcement actions that were taken by the Agency or the Office of the Attorney General in the previous year for violations of this chapter; and

(4) an updated mitigation summary of the extent of wetlands restored on-site compared with compensation performed off-site, in-lieu fees paid, or conservation.

* * *

(c) On or before December 15, 2025, the Agency of Natural Resources shall publish on its website and submit to the House Committee on Environment and to the Senate Committee on Natural Resources and Energy wetland guidance on the mitigation and compensation sequence contemplated in the Vermont Wetland Rules subsections 9.5(b) and (c). The guidance shall clearly identify the process applicants should follow and the information and proof necessary to demonstrate a project has practicably avoided and minimized wetland impacts and is eligible for mitigation during the State wetland permit application process.

* * * Effective Date * * *

Sec. 39. EFFECTIVE DATE

This act shall take effect on passage.

NEW BUSINESS

Third Reading

H. 397.

An act relating to miscellaneous amendments to the statutes governing emergency management and flood response.

Second Reading

Favorable

H. 458.

An act relating to the Agency of Digital Services.

Reported favorably by Senator Major for the Committee on Institutions.

(Committee vote: 5-0-0)

(No House amendments)

Favorable with Proposal of Amendment

H. 484.

An act relating to miscellaneous agricultural subjects.

Reported favorably with recommendation of proposal of amendment by Senator Ingalls for the Committee on Agriculture.

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

* * * Beneficial Substances * * *

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

**CHAPTER 28. FERTILIZER ~~AND~~, LIME, AND BENEFICIAL
SUBSTANCES**

§ 361. TITLE

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

§ 362. ENFORCING OFFICIAL

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

§ 363. DEFINITIONS

As used in this chapter:

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

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

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

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

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

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

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

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

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

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

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

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

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

(6)(7) “Fertilizer” means any substance containing one or more recognized plant nutrients that is used for its plant nutrient content and that is designed for use or claimed to have value in promoting plant growth or health,

except unprocessed animal or vegetable manures and other products exempted by the Secretary.

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

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

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

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

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

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

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

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

~~(8)~~(9) “Grade” means the percentage of total nitrogen, available phosphorus or phosphoric acid, and soluble potassium or potash stated in whole numbers in the same terms, order, or percentages as in the guaranteed analysis. Specialty fertilizers and fertilizer materials may be guaranteed in fractional terms. Any grade expressed in fractional terms that is not preceded by a whole number shall be preceded by zero.

~~(9)~~(10) “Guaranteed analysis” means:

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

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

~~(10)~~(11) “Label” means the display of all written, printed, or graphic matter upon the immediate container or a statement accompanying a fertilizer, ~~plant amendment, plant biostimulant, soil amendment~~ beneficial substance, or lime.

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

~~(12)~~(13) “Official sample” means any sample of fertilizer, ~~plant amendment, plant biostimulant, soil amendment~~ beneficial substance, or lime taken by the Secretary.

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

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

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

~~(15)~~(17) “Percent” or “percentage” means the percentage by weight.

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

~~(17)~~(19) “Product” means the name of the fertilizer, ~~plant amendment, plant biostimulant, soil amendment~~ beneficial substance, or lime that identifies it as to kind, class, or specific use.

~~(18)~~(20) “Registrant” means the person who registers a fertilizer, ~~plant amendment, plant biostimulant, soil amendment~~ beneficial substance, or lime under the provisions of this chapter.

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

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

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

~~(21)~~(24) “Use” includes all purposes for which a fertilizer, ~~plant amendment, plant biostimulant, soil amendment~~ beneficial substance, or lime is applied.

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

§ 364. REGISTRATION

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

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

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

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

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

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

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

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

§ 365. LABELS

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

(A) net weight;

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

(C) guaranteed analysis; and

(D) name and address of the registrant.

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

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

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

Total Calcium (Ca) percent

Total Magnesium (Mg) percent

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

(A) net weight or volume;

(B) brand name;

(C) purpose statement identifying the purpose of the product;

(D) directions for application or use;

(E) ~~guaranteed analysis; and~~

(F) name and address of the registrant; and

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

CONTAINS BENEFICIAL SUBSTANCE(S)

Name of beneficial substance % (or acceptable units)

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

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

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

(A) the expiration date for use; and

(B) storage conditions.

(3) For bulk shipments of fertilizer, ~~plant amendment, plant biostimulant, soil amendment~~ beneficial substances, or lime, the information

required under this subsection shall accompany delivery in written or printed form and shall be supplied to the purchaser at the time of delivery.

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

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

§ 366. TONNAGE FEES

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

- (1) a \$150.00 minimum tonnage fee;
- (2) \$0.50 per ton of agricultural fertilizer distributed; and
- (3) \$30.00 per ton of nonagricultural fertilizer distributed.

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

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

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

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

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

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

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

(h) [Repealed.]

§ 367. INSPECTION; SAMPLING; ANALYSIS

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

(1) To enter any public or private premises except domiciles during regular business hours and stop and enter any vehicle being used to transport or hold fertilizer, ~~a plant amendment, a plant biostimulant, a soil amendment~~ beneficial substances, or lime.

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

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

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

§ 368. MISBRANDING

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

- (1) The labeling is false or misleading in any particular.
- (2) It is distributed under the name of another fertilizer product, ~~plant amendment, plant biostimulant, or soil amendment~~ beneficial substance.
- (3) It contains unsubstantiated claims.
- (4) It is not labeled as required in section 365 of this title and in accordance with rules adopted under this chapter.
- (5) It is labeled, or represented, to contain a plant nutrient that does not conform to the standard of identity established by rule. In adopting rules under this chapter, the Secretary shall ~~give consideration to~~ consider definitions recommended by the Association of American Plant Food Control Officials.

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

- (1) its labeling is false or misleading in any particular; or
- (2) it is not labeled as required by section 365 of this title and in accordance with rules adopted under this chapter.

§ 369. ADULTERATION

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

- (1) it contains any deleterious or harmful ingredient in an amount sufficient to render it injurious to beneficial plant life, animals, humans, aquatic life, soil, or water when applied in accordance with directions for use on the label, or if uses of the product may result in contamination or condemnation of a raw agricultural commodity by use, or if adequate warning statements or directions for use that may be necessary to protect plant life, animals, humans, aquatic life, soil, or water are not shown on the label;
- (2) its composition falls below or differs from that which it is purported to possess by its labeling;

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

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

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

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

(1) information concerning the distribution of fertilizers, ~~plant amendments, plant biostimulants, soil amendments~~ beneficial substances, and limes; and

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

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

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

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

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

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

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

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

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

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

* * *

§ 371. RULES

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

* * *

§ 374. SHORT WEIGHT

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

(b) Each registrant shall be offered an opportunity for a hearing before the Secretary. Penalty payments shall be made within 30 days after notice of the Secretary's decision to assess a penalty. Proof of payment to the consumer shall be promptly forwarded to the Secretary by the registrant.

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

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

§ 375. CANCELLATION OF REGISTRATION

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

§ 376. DETAINED FERTILIZER, BENEFICIAL SUBSTANCE, AND LIME

(a) Withdrawal from distribution orders. When the Secretary has reasonable cause to believe any lot of fertilizer, ~~plant amendment, plant biostimulant, soil amendment~~ beneficial substance, or lime is being distributed in violation of any of the provisions of this chapter or any of the rules under this chapter, the Secretary may issue and enforce a written or printed

“withdrawal from distribution” order, warning the distributor not to dispose of the lot of fertilizer, ~~plant amendment, plant biostimulant, soil amendment~~ beneficial substance, or lime in any manner until written permission is given by the Secretary or the court. The Secretary shall release the lot of fertilizer, ~~plant amendment, plant biostimulant, soil amendment~~ beneficial substance, or lime withdrawn when this chapter and rules have been complied with. If compliance is not obtained within 30 days, the Secretary may begin, or upon request of the distributor or registrant shall begin, proceedings for condemnation.

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

* * *

§ 379. EXCHANGES BETWEEN MANUFACTURERS

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

§ 380. ADMINISTRATIVE PENALTY

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

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

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

(3) distributed any adulterated fertilizer, beneficial substance, or lime;

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

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

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

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

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

* * *

* * * Pesticides; Disposal * * *

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

§ 918. REGISTRATION

* * *

(b)(1) The registrant shall pay an annual fee of \$200.00 for each product registered, and \$185.00 of that amount shall be deposited in the special fund created in section 929 of this title. Of the registration fees collected under this subsection, \$15.00 of the amount collected shall be deposited in the Agricultural Water Quality Special Fund under section 4803 of this title. Of the registration fees collected under this subsection, \$25.00 of the amount collected shall be used to offset the additional costs of inspection of economic poison products and to provide educational services, training, and technical assistance to pesticide applicators, beekeepers, and the general public

regarding the effects of pesticides on pollinators and the methods or best management practices to reduce the impacts of pesticides on pollinators. The annual registration year shall be from December 1 to November 30 of the following year.

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

* * *

Sec. 3. PESTICIDE DISPOSAL FUNDING STUDY

(a)(1) The Secretary of Agriculture, Food and Markets, in consultation with the Commissioner of Environmental Conservation, shall study options for sustainable funding sources to reimburse solid waste management entities for all costs associated with the collection and disposal of unwanted or obsolete pesticides at municipal hazardous waste collection programs and events.

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

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

(4) The Secretary shall consult with stakeholders.

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

* * * Stormwater Permits * * *

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

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

* * * Use Value Appraisal * * *

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

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

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

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

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

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

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

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

* * * Vermont Income Tax * * *

Sec. 6. 32 V.S.A. § 5811(21) is amended to read:

(21) “Taxable income” means, in the case of an individual, federal adjusted gross income determined without regard to 26 U.S.C. § 168(k) and:

* * *

(B) decreased by the following items of income (to the extent such income is included in federal adjusted gross income):

* * *

(ii) with respect to adjusted net capital gain income as defined in 26 U.S.C. § 1(h) reduced by the total amount of any qualified dividend income: either the first \$5,000.00 of such adjusted net capital gain income or 40 percent of adjusted net capital gain income from the sale of assets held by the taxpayer for more than three years, except not adjusted net capital gain income from:

(I) the sale of any real estate or portion of real estate used by the taxpayer as a primary or nonprimary residence; or

(II) the sale of depreciable personal property other than farm property and standing timber; or stocks or bonds publicly traded or traded on an exchange, or any other financial instruments; regardless of whether sold by an individual or business; and provided that the total amount of decrease under this subdivision (21)(B)(ii) shall not exceed 40 percent of federal taxable income or \$350,000.00, whichever is less;

* * *

(v) the amount of any federal deduction or credit that the taxpayer would have been allowed for the cultivation, testing, processing, or sale of cannabis or cannabis products as authorized under 7 V.S.A. chapter 33 or 37, but for 26 U.S.C. § 280E; and

(vi) the amount of interest paid by a qualified resident taxpayer during the taxable year on a qualified education loan for the costs of attendance at an eligible educational institution; and

(vii) the amount of any net farm profit, provided the taxpayer's net farm profit during the taxable year did not exceed \$10,000.00; and

(viii) notwithstanding subdivision (ii) of this subdivision (21)(B), adjusted net capital gain income from the sale of real estate that is part of a farming operation, provided the buyer continued using the real estate as part of a farming operation and:

(I) is related to the seller by blood, marriage, civil union, or adoption; or

(II) the buyer was an employee of the farming operation for a minimum of 10 years prior to the sale; and

* * *

* * * Effective Date * * *

Sec. 7. EFFECTIVE DATE

This act shall take effect on July 1, 2025.

(Committee vote: 5-0-0)

(For House amendments, see House Journal of March 21, 2025, page 686)

**Reported favorably with recommendation of proposal of amendment
by Senator Mattos for the Committee on Finance.**

The Committee recommends that the bill ought to pass in concurrence with proposal of amendment as recommended by the Committee on Agriculture, with further recommendation of proposal of amendment by striking out Secs. 6, Vermont income tax deductions, and 7, effective date, and their reader assistance headings in their entirety and inserting in lieu thereof two new sections to be Secs. 6 and 7 and their related reader assistance headings to read as follows:

* * * Heavy Cut Rule * * *

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

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

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

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

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

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

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

* * * Effective Dates * * *

Sec. 7. EFFECTIVE DATES

This act shall take effect on July 1, 2025, except that Sec. 5 (use value appraisal) shall take effect on January 1, 2026.

(Committee vote: 4-0-3)

NOTICE CALENDAR

Second Reading

Favorable with Proposal of Amendment

H. 321.

An act relating to miscellaneous cannabis amendments.

Reported favorably with recommendation of proposal of amendment by Senator Clarkson for the Committee on Economic Development, Housing and General Affairs.

The Committee recommends that the Senate propose to the House to amend the bill as follows:

First: By adding a new section to be Sec. 2a to read as follows:

Sec. 2a. 7 V.S.A. § 845 is amended to read:

§ 845. CANNABIS REGULATION FUND

(a) There is established the Cannabis Regulation Fund, which shall be managed in accordance with 32 V.S.A. chapter 7, subchapter 5. The Fund shall be maintained by the Cannabis Control Board.

(b) The Fund shall be composed of:

(1) all State application fees, annual license fees, renewal fees, and civil penalties collected by the Board pursuant to chapters 33 (cannabis establishments) and 37 (medical cannabis dispensaries) of this title;

(2) all annual and renewal fees collected by the Board pursuant to chapter 35 (medical cannabis registry) of this title; and

(3) 70 percent of the cannabis excise tax revenue raised pursuant to 32 V.S.A. § 7902.

(c) Monies from the Fund shall only be appropriated for the purposes of implementation, administration, and enforcement of this chapter and chapters 33, 35, and 37 of this title.

(d) At the end of each fiscal year, the balance in the Cannabis Regulation Fund shall be transferred to the General Fund.

Second: By adding a new section to be Sec. 2b to read as follows:

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

§ 325u. VERMONT LAND ACCESS AND OPPORTUNITY BOARD

* * *

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

* * *

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

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

(12) one member, appointed by Migrant Justice.

* * *

Third: By striking out Sec. 12, 7 V.S.A. § 910, in its entirety and inserting in lieu thereof the following:

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

§ 910. CANNABIS ESTABLISHMENT FEE SCHEDULE

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

(1) Cultivators.

(A) Outdoor cultivators.

(i) Outdoor cultivator tier 1. Outdoor cultivators with up to 1,000 square feet of plant canopy or fewer than 125 cannabis plants in an outdoor cultivation space shall be assessed an annual licensing fee of ~~\$750.00~~ \$375.00.

(ii) Outdoor cultivator tier 2. Outdoor cultivators with up to 2,500 square feet of plant canopy in an outdoor cultivation space shall be assessed an annual licensing fee of ~~\$1,875.00~~ \$925.00.

(iii) Outdoor cultivator tier 3. Outdoor cultivators with up to 5,000 square feet of plant canopy in an outdoor cultivation space shall be assessed an annual licensing fee of ~~\$4,000.00~~ \$2,000.00.

(iv) Outdoor cultivator tier 4. Outdoor cultivators with up to 10,000 square feet of plant canopy in an outdoor cultivation space shall be assessed an annual licensing fee of ~~\$8,000.00~~ \$4,000.00.

(v) Outdoor cultivator tier 5. Outdoor cultivators with up to 20,000 square feet of plant canopy in an outdoor cultivation space shall be assessed an annual licensing fee of ~~\$18,000.00~~ \$9,000.00.

~~(vi) Outdoor cultivator tier 6. Outdoor cultivators with up to 37,500 square feet of plant canopy in an outdoor cultivation space shall be assessed an annual licensing fee of \$34,000.00.~~

(B) Indoor cultivators.

(i) Indoor cultivator tier 1. Indoor cultivators with up to 1,000 square feet of plant canopy in an indoor cultivation space shall be assessed an annual licensing fee of \$1,500.00.

(ii) Indoor cultivator tier 2. Indoor cultivators with up to 2,500 square feet of plant canopy in an indoor cultivation space shall be assessed an annual licensing fee of \$3,750.00.

(iii) Indoor cultivator tier 3. Indoor cultivators with up to 5,000 square feet of plant canopy in an indoor cultivation space shall be assessed an annual licensing fee of ~~\$8,000.00~~ \$16,000.00.

(iv) Indoor cultivator tier 4. Indoor cultivators with up to 10,000 square feet of plant canopy in an indoor cultivation space shall be assessed an annual licensing fee of ~~\$16,000.00~~ \$32,000.00.

(v) Indoor cultivator tier 5. Indoor cultivators with up to 15,000 square feet of plant canopy in an indoor cultivation space shall be assessed an annual licensing fee of ~~\$36,000.00~~ \$72,000.00.

~~(vi) Indoor cultivator tier 6. Indoor cultivators with up to 25,000 square feet of plant canopy in an indoor cultivation space shall be assessed an annual licensing fee of \$75,000.00.~~

(C) Mixed cultivator tiers.

(i) Mixed cultivator tier 1. Mixed cultivators with the following at the same licensed premises shall be assessed an annual licensing fee of ~~\$2,250.00~~ \$1,875.00: up to 1,000 square feet of plant canopy in an indoor cultivation space and up to 125 cannabis plants in an outdoor cultivation space.

(ii) Mixed cultivator tier 2. Mixed cultivators with the following at the same licensed premises shall be assessed an annual licensing fee of

\$5,625.00: up to 2,500 square feet of plant canopy in an indoor cultivation space and up to 312 cannabis plants in an outdoor cultivation space.

(iii) Mixed cultivator tier 3. Mixed cultivators with the following at the same licensed premises shall be assessed an annual licensing fee of ~~\$5,500.00~~ \$3,500.00: up to 1,000 square feet of plant canopy in an indoor cultivation space and up to 625 cannabis plants in an outdoor cultivation space.

(iv) Mixed cultivator tier 4. Mixed cultivators with the following at the same licensed premises shall be assessed an annual licensing fee of ~~\$9,500.00~~ \$5,500.00: up to 1,000 square feet of plant canopy in an indoor cultivation space and up to 1,250 cannabis plants in an outdoor cultivation space.

(v) Mixed cultivator tier 5. Mixed cultivators with the following at the same licensed premises shall be assessed an annual licensing fee of ~~\$19,500.00~~ \$10,500.00: up to 1,000 square feet of plant canopy in an indoor cultivation space and up to 2,500 cannabis plants in an outdoor cultivation space.

* * *

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

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

~~(9)~~(10) Products. Cannabis establishments licensed by the Board shall be assessed ~~an annual~~ a product licensing fee of \$50.00 per year for every type of cannabis and cannabis product that is sold in accordance with this chapter. Product registrations shall be valid for two years unless the Board determines, through readily accessible published guidance, that such a registration should be longer or shorter and shall be prorated at the same cost per year.

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

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

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

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

Fourth: By inserting two new sections to be Secs. 15a and 15b to read as follows:

Sec. 15a. CANNABIS SHOWCASE EVENT PERMIT PILOT

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

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

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

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

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

(3) a commitment that the retailer will not offer for sale any cannabis or cannabis products produced from a cultivator license or product manufacturer license held by the retailer;

(4) a transparent revenue-sharing agreement that, in the Board's sole judgment, meaningfully promotes the goals of the General Assembly to promote market access for small cultivators;

(5) a security plan to ensure intoxicated persons or persons under 21 years of age cannot access the space subject to the permit, that the premises are

secured from diversion or inversion, and that the premises lawfully may be used for the purpose intended;

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

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

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

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

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

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

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

Sec 15b. CANNABIS RETAIL SALES REPORT

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

Fifth: By striking out Sec. 16, effective date, in its entirety and inserting in lieu thereof the following:

Sec. 16. EFFECTIVE DATES

This act shall take effect on July 1, 2025, except that Sec. 2a, 7 V.S.A. § 845, shall take effect on July 1, 2026.

(Committee vote: 5-0-0)

(For House amendments, see House Journal of March 21, 2025, pages 673 to 685)

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

The Committee recommends that the bill ought to pass in concurrence with proposal of amendment as recommended by the Committee on Economic Development, Housing and General Affairs, with further recommendation of proposal of amendment by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 7 V.S.A. § 832 is amended to read:

§ 832. CANNABIS POSSESSED UNLAWFULLY SUBJECT TO SEIZURE AND FORFEITURE

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

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

§ 844. AUTHORITY FOR CRIMINAL BACKGROUND CHECKS

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

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

Sec. 2a. 7 V.S.A. § 845 is amended to read:

§ 845. CANNABIS REGULATION FUND

(a) There is established the Cannabis Regulation Fund, which shall be managed in accordance with 32 V.S.A. chapter 7, subchapter 5. The Fund shall be maintained by the Cannabis Control Board.

(b) The Fund shall be composed of:

(1) all State application fees, annual license fees, renewal fees, and civil penalties collected by the Board pursuant to chapters 33 (cannabis establishments) and 37 (medical cannabis dispensaries) of this title;

(2) all annual and renewal fees collected by the Board pursuant to chapter 35 (medical cannabis registry) of this title; and

(3) 70 percent of the cannabis excise tax revenue raised pursuant to 32 V.S.A. § 7902.

(c) Monies from the Fund shall only be appropriated for the purposes of implementation, administration, and enforcement of this chapter and chapters 33, 35, and 37 of this title.

(d) At the end of each fiscal year, the balance in the Cannabis Regulation Fund shall be transferred to the General Fund.

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

§ 325u. VERMONT LAND ACCESS AND OPPORTUNITY BOARD

* * *

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

* * *

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

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

(12) one member, appointed by Migrant Justice.

* * *

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

(23)(A) “Hemp products” or “hemp-infused products” means all products with the federally defined tetrahydrocannabinol concentration level for hemp derived from, or made by, processing hemp plants or plant parts that are prepared in a form available for commercial sale, including cosmetics, personal care products, food intended for animal or human consumption, cloth, cordage, fiber, fuel, paint, paper, construction materials, plastics, and any

product containing one or more hemp-derived cannabinoids, such as cannabidiol.

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

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

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

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

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

§ 881. RULEMAKING; CANNABIS ESTABLISHMENTS

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

(1) Rules concerning any cannabis establishment shall include:

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

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

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

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

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

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

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

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

(D) inspection requirements;

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

(F) employment and training requirements;

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

(H) health and safety requirements;

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

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

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

(L) sanitary requirements;

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

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

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

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

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

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

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

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

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

(R) advertising and marketing; and

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

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

* * *

(5) Rules concerning retailers shall include:

* * *

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

* * *

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

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

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

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

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

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

(F) procedures for documenting lawful compensation.

* * *

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

§ 883. CRIMINAL BACKGROUND RECORD CHECKS; APPLICANTS

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

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

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

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

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

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

§ 884. CANNABIS ESTABLISHMENT IDENTIFICATION CARD

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

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

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

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

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

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

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

§ 886. INCAPACITY OR DISTRESS; SPECIAL PERMITTING;
IMMUNITY

(a) It is the purpose of this section to authorize the Board to effectively oversee cannabis establishments and the persons authorized to operate such establishments in case of incapacity of a principal, dysfunction, operating

distress, interruption in licensure, abrupt closure, or judicial intervention including receivership.

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

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

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

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

§ 901. GENERAL PROVISIONS

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

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

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

(d)(1) There shall be ~~seven~~ eight types of licenses available:

(A) a cultivator license;

- (B) a propagator license;
- (C) a wholesaler license;
- (D) a product manufacturer license;
- (E) a retailer license;
- (F) a testing laboratory license; and
- (G) a trim and harvest service license; and
- (H) an integrated license.

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

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

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

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

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

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

(e) A dispensary that obtains a retailer license or an integrated license pursuant to this chapter shall maintain the dispensary and retail operations in a manner that protects patient and caregiver privacy in accordance with rules adopted by the Board.

(f) Each licensee shall obtain and maintain commercial general liability insurance in accordance with rules adopted by the Board. Failure to provide proof of insurance to the Board, as required, may result in revocation of the license.

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

(h) [Repealed.]

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

§ 904. CULTIVATOR LICENSE

* * *

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

(1) Packaging shall include:

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

(B) The strain and variety of cannabis contained.

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

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

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

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

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

* * *

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

§ 904b. PROPAGATION CULTIVATOR LICENSE

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

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

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

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

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

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

§ 904c. TRIM AND HARVEST SERVICE LICENSE

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

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

§ 910. CANNABIS ESTABLISHMENT FEE SCHEDULE

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

* * *

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

§ 3260. BULK SALES

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

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

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

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

* * *

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

§ 7702. DEFINITIONS

As used in this chapter unless the context otherwise requires:

* * *

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

* * *

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

* * *

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

Sec. 6d. [Deleted.]

Sec. 15. CANNABIS CONTROL BOARD; ENFORCEMENT ATTORNEY;
POSITION

One full-time, permanent, exempt position of Enforcement Attorney is authorized in the Cannabis Control Board in fiscal year 2026.

Sec. 15a. CANNABIS SHOWCASE EVENT PERMIT PILOT

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

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

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

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

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

(3) a commitment that the retailer will not offer for sale any cannabis or cannabis products produced from a cultivator license or product manufacturer license held by the retailer;

(4) a transparent revenue-sharing agreement that, in the Board's sole judgment, meaningfully promotes the goals of the General Assembly to promote market access for small cultivators;

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

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

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

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

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

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

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

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

Sec 15b. CANNABIS RETAIL SALES REPORT

The Cannabis Control Board shall monitor and evaluate events authorized under Sec. 15a of this act. On or before January 15, 2026, the Board shall provide an interim report and, on or before January 15, 2027, a final report to the House Committee on Government Operations and Military Affairs and the Senate Committee on Economic Development, Housing and General Affairs on a concise assessment of the benefits, challenges, and administrative

viability of offering cannabis retail sales at events outside the confines of a retail cannabis establishment. The Board may recommend best practices for, among other considerations, security, inventory tracking, tax enforcement, permit administration, local government coordination, and optimizing market access for small cultivators.

Sec. 16. EFFECTIVE DATES

This act shall take effect July 1, 2025, except that Sec. 2a (7 V.S.A. § 845) shall take effect on July 1, 2026.

(Committee vote: 4-0-3)

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

The Committee recommends that the bill ought to pass in concurrence with proposal of amendment as recommended by the Committee on Finance, with further recommendation of proposal of amendment as follows:

First: By striking out Sec. 2a, 7 V.S.A. § 845, in its entirety and inserting in lieu thereof the following:

Sec. 2a. [Deleted.]

Second: By striking out Sec. 15, Cannabis Control Board; enforcement attorney; position, in its entirety and inserting in lieu thereof the following:

Sec. 15. [Deleted.]

Third: By striking out Sec. 16, effective dates, in its entirety and inserting in lieu thereof the following:

Sec. 16. EFFECTIVE DATES

This act shall take effect on July 1, 2025.

(Committee vote: 5-0-2)

House Proposal of Amendment

S. 69.

An act relating to an age-appropriate design code.

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

Sec. 1. 9 V.S.A. chapter 62, subchapter 6 is added to read:

Subchapter 6. Vermont Age-Appropriate Design Code Act

§ 2449a. DEFINITIONS

As used in this subchapter:

(1)(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 (1), “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.

(2) “Age assurance” encompasses a range of methods used to determine, estimate, or communicate the age or an age range of an online user.

(3) “Age range” means either an interval with an upper and lower age limit or a label indicating age above or below a specific age.

(4) “Algorithmic recommendation system” means a system that uses an algorithm to select, filter, and arrange media on a covered business’s website for the purpose of selecting, recommending, or prioritizing media for a user.

(5)(A) “Biometric data” means data generated from the technological processing of an individual’s unique biological, physical, or physiological characteristics that allow or confirm the unique identification of the consumer, including:

(i) iris or retina scans;

(ii) fingerprints;

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

(iv) vein patterns;

(v) voice prints or vocal biomarkers; and

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

(B) “Biometric data” does not include:

(i) a digital or physical photograph;

(ii) an audio or video recording; or

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

(6) “Business associate” has the same meaning as in the Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191 (HIPAA).

(7) “Collect” means buying, renting, gathering, obtaining, receiving, or accessing any personal data by any means. This includes receiving data from the consumer, either actively or passively, or by observing the consumer’s behavior.

(8) “Compulsive use” means the repetitive use of a covered business’s service that materially disrupts one or more major life activities of a minor, including sleeping, eating, learning, reading, concentrating, communicating, or working.

(9)(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 covered business occur solely within the context of that individual’s role with the company, partnership, sole proprietorship, nonprofit, or government agency.

(10) “Covered business” means a sole proprietorship, partnership, limited liability company, corporation, association, other legal entity, or an affiliate thereof:

(A) that conducts business in this State;

(B) that generates a majority of its annual revenue from online services;

(C) whose online products, services, or features are reasonably likely to be accessed by a minor;

(D) that collects consumers’ personal data or has consumers’ personal data collected on its behalf by a processor; and

(E) that alone or jointly with others determines the purposes and means of the processing of consumers personal data.

(11) “Covered entity” has the same meaning as in HIPAA.

(12) “Covered minor” is a consumer who a covered business actually knows is a minor or labels as a minor pursuant to age assurance methods in rules adopted by the Attorney General.

(13) “Default” means a preselected option adopted by the covered business for the online service, product, or feature.

(14) “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 covered business that possesses the data:

(A)(i) takes reasonable measures to ensure that the data cannot be used to reidentify an identified or identifiable individual or be associated with an individual or device that identifies or is linked or reasonably linkable to an individual or household; and

(ii) for purposes of this subdivision (A), “reasonable measures” includes the de-identification requirements set forth under 45 C.F.R. § 164.514 (other requirements relating to uses and disclosures of protected health information);

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

(C) contractually obligates any recipients of the data to comply with all provisions of this subchapter.

(15) “Derived data” means data that is created by the derivation of information, data, assumptions, correlations, inferences, predictions, or conclusions from facts, evidence, or another source of information or data about a minor or a minor’s device.

(16) “Genetic data” means any data, regardless of its format, that results from the analysis of a biological sample of an individual, or from another source enabling equivalent information to be obtained, and concerns genetic material, including deoxyribonucleic acids (DNA), ribonucleic acids (RNA), genes, chromosomes, alleles, genomes, alterations or modifications to DNA or RNA, single nucleotide polymorphisms (SNPs), epigenetic markers, uninterpreted data that results from analysis of the biological sample or other source, and any information extrapolated, derived, or inferred therefrom.

(17) “Identified or identifiable individual” means an individual who can be readily identified, directly or indirectly, including by reference to an identifier such as a name, an identification number, specific geolocation data, or an online identifier.

(18) “Known adult” is a consumer who a covered business actually knows is an adult or labels as an adult pursuant to age assurance methods in rules adopted by the Attorney General.

(19) “Minor” means an individual under 18 years of age.

(20) “Online service, product, or feature” means a digital product that is accessible to the public via the internet, including a website or application, and does not mean any of the following:

(A) telecommunications service, as defined in 47 U.S.C. § 153;

(B) a broadband internet access service as defined in 47 C.F.R. § 54.400; or

(C) the sale, delivery, or use of a physical product.

(21)(A) “Personal data” means any information, including derived data and unique identifiers, that is linked or reasonably linkable, alone or in combination with other information, to an identified or identifiable individual or to a device that identifies, is linked to, or is reasonably linkable to one or more identified or identifiable individuals in a household.

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

(22) “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, modification, or otherwise handling of personal data.

(23) “Processor” means a person who processes personal data on behalf of:

(A) a covered business;

(B) another processor; or

(C) a federal, state, tribal, or local government entity.

(24) “Profiling” means any form of automated processing performed on personal data to evaluate, analyze, or predict personal aspects, including an individual’s economic situation, health, personal preferences, interests, reliability, behavior, location, movements, or identifying characteristics.

(25)(A) “Publicly available information” means information that:

(i) is made available through federal, state, or local government records or to the general public from widely distributed media; or

(ii) a covered business has a reasonable basis to believe that the consumer has lawfully made available to the general public.

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

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

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

(iii) information that is made available for sale;

(iv) an inference that is generated from the information described in subdivision (ii) or (iii) of this subdivision (25)(B);

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

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

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

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

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

(26) “Reasonably likely to be accessed” means an online service, product, or feature that is reasonably likely to be accessed by a covered minor based on any of the following indicators:

(A) the online service, product, or feature is directed to children, as defined by the Children’s Online Privacy Protection Act, 15 U.S.C. §§ 6501–6506 and the Federal Trade Commission rules implementing that Act;

(B) the online service, product, or feature is determined, based on competent and reliable evidence regarding audience composition, to be routinely accessed by an audience that is composed of at least two percent minors two through 17 years of age;

(C) the audience of the online service, product, or feature is determined, based on internal company research, to be composed of at least two percent minors two through 17 years of age; or

(D) the covered business knew or should have known that at least two percent of the audience of the online service, product, or feature includes minors two through 17 years of age, provided that, in making this assessment, the business shall not collect or process any personal data that is not reasonably necessary to provide an online service, product, or feature with which a minor is actively and knowingly engaged.

(27)(A) “Social media platform” means a public or semipublic internet-based service or application that is primarily intended to connect and allow a user to socially interact within such service or application and enables a user to:

(i) construct a public or semipublic profile for the purposes of signing into and using such service or application;

(ii) populate a public list of other users with whom the user shares a social connection within such service or application; or

(iii) create or post content that is viewable by other users, including content on message boards and in chat rooms, and that presents the user with content generated by other users.

(B) “Social media platform” does not mean a public or semipublic internet-based service or application that:

(i) exclusively provides email or direct messaging services; or

(ii) is used by and under the direction of an educational entity, including a learning management system or a student engagement program.

(28) “Third party” means a natural or legal person, public authority, agency, or body other than the covered minor or the covered business.

§ 2449b. EXCLUSIONS

This subchapter does not apply to:

(1) a federal, state, tribal, or local government entity in the ordinary course of its operation;

(2) protected health information that a covered entity or business associate processes in accordance with, or documents that a covered entity or business associate creates for the purpose of complying with, HIPAA;

(3) information used only for public health activities and purposes described in 45 C.F.R. § 164.512;

(4) information that identifies a consumer in connection with:

(A) activities that are subject to the Federal Policy for the Protection of Human Subjects as set forth in 45 C.F.R. Part 46;

(B) research on human subjects undertaken in accordance with good clinical practice guidelines issued by the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use;

(C) activities that are subject to the protections provided in 21 C.F.R. Part 50 and 21 C.F.R. Part 56; or

(D) research conducted in accordance with the requirements set forth in subdivisions (A)–(C) of this subdivision (4) or otherwise in accordance with State or federal law;

(5) an entity whose primary purpose is journalism as defined in 12 V.S.A. § 1615(a)(2) and that has a majority of its workforce consisting of individuals engaging in journalism; and

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

§ 2449c. MINIMUM DUTY OF CARE

(a) A covered business that processes a covered minor’s data in any capacity owes a minimum duty of care to the covered minor.

(b) As used in this subchapter, “a minimum duty of care” means the use of the personal data of a covered minor and the design of an online service, product, or feature will not result in:

(1) reasonably foreseeable emotional distress as defined in 13 V.S.A. § 1061(2) to a covered minor;

(2) reasonably foreseeable compulsive use of the online service, product, or feature by a covered minor; or

(3) discrimination against a covered minor based upon race, ethnicity, sex, disability, sexual orientation, gender identity, gender expression, religion, or national origin.

(c) The content of the media viewed by a covered minor shall not establish emotional distress, compulsive use, or discrimination, as those terms are used in subsection (b) of this section.

(d) Nothing in this section shall be construed to require a covered business to prevent or preclude a covered minor from accessing or viewing any piece of media or category of media.

§ 2449d. REQUIRED DEFAULT PRIVACY SETTINGS AND TOOLS

(a) Default privacy settings.

(1) A covered business shall configure all default privacy settings provided to a covered minor through the online service, product, or feature to the highest level of privacy, including the following default settings:

(A) not displaying the existence of the covered minor's account on a social media platform to any known adult user unless the covered minor has expressly and unambiguously allowed a specific known adult user to view their account or has expressly and unambiguously chosen to make their account's existence public;

(B) not displaying media created or posted by the covered minor on a social media platform to any known adult user unless the covered minor has expressly and unambiguously allowed a specific known adult user to view their media or has expressly and unambiguously chosen to make their media publicly available;

(C) not permitting any known adult users to like, comment on, or otherwise provide feedback on the covered minor's media on a social media platform unless the covered minor has expressly and unambiguously allowed a specific known adult user to do so;

(D) not permitting direct messaging on a social media platform between the covered minor and any known adult user unless the covered minor has expressly and unambiguously decided to allow direct messaging with a specific known adult user;

(E) not displaying the covered minor's location to other users, unless the covered minor expressly and unambiguously shares their location with a specific user;

(F) not displaying the users connected to the covered minor on a social media platform unless the covered minor expressly and unambiguously chooses to share the information with a specific user;

(G) disabling search engine indexing of the covered minor's account profile; and

(H) not sending push notifications to the covered minors.

(2) A covered business shall not:

(A) provide a covered minor with a single setting that makes all of the default privacy settings less protective at once; or

(B) request or prompt a covered minor to make their privacy settings less protective, unless the change is strictly necessary for the covered minor to access a service or feature they have expressly and unambiguously requested.

(b) Timely deletion of account. A covered business shall:

(1) provide a prominent, accessible, and responsive tool to allow a covered minor to request the covered minor's account on a social media platform be unpublished or deleted; and

(2) honor that request not later than 15 days after a covered business receives the request.

§ 2449e. TRANSPARENCY

(a) A covered business shall prominently and clearly provide on their website or mobile application:

(1) the covered business' privacy information, terms of service, policies, and community standards;

(2) the purpose of each algorithmic recommendation system in use by the covered business;

(3) inputs used by the algorithmic recommendation system and how each input:

(A) is measured or determined;

(B) uses the personal data of covered minors;

(C) influences the recommendation issued by the system; and

(D) is weighed relative to the other inputs reported in this subdivision (3); and

(4) descriptions, for every feature of the service that uses the personal data of covered minors, of:

(A) the purpose of the service feature;

(B) the personal data collected by the service feature;

(C) the personal data used by the service feature;

(D) how the personal data is used by the service feature;

(E) any personal data transferred to or shared with a processor or third party by the service feature, the identity of the processor or third party, and the purpose of the transfer or sharing; and

(F) how long the personal data is retained.

§ 2449f. PROHIBITED DATA AND DESIGN PRACTICES

(a) Data privacy. A covered business shall not:

(1) collect, sell, share, or retain any personal data of a covered minor that is not necessary to provide an online service, product, or feature with which the covered minor is actively and knowingly engaged;

(2) use previously collected personal data of a covered minor for any purpose other than a purpose for which the personal data was collected, unless necessary to comply with any obligation under this chapter;

(3) permit any individual, including a parent or guardian of a covered minor, to monitor the online activity of a covered minor or to track the location of the covered minor without providing a conspicuous signal to the covered minor when the covered minor is being monitored or tracked;

(4) use the personal data of a covered minor to select, recommend, or prioritize media for the covered minor, unless the personal data is:

(A) the covered minor's express and unambiguous request to receive:

(i) media from a specific account, feed, or user, or to receive more or less media from that account, feed, or user;

(ii) a specific category of media, such as "cat videos" or "breaking news," or to see more or less of that category of media; or

(iii) more or less media with similar characteristics as the media they are currently viewing;

(B) user-selected privacy or accessibility settings; or

(C) a search query, provided the search query is only used to select and prioritize media in response to the search; or

(5) send push notifications to a covered minor between 12:00 midnight and 6:00 a.m.

(b) Rulemaking. The Attorney General shall, on or before January 1, 2027, adopt rules pursuant to this subchapter that prohibits data processing or design practices of a covered business that, in the opinion of the Attorney General, lead to compulsive use or subvert or impair user autonomy, decision making, or choice during the use of an online service, product, or feature of the covered business. The Attorney General shall, at least once every two years, review and update these rules as necessary to keep pace with emerging technology.

§ 2449g. AGE ASSURANCE PRIVACY

(a) Privacy protections for age assurance data. During the process of conducting age assurance, covered businesses and processors shall:

(1) only collect personal data of a user that is strictly necessary for age assurance;

(2) immediately upon determining whether a user is a covered minor, delete any personal data collected of that user for age assurance, except the determination of the user's age range;

(3) not use any personal data of a user collected for age assurance for any other purpose;

(4) not combine personal data of a user collected for age assurance, except the determination of the user's age range, with any other personal data of the user;

(5) not disclose personal data of a user collected for age assurance to a third party that is not a processor; and

(6) implement a review process to allow users to appeal their age determination.

(b) Rulemaking.

(1) Subject to subdivision (2) of this subsection, the Attorney General shall, on or before January 1, 2027, adopt rules identifying commercially reasonable and technically feasible methods for covered businesses and processors to determine if a user is a covered minor, describing appropriate review processes for users appealing their age designations, and providing any additional privacy protections for age assurance data. The Attorney General shall periodically review and update these rules as necessary to keep pace with emerging technology.

(2) In adopting these rules, the Attorney General shall:

(A) prioritize user privacy and accessibility over the accuracy of age assurance methods; and

(B) consider:

(i) the size, financial resources, and technical capabilities of covered businesses and processors;

(ii) the costs and effectiveness of available age assurance methods;

(iii) the impact of age assurance methods on users' safety, utility, and experience;

(iv) whether and to what extent transparency measures would increase consumer trust in an age assurance method; and

(v) the efficacy of requiring covered businesses and processors to:

(I) use previously collected data to determine user age;

(II) adopt interoperable age assurance methods; and

(III) provide users with multiple options for age assurance.

§ 2449h. ENFORCEMENT

(a) A covered business or processor that violates this subchapter or rules adopted pursuant to this subchapter commits an unfair and deceptive act in commerce in violation of section 2453 of this title.

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

§ 2449i. LIMITATIONS

Nothing in this subchapter shall be interpreted or construed to:

(1) impose liability in a manner that is inconsistent with 47 U.S.C. § 230; or

(2) prevent or preclude any covered minor from deliberately or independently searching for, or specifically requesting, any media.

§ 2449j. RIGHTS AND FREEDOMS OF COVERED MINORS

It is the intent of the General Assembly that nothing in this subchapter may be construed to infringe on the existing rights and freedoms of covered minors or be construed to discriminate against the covered minors based on race, ethnicity, sex, disability, sexual orientation, gender identity, gender expression, religion, or national origin.

Sec. 2. EFFECTIVE DATES

This act shall take effect on January 1, 2027, except that 9 V.S.A. § 2449f(b) and 9 V.S.A. § 2449g(b) shall each take effect on July 1, 2025.

S. 123.

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

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

* * * Plug-in Electric Vehicles * * *

Sec. 1. 23 V.S.A. § 4(28) is amended to read:

(28) “Pleasure car” shall include all motor vehicles not otherwise defined in this title and shall include plug-in electric vehicles, battery electric vehicles, or plug-in hybrid electric vehicles as defined pursuant to subdivision (85) of this section.

* * * Veteran’s Designation * * *

Sec. 2. 23 V.S.A. § 7 is amended to read:

§ 7. ENHANCED DRIVER’S LICENSE; MAINTENANCE OF DATABASE INFORMATION; FEE

* * *

(b)(1) In addition to any other requirement of law or rule, before an enhanced license may be issued to an individual, the individual shall present for inspection and copying satisfactory documentary evidence to determine identity and U.S. citizenship. ~~An~~ A new application shall be accompanied by a photo identity document, documentation showing the individual’s date and place of birth, proof of the individual’s Social Security number, and documentation showing the individual’s principal residence address. New and renewal application forms shall include a space for the applicant to request that a “veteran” designation be placed on the enhanced license.

(2) If a veteran, as defined in 38 U.S.C. § 101(2) and including an individual disabled during active military, naval, air, or space service, as defined in 38 U.S.C. § 101(24), requests a veteran designation and provides a Department of Defense Form 214 or other proof of veteran status specified by the Commissioner, and the Office of Veterans’ Affairs confirms the individual’s status as an honorably discharged veteran; a veteran discharged under honorable conditions; or an individual disabled during active military, naval, air, or space service, the identification card shall include the term “veteran” on its face.

(3) To be issued, an enhanced license must meet the same requirements as those for the issuance of a U.S. passport. Before an application may be processed, the documents and information shall be verified as determined by the Commissioner.

(4) Any additional personal identity information not currently required by the U.S. Department of Homeland Security shall need the approval of either the General Assembly or the Legislative Committee on Administrative Rules prior to the implementation of the requirements.

* * *

* * * Documentation of Anatomical Gift * * *

Sec. 3. 23 V.S.A. § 115 is amended to read:

§ 115. NONDRIVER IDENTIFICATION CARDS

* * *

(g) An identification card issued to a first-time applicant and any subsequent renewals by that person shall contain a photograph or imaged likeness of the applicant. The photographic identification card shall be available at a location designated by the Commissioner. An individual issued an identification card under this subsection that contains an imaged likeness may renew ~~his or her~~ the individual's identification card by mail. Except that a renewal by an individual required to have a photograph or imaged likeness under this subsection must be made in person so that an updated imaged likeness of the individual is obtained not less often than once every nine years.

* * *

(k) At the option of the applicant, ~~his or her~~ the applicant's valid Vermont license may be surrendered in connection with an application for an identification card. In those instances, the fee due under subsection (a) of this section shall be reduced by:

* * *

(n) The Commissioner shall provide a form that, upon the individual's execution, shall serve as a document of an anatomical gift under 18 V.S.A. chapter 110. An indicator shall be placed on the nondriver identification card of any individual who has executed an anatomical gift form in accordance with this section.

* * * Disability Placards for Volunteer Drivers * * *

Sec. 4. 23 V.S.A. § 304a is amended to read:

§ 304a. SPECIAL REGISTRATION PLATES AND PLACARDS FOR
INDIVIDUALS WITH DISABILITIES

(a) As used in this section:

(1) "Ambulatory disability" means an impairment that prevents or impedes walking. An individual shall be considered to have an ambulatory disability if ~~he or she~~ the individual:

* * *

(F) is severely limited in ~~his or her~~ the individual's ability to walk due to an arthritic, neurological, or orthopedic condition.

* * *

(b) Special registration plates or removable windshield placards, or both, shall be issued by the Commissioner. The placard shall be issued without a fee to an individual who is blind or has an ambulatory disability. One set of plates shall be issued without additional fees for a vehicle registered or leased to an individual who is blind or has an ambulatory disability or to a parent or guardian of an individual with a permanent disability. The Commissioner shall issue these placards or plates under rules adopted by ~~him or her~~ the Commissioner after proper application has been made to the Commissioner by any person residing within the State. Application forms shall be available on request at the Department of Motor Vehicles.

(1) Upon application for a special registration plate or removable windshield placard, the Commissioner shall send a form prescribed by ~~him or her~~ the Commissioner to the applicant to be signed and returned by a licensed physician, licensed physician assistant, or licensed advanced practice registered nurse. The Commissioner shall file the form for future reference and issue the placard or plate. A new application shall be submitted every four years in the case of placards and at every third registration renewal for plates but in no case greater than every four years. When a licensed physician, licensed physician assistant, or licensed advanced practice registered nurse has previously certified to the Commissioner that an applicant's condition is both permanent and stable, a special registration plate or placard need not be renewed.

* * *

(3) An individual with a disability who abuses such privileges or allows individuals not disabled to abuse the privileges provided in this section may have this privilege revoked after suitable notice and opportunity for hearing has been given ~~him or her~~ the individual by the Commissioner. Hearings under the provisions of this section shall be held in accordance with sections 105–107 of this title and shall be subject to review by the Civil Division of the Superior Court of the county where the individual with a disability resides.

(4) An applicant for a registration plate or placard for individuals with disabilities may request the Civil Division of the Superior Court in the county in which ~~he or she~~ the applicant resides to review a decision by the Commissioner to deny ~~his or her~~ the applicant's application for a special registration plate or placard.

* * *

(6) On a form prescribed by the Commissioner, a nonprofit organization that provides volunteer drivers to transport individuals who have an ambulatory disability or are blind may apply to the Commissioner for a placard. ~~Placards shall be marked "volunteer driver."~~ The organization shall ensure proper use of placards and maintain an accurate and complete record of the volunteer drivers to whom the placards are given by the organization. Placards shall be returned to the organization when the volunteer driver is no longer performing that service. Abuse of the privileges provided by the placards may result in the privileges being revoked and the placards repossessed by the Commissioner. Revocation may occur only after suitable notice and opportunity for a hearing. Hearings shall be held in accordance with sections 105–107 of this title.

* * *

(e)(1) An individual, other than an eligible person, who for ~~his or her~~ the individual's own purposes parks a vehicle in a space for individuals with disabilities shall be subject to a civil penalty of not less than \$200.00 for each violation and shall be liable for towing charges.

(2) An individual, other than an eligible person, who displays a special registration plate or removable windshield placard not issued to ~~him or her~~ the individual under this section and parks a vehicle in a space for individuals with disabilities, shall be subject to a civil penalty of not less than \$400.00 for each violation and shall be liable for towing charges.

* * *

(f) Individuals who have a temporary ambulatory disability may apply for a temporary removable windshield placard to the Commissioner on a form prescribed by ~~him or her~~ the Commissioner. The placard shall be valid for a period of up to six months and displayed as required under the provisions of subsection (c) of this section. The application shall be signed by a licensed physician, licensed physician assistant, or licensed advanced practice registered nurse. The validation period of the temporary placard shall be established on the basis of the written recommendation from a licensed physician, licensed physician assistant, or licensed advanced practice registered nurse. The Commissioner shall adopt rules to implement the provisions of this subsection.

* * * Fees * * *

Sec. 5. 23 V.S.A. § 115(a) is amended to read:

(a)(1) Any Vermont resident may make application to the Commissioner and be issued an identification card that is attested by the Commissioner as to true name, correct age, residential address unless the listing of another address is requested by the applicant or is otherwise authorized by law, and any other identifying data as the Commissioner may require that shall include, in the case of minor applicants, the written consent of the applicant's parent, guardian, or other person standing in loco parentis.

(2) Every application for an identification card shall be signed by the applicant and shall contain such evidence of age and identity as the Commissioner may require, consistent with subsection (1) of this section. New and renewal application forms shall include a space for the applicant to request that a "veteran" designation be placed on the applicant's identification card. If a veteran, as defined in 38 U.S.C. § 101(2) and including an individual disabled during active military, naval, air, or space service, as defined in 38 U.S.C. § 101(24), requests a veteran designation and provides a Department of Defense Form 214 or other proof of veteran status specified by the Commissioner, and the Office of Veterans' Affairs confirms the veteran's status as an honorably discharged veteran; a veteran discharged under honorable conditions; or an individual disabled during active military, naval, air, or space service, the identification card shall include the term "veteran" on its face.

(3) The Commissioner shall require payment of a fee of \$29.00 at the time application for an identification card is made, except that an initial nondriver identification card shall be issued at no charge to:

(A) an individual who surrenders the individual's license in connection with a suspension or revocation under subsection 636(b) of this title due to a physical or mental condition; or

(B) an individual under 23 years of age who was in the care and custody of the Commissioner for Children and Families pursuant to 33 V.S.A. § 4903(4) in Vermont after attaining 14 years of age.

Sec. 6. 23 V.S.A. § 376 is amended to read:

§ 376. STATE, MUNICIPAL, FIRE DEPARTMENT, AND RESCUE
ORGANIZATION MOTOR VEHICLES

* * *

(h)(1) The EV infrastructure fee, required pursuant subsections 361(b) and (c) of this subchapter, shall not be charged for vehicles owned by the State.

(2) The EV infrastructure fee, required pursuant subsections 361(b) and (c) of this subchapter, shall not be charged for vehicles that are owned by any

county or municipality in the State and used by that county or municipality or another county or municipality in this State for county or municipal purposes.

(i)(1) The EV infrastructure fee, required pursuant subsections 361(b) and (c) of this subchapter, shall not be charged for a motor truck, trailer, ambulance, or other motor vehicle that is:

(A) owned by a volunteer fire department or other volunteer firefighting organization, an ambulance service, or an organization conducting rescue operations; and

(B) used solely for firefighting, emergency medical, or rescue purposes, or any combination of those activities.

(2) A motor vehicle or trailer subject to the provisions of this subsection shall be plainly marked on both sides of the body or cab to indicate its ownership.

Sec. 7. 23 V.S.A. § 378 is amended to read:

§ 378. VETERANS' EXEMPTIONS

No fees, including the annual emissions fee required pursuant to 3 V.S.A. § 2822(m)(1) and the electric vehicle infrastructure fees required pursuant to section 361 of this subchapter, shall be charged ~~an honorably discharged to a~~ veteran of the U.S. Armed Forces who received a discharge under other than dishonorable conditions and is a resident of the State of Vermont for the registration of a motor vehicle that the veteran has acquired with financial assistance from the U.S. Department of Veterans Affairs, or for the registration of a motor vehicle owned by ~~him or her~~ the veteran during ~~his or her~~ the veteran's lifetime obtained as a replacement thereof, when ~~his or her~~ the veteran's application is accompanied by a copy of an approved VA Form 21-4502 issued by the U.S. Department of Veterans Affairs certifying ~~him or her~~ the veteran to be entitled to the financial assistance.

Sec. 8. 23 V.S.A. § 608 is amended to read:

§ 608. FEES

* * *

(b) An additional fee of \$4.00 per year shall be paid for a motorcycle endorsement. The endorsement may be obtained for either a two-year or four-year period, to be coincidental with the length of the operator's license.

(c)(1) Individuals under 23 years of age who were in the care and custody of the Commissioner for Children and Families pursuant to 33 V.S.A.

§ 4903(4) in Vermont after attaining 14 years of age shall be provided with operator's licenses or operator privilege cards at no charge.

(2) No additional fee shall be due for a motorcycle endorsement for an individual under 23 years of age who was in the care and custody of the Commissioner for Children and Families pursuant to 33 V.S.A. § 4903(4) in Vermont after attaining 14 years of age.

* * * Learner's Permits * * *

Sec. 9. 23 V.S.A. § 617 is amended to read:

§ 617. LEARNER'S PERMIT

* * *

(b)(1) Notwithstanding the provisions of subsection (a) of this section, any licensed person may apply to the Commissioner of Motor Vehicles for a learner's permit for the operation of a motorcycle in the form prescribed by the Commissioner. The Commissioner shall offer both a motorcycle learner's permit that authorizes the operation of three-wheeled motorcycles only and a motorcycle learner's permit that authorizes the operation of any motorcycle. The Commissioner shall require payment of a fee of \$24.00 at the time application is made, except that no fee shall be charged for an individual under 23 years of age who was in the care and custody of the Commissioner for Children and Families pursuant to 33 V.S.A. § 4903(4) in Vermont after attaining 14 years of age.

(2) After the applicant has successfully passed all parts of the applicable motorcycle endorsement examination, other than a skill test, the Commissioner may issue to the applicant a learner's permit that entitles the applicant, subject to subsection 615(a) of this title, to operate a three-wheeled motorcycle only, or to operate any motorcycle, upon the public highways for a period of 120 days from the date of issuance. The fee for the examination shall be \$11.00, except that no fee shall be charged for an individual under 23 years of age who was in the care and custody of the Commissioner for Children and Families pursuant to 33 V.S.A. § 4903(4) in Vermont after attaining 14 years of age.

(3) A motorcycle learner's permit may be renewed only twice upon payment of a \$24.00 fee. An individual under 23 years of age who was in the care and custody of the Commissioner for Children and Families pursuant to 33 V.S.A. § 4903(4) in Vermont after attaining 14 years of age shall not be charged a fee for the renewal of a motorcycle learner's permit.

(4) If, during the original permit period and two renewals the permittee has not successfully passed the applicable skill test or motorcycle rider training

course, the permittee may not obtain another motorcycle learner's permit for a period of 12 months from the expiration of the permit unless:

(A) ~~he or she~~ the permittee has successfully completed the applicable motorcycle rider training course; or

(B) the learner's permit and renewals thereof authorized the operation of any motorcycle and the permittee is seeking a learner's permit for the operation of three-wheeled motorcycles only.

* * *

(c) No learner's permit may be issued to any person under 18 years of age unless the parent or guardian of, or a person standing in loco parentis to, the applicant files ~~his or her~~ written consent to the issuance with the Commissioner.

(d)(1) An applicant shall pay \$24.00 to the Commissioner for each learner's permit or a duplicate or renewal thereof.

(2) An applicant under 23 years of age who was in the care and custody of the Commissioner for Children and Families pursuant to 33 V.S.A. § 4903(4) in Vermont after attaining 14 years of age shall not be charged a fee for a learner's permit or a duplicate or renewal thereof.

(3) A replacement learner's permit for the operation of a motorcycle may be generated from the applicant's electronic account for no charge.

(e)(1) A learner's permit, ~~which is not a learner's permit~~ for the operation of a motorcycle, shall contain a photograph or imaged likeness of the individual. A learner's permit for a motor vehicle shall contain a photograph or imaged likeness of the individual if the permit is obtained in person. ~~The photographic learner's permit shall be available at locations designated by the Commissioner.~~

(2) An individual issued a permit under this subsection may renew ~~his or her~~ the individual's permit by mail or online, but a permit holder who chooses to have a photograph or imaged likeness under this subsection must renew in person so that an updated imaged likeness of the individual is obtained not less often than once every nine years.

* * *

* * * Commercial Learner's Permit * * *

Sec. 10. 23 V.S.A. § 4111a is amended to read:

§ 4111a. COMMERCIAL LEARNER'S PERMIT

(a) Contents of permit. A commercial learner's permit shall contain the following:

* * *

(3) physical and other information to identify and describe the permit holder, including the month, day, and year of birth; sex; ~~and~~ height; and photograph;

* * *

Sec. 11. 23 V.S.A. § 4122 is amended to read:

§ 4122. DEFERRING IMPOSITION OF SENTENCE; PROHIBITION ON MASKING OR DIVERSION

(a) No court, State's Attorney, or law enforcement officer may utilize the provisions of 13 V.S.A. § 7041 or any other program to defer imposition of sentence or judgment if the defendant holds a commercial driver's license, commercial learner's permit, or was operating a commercial motor vehicle when the violation occurred and is charged with violating any State or local traffic law other than a parking ~~violation,~~ vehicle weight, or vehicle defect violations.

* * *

* * * License Examinations * * *

Sec. 12. 23 V.S.A. § 632 is amended to read:

§ 632. EXAMINATION REQUIRED; WAIVER

(a) Before an operator's or a junior operator's license is issued to an applicant for the first time in this State, or before a renewal license is issued to an applicant whose previous Vermont license had expired more than three years prior to the application for renewal, the applicant shall pass a satisfactory examination, except that the Commissioner may, in ~~his or her~~ the Commissioner's discretion, waive the examination when the applicant holds a chauffeur's, junior operator's, or operator's license in force at the time of application or within three years prior to the application in some other jurisdiction where an examination is required similar to the examination required in this State.

(b) The examination shall consist of:

* * *

(3) at the discretion of the Commissioner, such other examination or demonstration as ~~he or she~~ the Commissioner may prescribe, including an oral eye examination.

(c) An applicant may have an individual of ~~his or her~~ the applicant's choosing at the oral examination or road test to serve as an interpreter, including to translate any oral commands given as part of the road test.

Sec. 13. 23 V.S.A. § 634 is amended to read:

§ 634. FEE FOR EXAMINATION

* * *

(b)(1) A Beginning on or before July 1, 2026, a scheduling fee of \$29.00 shall be paid by the applicant before the applicant may schedule the road test required under section 632 of this title. ~~Unless an applicant gives the Department at least 48 hours' notice of cancellation, if~~

(2) ~~If the applicant does not appear as scheduled, the \$29.00 scheduling fee is~~ shall be forfeited, unless either:

(A) the applicant gives the Department at least 48 hours' notice; or

(B) the applicant shows good cause for the cancellation, as determined by the Commissioner.

(3) If the applicant appears for the scheduled road test, the fee shall be applied toward the license examination fee. ~~The Commissioner may waive the scheduling fee until the Department is capable of administering the fee electronically.~~

* * *

* * * Non-Real ID Operator's Privilege Cards * * *

Sec. 14. 23 V.S.A. § 603 is amended to read:

§ 603. APPLICATION FOR AND ISSUANCE OF LICENSE

(a)(1) The Commissioner or ~~his or her~~ the Commissioner's authorized agent may license operators and junior operators when an application, on a form prescribed by the Commissioner, signed and sworn to by the applicant for the license, is filed with ~~him or her~~ the Commissioner, accompanied by the required license fee and any valid license from another state or Canadian jurisdiction is surrendered.

(2) The Commissioner may, however, in ~~his or her~~ the Commissioner's discretion, refuse to issue a license to any person whenever ~~he or she~~ the Commissioner is satisfied from information given ~~him or her~~ the

Commissioner by credible persons, and upon investigation, that the person is mentally or physically unfit or, because of ~~his or her~~ the person's habits or record as to crashes or convictions, is unsafe to be trusted with the operation of motor vehicles. A person refused a license under the provisions of this subsection shall be entitled to hearing as provided in sections 105–107 of this title.

* * *

(d) Except as provided in subsection (e) of this section:

(1) A ~~An applicant who is~~ a citizen of a foreign country shall produce ~~his or her~~ the applicant's passport and visa, alien registration receipt card (green card), or other proof of legal presence for inspection and copying as a part of the application process for an operator's license, junior operator's license, or learner's permit.

(2) An operator's license, junior operator's license, or learner's permit issued to an applicant who is a citizen of a foreign country shall expire coincidentally with ~~his or her~~ the applicant's authorized duration of stay.

(e)(1) A citizen of a foreign country unable to establish legal presence in the United States who furnishes reliable proof of Vermont residence and of name, date of birth, and place of birth, and who satisfies all other requirements of this chapter for obtaining a license or permit, shall be eligible to obtain an operator's privilege card, a junior operator's privilege card, or a learner's privilege card.

* * *

(f) ~~Persons~~ Applicant's able to establish lawful presence in the United States but who otherwise fail to comply with the requirements of the REAL ID Act of 2005, Pub. L. No. 109-13, §§ 201-202, shall be eligible for an operator's privilege card, a junior operator's privilege card, or a learner's privilege card, provided the applicant furnishes reliable proof of Vermont residence and of name, date of birth, and place of birth, and satisfies all other requirements of this chapter for obtaining a license or permit. The Commissioner shall require applicants under this subsection to furnish a document or a combination of documents that reliably proves the applicant's Vermont residence and ~~his or her~~ the applicant's name, date of birth, and place of birth.

* * *

(h) A privilege card issued under this section shall:

(1) on its face bear the phrase “~~privilege card~~” “non-Real ID” and text indicating that it is not valid for federal identification or official purposes; and

* * *

* * * License Extension * * *

Sec. 15. 23 V.S.A § 604 is added to read:

§ 604. EARLY RENEWAL

(a) The holder of an operator’s license or privilege card issued under the provisions of this subchapter may renew the operator’s license or privilege card at any time prior to the expiration of the operator’s license or privilege card. If one or more years remain before the expiration of the operator’s license or privilege card, the Commissioner shall reduce the cost of the renewed operator’s license or privilege card by an amount that is proportionate to the number of years rounded down to the next whole year remaining before the expiration of the operator’s license or privilege card.

(b) All application and documentation requirements for the renewal of an operator’s license or privilege card shall apply to the early renewal of an operator’s license or privilege card.

Sec. 16. 23 V.S.A. § 115b is added to read:

§ 115b. EARLY RENEWAL

(a) The holder of nondriver identification card issued under the provisions of section 115 of this chapter may renew the nondriver identification card at any time prior to the expiration of the nondriver identification card. If one or more years remain before the expiration of the nondriver identification card, the Commissioner shall reduce the cost of the renewed nondriver identification card by an amount that is proportionate to the number of years rounded down to the next whole year remaining before the expiration of the nondriver identification card.

(b) All application and documentation requirements for the renewal of a nondriver identification card pursuant to section 115 of this chapter shall apply to the early renewal of a nondriver identification card.

Sec. 17. INFORMATION REGARDING PRIVILEGE CARDS AND
NONDRIVER IDENTIFICATION CARDS; INTENT

It is the intent of the General Assembly that the Commissioner of Motor Vehicles shall ensure that any individual who is unable to or does not wish to comply with the requirements of the REAL ID Act of 2005, Pub. L. No. 109-13, §§ 201 and 202 shall continue to be informed of the option of obtaining an

operator's privilege card pursuant to the provisions of 23 V.S.A. § 603(f) or a nondriver identification card pursuant to the provisions of 23 V.S.A. § 115.

Sec. 18. OUTREACH; UPDATES

(a) On or before November 15, 2025, the Department of Motor Vehicles shall develop and implement a public education and outreach campaign to inform Vermont residents about:

(1) an individual's ability to obtain an operator's license, operator's privilege card, or nondriver identification card;

(2) an individual's ability under Vermont law to self-attest with respect to the gender marker on the individual's operator's license, operator's privilege card, or nondriver identification card; and

(3) reduced fees that are available to individuals who meet certain requirements.

(b) The Commissioner shall provide two brief, written updates to the House and Senate Committees on Transportation regarding the implementation and utilization of 23 V.S.A. §§ 115b and 604. The first shall be due not more than 30 days after the Department implements the provisions of 23 V.S.A. §§ 115b and 604 and the second shall be due in January 2026.

* * * Commercial Driving Instructors * * *

Sec. 19. 23 V.S.A. § 705 is amended to read:

§ 705. QUALIFICATIONS FOR INSTRUCTOR'S LICENSE

(a) In order to qualify for an instructor's license, each applicant shall:

(1) not have been convicted of:

(A) a felony nor incarcerated for a felony within the 10 years prior to the date of application;

(B) a violation of section 1201 of this title or a like offense in another jurisdiction reported to the Commissioner pursuant to subdivision 3905(a)(2) of this title within the three years prior to the date of application;

(C) a subsequent violation of an offense listed in subdivision 2502(a)(5) of this title or of section 674 of this title; or

(D) a sex offense that requires registration pursuant to 13 V.S.A. chapter 167, subchapter 3;

(2) pass such an examination as required by the Commissioner shall require on:

- (A) traffic laws;
- (B) safe driving practices;
- (C) operation of motor vehicles; and
- (D) qualifications as a teacher;

(3) be physically able to operate a motor vehicle and to train others in such operation;

(4) have five years' experience as a licensed operator and be at least 21 years of age on date of application; and

(5) pay the application and license fees prescribed in section 702 of this title.

(b) Commercial motor vehicle instructors shall satisfy the requirements of subdivisions (a)(1), (2), (3), and (5) of this section, and:

(1) If the commercial motor vehicle instructor is a behind the wheel (BTW) instructor, shall either:

(A)(i) hold a CDL of the same or higher class and with all endorsements necessary to operate the commercial motor vehicle for which training is to be provided;

(ii) have at least two years of experience driving a commercial motor vehicle requiring the same or higher class of CDL and any applicable endorsements required to operate the commercial motor vehicle for which training is to be provided; and

(iii) meet any additional applicable State requirements for commercial motor vehicle instructors; or

(B)(i) hold a CDL of the same or higher class and with all endorsements necessary to operate the commercial motor vehicle for which training is to be provided;

(ii) have at least two years' experience as a BTW instructor; and

(iii) meet any additional applicable State requirements for commercial motor vehicle instructors.

(2) If the commercial motor vehicle instructor is a theory instructor, the instructor shall:

(A)(i) hold a CDL of the same or higher class and with all endorsements necessary to operate the commercial motor vehicle for which training is to be provided;

(ii) have at least two years of experience driving a commercial motor vehicle requiring the same or higher class of CDL and any applicable endorsements required to operate the commercial motor vehicle for which training is to be provided; and

(iii) meet any additional applicable State requirements for commercial motor vehicle instructors; or

(B)(i) hold a CDL of the same or higher class and with all endorsements necessary to operate the commercial motor vehicle for which training is to be provided;

(ii) have at least two years' experience as a BTW instructor; and

(iii) meet any additional applicable State requirements for commercial motor vehicle instructors.

* * * Motorcycle Instructors * * *

Sec. 20. 23 V.S.A. § 734 is amended to read:

§ 734. INSTRUCTOR REQUIREMENTS AND TRAINING

* * *

(b) The Department shall establish minimum requirements for the qualifications of a rider training instructor. The minimum requirements shall include the following:

* * *

(3) the instructor shall have at least ~~four~~ two years of licensed experience as a motorcycle riding experience operator during the last ~~five~~ four years;

* * *

(7) an applicant shall not be eligible for instructor status until ~~his or her~~ the applicant's driving record for the preceding five years, or the maximum number of years less than five for which a state retains driving records, is furnished; and

* * *

* * * Motor Vehicle Taxes * * *

Sec. 21. 32 V.S.A. § 8902 is amended to read:

§ 8902. DEFINITIONS

Unless otherwise expressly provided, as used in this chapter:

* * *

(5)(A) “Taxable cost” means the purchase price as defined in subdivision (4) of this section or the taxable cost as determined under section 8907 of this title.

(B) For any purchaser who has paid tax on the purchase or use of a motor vehicle that was sold or traded by the purchaser or for which the purchaser received payment under a contract of insurance, the taxable cost of the replacement motor vehicle other than a leased vehicle shall exclude:

(A)(i) The value allowed by the seller on any motor vehicle accepted by the seller as part of the consideration of the motor vehicle, provided the motor vehicle accepted by the seller is owned and previously or currently registered or titled by the purchaser, with no change of ownership since registration or titling, except for motor vehicles for which registration is not required under the provisions of Title 23 or motor vehicles received under the provisions of subdivision 8911(8) of this title.

(B)(ii) The amount received from the sale of a motor vehicle last registered or titled in the seller’s name, the amount not to exceed the clean trade-in value of the same make, type, model, and year of manufacture as designated by the manufacturer and as shown in the ~~NADA Official Used Car Guide (New England edition)~~ J.D. Power Values, or any comparable publication, provided ~~such~~ the sale occurs within three months after the taxable purchase. However, this three-month period shall be extended day-for-day for any time that a member of a guard unit or of the U.S. Armed Forces, as defined in 38 U.S.C. § 101(10), spends outside Vermont due to activation or deployment and an additional 60 days following the individual’s return from activation or deployment. ~~Such~~ The amount shall be reported on forms supplied by the Commissioner of Motor Vehicles.

(C)(iii) The amount actually paid to the purchaser within three months prior to the taxable purchase by any insurer under a contract of collision, comprehensive, or similar insurance with respect to a motor vehicle owned by ~~him or her~~ the purchaser, provided that the vehicle is not subject to the tax imposed by subsection 8903(d) of this title and provided that one of these events occur:

(i)(I) the motor vehicle with respect to which ~~such~~ the payment is made by the insurer is accepted by the seller as a trade-in on the purchased motor vehicle before the repair of the damage giving rise to insurer’s payment; or

~~(ii)~~(II) the motor vehicle with respect to which ~~such~~ the payment is made to the insurer is treated as a total loss and is sold for dismantling.

~~(D)~~(C) A purchaser shall be entitled to a partial or complete refund of taxes paid under subsection 8903(a) or (b) of this title if an insurer makes a payment to ~~him or her~~ the purchaser under contract of collision, comprehensive, or similar insurance after ~~he or she~~ the purchaser has paid the tax imposed by this chapter, if ~~such~~ the payment by the insurer is either:

* * *

~~(E)~~(D) The purchase price of a motor vehicle subject to the tax imposed by subsections 8903(a) and (b) of this title shall not be reduced by the value received or allowed in connection with the transfer of a vehicle that was registered for use as a short-term rental vehicle.

* * *

Sec. 22. 32 V.S.A. § 8907 is amended to read:

§ 8907. COMMISSIONER; COMPUTATION OF TAXABLE COSTS

(a) The Commissioner may investigate the taxable cost of any motor vehicle transferred subject to the provisions of this chapter. If the motor vehicle is not acquired by purchase in Vermont or is received for an amount that does not represent actual value, or if no tax form is filed or it appears to the Commissioner that a tax form contains fraudulent or incorrect information, the Commissioner may, in the Commissioner's discretion, fix the taxable cost of the motor vehicle at the clean trade-in value of vehicles of the same make, type, model, and year of manufacture as designated by the manufacturer, as shown in ~~the NADA Official Used Car Guide (New England Edition)~~ J.D. Power Values or any comparable publication, less the lease end value of any leased vehicle. The Commissioner may develop a process to determine the value of vehicles that do not have clean trade-in value in J.D. Power Values. The Commissioner may compute and assess the tax due and notify the purchaser verbally, if the purchaser is at a DMV location, or immediately by certified mail, and the purchaser shall remit the same within 15 days thereafter after notice is sent or provided.

* * *

Sec. 23. 32 V.S.A. § 8914 is amended to read:

§ 8914. REFUND

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

* * * Refund of Registration Fee * * *

Sec. 24. 23 V.S.A. § 326 is amended to read:

§ 326. REFUND UPON LOSS OF VEHICLE

The Commissioner may cancel the registration of a motor vehicle when the owner of the motor vehicle proves to the Commissioner's satisfaction that the motor vehicle has been totally destroyed by fire or, through crash or wear, has become wholly unfit for use and has been dismantled. After the Commissioner cancels the registration and the owner returns to the Commissioner either the registration certificate or the number plate or number plates, or other proof of cancellation to the satisfaction of the Commissioner, the Commissioner shall certify to the Commissioner of Finance and Management the fact of the cancellation, giving the name of the owner of the motor vehicle, the owner's address, the amount of the registration fee paid, and the date of cancellation. The Commissioner of Finance and Management shall issue the Commissioner of Finance and Management's warrant in favor of the owner for such percent of the registration fee paid as the unexpired term of the registration bears to the entire registration period, but in no case shall the Commissioner of Finance and Management retain less than \$5.00 of the fee paid.

* * * Fuel Tax Refunds * * *

Sec. 25. 23 V.S.A. § 3020 is amended to read:

§ 3020. CREDITS AND REFUNDS

(a) Credits.

(1) A user who purchased fuel within this State from a dealer or distributor upon which ~~he or she~~ the user paid the tax at the time of purchase, or a user exempt from the payment of the tax under subsection 3003(d) of this title who purchased fuel within this State upon which ~~he or she~~ the user paid tax at the time of purchase, shall be entitled to a credit equal to the amount of tax per gallon in effect when the fuel was purchased. When the amount of the credit to which any user is entitled for any reporting period exceeds the amount of ~~his or her~~ the user's tax for the same period, the excess shall be credited to the user's tax account and the user shall be notified of the date and amount of the credit by mail.

* * *

(3) A user who also sells or delivers fuel subject to the tax imposed by 32 V.S.A. chapter 233 upon which the tax imposed by this chapter has been paid shall be entitled to a credit equal to the amount of such tax paid pursuant

to this chapter. When the amount of the credit to which any user is entitled for any reporting period exceeds the amount of ~~his or her~~ the user's tax for the same period, the excess shall be credited to the user's tax account and the user shall be notified of the date and amount of the credit by mail.

* * *

(b) Refunds. A user may request, in writing by mail, a refund of any credits in the user's tax account, but in no case may a user collect a refund requested more than ~~33~~ 12 months following the date the amount was credited to the user's tax account.

* * *

* * * Alteration of Odometers * * *

Sec. 26. 23 V.S.A. § 1704a is amended to read:

§ 1704a. ALTERATION OF ODOMETERS

(a) Any person who sells No person shall:

(1) sell, attempts attempt to sell, or causes cause to be sold any motor vehicle, highway building appliance, motorboat, all-terrain vehicle, or snowmobile and has actual knowledge that if the odometer, hubometer reading, or clock meter reading has been changed, tampered with, or defaced without first disclosing same and a person who changes, tampers with, or defaces, or who attempts that information to the buyer;

(2) change, tamper with, or deface, or attempt to change, tamper with, or deface, any gauge, dial, or other mechanical instrument, commonly known as an odometer, hubometer, or clock meter, in a motor vehicle, highway building appliance, motorboat, all-terrain vehicle, or snowmobile, which, under normal circumstances and without being changed, tampered with, or defaced, is designed to show by numbers or words the distance that the motor vehicle, highway building appliance, motorboat, all-terrain vehicle, or snowmobile travels; or who

(3) willfully misrepresents misrepresent the odometer, hubometer, or clock meter reading on the odometer disclosure statement or similar statement, title, or bill of sale.

(b) A person who violates subsection (a) of this section shall be fined not more than \$1,000.00 for a first offense and fined not more than \$2,500.00 for each subsequent offense.

* * * Definition of Conviction * * *

Sec. 27. 23 V.S.A. § 102 is amended to read:

§ 102. DUTIES OF COMMISSIONER

* * *

(d)(1) The Commissioner may authorize background investigations for potential employees, which may include criminal, traffic, and financial records checks; provided, however, that the potential employee is notified and has the right to withdraw ~~his or her~~ their name from application. Additionally, employees who are involved in the manufacturing or production of operator's licenses and identification cards, including enhanced licenses, or who have the ability to affect the identity information that appears on a license or identification card, or current employees who will be assigned to such positions, shall be subject to appropriate background checks and shall be provided notice of the background check and the contents of that check. These background checks shall include a name-based and fingerprint-based criminal history records check using at a minimum the Federal Bureau of Investigation's National Crime Information Center and the Integrated Automated Fingerprint Identification database and State repository records on each covered employee.

(2) Employees may be subject to further appropriate security clearances if required by federal law, including background investigations that may include criminal and traffic records checks and providing proof of U.S. citizenship.

(3) The Commissioner may, in connection with a formal disciplinary investigation, authorize a criminal or traffic record background investigation of a current employee; provided, however, that the background review is relevant to the issue under disciplinary investigation. Information acquired through the investigation shall be provided to the Commissioner or designated division director and must be maintained in a secure manner. If the information acquired is used as a basis for any disciplinary action, it must be given to the employee during any pretermination hearing or contractual grievance hearing to allow the employee an opportunity to respond to or dispute the information. If no disciplinary action is taken against the employee, the information acquired through the background check shall be destroyed.

(e) As used in this section, "conviction" has the same meaning as in subdivision 4(60) of this title.

Sec. 28. 23 V.S.A. § 108 is amended to read:

§ 108. APPLICATION FORMS

(a) The Commissioner shall prepare and furnish all forms for applications, crash reports, conviction reports, a pamphlet containing the full text of the motor vehicle laws of the State, and all other forms needed in the proper conduct of ~~his or her~~ the Commissioner's office. ~~He or she~~ The Commissioner shall furnish an adequate supply of ~~such~~ registration forms, license applications, and motor vehicle laws each year to each town clerk, and to ~~such~~ other persons as ~~may so~~ upon request.

(b) As used in this section, "conviction" has the same meaning as in subdivision 4(60) of this title.

Sec. 29. 23 V.S.A. § 1709 is amended to read:

§ 1709. REPORT OF CONVICTIONS TO COMMISSIONER OF MOTOR VEHICLES

(a) The Judicial Bureau and every court having jurisdiction over offenses committed under any law of this State or municipal ordinance regulating the operation of motor vehicles on the highways shall forward a record of any conviction to the Commissioner within 10 days for violation of any State or local law relating to motor vehicle traffic control, other than a parking violation.

(b) As used in this section, "conviction" has the same meaning as in subdivision 4(60) of this title.

Sec. 30. 23 V.S.A. § 1200 is amended to read:

§ 1200. DEFINITIONS

As used in this subchapter:

* * *

(11) As used in this section, "conviction" has the same meaning as in subdivision 4(60) of this title.

* * * Drunken Driving * * *

Sec. 31. 23 V.S.A. § 1205 is amended to read:

§ 1205. CIVIL SUSPENSION; SUMMARY PROCEDURE

(a) Refusal; alcohol concentration at or above legal limits; suspension periods.

* * *

(2) Upon affidavit of a law enforcement officer that the officer had reasonable grounds to believe that the person was operating, attempting to operate, or in actual physical control of a vehicle in violation of section 1201

of this title and that the person submitted to a test and the test results indicated that the person's alcohol concentration was at or above a limit specified in subsection 1201(a) of this title, at the time of operating, attempting to operate, or being in actual physical control, the Commissioner shall suspend the person's operating license or nonresident operating privilege or the privilege of an unlicensed operator to operate a vehicle for a period of 90 days and until the person complies with section 1209a of this title. However, during the suspension, an eligible person may operate under the terms of an ignition interlock RDL or ignition interlock certificate issued pursuant to section 1213 of this title.

* * *

(b) Form of officer's affidavit. A law enforcement officer's affidavit in support of a suspension under this section shall be in a standardized form for use throughout the State and shall be sufficient if it contains the following statements:

* * *

(4) The officer informed the person of ~~his or her~~ the person's rights under subsection 1202(d) of this title.

(5) The officer obtained an evidentiary test (noting the time and date the test was taken) and the test indicated that the person's alcohol concentration was at or above a legal limit specified in subsection 1201(a) or (d) of this title, or the person refused to submit to an evidentiary test.

* * *

(c) Notice of suspension. On behalf of the Commissioner of Motor Vehicles, a law enforcement officer requesting or directing the administration of an evidentiary test shall serve notice of intention to suspend and of suspension on a person who refuses to submit to an evidentiary test or on a person who submits to a test the results of which indicate that the person's alcohol concentration was at or above a legal limit specified in subsection 1201(a) or (d) of this title, at the time of operating, attempting to operate, or being in actual physical control of a vehicle in violation of section 1201 of this title. The notice shall be signed by the law enforcement officer requesting the test. A copy of the notice shall be sent to the Commissioner of Motor Vehicles, and a copy shall be mailed or given to the defendant within three business days after the date the officer receives the results of the test. If mailed, the notice is deemed received three days after mailing to the address provided by the defendant to the law enforcement officer. A copy of the

affidavit of the law enforcement officer shall also be mailed by first-class mail or given to the defendant within seven days after the date of notice.

* * *

(h) Final hearing.

(1) If the defendant requests a hearing on the merits, the court shall schedule a final hearing on the merits to be held within 21 days after the date of the preliminary hearing. In no event may a final hearing occur more than 42 days after the date of the alleged offense without the consent of the defendant or for good cause shown. The final hearing may only be continued by the consent of the defendant or for good cause shown. The issues at the final hearing shall be limited to the following:

* * *

(D) Whether the test was taken and the test results indicated that the person's alcohol concentration was at or above a legal limit specified in subsection 1201(a) or (d) of this title, at the time of operating, attempting to operate, or being in actual physical control of a vehicle in violation of section 1201 of this title, whether the testing methods used were valid and reliable, and whether the test results were accurate and accurately evaluated. Evidence that the test was taken and evaluated in compliance with rules adopted by the Department of Public Safety shall be prima facie evidence that the testing methods used were valid and reliable and that the test results are accurate and were accurately evaluated.

* * *

(i) Finding by the court. The court shall electronically forward a report of the hearing to the Commissioner. Upon a finding by the court that the law enforcement officer had reasonable grounds to believe that the person was operating, attempting to operate, or in actual physical control of a vehicle in violation of section 1201 of this title and that the person refused to submit to a test, or upon a finding by the court that the law enforcement officer had reasonable grounds to believe that the person was operating, attempting to operate, or in actual physical control of a vehicle in violation of section 1201 of this title and that the person submitted to a test and the test results indicated that the person's alcohol concentration was at or above a legal limit specified in subsection 1201(a) or (d) of this title, at the time the person was operating, attempting to operate, or in actual physical control, the person's operating license, or nonresident operating privilege, or the privilege of an unlicensed operator to operate a vehicle shall be suspended or shall remain suspended for the required term and until the person complies with section 1209a of this title.

Upon a finding in favor of the person, the Commissioner shall cause the suspension to be canceled and removed from the record, without payment of any fee.

* * *

(n) Presumption. In a proceeding under this section, if at any time within two hours of operating, attempting to operate, or being in actual physical control of a vehicle a person had an alcohol concentration of at or above a legal limit specified in subsection 1201(a) or (d) of this title, it shall be a rebuttable presumption that the person's alcohol concentration was at or above the applicable limit at the time of operating, attempting to operate, or being in actual physical control.

* * *

Sec. 32. 23 V.S.A. § 1205(d) is amended to read:

(d) Form of notice. The notice of intention to suspend and of suspension shall be in a form prescribed by the Supreme Court. The notice shall include an explanation of rights, a form to be used to request a hearing, and, if a hearing is requested, the date, time, and location of the Criminal Division of the Superior Court where the person must appear for a preliminary hearing. The notice shall also contain, in boldface print, the following:

(1) You have the right to ask for a hearing to contest the suspension of your operator's license.

(2) ~~This notice shall serve as a temporary operator's license and is valid until 12:01 a.m. of the date of suspension.~~ If this is your first violation of section 1201 of this title and if you do not request a hearing, your license will be suspended as provided in this notice. If this is your second or subsequent violation of section 1201 of this title, your license will be suspended on the 11th day after you receive this notice. It is a crime to drive while your license is suspended unless you have been issued an ignition interlock restricted driver's license or ignition interlock certificate.

* * *

* * * Registration Fees for Trucks * * *

Sec. 33. 23 V.S.A. § 367 is amended to read:

§ 367. TRUCKS

(a)(1) The annual fee for registration of tractors, truck-tractors, or motor trucks except truck cranes, truck shovels, road oilers, bituminous distributors, and farm trucks used as specified in subsection (f) of this section shall be

based on the total weight of the truck-tractor or motor truck, including body and cab plus the heaviest load to be carried. In computing the fees for registration of tractors, truck-tractors, or motor trucks with trailers or semi-trailers attached, except trailers or semi-trailers with a gross weight of less than ~~6,000~~ 6,099 pounds, the fee shall be based upon the weight of the tractor, truck-tractor, or motor truck, the weight of the trailer or semi-trailer, and the weight of the heaviest load to be carried by the combined vehicles. In addition to the fee set out in the following schedule, the fee for vehicles weighing between ~~10,000~~ 10,100 and ~~25,999~~ 26,099 pounds inclusive shall be an additional \$42.53, the fee for vehicles weighing between ~~26,000~~ 26,100 and ~~39,999~~ 40,099 pounds inclusive shall be an additional \$85.03, the fee for vehicles weighing between ~~40,000~~ 40,100 and ~~59,999~~ 60,099 pounds inclusive shall be an additional \$297.68, and the fee for vehicles ~~60,000~~ 60,100 pounds and over shall be an additional \$467.80. The fee shall be computed at the following rates per 1,000 pounds of weight determined pursuant to this subdivision and rounded up to the nearest whole dollar; the minimum fee for registering a tractor, truck-tractor, or motor truck to ~~6,000~~ 6,099 pounds shall be the same as for the pleasure car type:

\$18.21 when the weight ~~exceeds 6,000 pounds but does not exceed 8,000 pounds~~ is at least 6,100 pounds but not more than 8,099 pounds.

\$20.83 when the weight ~~exceeds 8,000 pounds but does not exceed 12,000 pounds~~ is at least 8,100 pounds but not more than 12,099 pounds.

\$22.97 when the weight ~~exceeds 12,000 pounds but does not exceed 16,000 pounds~~ is at least 12,100 pounds but not more than 16,099 pounds.

\$24.56 when the weight ~~exceeds 16,000 pounds but does not exceed 20,000 pounds~~ is at least 16,100 pounds but not more than 20,099 pounds.

\$25.71 when the weight ~~exceeds 20,000 pounds but does not exceed 30,000 pounds~~ is at least 20,100 pounds but not more than 30,099 pounds.

\$26.26 when the weight ~~exceeds 30,000 pounds but does not exceed 40,000 pounds~~ 30,100 pounds but not more than 40,099 pounds.

\$26.90 when the weight ~~exceeds 40,000 pounds but does not exceed 50,000 pounds~~ is at least 40,100 pounds but not more than 50,099 pounds.

\$27.13 when the weight ~~exceeds 50,000 pounds but does not exceed 60,000 pounds~~ is at least 50,100 pounds but not more than 60,099 pounds.

\$28.06 when the weight ~~exceeds 60,000 pounds but does not exceed 70,000 pounds~~ is at least 60,100 pounds but not more than 70,099 pounds.

~~\$29.00 when the weight exceeds 70,000 pounds but does not exceed 80,000 pounds~~ is at least 70,100 pounds but not more than 80,099 pounds.

~~\$29.94 when the weight exceeds 80,000 pounds but does not exceed 90,000 pounds~~ is at least 80,100 pounds but not more than 90,099 pounds.

~~(2) Fractions of 1,000 pounds shall be computed at the next highest 1,000 pounds, excepting, however, fractions of hundredweight shall be disregarded. [Repealed.]~~

* * *

* * * Purchase and Use Tax * * *

Sec. 34. 32 V.S.A. § 8902 is amended to read:

§ 8902. DEFINITIONS

Unless otherwise expressly provided, as used in this chapter:

* * *

(6) “Motor vehicle” ~~shall have~~ has the same ~~definition~~ meaning as in 23 V.S.A. § 4(21).

* * *

(12) “Mail” has the same meaning as in 23 V.S.A. § 4(87).

Sec. 35. 32 V.S.A. § 8905 is amended to read:

§ 8905. COLLECTION OF TAX; EDUCATION; APPEALS

(a) Every purchaser of a motor vehicle subject to a tax under subsection 8903(a) of this title shall forward ~~such~~ the tax form to the Commissioner, together with the amount of tax due at the time of first registering or transferring a registration to ~~such~~ the motor vehicle as a condition precedent to registration ~~thereof~~ of the vehicle.

(b) Every person subject to a use tax under subsection 8903(b) of this title shall forward ~~such~~ the tax form and the tax due to the Commissioner with the registration application or transfer, as the case may be, and fee at the time of first registering or transferring a registration to ~~such~~ the motor vehicle as a condition precedent to registration ~~thereof~~ of the vehicle.

* * *

(d) Every person required to collect the use tax under subsection 8903(d) of this title shall forward ~~such~~ the tax and a report of ~~same~~ the tax on forms prescribed and furnished by the Commissioner at the frequency determined by the Commissioner.

* * *

(f) Every person subject to the tax imposed by subsection 8903(g) of this title shall forward the tax form and the tax due to the Commissioner along with the title application and fee at the time of applying for a certificate of title to ~~such~~ the motor vehicle as a condition precedent to the titling ~~thereof~~ of the motor vehicle.

(g) The Commissioner shall establish procedures for taxpayers to file an appeal regarding the taxpayer's liability for the tax due pursuant to section 8903 of this chapter and compliance with the requirements of this section. The procedures shall include a process by which a taxpayer can resolve the dispute prior to the issuance of a final administrative decision on the appeal.

(h) The Commissioner shall create educational and outreach materials for taxpayers that provide information regarding the appeal process established pursuant to subsection (g) of this section and opportunities to resolve disputes.

* * * Excessive Speed * * *

Sec. 36. 23 V.S.A. § 2502 is amended to read:

§ 2502. POINT ASSESSMENT; SCHEDULE

(a) Unless the assessment of points is waived by a Superior judge or a Judicial Bureau hearing officer in the interests of justice and in accordance with subsection 2501(b) of this title, a person operating a motor vehicle shall have points assessed against ~~his or her~~ the person's driving record for convictions for moving violations of the indicated motor vehicle statutes in accord with the following schedule: (All references are to this title of the Vermont Statutes Annotated.)

* * *

(9) Eight points assessed for sections 1003 ~~and~~, 1007, ~~and~~ 1097. State speed zones and local speed limits, more than 30 miles per hour over and in excess of the speed limit.

* * *

* * * Tinted Windows * * *

Sec. 37. 2024 Acts and Resolves No. 165, Secs. 14, 15, and 16 are amended to read:

Sec. 14. [Deleted.]

Sec. 15. [Deleted.]

Sec. 16. [Deleted.]

* * * All-Terrain Vehicles * * *

Sec. 38. 23 V.S.A. § 3501 is amended to read:

§ 3501. DEFINITIONS

As used in this chapter:

(1) “All-terrain vehicle” or “ATV” means any nonhighway recreational vehicle, except snowmobiles, having not less than two low pressure tires (10 pounds per square inch, or less); not wider than ~~64~~ 72 inches, with two-wheel ATVs having permanent, full-time power to both wheels; and having a dry weight of less than 2,500 pounds, when used for cross-country travel on trails or on any one of the following or a combination thereof: land, water, snow, ice, marsh, swampland, and natural terrain. An ATV on a public highway shall be considered a motor vehicle, as defined in section 4 of this title, only for the purposes of those offenses listed in subdivisions 2502(a)(1)(H), (N), (R), (U), (Y), (FF), (GG), (II), and (AAA); (2)(A) and (B); (3)(A), (B), (C), and (D); (4)(A) and (B); and (5) of this title and as provided in section 1201 of this title. An ATV does not include an electric personal assistive mobility device, a motor-assisted bicycle, or an electric bicycle.

* * *

* * * Purchase and Use Tax and Inspections Report * * *

Sec. 39. MOTOR VEHICLE PURCHASE AND USE TAX; INSPECTIONS;
REPORT

(a) On or before January 31, 2026, the Commissioner of Motor Vehicles shall submit a written report to the House Committees on Transportation and on Ways and Means and the Senate Committees on Finance and on Transportation regarding the process for determining the taxable cost of a used motor vehicle for purposes of the purchase and use tax and the impact of annual motor vehicle safety and emissions inspections on Vermonters.

(b) The report shall include, at a minimum, the following:

(1) the number of persons during calendar years 2024 and 2025 who utilized the dealer appraisal process for determining the taxable cost of a used motor vehicle for purposes of the purchase and use tax;

(2) the age and type of vehicles for which the dealer appraisal process was utilized during calendar years 2024 and 2025;

(3) the difference between the clean trade-in value and the appraised value of vehicles for which the dealer appraisal process was utilized during calendar years 2024 and 2025;

(4) the number of appeals of the taxable cost of a motor vehicle that were filed in calendar years 2024 and 2025;

(5) the number appeals that resulted in a revision of the taxable cost and the difference between the originally assessed taxable cost and the revised taxable cost following the appeal;

(6) a summary of issues identified by persons contacting the Department pursuant to subsection (c) of this section;

(7) a summary of funding and other assistance related to annual motor vehicle safety and emissions inspections that is available to Vermonters with lower income;

(8) an examination of the potential approaches to reduce the financial burden of annual motor vehicle safety and emissions inspections on Vermonters, including the potential to reduce the frequency of inspections to every two years; and

(9) any recommendations for legislative action.

(c)(1) The Commissioner of Motor Vehicles shall establish an email address or other electronic means, or both, for Vermonters to contact the Department of Motor Vehicles regarding concerns with the motor vehicle purchase and use tax process.

(2) The Commissioner of Motor Vehicles shall establish an email address or other electronic means, or both, for Vermonters to contact the Department of Motor Vehicles regarding the affordability of the annual motor vehicle inspection process and suggestions for reducing the financial impact of the inspection process on Vermonters.

(3) The Commissioner shall conduct outreach at Department locations, on the Department's website, and through motor vehicle dealers to make the public aware of the opportunity to contact the Department pursuant to subdivisions (1) and (2) of this subsection.

* * * Operation of Bicycles * * *

Sec. 40. 23 V.S.A. § 1139 is amended to read:

§ 1139. RIDING ON ROADWAYS AND BICYCLE PATHS

(a) ~~A person~~ Due care and riding on the right. An individual operating a bicycle upon a roadway shall exercise due care when passing a standing vehicle or one proceeding in the same direction. Bicyclists generally shall ride as near to the right side of the improved area of the highway right-of-way as is safe, except that a bicyclist:

* * *

(b) ~~Persons riding~~ Riding two abreast. Individuals operating bicycles upon a roadway ~~may shall~~ not ride more than two abreast except on paths or parts of roadways set aside for the exclusive use of bicycles or except as otherwise permitted by the Commissioner of Public Safety in connection with a public sporting event in which case the Commissioner shall be authorized to adopt such rules as the public good requires. ~~Persons~~ Individuals riding two abreast shall not impede the normal and reasonable movement of traffic and, on a laned roadway, shall ride within a single lane.

(c) Obedience to traffic-control devices and traffic-control signals. An individual operating a bicycle shall follow all traffic-control devices and traffic-control signals governing motor vehicles except that an individual operating a bicycle who is facing a “walk” signal, as defined in section 1023 of this chapter, may make a turn or proceed across the roadway or intersection in the direction of the signal but shall yield the right of way to any vehicles or pedestrians in the roadway or intersection.

(d) Riding on a partially controlled access highway. Bicycles may be operated on the shoulders of partially controlled access highways, which are those highways where access is controlled by public authority but where there are some connections with selected public highways, some crossings at grade, and some private driveway connections. The Traffic Committee may determine that any portion of these highways is unsafe and therefore closed to bicycle operation.

Sec. 41. 23 V.S.A. § 1139a is added to read:

§ 1139a. BICYCLE CONTROL SIGNALS

(a) Bicycles shall obey bicycle-control signals. An individual operating a bicycle shall obey the instructions of a bicycle-control signal, if present, instead of any traffic-control signal for motor vehicles.

(b) Bicycle-control signal legend.

(1) Green bicycle signal.

(A) An individual operating a bicycle facing a green bicycle signal may proceed straight through the intersection or turn right or left unless a sign prohibits such a turn, provided that:

(i) the individual operating the bicycle will not be in conflict with any simultaneous motor vehicle movements at that location; or

(ii) the bicycle movement at that location is not modified by lane-use signs, turn-prohibition signs, pavement markings, separate turn signal indications, or other traffic-control devices.

(B) An individual operating a bicycle pursuant to a green bicycle signal, including when turning right and left, shall yield the right-of-way to other individuals operating bicycles and pedestrians that are in the intersection when the signal is exhibited.

(2) Steady yellow bicycle signal. An individual operating a bicycle facing a steady yellow bicycle signal is warned that the steady green signal is being terminated and that the red signal will be exhibited immediately following the steady yellow signal, at which time bicycle traffic traveling in that direction shall not enter the intersection.

(3) Steady red bicycle signal.

(A) An individual operating a bicycle facing a steady red bicycle signal alone shall stop at a clearly marked stop line, or if there is none, shall stop before entering the crosswalk on the near side of the intersection.

(B) Except when a sign is in place prohibiting a turn, an individual operating a bicycle facing a steady red bicycle signal may:

(i) cautiously enter the intersection to turn right; or

(ii) after stopping as required pursuant to subdivision (A) of this subdivision (b)(3), turn left from a one-way street onto a one-way street.

(C) An individual making a turn pursuant to subdivision (B) of this subdivision (b)(3) shall yield the right-of-way to pedestrians and other vehicles that are in the intersection.

(D) An individual operating a bicycle shall not turn right when facing a red arrow signal unless a sign permitting such a turn is present.

(E) An individual operating a bicycle to the left of adjacent motor vehicle traffic approaching the same intersection shall be prohibited from turning right when facing a steady red bicycle signal and an individual operating a bicycle to the right of adjacent motor vehicle traffic approaching

the same intersection shall be prohibited from turning left when facing a steady red bicycle signal.

Sec. 42. BICYCLE OPERATION AT STOP SIGNS AND SIGNALS;
EDUCATION; OUTREACH

On or before April 1, 2026, the Commissioners of Motor Vehicles and of Public Safety, in consultation with stakeholders representing bicyclists, pedestrians, municipalities, and law enforcement agencies, shall develop education and outreach materials to inform vehicle operators, law enforcement officers, municipalities, and members of the public regarding the laws governing to the operation of bicycles on roadways, including at signalized intersections. The materials shall include both written and graphical materials explaining permitted bicycle operations and requirements for the operation of motor vehicles in relation to bicycles, including safe passing distance requirements.

* * * Legal Trails * * *

Sec. 43. FINDINGS; INTENT; LEGAL TRAILS

(a) Findings. The General Assembly finds the following:

(1) Outdoor recreation is a significant part of Vermont's identity and economy.

(2) Trails provide Vermonters and visitors with access to natural beauty throughout the State and are used for a wide variety of outdoor recreational activities throughout the year.

(3) Some trails are also used by Vermonters for travel or to access their homes and properties.

(4) The State and municipalities use some trails to provide maintenance to State and municipal lands and facilities, as well as to provide public safety and rescue services.

(5) Trails may require regular maintenance to ensure that they remain passable and can continue to support recreation, travel, access, and various public services.

(6) While many trails in Vermont have been established through private easements or other agreements, a subset of trails, known as legal trails, lie along public rights-of-way that were once town highways and are governed by the provisions of 19 V.S.A. chapter 3.

(b) Intent. It is the intent of the General Assembly to clarify municipalities' authority to exclusively or cooperatively maintain legal trails under the provisions of 19 V.S.A. chapter 3.

Sec. 44. 19 V.S.A. chapter 3 is amended to read:

CHAPTER 3. TOWN HIGHWAYS

§ 301. DEFINITIONS

As used in this chapter:

* * *

(2) ~~“Legislative body” includes boards of selectmen, aldermen, and village trustees~~ means a legislative body as defined in 24 V.S.A. § 2001.

(3) ~~“Selectmen” includes village trustees and aldermen~~ “Selectboard” means a selectboard as defined in 24 V.S.A. § 2001.

* * *

(8)(A) “Trail” means a public right-of-way that is not a highway and that:

(i) municipalities have the authority to exclusively or cooperatively maintain; and

~~(A)(ii)(I)~~ previously was a designated town highway having the same width as the designated town highway, or a lesser width if so designated; or

~~(B)(II)~~ a new public right-of-way laid out as a trail by the selectmen legislative body for the purpose of providing access to abutting properties or for recreational use.

(B) Nothing in this section subdivision (8) shall be deemed to independently authorize the condemnation of land for recreational purposes or to affect the authority of selectmen legislative bodies to reasonably regulate the uses of recreational trails.

§ 302. CLASSIFICATION OF TOWN HIGHWAYS

(a) For the purposes of this section and receiving State aid, all town highways shall be categorized into one or another of the following classes:

* * *

(2) Class 2 town highways are those town highways selected as the most important highways in each town. As far as practicable, they shall be selected with the purposes of securing trunk lines of improved highways from town to

town and to places that by their nature have more than normal amount of traffic. The ~~selectmen~~ legislative body, with the approval of the Agency, shall determine which highways are to be class 2 highways.

(3) Class 3 town highways:

(A) Class 3 town highways are all traveled town highways other than class 1 or 2 highways. The ~~selectmen~~ legislative body, after conference with a representative of the Agency, shall determine which highways are class 3 town highways.

* * *

(5) Trails shall not be considered highways ~~and the town.~~ A municipality shall have the authority to maintain trails but shall not be responsible for any maintenance, including culverts and bridges.

* * *

§ 303. TOWN HIGHWAY CONTROL

Town highways shall be under the general supervision and control of the ~~selectmen~~ legislative body of the town where the roads are located. ~~Selectmen~~ The legislative body of a town shall supervise all expenditures.

§ 304. DUTIES OF SELECTBOARD

(a) It shall be the duty and responsibility of the selectboard of the town to, or acting as a board, it shall have the authority to:

* * *

(16) Unless the town electorate votes otherwise, under the provisions of 17 V.S.A. § 2646, appoint a road commissioner, or remove ~~him or her~~ the road commissioner from office, pursuant to 17 V.S.A. § 2651. Road commissioners, elected or appointed, shall have only the powers and authority regarding highways granted to them by the selectboard.

* * *

(24) Maintain trails, but shall not be required to maintain trails.

* * *

* * * Effective Dates * * *

Sec. 45. EFFECTIVE DATES

(a) This section and Secs. 15 and 16 (early renewal of operator's licenses, operator's privilege cards, and nondriver identification) shall take effect on passage.

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

S. 127.

An act relating to housing and housing development.

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

* * * Vermont Rental Housing Improvement Program * * *

Sec. 1. 10 V.S.A. § 699 is amended to read:

§ 699. VERMONT RENTAL HOUSING IMPROVEMENT PROGRAM

(a) Creation of Program.

* * *

(5)(A) The Department may cooperate with and subgrant funds to State agencies and governmental subdivisions and public and private organizations in order to carry out the purposes of this ~~subsection~~ section.

(B) Solely with regards to actions undertaken pursuant to this subdivision (5), entities carrying out the provisions of this section, including grantees, subgrantees, and contractors of the State, shall be exempt from the provisions of 8 V.S.A. chapter 73 (licensed lenders, mortgage brokers, mortgage loan originators, sales finance companies, and loan solicitation companies).

* * *

(d) Program requirements applicable to grants and forgivable loans.

(1)(A) A grant or loan shall not exceed:

~~(i) \$70,000.00 per unit, for rehabilitation or creation of an eligible rental housing unit meeting the applicable building accessibility requirements under the Vermont Access Rules; or~~

~~(ii) \$50,000.00 per unit, for rehabilitation or creation of any other eligible rental housing unit. Up to an additional \$20,000.00 per unit may be made available for specific elements that collectively bring the unit to the visitable standard outlined in the rules adopted by the Vermont Access Board.~~

* * *

(e) Program requirements applicable to grants and five-year forgivable loans. For a grant or five-year forgivable loan awarded through the Program, the following requirements apply for a minimum period of five years:

(1) A landlord shall coordinate with nonprofit housing partners and local ~~coordinated-entry~~ homelessness service organizations approved by the Department to identify potential tenants.

(2)(A) Except as provided in subdivision (2)(B) of this subsection ~~subdivision (e)(2)~~, a landlord shall lease the unit to a household that is:

(i) exiting homelessness, including any individual under 25 years of age who secures housing through a master lease held by a youth service provider on behalf of individuals under 25 years of age;

(ii) actively working with an immigrant or refugee resettlement program; ~~or~~

(iii) composed of at least one individual with a disability who ~~receives or is eligible~~ approved to receive Medicaid-funded ~~home- and community-based~~ home- and community-based services ~~or Social Security Disability Insurance~~;

(iv) displaced due to a natural disaster; or

(v) with approval from the Department in writing, an organization that will hold a master lease that explicitly states the unit will be used in service of the populations described in this subsection (e).

* * *

(4)(A) A landlord may convert a grant to a forgivable loan upon approval of the Department and the housing organization that approved the grant.

(B) A landlord who converts a grant to a forgivable loan shall receive a ~~10-percent~~ prorated credit for loan forgiveness for each year in which the landlord participates in the Program.

(f) Requirements applicable to 10-year forgivable loans. For a 10-year forgivable loan awarded through the Program, the following requirements apply for a minimum period of 10 years:

(1) ~~A landlord shall coordinate with nonprofit housing partners and local coordinated-entry organizations to identify potential tenants~~ The total cost of rent for the unit, including utilities not covered by rent payments, shall not exceed the applicable fair market rent established by the Department of Housing and Urban Development, except that a landlord may accept a housing voucher that exceeds fair market rent, if available.

~~(2)(A) Except as provided in subdivision (2)(B) of this subsection (f), a landlord shall lease the unit to a household that is:~~

~~(i) exiting homelessness, including any individual under 25 years of age who secures housing through a master lease held by a youth service provider on behalf of individuals under 25 years of age;~~

~~(ii) actively working with an immigrant or refugee resettlement program; or~~

~~(iii) composed of at least one individual with a disability who is eligible to receive Medicaid-funded home and community based services.~~

~~(B) If, upon petition of the landlord, the Department or the housing organization that issued the grant determines that a household under subdivision (2)(A) of this subsection (f) is not available to lease the unit, then the landlord shall lease the unit:~~

~~(i) to a household with an income equal to or less than 80 percent of area median income; or~~

~~(ii) if such a household is unavailable, to another household with the approval of the Department or housing organization.~~

~~(3)(A) A landlord shall accept any housing vouchers that are available to pay all, or a portion of, the tenant's rent and utilities.~~

~~(B) If no housing voucher or federal or State subsidy is available, the cost of rent for the unit, including utilities not covered by rent payments, shall not exceed the applicable fair market rent established by the Department of Housing and Urban Development.~~

~~(4)(3) The Department shall forgive 10 percent of the a prorated amount of a forgivable loan for each year a landlord participates in the loan program.~~

(g) Minimum funding for grants and five-year forgivable loans.

(1) Annually, the Department shall establish a minimum allocation of funding set aside to be used for five-year grants or forgivable loans to serve eligible households pursuant to subsection (e) of this section. Remaining funds may be used for either five-year grants or forgivable loans or 10-year forgivable loans pursuant to subsection (f) of this section. The set aside shall be a minimum of 30 percent of funds disbursed annually.

(2) The Department shall consult with the Agency of Human Services to evaluate factors in establishing the amount of the set aside, including:

(A) the availability of housing vouchers;

(B) the current need for housing for eligible households;

(C) the ability and desire of landlords to house eligible households;

(D) the support services available for landlords; and

(E) the prior uptake and success rates for participating landlords.

(3) The Department shall coordinate with the local Coordinated Entry Lead Agencies and Homeownership Centers to direct referrals for those individuals or families prioritized to be housed pursuant to the five-year grants or forgivable loans.

(4) Funds from the set aside not utilized after nine months shall become available for 10-year forgivable loans.

(5) The Department shall annually publish the amount of the set aside on its website.

* * *

(i) Creation of the Vermont Rental Housing Improvement Program Revolving Fund. Funds repaid or returned to the Department from forgivable loans or grants funded by the Program shall return to the Vermont Rental Housing Improvement Revolving Fund to be used for Program expenditures and administrative costs at the discretion of the Department.

(j) Annual report. Annually, the Department shall submit a report to the House Committees on Human Services and on General and Housing and the Senate Committee on Economic Development, Housing and General Affairs regarding the following:

(1) separately, the number of units funded and the number of units rehabilitated through grants, through a five-year forgivable loan, and through a 10-year forgivable loan;

(2) for grants and five-year forgivable loans, for the first year after the expiration of the lease requirements outlined in subdivision (e)(2)(A) of this section, whether the unit is still occupied by a tenant who meets the qualifications of that subdivision;

(3) for each program, for the first year after the expiration of the applicable lease requirements outlined in this section, the amount of rent charged by the landlord and how that rent compares to fair market rent established by the Department of Housing and Urban Development; and

(4) the rate of turnover for tenants housed utilizing grants or five-year forgivable loans and 10-year forgivable loans separately.

* * * MHIR * * *

Sec. 2. 10 V.S.A. § 700 is added to read:

§ 700. VERMONT MANUFACTURED HOME IMPROVEMENT AND REPAIR PROGRAM

(a) There is created within the Department of Housing and Community Development the Manufactured Home Improvement and Repair Program. The Department shall design and implement the Program to award funding to statewide or regional nonprofit housing organizations, or both, to provide financial assistance or awards to manufactured homeowners and manufactured home park owners to improve existing homes, incentivize new slab placement for prospective homeowners, and incentivize park improvements for infill of more homes.

(b) The following projects are eligible for funding through the Program:

(1) The Department may award up to \$20,000.00 to owners of manufactured housing communities to complete small-scale capital needs to help infill vacant lots with homes, including disposal of abandoned homes, lot grading and preparation, the siting and upgrading of electrical boxes, enhancing E-911 safety issues, transporting homes out of flood zones, and improving individual septic systems. Costs awarded under this subdivision may also cover legal fees and marketing to help make it easier for home-seekers to find vacant lots around the State.

(2) The Department may award funding to manufactured homeowners for which the home is their primary residence to address habitability and accessibility issues to bring the home into compliance with safe living conditions.

(3) The Department may award up to \$15,000.00 per grant to a homeowner to pay for a foundation or federal Department of Housing and Urban Development-approved slab, site preparation, skirting, tie-downs, and utility connections on vacant lots within a manufactured home community.

(c) The Department may adopt rules, policies, and guidelines to aid in enacting the Program.

* * * Vermont Infrastructure Sustainability Fund * * *

Sec. 3. 24 V.S.A. chapter 119, subchapter 6 is amended to read:

Subchapter 6. Special Funds

* * *

§ 4686. VERMONT INFRASTRUCTURE SUSTAINABILITY FUND

(a) Creation. There is created the Vermont Infrastructure Sustainability Fund within the Vermont Bond Bank.

(b) Purpose. The purpose of the Fund is to provide capital to extend and increase capacity of water and sewer service and other public infrastructure in municipalities where lack of extension or capacity is a barrier to housing development.

(c) Administration. The Vermont Bond Bank may administer the Fund in coordination with and support from other State agencies, government component parts, and quasi-governmental agencies.

(d) Program parameters.

(1) The Vermont Bond Bank, in consultation with the Department of Housing and Community Development, shall develop program guidelines to effectively implement the Fund.

(2) The program shall provide low-interest loans or purchase bonds from municipalities to expand infrastructure capacity. Eligible activities include:

(A) preliminary engineering and planning;

(B) engineering design and bid specifications;

(C) construction for municipal water and wastewater systems;

(D) transportation investments, including those required by municipal regulation, the municipality's official map, designation requirements, or other planning or engineering identifying complete streets and transportation and transit related improvements, including improvements to existing streets; and

(E) other eligible activities as determined by the guidelines produced by the Vermont Bond Bank in consultation with the Department of Housing and Community Development.

(e) Application requirements. Eligible project applications shall demonstrate:

(1) the project will create reserve capacity necessary for new housing unit development;

(2) the project has a direct link to housing unit production; and

(3) the municipality has a commitment to own and operate the project throughout its useful life.

(f) Application criteria. In addition to any criteria developed in the program guidelines, project applications shall be evaluated using the following criteria:

(1) whether there is a direct connection to proposed or in-progress housing development with demonstrable progress toward regional housing targets;

(2) whether the project is an expansion of an existing system;

(3) the proximity to a designated area;

(4) the project readiness and estimated time until the need for financing;

(5) the demonstration of financing for project completion or completion of a project component; and

(6) the relative need and capacity of the community.

(g) Award terms. The Vermont Bond Bank, in consultation with the Department of Housing and Community Development, shall establish award terms that may include:

(1) the maximum loan or bond amount;

(2) the maximum term of the loan or bond amount;

(3) the time by which amortization shall commence;

(4) the maximum interest rate;

(5) whether the loan is eligible for forgiveness and to what percentage or amount;

(6) the necessary security for the loan or bond; and

(7) any additional covenants required to further secure the loan or bond.

(h) Revolving fund.

(1) Any funds repaid or returned from the Infrastructure Sustainability Fund shall be deposited into the Fund and used to continue the program established in this section.

(2) The Bank may use the funds in conjunction with other Bank programs to accomplish the policy objectives outlined in this section.

* * * VHFA Rental Housing Revolving Loan Program * * *

Sec. 4. 2023 Acts and Resolves No. 47, Sec. 38 is amended to read:

Sec. 38. RENTAL HOUSING REVOLVING LOAN PROGRAM

(a) Creation; administration. The Vermont Housing Finance Agency shall design and implement a Rental Housing Revolving Loan Program and shall create and administer a revolving loan fund to provide subsidized loans for rental housing developments that serve middle-income households.

(b) Loans; eligibility; criteria.

* * *

(7) The Agency shall use one or more legal mechanisms to ensure that:

(A) a subsidized unit remains affordable to a household earning the applicable percent of area median income for the longer of:

(i) seven years; or

(ii) full repayment of the loan plus three years; and

(B) during the affordability period determined pursuant to subdivision (A) of this subdivision (7), the annual increase in rent for a subsidized unit does not exceed three percent or an amount otherwise authorized by the Agency.

* * *

* * * Universal Design Study Committee * * *

Sec. 5. RESIDENTIAL UNIVERSAL DESIGN STANDARDS; STUDY COMMITTEE; REPORT

(a) Creation. There is created the Residential Universal Design Study Committee to explore implementation of statewide universal design standards for all residential buildings.

(b) Membership. The Committee shall be composed of the following members with preference for appointment of members with lived experience:

(1) one member of the House of Representatives, who shall be appointed by the Speaker of the House;

(2) one member of the Senate, who shall be appointed by the Committee on Committees;

(3) one member, appointed by the Vermont Builders and Remodelers Association;

(4) one member, appointed by the Vermont Chapter of the American Institute of Architects;

(5) the Director of Fire Safety or designee;

(6) one member of the Vermont Access Board, appointed by the Chair;

(7) one member, appointed by the Vermont Housing Finance Agency;

(8) one member, appointed by the Vermont Housing and Conservation Board;

(9) one member, appointed by the Vermont Center for Independent Living;

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

(11) the Commissioner of Housing and Community Development or designee;

(12) one member, appointed by the Vermont Leagues of Cities and Towns;

(13) one member, appointed by the Vermont Assessors and Listers Association;

(14) one member, appointed by the Vermont Association of Realtors;

(15) the Commissioner of Disabilities, Aging and Independent Living or designee;

(16) one member, appointed by ADA Inspections Nationwide, LLC; and

(17) one member, appointed by the Associated General Contractors of Vermont.

(c) Powers and duties. The Committee shall study the development and implementation of statewide universal design standards for residential buildings, including identification and analysis of the following issues:

(1) existing federal and state laws regarding the Americans with Disabilities Act, 42 U.S.C. §§ 12101–12213, standards and building codes;

(2) existing federal, state, and international best practices and standards addressing accessibility and adaptability characteristics of single-family and multiunit buildings;

(3) opportunities and challenges for supporting the residential building industry in meeting universal design standards, including considerations of workforce education and training;

(4) cost benefits and impacts of adopting a universal design standard for residential buildings;

(5) opportunities and challenges with enforcement of identified standards; and

(6) impacts to the valuation and financing of impacted buildings.

(d) Assistance. The Committee shall have the administrative, technical, and legal assistance of the Department of Housing and Community Development.

(e) Report. On or before November 1, 2025, the Committee shall submit a written report to the House Committee on General and Housing and the Senate Committee on Economic Development, Housing and General Affairs with its findings and any recommendations for legislative action.

(f) Meetings.

(1) The member of the House of Representatives shall call the first meeting of the Committee to occur on or before June 1, 2025.

(2) The Committee shall select a chair from among its members at the first meeting.

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

(4) The Committee shall cease to exist on December 1, 2025.

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

(2) Members of the Committee who are not otherwise compensated for their time shall be entitled to per diem compensation as permitted under 32 V.S.A. § 1010 for not more than six meetings. These payments shall be made from monies appropriated to the Department of Housing and Community Development for that purpose.

(h) Intent to appropriate. Notwithstanding subdivision (g)(2) of this section, per diems for the cost of attending meetings shall only be available in the event an appropriation is made in fiscal year 2026 from the General Fund to the Department of Housing and Community Development for that purpose.

* * * Housing and Residential Services Planning Committee * * *

Sec. 6. STATE HOUSING AND RESIDENTIAL SERVICES PLANNING COMMITTEE; REPORT

(a) Creation. There is created the State Housing and Residential Services Planning Committee to generate a State plan to develop housing for individuals with developmental disabilities.

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

(1) one current member of the House of Representatives, who shall be appointed by the Speaker of the House;

(2) one current member of the Senate, who shall be appointed by the Committee on Committees;

(3) the Secretary of Human Services or designee;

(4) the Commissioner of Disabilities, Aging, and Independent Living or designee;

(5) the Commissioner of Housing and Community Development or designee;

(6) the State Treasurer or designee;

(7) one member, appointed by the Developmental Disabilities Housing Initiative;

(8) the Executive Director of the Vermont Developmental Disabilities Council;

(9) one member, appointed by Green Mountain Self-Advocates;

(10) one member, appointed by Vermont Care Partners;

(11) one member, appointed by the Vermont Housing and Conservation Board; and

(12) one member, appointed by the Associated General Contractors of Vermont.

(c) Powers and duties. The Committee shall create an actionable plan to develop housing for individuals with developmental disabilities that reflects the diversity of needs expressed by those individuals and their families, including individuals with high-support needs who require 24-hour care and those with specific communication needs. The plan shall include:

(1) a schedule for the creation of at least 600 additional units of service-supported housing;

(2) the number and description of the support needs of individuals with developmental disabilities anticipated to be served annually;

(3) anticipated funding needs; and

(4) recommendations for changes in State laws or policies that are obstacles to the development of housing needed by individuals with Medicaid-funded home-and community-based services.

(d) Assistance.

(1) The Committee shall have the administrative, technical, and legal assistance of the Department of Housing and Community Development.

(2) Upon request of the Committee, the Department of Disabilities, Aging, and Independent Living shall provide an analysis of the current state of housing in Vermont for individuals with development disabilities and, to the extent available, an analysis of the level of community support needed for these individuals.

(e) Report. On or before November 15, 2025, the Committee shall submit a written report to the House Committees on General and Housing and on Human Services and the Senate Committees on Economic Development, Housing and General Affairs and on Health and Welfare with its findings and any recommendations for legislative action.

(f) Meetings.

(1) The Secretary of Human Services shall call the first meeting of the Committee to occur on or before July 15, 2025.

(2) The Committee shall select a chair from among its members at the first meeting.

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

(4) The Committee shall cease to exist on November 30, 2025.

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

(2) Members of the Committee who are not otherwise compensated for their time shall be entitled to per diem compensation as permitted under 32 V.S.A. § 1010 for not more than six meetings. These payments shall be made from monies appropriated to the Department of Housing and Community Development for that purpose.

(h) Intent to appropriate. Notwithstanding subsection (g)(2) of this section, per diems for the cost of attending meetings shall only be available in the event an appropriation is made in fiscal year 2026 from the General Fund to the Department of Housing and Community Development for that purpose.

* * * Tax Department Housing Data Access * * *

Sec. 7. 32 V.S.A. § 5404 is amended to read:

§ 5404. DETERMINATION OF EDUCATION PROPERTY TAX GRAND LIST

* * *

(b) Annually, on or before August 15, the clerk of a municipality, or the supervisor of an unorganized town or gore, shall transmit to the Director in an electronic or other format as prescribed by the Director: education and municipal grand list data, including exemption information and grand list abstracts; tax rates; an extract of the assessor database also referred to as a Computer Assisted Mass Appraisal (CAMA) system or Computer Assisted Mass Appraisal database; and the total amount of taxes assessed in the town or unorganized town or gore. The data transmitted shall identify each parcel by a parcel identification number assigned under a numbering system prescribed by the Director. Municipalities may continue to use existing numbering systems in addition to, but not in substitution for, the parcel identification system prescribed by the Director. If changes or additions to the grand list are made by the listers or other officials authorized to do so after such abstract has been so transmitted, such clerks shall forthwith certify the same to the Director.

* * *

* * * Landlord Certificate * * *

Sec. 8. REPEAL; ACT 181 PROSPECTIVE LANDLORD CERTIFICATE CHANGES

2024 Acts and Resolves No. 181, Secs. 98 (landlord certificate amendments) and 114(5) (effective date of landlord certificate amendments) are repealed.

Sec. 9. 32 V.S.A. § 6069 is amended to read:

§ 6069. LANDLORD CERTIFICATE

* * *

(b) The owner of each rental property shall, on or before January 31 of each year, furnish a certificate of rent to the Department of Taxes.

(c) A certificate under this section shall be in a form prescribed by the Commissioner and shall include the following:

(1) the name of the each renter;

(2) the address and ~~any property tax parcel identification number of the homestead, the information required under subsection (f) of this section, the~~

School Property Account Number of the rental property;

(3) the name of the owner or landlord of the rental property;

(4) the phone number, email address, and mailing address of the owner or landlord of the rental property, as available;

(5) the type or types of rental units on the rental property;

(6) the number of rental units on the rental property;

(7) the number of ADA-accessible units on the rental property; and

(8) any additional information that the Commissioner determines is appropriate.

* * *

~~(f) Annually on or before October 31, the Department shall prepare and make available to a member of the public upon request a database in the form of a sortable spreadsheet that contains the following information for each rental unit for which the Department received a certificate pursuant to this section:~~

~~(1) name of owner or landlord;~~

~~(2) mailing address of landlord;~~

~~(3) location of rental unit;~~

~~(4) type of rental unit;~~

~~(5) number of units in building; and~~

~~(6) School Property Account Number. Annually on or before December 15, the Department shall submit a report on the aggregated data collected under this section to the House Committee on General and Housing and the Senate Committee on Economic Development, Housing and General Affairs.~~

* * * Land Bank Report * * *

Sec. 10. DHCD LAND BANK REPORT

(a) On or before November 1, 2025, the Department of Housing and Community Development shall issue a report to the House Committee on General and Housing and the Senate Committee on Economic Development, Housing and General Affairs outlining a legal framework for implementation of a State land bank. The report shall include proposed legislative language specific to:

(1) the creation of a statewide land bank;

(2) the authorization of regional or municipal land banks; and

(3) the identification of funding proposals to support the sustainability of each separate model.

(b) The report shall include an analysis on which option, the creation of a statewide land bank or the authorization of regional or municipal land banks, best serves the interest of Vermont communities, including rural communities.

* * * Housing and Public Accommodations Protections * * *

Sec. 11. 9 V.S.A. § 4456a is amended to read:

§ 4456a. RESIDENTIAL RENTAL APPLICATION FEES; PROHIBITED

(a) A landlord or a landlord's agent shall not charge an application fee to any individual in order to apply to enter into a rental agreement for a residential dwelling unit. This ~~section~~ subsection shall not be construed to prohibit a person from charging a fee to a person in order to apply to rent commercial or nonresidential property.

(b)(1) In order to conduct a background or credit check, a landlord shall accept any of the following:

(A) an original or a copy of any unexpired form of government-issued identification;

(B) an Individual Taxpayer Identification Number; or

(C) a Social Security number.

(2) A residential rental application shall inform an applicant that the applicant may provide any of the above forms of identification in order to conduct a background or credit check.

Sec. 12. 9 V.S.A. § 4501 is amended to read:

§ 4501. DEFINITIONS

As used in this chapter:

* * *

(12)(A) "Harass" means to engage in unwelcome conduct that detracts from, undermines, or interferes with a person's:

(i) use of a place of public accommodation or any of the accommodations, advantages, facilities, or privileges of a place of public accommodation because of the person's race, creed, color, national origin, citizenship, immigration status, marital status, sex, sexual orientation, gender identity, or disability; or

(ii) terms, conditions, privileges, or protections in the sale or rental of a dwelling or other real estate, or in the provision of services or facilities in connection with a dwelling or other real estate, because of the person's race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability, or because the person intends to occupy a dwelling with one or more minor children, or because the person is a recipient of public assistance, or because the person is a victim of abuse, sexual assault, or stalking.

* * *

Sec. 13. 9 V.S.A. § 4502 is amended to read:

§ 4502. PUBLIC ACCOMMODATIONS

(a) An owner or operator of a place of public accommodation or an agent or employee of such owner or operator shall not, because of the race, creed, color, national origin, citizenship, immigration status, marital status, sex, sexual orientation, or gender identity of any person, refuse, withhold from, or deny to that person any of the accommodations, advantages, facilities, and privileges of the place of public accommodation.

* * *

Sec. 14. 9 V.S.A. § 4503 is amended to read:

§ 4503. UNFAIR HOUSING PRACTICES

(a) It shall be unlawful for any person:

(1) To refuse to sell or rent, or refuse to negotiate for the sale or rental of, or otherwise make unavailable or deny, a dwelling or other real estate to any person because of the race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person intends to occupy a dwelling with one or more minor children, or because a person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking.

(2) To discriminate against, or to harass, any person in the terms, conditions, privileges, and protections of the sale or rental of a dwelling or other real estate, or in the provision of services or facilities in connection with a dwelling or other real estate, because of the race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person intends to occupy a dwelling with one or more minor children, or because a

person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking.

(3) To make, print, or publish, or cause to be made, printed, or published any notice, statement, or advertisement, with respect to the sale or rental of a dwelling or other real estate that indicates any preference, limitation, or discrimination based on race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person intends to occupy a dwelling with one or more minor children, or because a person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking.

(4) To represent to any person because of the race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person intends to occupy a dwelling with one or more minor children, or because a person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking, that any dwelling or other real estate is not available for inspection, sale, or rental when the dwelling or real estate is in fact so available.

* * *

(6) To discriminate against any person in the making or purchasing of loans or providing other financial assistance for real-estate-related transactions or in the selling, brokering, or appraising of residential real property, because of the race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person intends to occupy a dwelling with one or more minor children, or because a person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking.

(7) To engage in blockbusting practices, for profit, which may include inducing or attempting to induce a person to sell or rent a dwelling by representations regarding the entry into the neighborhood of a person or persons of a particular race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person intends to occupy a dwelling with one or more minor children, or because a person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking.

(8) To deny any person access to or membership or participation in any multiple listing service, real estate brokers' organization, or other service,

organization, or facility relating to the business of selling or renting dwellings, or to discriminate against any person in the terms or conditions of such access, membership, or participation, on account of race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking.

* * *

(12) To discriminate in land use decisions or in the permitting of housing because of race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, disability, the presence of one or more minor children, income, or because of the receipt of public assistance, or because a person is a victim of abuse, sexual assault, or stalking, except as otherwise provided by law.

* * *

(d) If required by federal law, the verification of immigration status or differential treatment on the basis of citizenship or immigration status shall not constitute a violation of subsection (a) of this section with respect to the sale and rental of dwellings.

(e) For purposes of subdivision (a)(6) of this section, it shall not constitute unlawful discrimination for a lender to consider a credit applicant's immigration status to the extent such status has bearing on the lender's rights and remedies regarding loan repayment and further provided such consideration is consistent with any applicable federal law or regulation.

* * * Housing Appeals * * *

Sec. 15. 10 V.S.A. § 8502 is amended to read:

§ 8502. DEFINITIONS

As used in this chapter:

* * *

(7) "Person aggrieved" means a person who alleges an injury to a particularized interest protected by the provisions of law listed in section 8503 of this title, attributable to an act or decision by a district coordinator, District Commission, the Secretary, an appropriate municipal panel, or the Environmental Division that can be redressed by the Environmental Division or the Supreme Court.

* * *

Sec. 16. 10 V.S.A. § 8504 is amended to read:

§ 8504. APPEALS TO THE ENVIRONMENTAL DIVISION

* * *

(b) Planning and zoning chapter appeals.

(1) Within 30 days of the date of the act or decision, an interested person, as defined in 24 V.S.A. § 4465, or a person aggrieved, who has participated as defined in 24 V.S.A. § 4471 in the municipal regulatory proceeding under that chapter may appeal to the Environmental Division an act or decision made under that chapter by a board of adjustment, a planning commission, or a development review board; provided, however, that decisions of a development review board under 24 V.S.A. § 4420 with respect to local Act 250 review of municipal impacts are not subject to appeal but shall serve as presumptions under chapter 151 of this title.

* * *

(h) De novo hearing. The Environmental Division, applying the substantive standards that were applicable before the tribunal appealed from, shall hold a de novo hearing on those issues that have been appealed, ~~except~~. For a municipal land use permit application for a housing development, if the appeal is of a denial, the Environmental Division shall determine if the application is consistent with the municipal bylaw or land use regulation that directly affects the property or if the appeal is of an approval, if the application is inconsistent with the municipal bylaw or land use regulation that directly affects the property. It shall not be de novo in the case of:

(1) a decision being appealed on the record pursuant to 24 V.S.A. chapter 117; or

(2) a decision of the Commissioner of Forests, Parks and Recreation under section 2625 of this title being appealed on the record, in which case the court shall affirm the decision, unless it finds that the Commissioner did not have reasonable grounds on which to base the decision.

* * *

(k) Limitations on appeals. Notwithstanding any other provision of this section:

(1) there shall be no appeal from a District Commission decision when the Commission has issued a permit and no hearing was requested or held, or no motion to alter was filed following the issuance of an administrative amendment;

(2) a municipal decision regarding whether a particular application qualifies for a recorded hearing under 24 V.S.A. § 4471(b) shall not be subject to appeal;

(3) if a District Commission issues a partial decision under subsection 6086(b) of this title, any appeal of that decision must be taken within 30 days following the date of that decision; and

(4) it shall be the goal of the Environmental Division to issue a decision on a case regarding an appeal of an appropriate municipal panel decision under 24 V.S.A. chapter 117 within 90 days following the close of the hearing; and

(5) except for cases the court considers of greater importance, appeals of an appropriate municipal panel decision under 24 V.S.A. chapter 117 involving housing development take precedence on the docket over other cases and shall be assigned for hearing and trial or for argument accordingly.

* * *

Sec. 17. 24 V.S.A. § 4465 is amended to read:

§ 4465. APPEALS OF DECISIONS OF THE ADMINISTRATIVE OFFICER

* * *

(b) As used in this chapter, an “interested person” means any one of the following:

(1) A person owning title to property, or a municipality or solid waste management district empowered to condemn it or an interest in it, affected by a bylaw, who alleges that the bylaw imposes on the property unreasonable or inappropriate restrictions of present or potential use under the particular circumstances of the case.

(2) The municipality that has a plan or a bylaw at issue in an appeal brought under this chapter or any municipality that adjoins that municipality.

~~(3) A person owning or occupying property in the immediate neighborhood of a property that is the subject of any decision or act taken under this chapter, who can demonstrate a physical or environmental impact on the person’s interest under the criteria reviewed, and who alleges that the decision or act, if confirmed, will not be in accord with the policies, purposes, or terms of the plan or bylaw of that municipality.~~

~~(4) Any 20 persons who may be any combination of voters, residents, or real property owners within a municipality listed in subdivision (2) of this subsection who, by signed petition to the appropriate municipal panel of a municipality, the plan or a bylaw of which is at issue in any appeal brought~~

~~under this title, allege that any relief requested by a person under this title, if granted, will not be in accord with the policies, purposes, or terms of the plan or bylaw of that municipality. This petition to the appropriate municipal panel must designate one person to serve as the representative of the petitioners regarding all matters related to the appeal. For purposes of this subdivision, an appeal shall not include the character of the area affected if the project has a residential component that includes affordable housing.~~

(5) Any department and administrative subdivision of this State owning property or any interest in property within a municipality listed in subdivision (2) of this subsection, and the Agency of Commerce and Community Development of this State.

* * *

Sec. 18. 24 V.S.A. § 4441 is amended to read:

§ 4441. PREPARATION OF BYLAWS AND REGULATORY TOOLS;
AMENDMENT OR REPEAL

* * *

(i) Notwithstanding this section and any other law to the contrary, for bylaw amendments that are required to comply with amendments to this chapter, no hearings are required to be held on the bylaw amendments.

* * * LURB Study * * *

Sec. 19. 2024 Acts and Resolves No. 181, Sec. 11a is amended to read:

Sec. 11a. ACT 250 APPEALS STUDY

(a) On or before ~~January 15, 2026~~ November 15, 2025, the Land Use Review Board shall issue a report evaluating whether to transfer appeals of permit decisions and jurisdictional opinions issued pursuant to 10 V.S.A. chapter 151 to the Land Use Review Board or whether they should remain at the Environmental Division of the Superior Court. The Board shall convene a stakeholder group that at a minimum shall be composed of a representative of environmental interests, attorneys that practice environmental and development law in Vermont, the Vermont League of Cities and Towns, the Vermont Association of Planning and Development Agencies, the Vermont Chamber of Commerce, the Land Access and Opportunity Board, the Office of Racial Equity, the Vermont Association of Realtors, a representative of ~~non-profit~~ nonprofit housing development interests, a representative of for-profit housing development interests, a representative of commercial development interests, an engineer with experience in development, the Agency of Commerce and Community Development, and the Agency of Natural

Resources in preparing the report. The Board shall provide notice of the stakeholder meetings on its website and each meeting shall provide time for public comment.

(b) The report shall at minimum recommend:

(1) whether to allow consolidation of appeals at the Board, or with the Environmental Division of the Superior Court, and how, including what resources the Board would need, if transferred to the Board, appeals of permit decisions issued under 24 V.S.A. chapter 117 and the Agency of Natural Resources can be consolidated with Act 250 appeals;

(2) how to prioritize and expedite the adjudication of appeals related to housing projects, including the use of hearing officers to expedite appeals and the setting of timelines for processing of housing appeals;

(3) procedural rules to govern the Board's administration of Act 250 and the adjudication of appeals of Act 250 decisions. These rules shall include procedures to create a firewall and eliminate any potential for conflicts with the Board managing appeals and issuing permit decisions and jurisdictional opinions; and

(4) other actions the Board should take to promote the efficient and effective adjudication of appeals, including any procedural improvements to the Act 250 permitting process and jurisdictional opinion appeals.

(c) The report shall be submitted to the Senate Committees on Economic Development, Housing and General Affairs and on Natural Resources and Energy and the House Committee on Environment and Energy.

* * * Brownfields * * *

Sec. 20. 10 V.S.A. § 6604c is amended to read:

§ 6604c. MANAGEMENT OF DEVELOPMENT SOILS

(a) Management of development soils. Notwithstanding any other requirements of this chapter to the contrary, development soils may be managed at a location permitted pursuant to an insignificant waste event approval authorization issued pursuant to the Solid Waste Management Rules that contains, at a minimum, the following:

(1) the development soils are generated from a hazardous materials site managed pursuant to a corrective action plan or a soil management plan approved by the Secretary;

(2) the development soils have been tested for arsenic, lead, and polyaromatic hydrocarbons pursuant to a monitoring plan approved by the

Secretary that ensures that the soils do not leach above groundwater enforcement standards;

(3) the location where the soils are managed is appropriate for the amount and type of material being managed;

(4) the soils are capped in a manner approved by the Secretary;

(5) any activity that may disturb the development soils at the permitted location shall be conducted pursuant to a soil management plan approved by the Secretary; and

(6) the permittee files a record notice of where the soils are managed in the land records.

* * *

Sec. 21. REPORT ON THE STATUS OF MANAGEMENT OF DEVELOPMENT SOILS

(a) As part of the biennial report to the House Committee on Environment and the Senate Committee on Natural Resources and Energy under 10 V.S.A. § 6604(c), the Secretary of Natural Resources shall report on the status of the management of development soils in the State under 10 V.S.A. § 6604c. The report shall include:

(1) the number of insignificant waste event approval authorizations issued by the Secretary in the previous two years for the management of development soils;

(2) the number of certified categorical solid waste facilities operating in the State for the management of development soils;

(3) a summary of how the majority of development soils in the State are being managed;

(4) an estimate of the cost to manage development soils, depending on management method; and

(5) any additional information the Secretary determines relevant to the management of development soils in the State.

(b) As used in this section, “development soil” has the same meaning as in 10 V.S.A. § 6602(39).

Sec. 22. 10 V.S.A. § 6641 is amended to read:

§ 6641. BROWNFIELD PROPERTY CLEANUP PROGRAM; CREATION;
POWERS

(a) There is created the Brownfield Property Cleanup Program to enable certain interested parties to request the assistance of the Secretary to review and oversee work plans for investigating, abating, removing, remediating, and monitoring a property in exchange for protection from certain liabilities under section 6615 of this title. The Program shall be administered by the Secretary who shall:

* * *

(c) When conducting any review required by this subchapter, the Secretary shall prioritize the review of remediation at a site that contains housing or that is planned for the construction or rehabilitation of single-family or multi-family housing.

Sec. 23. BROWNFIELDS PROCESS IMPROVEMENT; REPORT

On or before November 1, 2025, the Secretary of Natural Resources shall report to the House Committees on Environment and on General and Housing and the Senate Committees on Economic Development, Housing and General Affairs and on Natural Resources and Energy with proposals to make the Program established pursuant to 10 V.S.A. chapter 159, subchapter 3 (brownfields reuse and liability limitation) substantially more efficient. At a minimum, the report shall include both of the following:

(1) A survey of stakeholders in the brownfields program to identify areas that present challenges to the redevelopment of contaminated properties, with a focus on redevelopment for housing. The Secretary shall provide recommendations to resolve these challenges.

(2) An analysis of strengths and weaknesses of implementing a licensed site professional program within the State. The Secretary shall make a recommendation on whether such a program should be implemented. If the Secretary recommends implementation, the report shall include any changes to statute or budget needed to implement this program.

Sec. 24. FISCAL YEAR 2026 ENVIRONMENTAL CONTINGENCY FUND DISBURSEMENT FOR BROWNFIELDS

In fiscal year 2026, the Secretary of Natural Resources is authorized to disburse up to \$2,000,000.00 from the Environmental Contingency Fund for the assessment, planning, and cleanup of brownfields sites.

* * * Tax Increment Financing * * *

Sec. 25. 24 V.S.A. chapter 53, subchapter 7 is added to read:

Subchapter 7. Community and Housing Infrastructure Program

§ 1906. DEFINITIONS

As used in this subchapter:

(1) “Brownfield” means a property on which the presence or potential presence of a hazardous material, pollutant, or contaminant complicates the expansion, development, redevelopment, or reuse of the property.

(2) “Committed” means pledged and appropriated for the purpose of the current and future payment of financing and related costs.

(3) “Developer” means the person undertaking to construct a housing development.

(4) “Financing” means debt, including principal, interest, and any fees or charges directly related to that debt, incurred by a sponsor, or other instruments or borrowing used by a sponsor, to pay for a housing infrastructure project and, in the case of a sponsor that is a municipality, authorized by the municipality pursuant to section 1910a of this subchapter.

(5) “Housing development” means the construction, rehabilitation, or renovation of any building on a housing development site approved under this subchapter.

(6) “Housing development site” means the parcel or parcels encompassing a housing development as authorized by a municipality pursuant to section 1908 of this subchapter.

(7) “Housing infrastructure agreement” means a legally binding agreement to finance and develop a housing infrastructure project and to construct a housing development among a municipality, a developer, and, if applicable, a third-party sponsor.

(8) “Housing infrastructure project” means one or more improvements authorized by a municipality pursuant to section 1908 of this subchapter.

(9) “Improvements” means:

(A) any of the following that will serve a public good and fulfill the purpose of section 1907 of this subchapter:

(i) the installation or construction of:

(I) wastewater, storm water, water dispersal, water collection, water treatment facilities and equipment, or related wastewater, storm water, or water equipment;

(II) public roads, streets, bridges, multimodal facilities, public transit stop equipment and amenities, street and sidewalk lighting, sidewalks,

streetscapes, way-finding signs and kiosks, traffic signals, medians, or turn lanes; or

(III) digital or telecommunications infrastructure;

(ii) site preparation for development or redevelopment, including land and property acquisition, demolition, brownfield remediation, or flood remediation and mitigation; and

(B) the funding of debt service interest payments for a period of up to four years, beginning on the date on which the debt is first incurred.

(10) “Legislative body” means the mayor and alderboard, the city council, the selectboard, and the president and trustees of an incorporated village, as appropriate.

(11) “Lifetime education property tax increment retention” means the total education property tax increment to be retained for a housing infrastructure project across its lifetime.

(12) “Mixed-income housing” means housing that is subject to a housing subsidy covenant, as defined in 27 V.S.A. § 610, of perpetual duration.

(13) “Mixed-income housing development” means a housing development of which at least 20 percent of the units are mixed-income housing units.

(14) “Municipality” means a city, town, or incorporated village.

(15) “Original taxable value” means the total valuation as determined in accordance with 32 V.S.A. chapter 129 of all taxable real property located within a housing development site as of its creation date, provided that no parcel within the housing development site shall be divided or bisected.

(16) “Related costs” means expenses incurred and paid by a municipality, exclusive of the actual cost of constructing and financing improvements, that are directly related to the creation and implementation of the municipality’s housing infrastructure project, including reimbursement of sums previously advanced by the municipality for those purposes. Related costs may include direct municipal expenses such as departmental or personnel costs related to creating or administering the housing infrastructure project to the extent they are paid from the tax increment realized from municipal and not education taxes and using only that portion of the municipal increment above the percentage required for servicing debt as determined in accordance with subsection 1910c of this subchapter.

(17) “Sponsor” means the person undertaking to finance a housing infrastructure project. Any of a municipality, a developer, or an independent agency that meets State lending standards may serve as a sponsor for a housing infrastructure project.

§ 1907. PURPOSE

The purpose of the pilot Community and Housing Infrastructure Program is to encourage the development of new primary residences for households of low and moderate income across both rural and urban areas of all Vermont counties that would not be created but for the infrastructure improvements funded by the Program.

§ 1908. CREATION OF HOUSING INFRASTRUCTURE PROJECT AND HOUSING DEVELOPMENT SITE

(a) The legislative body of a municipality may create within its jurisdiction a housing infrastructure project, which shall consist of improvements that stimulate the development of housing, and a housing development site, which shall consist of the parcel or parcels on which a housing development is installed or constructed.

(b) To create a housing infrastructure project and housing development site, a municipality, in coordination with stakeholders, shall:

(1) develop a housing development plan, including:

(A) a description of the proposed housing infrastructure project, the proposed housing development, and the proposed housing development site;

(B) identification of a sponsor;

(C) a tax increment financing plan meeting the standards of subsection 1910(h) of this subchapter;

(D) a pro forma projection of expected costs of the proposed housing infrastructure project;

(E) a projection of the tax increment to be generated by the proposed housing development;

(F) a development schedule that includes a list, a cost estimate, and a schedule for the proposed housing infrastructure project and the proposed housing development; and

(G) a determination that the proposed housing development furthers the purpose of section 1907 of this subchapter;

(2) develop a plan describing the housing development site by its boundaries and the properties therein, entitled “Proposed Housing Development Site (municipal name), Vermont”;

(3) hold one or more public hearings, after public notice, on the proposed housing infrastructure project, including the plans developed pursuant to this subsection; and

(4) adopt by act of the legislative body of the municipality the plan developed under subdivision (2) of this subsection, which shall be recorded with the municipal clerk and lister or assessor.

(c) The creation of a housing development site shall occur at 12:01 a.m. on April 1 of the calendar year in which the Vermont Economic Progress Council approves the use of tax increment financing for the housing infrastructure project pursuant to section 1910 of this subchapter.

§ 1909. HOUSING INFRASTRUCTURE AGREEMENT

(a) The housing infrastructure agreement for a housing infrastructure project shall:

(1) clearly identify the sponsor for the housing infrastructure project;

(2) clearly identify the developer and the housing development for the housing development site;

(3) obligate the tax increments retained pursuant to section 1910c of this subchapter for not more than the financing and related costs for the housing infrastructure project;

(4) provide terms and sufficient remedies or, if the municipality so elects, an ordinance to ensure that any housing unit within the housing development be offered exclusively as a bona fide domicile in perpetuity; and

(5) provide for performance assurances to reasonably secure the obligations of all parties under the housing infrastructure agreement.

(b) A municipality shall provide notice of the terms of the housing infrastructure agreement for the municipality’s housing infrastructure project to the legal voters of the municipality and shall provide the same information as set forth in subsection 1910a(e) of this subchapter.

§ 1910. HOUSING INFRASTRUCTURE PROJECT APPLICATION; VERMONT ECONOMIC PROGRESS COUNCIL

(a) Application. A municipality, upon approval of its legislative body, may apply to the Vermont Economic Progress Council to use tax increment financing for a housing infrastructure project.

(b) But-for test. The Vermont Economic Progress Council shall review each application to determine whether the infrastructure improvements proposed to serve the housing development site and the proposed housing development would not have occurred as proposed in the application or would have occurred in a significantly different and less desirable manner than as proposed in the application but for the proposed utilization of the incremental tax revenues. The review shall take into account:

(1) the amount of additional time, if any, needed to complete the proposed housing development and the amount of additional cost that might be incurred if the project were to proceed without education property tax increment financing;

(2) how the proposed housing development components and size would differ, if at all, including, if applicable to the housing development, in the number of units of mixed-income housing, without education property tax increment financing; and

(3)(A) the amount of additional revenue expected to be generated as a result of the proposed housing development;

(B) the percentage of that revenue that shall be paid to the Education Fund;

(C) the percentage that shall be paid to the municipality; and

(D) the percentage of the revenue paid to the municipality that shall be used to pay financing incurred for the infrastructure improvements.

(c) Process requirements. The Vermont Economic Progress Council shall review a municipality's housing infrastructure project application to determine whether the municipality has:

(1) created a housing infrastructure project and housing development site pursuant to section 1908 of this subchapter;

(2) executed a housing infrastructure agreement for the housing infrastructure project that adheres to the standards of section 1909 of this subchapter with a developer and, if the municipality is not financing the housing infrastructure project itself, a sponsor; and

(3) approved or pledged to use incremental municipal tax revenues for the housing infrastructure project in the proportion provided for municipal tax revenues in section 1910c of this subchapter.

(d) Project criterion. The Vermont Economic Progress Council shall review a municipality's housing infrastructure project application to determine

whether at least 65 percent of the floor area of the projected housing development is dedicated to housing.

(e) Mixed-income criterion. The Vermont Economic Progress Council shall review a municipality's housing infrastructure project application to determine whether the projected housing development is a mixed-income housing development for purposes of the increased education property tax increment retention percentage under section 1910c of this subchapter.

(f) Tax increment financing plan. The Vermont Economic Progress Council shall approve a municipality's tax increment financing plan prior to a sponsor's incurrence of debt for the housing infrastructure project, including, if the sponsor is a municipality, prior to a public vote to pledge the credit of the municipality under section 1910a of this subchapter. The tax increment financing plan shall include:

- (1) a statement of costs and sources of revenue;
- (2) estimates of assessed values within the housing development site;
- (3) the portion of those assessed values to be applied to the housing infrastructure project;
- (4) the resulting tax increments in each year of the financial plan and the lifetime education property tax increment retention;
- (5) the amount of bonded indebtedness or other financing to be incurred;
- (6) other sources of financing and anticipated revenues; and
- (7) the duration of the financial plan.

(g) Approval. The Vermont Economic Progress Council shall approve or deny an application submitted pursuant to this section not later than 45 days following receipt of the completed application. The Vermont Economic Progress Council shall only approve tax increment financing for applications:

- (1) that meet the but-for test, the process requirements, and the project criterion of this section;
- (2) for which the Council has approved the tax increment financing plan; and
- (3) that are submitted on or before December 31, 2031.

(h) Limit. The Vermont Economic Progress Council shall not annually approve more than \$40,000,000.00 in aggregate lifetime education property tax increment retention. The Vermont Economic Progress Council may

increase this limit by not more than \$5,000,000.00 upon application by the Governor to, and approval of, the Joint Fiscal Committee. In evaluating the Governor's request, the Joint Fiscal Committee shall consider the economic and fiscal condition of the State, including recent revenue forecasts and budget projections. The Vermont Economic Progress Council shall provide the Joint Fiscal Committee with testimony, documentation, housing infrastructure project application data, and any other information the Committee requests to demonstrate that increasing the cap will create an opportunity for the creation of additional housing to meet the needs of a municipality or municipalities and the State.

§ 1910a. INDEBTEDNESS

(a) A municipality approved for tax increment financing under section 1910 of this subchapter may incur indebtedness against revenues of the housing development site at any time during a period of up to five years following the creation of the housing development site. The Vermont Economic Progress Council may extend this debt incursion period by up to three years.

(b) Notwithstanding any provision of any municipal charter, each instance of borrowing by a municipality to finance or otherwise pay for a housing infrastructure project shall occur only after the legal voters of the municipality, by a majority vote of all voters present and voting on the question at a special or annual municipal meeting duly warned for the purpose, authorize the legislative body to pledge the credit of the municipality, borrow, or otherwise secure the debt for the specific purposes so warned.

(c) Any indebtedness incurred under this section may be retired over any period authorized by the legislative body of the municipality.

(d) The housing development site shall continue until the date and hour the indebtedness is retired or, if no debt is incurred, the debt incursion period ends.

(e) A municipal legislative body shall provide information to the public prior to the public vote required under subsection (b) of this section. This information shall include the amount and types of debt and related costs to be incurred, including principal, interest, and fees; terms of the debt; the housing infrastructure project to be financed; the housing development projected to occur because of the housing infrastructure project; and notice to the voters that if the tax increment received by the municipality from any property tax source is insufficient to pay the principal and interest on the debt in any year, the municipality shall remain liable for the full payment of the principal and interest for the term of the indebtedness. If interfund loans within the

municipality are used, the information must also include documentation of the terms and conditions of the loan.

(f) If interfund loans within the municipality are used as the method of financing, no interest shall be charged.

(g) The use of a bond anticipation note shall not be considered a first incurrence of debt pursuant to subsection (a) of this section.

§ 1910b. ORIGINAL TAXABLE VALUE; TAX INCREMENT

(a) As of the date the housing development site is created, the lister or assessor for the municipality shall certify the original taxable value and shall certify to the legislative body in each year thereafter during the life of the housing development site the amount by which the total valuation as determined in accordance with 32 V.S.A. chapter 129 of all taxable real property within the housing development site has increased or decreased relative to the original taxable value.

(b) Annually throughout the life of the housing development site, the lister or assessor shall include not more than the original taxable value of the real property in the assessed valuation upon which the treasurer computes the rates of all taxes levied by the municipality and every other taxing district in which the housing development site is situated, but the treasurer shall extend all rates so determined against the entire assessed valuation of real property for that year.

(c) Annually throughout the life of the housing development site, a municipality shall remit not less than the aggregate education property tax due on the original taxable value to the Education Fund.

(d) Annually throughout the life of the housing development site, the municipality shall hold apart, rather than remit to the taxing districts, that proportion of all taxes paid that year on the real property within the housing development site that the excess valuation bears to the total assessed valuation. The amount held apart each year is the "tax increment" for that year. The tax increment shall only be used for financing and related costs.

(e) Not more than the percentages established pursuant to section 1910c of this subchapter of the municipal and State education tax increments received with respect to the housing development site and committed for the payment for financing for improvements and related costs shall be segregated by the municipality in a special tax increment financing account and in its official books and records until all capital indebtedness incurred for the housing infrastructure project has been fully paid. The final payment shall be reported to the treasurer, who shall thereafter include the entire assessed valuation of

the housing development site in the assessed valuations upon which the municipal and other tax rates are computed and extended, and thereafter no taxes from the housing development site shall be deposited in the special tax increment financing account.

(f) Notwithstanding any charter provision or other provision, all property taxes assessed within a housing development site shall be subject to the provisions of this section. Special assessments levied under chapter 76A or 87 of this title or under a municipal charter shall not be considered property taxes for the purpose of this section if the proceeds are used exclusively for operating expenses related to properties within the housing development site and not for improvements within the housing development site.

§ 1910c. USE OF TAX INCREMENT; RETENTION PERIOD

(a) Uses of tax increments. A municipality may apply tax increments retained pursuant to this subchapter to debt incurred within the period permitted under section 1910a of this subchapter, to related costs, and to the direct payment of the cost of a housing infrastructure project. A municipality may provide tax increment to a sponsor only upon receipt of an invoice for payment of the financing, and the sponsor shall confirm to the municipality once the tax increment has been applied to the financing. Any direct payment shall be subject to the same public vote provisions of section 1910a of this subchapter as apply to debt.

(b) Education property tax increment.

(1) For a housing infrastructure project that does not satisfy the mixed-income criterion of section 1910 of this subchapter, up to 60 percent of the education property tax increment may be retained for up to 20 years, beginning the first year in which debt is incurred for the housing infrastructure project.

(2) For a housing infrastructure project that satisfies the mixed-income criterion of section 1910 of this subchapter, up to 80 percent of the education property tax increment may be retained for up to 20 years, beginning the first year in which debt is incurred for the housing infrastructure project.

(3) Upon incurring the first debt, a municipality shall notify the Department of Taxes and the Vermont Economic Progress Council of the beginning of the retention period of the education property tax increment.

(c) Municipal property tax increment. Not less than 85 percent of the municipal property tax increment may be retained, beginning the first year in which debt is incurred for the housing infrastructure project.

(d) Excess tax increment.

(1) Of the municipal and education property tax increments received in any tax year that exceed the amounts committed for the payment of the financing and related costs for a housing infrastructure project, equal portions of each increment may be retained for the following purposes:

(A) to prepay principal and interest on the financing;

(B) to place in a special tax increment financing account required pursuant to subsection 1910b(e) of this subchapter and use for future financing payments; or

(C) to use for defeasance of the financing.

(2) Any remaining portion of the excess education property tax increment shall be distributed to the Education Fund. Any remaining portion of the excess municipal property tax increment shall be distributed to the city, town, or village budget in the proportion that each budget bears to the combined total of the budgets unless otherwise negotiated by the city, town, or village.

(e) Adjustment of percentage. During the fifth year following the creation of a housing development site, the municipality shall submit an updated tax increment financing plan to the Vermont Economic Progress Council that shall include adjustments and updates of appropriate data and information sufficient for the Vermont Economic Progress Council to determine, based on tax increment financing debt actually incurred and the history of increment generated during the first five years, whether the percentages approved under this section should be continued or adjusted to a lower percentage to be retained for the remaining duration of the retention period and still provide sufficient municipal and education increment to service the remaining debt.

§ 1910d. INFORMATION REPORTING

(a) A municipality with an active housing infrastructure project shall:

(1) develop a system, segregated for the housing infrastructure project, to identify, collect, and maintain all data and information necessary to fulfill the reporting requirements of this section;

(2) provide timely notification to the Department of Taxes and the Vermont Economic Progress Council of any housing infrastructure project debt, public vote, or vote by the municipal legislative body immediately following the debt incurrence or public vote on a form prescribed by the Council, including copies of public notices, agendas, minutes, vote tally, and a copy of the information provided to the public pursuant to subsection 1910a(e) of this subchapter; and

(3) annually on or before February 15, submit on a form prescribed by the Vermont Economic Progress Council an annual report to the Council and the Department of Taxes, including the information required by subdivision (2) of this subsection if not previously submitted, the information required for annual audit under section 1910e of this subchapter, and any information required by the Council or the Department of Taxes for the report required pursuant to subsection (b) of this section.

(b) Annually on or before April 1, the Vermont Economic Progress Council and the Department of Taxes shall submit a report to the Senate Committees on Economic Development, Housing and General Affairs and on Finance and the House Committees on Commerce and Economic Development, on General and Housing, and on Ways and Means on housing infrastructure projects approved pursuant to this subchapter, including for each:

(1) the date of approval;

(2) a description of the housing infrastructure project;

(3) the original taxable value of the housing development site;

(4) the scope and value of projected and actual improvements and developments in the housing development site, including the number of housing units created;

(5) the expected or actual sale and rental prices of any housing units;

(6) the number of housing units known to be occupied on a basis other than as primary residences;

(7) the number and types of housing units for which a permit is being pursued under 10 V.S.A. chapter 151 (State land use and development plans) and, for each applicable housing development, the current stage of the permitting process;

(8) projected and actual incremental revenue amounts;

(9) the allocation of incremental revenue, including the amount allocated to related costs;

(10) projected and actual financing; and

(11) an evaluation of the amount of public funds flowing to private ownership or usage.

(c) On or before January 15, 2030, the Vermont Economic Progress Council shall submit a report to the Senate Committees on Economic Development, Housing and General Affairs and on Finance and the House

Committees on Commerce and Economic Development, on General and Housing, and on Ways and Means evaluating the success of the Community and Housing Infrastructure Program in achieving its purpose, as stated in section 1907 of this chapter, including by identifying the amount and kinds of housing produced through the Program and by determining whether housing development pursued through the Program meets the project criterion of section 1910 of this chapter.

§ 1910e. AUDITING

Annually on or before April 1 until the year following the end of the period for retention of education property tax increment, a municipality with a housing infrastructure project approved under this subchapter shall ensure that the special tax increment financing account required by section 1910b of this subchapter is subject to the annual audit prescribed in section 1681 or 1690 of this title and submit a copy to the Vermont Economic Progress Council. If an account is subject only to the audit under section 1681 of this title, the Council shall ensure a process is in place to subject the account to an independent audit. Procedures for the audit must include verification of the original taxable value and annual and total municipal and education property tax increments generated, expenditures for financing and related costs, and current balance.

§ 1910f. RULEMAKING

The Vermont Economic Progress Council may adopt rules that are reasonably necessary to implement this subchapter. The Council shall specifically adopt rules to:

(1) govern the prioritization of applications submitted for approval of tax increment financing under this subchapter that take into consideration the purpose of section 1907 of this subchapter, vacancy or dilapidation, regional equity and verifiable housing shortages, and labor sheds;

(2) determine the appropriate floor area measure for purposes of the project criterion under subsection 1910(e) of this subchapter; and

(3) supplement the but-for test under subsection 1910(c) of this subchapter giving due consideration to any rulemaking undertaken to supplement the but-for test under 32 V.S.A. § 5404a(h)(1)(A).

§ 1910g. GUIDANCE

(a) The Secretary of Commerce and Community Development, after reasonable notice to a municipality and an opportunity for a hearing, may issue decisions to a municipality on questions and inquiries concerning the administration of housing infrastructure projects, statutes, rules, noncompliance with this subchapter, and any instances of noncompliance

identified in audit reports conducted pursuant to section 1910e of this subchapter.

(b) The Vermont Economic Progress Council shall prepare recommendations for the Secretary of Commerce and Community Development prior to any decision issued pursuant to subsection (a) of this section. The Council may prepare recommendations in consultation with the Commissioner of Taxes, the Attorney General, and the State Treasurer. In preparing recommendations, the Council shall provide a municipality with a reasonable opportunity to submit written information in support of its position.

(c) The Secretary of Commerce and Community Development shall review the recommendations of the Council and issue a final written decision on each matter within 60 days following receipt of the recommendations. The Secretary may permit an appeal to be taken by any party to a Superior Court for determination of questions of law in the same manner as the Supreme Court may by rule provide for appeals before final judgment from a Superior Court before issuing a final decision.

Sec. 26. 32 V.S.A. § 3325 is amended to read:

§ 3325. VERMONT ECONOMIC PROGRESS COUNCIL

(a) Creation. The Vermont Economic Progress Council is created to exercise the authority and perform the duties assigned to it, including its authority and duties relating to:

(1) the Vermont Employment Growth Incentive Program pursuant to subchapter 2 of this chapter; ~~and~~

(2) tax increment financing districts pursuant to 24 V.S.A. chapter 53, subchapter 5 and section 5404a of this title; and

(3) the Community and Housing Infrastructure Program pursuant to 24 V.S.A. chapter 53, subchapter 7.

(b) Membership.

(1) The Council shall have 11 voting members:

(A) nine residents of the State appointed by the Governor with the advice and consent of the Senate who are knowledgeable and experienced in the subjects of community development and planning, education funding requirements, economic development, State fiscal affairs, property taxation, or entrepreneurial ventures and represent diverse geographical areas of the State and municipalities of various sizes;

(B) one member of the Vermont House of Representatives appointed by the Speaker of the House; and

(C) one member of the Vermont Senate appointed by the Senate Committee on Committees.

(2)(A) The Council shall have two regional members from each region of the State, one appointed by the regional development corporation of the region and one appointed by the regional planning commission of the region.

(B) A regional member shall be a nonvoting member and shall serve during consideration by the Council of an application from ~~his or her~~ the member's region.

(3) Exclusively for purposes of reviewing and approving housing infrastructure project applications under the Community and Housing Infrastructure Program, the Council shall additionally have:

(A) two voting members as follows:

(i) the Executive Director of the Vermont Housing Finance Agency or designee; and

(ii) the Executive Director of the Vermont Housing and Conservation Board or designee; and

(B) as a nonvoting member, the Commissioner of Housing and Community Development or designee.

* * *

(g) Decisions not subject to review. A decision of the Council to approve or deny an application under subchapter 2 of this chapter, ~~or~~ to approve or deny a tax increment financing district pursuant to 24 V.S.A. chapter 53, subchapter 5 and section 5404a of this title, or to approve or deny a housing infrastructure project pursuant to 24 V.S.A. chapter 53, subchapter 7 is an administrative decision that is not subject to the contested case hearing requirements under 3 V.S.A. chapter 25 and is not subject to judicial review.

Sec. 27. 32 V.S.A. § 5404a(f) is amended to read:

(f) A municipality that establishes a tax increment financing district under 24 V.S.A. chapter 53, subchapter 5 shall collect all property taxes on properties contained within the district and apply not more than 70 percent of the State education property tax increment, and not less than 85 percent of the municipal property tax increment, to repayment of financing of the improvements and related costs for up to 20 years pursuant to 24 V.S.A. § 1894, if approved by

the Vermont Economic Progress Council pursuant to this section, subject to the following:

(1) In a municipality with one or more approved districts, the Council shall not approve an additional district until the municipality retires the debt incurred for all of the districts in the municipality.

(2) The Council shall not approve more than six districts in the State, and not more than two per county, provided:

(A) The districts listed in 24 V.S.A. § 1892(d) shall not be counted against the limits imposed in this subdivision (2).

(B) The Council shall consider complete applications in the order they are submitted, except that if during any calendar month the Council receives applications for more districts than are actually available in a county, the Council shall evaluate each application and shall approve the application that, in the Council's discretion, best meets the economic development needs of the county.

(3)(A) A municipality shall immediately notify the Council if it resolves not to incur debt for an approved district within five years of approval or a five-year extension period as required in 24 V.S.A. § 1894.

(B) Upon receiving notification pursuant to subdivision (A) of this subdivision (3), the Council shall terminate the district and may approve a new district, subject to the provisions of this section and 24 V.S.A. chapter 53, subchapter 5.

(4) The Council shall only approve under this section applications for tax increment financing submitted prior to December 31, 2031.

* * * Smoke and Carbon Monoxide Alarms * * *

Sec. 28. 9 V.S.A. chapter 77 is amended to read:

CHAPTER 77. SMOKE ~~DETECTORS~~ ALARMS AND CARBON
MONOXIDE ~~DETECTORS~~ ALARMS

§ 2881. DEFINITIONS

As used in this chapter:

* * *

(2) "Smoke ~~detector~~ alarm" means a device that detects visible or invisible particles of combustion and sounds a warning alarm, is operated from a power supply within the unit or wired to it from an outside source, and is

approved or listed for the purpose by Underwriters Laboratory or by another nationally recognized independent testing laboratory.

(3) “Carbon monoxide ~~detector~~ alarm” means a device with an assembly that incorporates a sensor control component and an alarm notification that detects elevations in carbon monoxide levels and sounds a warning alarm, is operated from a power supply within the unit or wired to it from an outside source, and is approved or listed for the purpose by Underwriters Laboratory or by another nationally recognized independent testing laboratory.

§ 2882. INSTALLATION

(a) A person who constructs a single-family dwelling shall install ~~photoelectric-only-type~~ photoelectric-type or UL 217 compliant smoke ~~detectors~~ alarms in the vicinity of any bedrooms and on each level of the dwelling, and one or more carbon monoxide ~~detectors~~ alarms in the vicinity of any bedrooms in the dwelling in accordance with the manufacturer’s instructions. In a dwelling provided with electrical power, ~~detectors~~ alarms shall be powered by the electrical service in the building and by battery.

(b) Any single-family dwelling when transferred by sale or exchange shall contain ~~photoelectric-only-type~~ photoelectric-type or UL 217 compliant smoke ~~detectors~~ alarms in the vicinity of any bedrooms and on each level of the dwelling installed in accordance with the manufacturer’s instructions and one or more carbon monoxide ~~detectors~~ alarms installed in accordance with the manufacturer’s instructions. A single-family dwelling constructed before January 1, 1994 may contain smoke ~~detectors~~ alarms powered by the electrical service in the building or by battery, or by a combination of both. In a single-family dwelling newly constructed after January 1, 1994 that is provided with electrical power, smoke ~~detectors~~ alarms shall be powered by the electrical service in the building and by battery. In a single-family dwelling newly constructed after July 1, 2005 that is provided with electrical power, carbon monoxide ~~detectors~~ alarms shall be powered by the electrical service in the building and by battery.

(c) Nothing in this section shall require an owner or occupant of a single-family dwelling to maintain or use a smoke ~~detector~~ alarm or a carbon monoxide ~~detector~~ alarm after installation.

§ 2883. REQUIREMENTS FOR TRANSFER OF DWELLING

(a) The seller of a single-family dwelling, including one constructed for first occupancy, whether the transfer is by sale or exchange, shall certify to the buyer at the closing of the transaction that the dwelling is provided with ~~photoelectric-only-type~~ photoelectric-type or UL 217 compliant smoke

~~detectors alarms~~ and carbon monoxide ~~detectors alarms~~ in accordance with this chapter. This certification shall be signed and dated by the seller.

(b) If the buyer notifies the seller within 10 days by certified mail from the date of conveyance of the dwelling that the dwelling lacks any ~~photoelectric-only-type~~ photoelectric-type or UL 217 compliant smoke ~~detectors alarms~~, or any carbon monoxide ~~detectors alarms~~, or that any ~~detector alarm~~ is not operable, the seller shall comply with this chapter within 10 days after notification.

* * *

Sec. 29. 20 V.S.A. § 2731 is amended to read:

§ 2731. RULES; INSPECTIONS; VARIANCES

* * *

(j) ~~Detectors Alarms~~. Rules adopted under this section shall require that information written, approved, and distributed by the Commissioner on the type, placement, and installation of ~~photoelectric~~ photoelectric-type or UL 217 compliant smoke ~~detectors alarms~~ and carbon monoxide ~~detectors alarms~~ be conspicuously posted in the retail sales area where the ~~detectors alarms~~ are sold.

* * *

* * * VHFA Off-Site Construction * * *

Sec. 30. VHFA OFF-SITE CONSTRUCTION REPORT

Provided there are sufficient resources, the Vermont Housing Finance Agency shall issue a report by December 15, 2026 that, at a minimum:

(1) identifies and recommends a set of State policy objectives and priorities related to off-site housing construction;

(2) defines the structure and relevant actors for using bulk purchases of single- and multi-family homes produced through off-site construction to achieve lower construction costs;

(3) gathers input from potential manufacturers about how to best achieve cost savings through a bulk purchase program;

(4) determines any business planning support needed for existing Vermont businesses seeking to develop or expand off-site construction;

(5) explores creating a working group of neighboring states that considers a regional market and shared approach; and

(6) prepares an analysis of the funding and structure needed to support greater development of off-site homes.

* * * Effective Dates * * *

Sec. 31. EFFECTIVE DATES

This act shall take effect on July 1, 2025, except that Sec. 4 (Rental Housing Revolving Loan Program), Sec. 5 (Residential Universal Design Study Committee), Sec. 8 (repeal; Act 181 prospective landlord certificate changes), and this section shall take effect on passage.

House Proposal of Amendment to Senate Proposal of Amendment

H. 209

An act relating to intranasal epinephrine in schools.

The House concurs in the Senate proposal of amendment with further proposal of amendment thereto in Sec. 1, 16 V.S.A. § 1388, in subdivision (a)(6), by inserting “or registered nurses certified through the Office of Professional Regulation and contracted to perform the duties of a school nurse” before the period

H. 266

An act relating to the 340B prescription drug pricing program.

The House concurs in the Senate proposal of amendment with further proposal of amendment thereto by striking out Secs. 4–7 in their entireties and inserting in lieu thereof the following:

Sec. 4. 18 V.S.A. § 9407 is added to read:

§ 9407. OUTPATIENT PRESCRIPTION DRUGS; LIMITATIONS ON HOSPITAL CHARGES

(a)(1) A hospital shall not submit a claim to a health insurer for reimbursement of a prescription drug administered in an outpatient or office setting in an amount that exceeds 120 percent of the average sales price (ASP), as calculated by the Centers for Medicare and Medicaid Services, for any drug for which the hospital charged any health insurer more than 120 percent of the ASP in effect as of April 1, 2025.

(2) For any prescription drug administered in an outpatient or office setting for which a hospital charged a health insurer 120 percent or less of the ASP in effect as of April 1, 2025, the hospital shall not charge the health insurer a greater percentage of the ASP, as calculated by the Centers for

Medicare and Medicaid, for that drug than the percentage of the ASP that the hospital charged the health insurer as of April 1, 2025.

(3) A hospital shall update the ASP for each drug annually on January 1 and July 1 based on the Centers for Medicare and Medicaid Services' ASP calculations for the most recent calendar quarter.

(b)(1) The purpose of this section is to reduce health care costs. A hospital shall not charge or collect from the patient or health insurer any amount for a prescription drug administered in an outpatient or office setting that exceeds the amounts set forth in subsection (a) of this section or increase the amounts the hospital charges for other prescription drugs, procedures, tests, imaging, or other health care goods or services in an effort to offset revenue reduced as a result of implementing this section.

(2) If a hospital demonstrates to the Green Mountain Care Board in its budget submissions pursuant to subchapter 7 of this chapter that the price cap set forth in subsection (a) of this section is having a negative impact on access to care, the quality of care, or the sustainability of rural health care services, or a combination of these, the hospital may propose to increase the commercial reimbursement rates for one or more of its service lines, such as primary care, and the Board shall consider both the demonstrated impact and the proposed increase to reimbursement rates.

(c) The provisions of this section shall remain in effect unless and until the Green Mountain Care Board establishes a different reference-based price pursuant to section 9376 of this title that applies to prescription drugs administered in an outpatient or office setting.

(d) This section shall not apply to an independent hospital that is designated as a critical access hospital and that is not affiliated with another hospital or hospital network based in or outside of Vermont.

Sec. 5. OUTPATIENT PRESCRIPTION DRUGS; LIMITATIONS ON HOSPITAL CHARGES FOR 2025

(a)(1) A hospital shall not submit a claim to a health insurer for reimbursement of a prescription drug administered in an outpatient or office setting between July 1, 2025 and December 31, 2025 in an amount that exceeds 130 percent of the average sales price (ASP), as calculated by the Centers for Medicare and Medicaid Services for the most recent calendar quarter, for any drug for which the hospital charged any health insurer more than 120 percent of the ASP in effect as of April 1, 2025.

(2) For any prescription drug administered in an outpatient or office setting for which a hospital charged a health insurer 120 percent or less of the

ASP in effect as of April 1, 2025, the hospital shall not charge the health insurer a greater percentage of the ASP, as calculated by the Centers for Medicare and Medicaid Services for the most recent calendar quarter, for that drug between July 1, 2025 and December 31, 2025 than the percentage of the ASP that the hospital charged the health insurer as of April 1, 2025.

(b)(1) The purpose of this section is to reduce health care costs. A hospital shall not charge or collect from the patient or health insurer any amount for a prescription drug administered in an outpatient or office setting that exceeds the amounts set forth in subsection (a) of this section or increase the amounts the hospital charges for other prescription drugs, procedures, tests, imaging, or other health care goods or services in an effort to offset revenue reduced as a result of implementing this section.

(2) If a hospital demonstrates to the Green Mountain Care Board in its budget submissions pursuant to subchapter 7 of this chapter that the price cap set forth in subsection (a) of this section is having a negative impact on access to care, the quality of care, or the sustainability of rural health care services, or a combination of these, the hospital may propose to increase the commercial reimbursement rates for one or more of its service lines, such as primary care, and the Board shall consider both the demonstrated impact and the proposed increase to reimbursement rates.

(c) This section shall not apply to an independent hospital that is designated as a critical access hospital and that is not affiliated with another hospital or hospital network based in or outside of Vermont.

Sec. 6. EFFECTIVE DATES

(a) Sec. 4 (18 V.S.A. § 9407; outpatient prescription drugs; limitations on hospital charges) shall take effect on January 1, 2026.

(b) Sec. 5 (outpatient prescription drugs; limitations on hospital charges for 2025) shall take effect on July 1, 2025.

(c) The remainder of this act shall take effect on passage, with the first report under Sec. 2 (18 V.S.A. § 9406) due on or before January 31, 2026.

ORDERED TO LIE

S. 109.

An act relating to miscellaneous judiciary procedures.

JFO NOTICE

Grants and Positions that have been submitted to the Joint Fiscal Committee by the Administration, under 32 V.S.A. §5(b)(3):

JFO #3253: \$20,000.00 to the Vermont Department of Public Safety, Vermont State Police. Funds will be used by the Vermont Boating Law Administrator, with the support of the Vermont Department of Health, to create a comprehensive boating injury data tracking system.

[Received May 6, 2025]

JFO #3254: \$994,435.00 to the Vermont Department Public Safety, Vermont Emergency Management from the Federal Emergency Management Agency. Funds for emergency work and repair/replacement of disaster damaged facilities during the severe storm and flooding event in Lamoille County from June 22-24, 2024.

[Received May 6, 2025]

JFO #3255: \$41,000.00 to the Vermont Agency of Commerce and Community Development, Department of Housing and Community Development. Funds will be used to restore the Baldwin Model K piano, once played by First Lady Grace Coolidge, which now resides in the President Calvin Coolidge State Historic Site in Plymouth, VT.

[Received May 6, 2025]