Senate Calendar

TUESDAY, MARCH 17, 2026

SENATE CONVENES AT: 9:30 A.M.

TABLE OF CONTENTS

Page No.

Second Reading

Favorable

Favorable with Recommendation of Amendment

ORDERS OF THE DAY

ACTION CALENDAR

NEW BUSINESS

Third Reading

S. 211.

An act relating to motor vehicle inspections.

S. 298.

An act relating to creating the Vermont Voting Rights Act.

Second Reading

Favorable

S. 203.

An act relating to penalties for second or subsequent violations of operating a motor vehicle under the influence of alcohol or drugs.

Reported favorably by Senator Hashim for the Committee on Judiciary.

(Committee vote: 4-0-1)

Favorable with Recommendation of Amendment

S. 189.

An act relating to an approval process for reducing or eliminating hospital services.

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

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

Sec. 1. 18 V.S.A. § 9405d is added to read:

§ 9405d. HOSPITAL SERVICE REDUCTIONS; NOTICE REQUIRED

(a) A hospital that proposes to intentionally reduce or eliminate any service shall:

(1) Provide a notice of intent to the Agency of Human Services, the Green Mountain Care Board, the Office of the Health Care Advocate, and the members of the General Assembly who represent the hospital service area not

less than 60 days prior to the proposed reduction or elimination. The notice shall explain the rationale for the proposed reduction or elimination and describe how it is consistent with the Statewide Health Care Delivery Strategic Plan, once established, and the hospital's most recent community health needs assessment conducted pursuant to section 9405a of this title and 26 U.S.C. § 501(r)(3).

(2) Post the notice of intent on the hospital's website beginning on or before the day on which the notice is provided pursuant to subdivision (1) of this subsection.

(3) Publish the notice in a newspaper of general circulation in the hospital service area within 10 days after notice is provided pursuant to subdivision (1) of this subsection.

(4) Conduct a public engagement process, including holding one or more public hearings in the county in which the hospital is located and soliciting and responding to public comments, regarding the proposed service reduction or elimination. The public engagement process may begin prior to providing the notice required by subdivision (1) of this subsection and shall continue for not less than 30 days following the notice. The hospital shall provide a summary of the community's response to the proposal, including the public comments received, to the Agency of Human Services following the conclusion of the public engagement process.

(b) The Agency of Human Services shall:

(1) analyze each proposed service reduction or elimination for consistency with the Statewide Health Care Delivery Strategic Plan, once established, and the community health needs assessment;

(2) consider the community's response and the impact of the proposal on access to necessary care and services in the hospital service area; and

(3) provide nonbinding recommendations regarding the proposed reduction or elimination to the hospital, the Green Mountain Care Board, and the public.

(c) If a hospital elects to proceed with reducing or eliminating a service after completing the process set forth in subsection (a) of this section, then within five business days after making the decision to proceed, the hospital shall notify the Agency of Human Services to inform the Agency's health care system transformation efforts and future versions of the Strategic Plan and the Green Mountain Care Board to enable the Board to review the impact on the hospital's budget pursuant to subdivision 9456(e)(2) of this title.

Sec. 2. 18 V.S.A. § 9456 is amended to read:

§ 9456. BUDGET REVIEW

* * *

(e)(1) The Board, in consultation with the Vermont Program for Quality in Health Care, shall utilize mechanisms to measure hospital costs, quality, and access and alignment with the Statewide Health Care Delivery Strategic Plan, once established.

(2)~~(A) Except as provided in subdivision (D) of this subdivision (e)(2), a hospital that proposes to reduce or eliminate any service in order to comply with a budget established under this section shall provide a notice of intent to the Board, the Agency of Human Services, the Office of the Health Care Advocate, and the members of the General Assembly who represent the hospital service area not less than 45 days prior to the proposed reduction or elimination.~~

~~(B) The notice shall explain the rationale for the proposed reduction or elimination and describe how it is consistent with the Statewide Health Care Delivery Strategic Plan, once established, and the hospital's most recent community health needs assessment conducted pursuant to section 9405a of this title and 26 U.S.C. § 501(r)(3).~~

~~(C) The Board may evaluate the proposed reduction or elimination for consistency with the Statewide Health Care Delivery Strategic Plan, once established and the community health needs assessment, and may modify the hospital's budget or take such additional actions as the Board deems appropriate to preserve access to necessary services.~~

~~(D) A service that has been identified for reduction or elimination in connection with the transformation efforts undertaken by the Board and the Agency of Human Services pursuant to 2022 Acts and Resolves No. 167 does not need to comply with subdivisions (A)–(C) of this subdivision (e)(2).~~

Upon receipt of notification from a hospital pursuant to subsection 9405d(b) of this title that the hospital intends to reduce or eliminate a service following its completion of the process set forth in subsection 9405d(a) of this title, the Board shall review the impact of the reduction or elimination on the hospital's approved budget. The Board may adjust the hospital's budget as necessary to reflect the elimination or reduction, which may include directing that any savings related to the reduction or elimination are returned to Vermonters to address affordability concerns or to payers to be reflected in health insurance premiums or are reinvested in primary care, prevention, and other community-based services.

(3) The Board, in collaboration with the Department of Financial Regulation, shall monitor the implementation of any authorized ~~decrease~~ reduction in or elimination of hospital services to determine its benefits to Vermonters or to Vermont's health care system, or both.

* * *

Sec. 3. EFFECTIVE DATE

This act shall take effect on passage.

and that after passage the title of the bill be amended to read: "An act relating to establishing a process for reducing or eliminating hospital services"

(Committee vote: 5-0-0)

S. 313.

An act relating to transforming Vermont's career technical education system.

Reported favorably with recommendation of amendment by Senator Williams for the Committee on Education.

The Committee recommends that the bill be amended in Sec. 2, career technical education system transformation; legislative intent, in subdivision (1)(D), following "or prevented from accessing CTE" by inserting the words "for lack of capacity"

(Committee vote: 6-0-0)

NOTICE CALENDAR

Committee Bill for Second Reading

Favorable with Recommendation of Amendment

S. 323.

An act relating to miscellaneous agricultural subjects.

By the Committee on Agriculture, Senator Ingalls for the Committee.

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

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

* * * Municipal Agriculture Regulation * * *

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

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

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

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

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

(4) In addition, the General Assembly finds that municipalities shall not regulate by bylaw the growing of plants and the raising of a small backyard poultry flock, excluding roosters.

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

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

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

(A) ~~required agricultural practices, including the construction of farm structures, as those practices are defined by the Secretary of Agriculture, Food and Markets~~ the cultivation or other use of land for growing plants, including for food, fiber, Christmas trees, maple sap, or horticultural, viticultural, and orchard crops;

(B) the raising, feeding, or management of a small backyard poultry flock, excluding roosters;

(C) farming that meets the minimum threshold criteria in the Required Agricultural Practices Rule and is therefore required to comply with the Required Agricultural Practices Rule;

(D) the construction of farm structures, including as defined in the Required Agricultural Practices Rule;

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

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

(2) As used in this section:

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

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

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

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

* * *

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

Section 3. Required Agricultural Practices Activities and Applicability

3.1 Persons engaged in farming and the agricultural practices as defined in Section 3.2 of this rule and who meet the minimum threshold criteria for applicability of this rule as found in Section 3.1(a)–(g) must meet all applicable Required Agricultural Practices conditions, restrictions, and operating standards, and are not subject to municipal zoning bylaws. Persons engaged in farming who are in compliance with these conditions, restrictions, and operating standards, as applicable, shall be presumed to not have a discharge of agricultural wastes to waters of the State. Compliance with the Required Agricultural Practices Rule is required if a person:

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

(b) has produced an annual gross income from the sale of agricultural products of ~~$2,000.00~~ $5,000.00 or more in an average year; or

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

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

(1) four equines;

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

(3) 15 swine;

(4) 15 goats;

(5) 15 sheep;

(6) 15 cervids;

(7) 50 turkeys;

(8) 50 geese;

(9) 100 laying hens;

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

(11) three camelids;

(12) four ratites;

(13) 30 rabbits;

(14) 100 ducks;

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

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

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

of livestock while evaluating whether compliance with the Required Agricultural Practices is reasonable or impractical; or

(f) ~~is managed by a farmer filing with the Internal Revenue Service a 1040(F) income tax statement in at least one of the past two years~~ is raising, feeding, or managing livestock on less than 1.0 contiguous acre or on between 1.0 and 4.0 contiguous acres in a municipality that lacks ordinances or bylaws to regulate livestock, and the Secretary determines, after an opportunity for a hearing, that the livestock are causing significant adverse water quality impacts and the Required Agricultural Practices should apply to protect water quality; or

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

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

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

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

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

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

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

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

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

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

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

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

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

* * * Accessory On-Farm Structure Permit * * *

Sec. 4. 10 V.S.A. § 6081(t) is amended to read:

(t) No permit or permit amendment is required for the construction of improvements for an accessory on-farm business for the storage or sale of qualifying products or the other eligible enumerated products as defined in 24 V.S.A. § 4412(11)(A)(i)(I). No permit or permit amendment is required for the construction of improvements for an accessory on-farm business for the preparation or processing of qualifying products as defined in 24 V.S.A. § 4412(11)(A)(i)(I), provided that more than 50 percent of the total annual sales of the prepared or processed qualifying products come from products produced on the farm where the business is located, or not more than $250,000.00, adjusted for inflation, in total annual sales, or the equivalent value of donated farm crops, of the prepared or processed qualifying products come from products that are not produced on the farm where the business is located. As used in this subsection, "adjusted for inflation" means adjusting the dollar amount by the U.S. Consumer Price Index for all Urban Consumers, All Items, published by the U.S. Bureau of Labor Statistics, from fiscal year 2026 through the fiscal year for which the amount is being determined, and rounding upward to the nearest whole dollar amount. This subsection shall not apply to the construction of improvements related to hosting events or farm stays as part of an accessory on-farm business as defined in 24 V.S.A. § 4412(11)(A)(i)(II). As used in this subsection, "donated farm crops" means charitable contributions of farm crops that are allowable under 26 U.S.C. § 170(c) and that are made to an organization that is unrelated to the owner of the enrolled land.

* * * Land Use Value Appraisal * * *

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

§ 3752. DEFINITIONS

As used in this subchapter:

(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, and "donated farm crops" means charitable contributions of farm crops that are allowable under 26 U.S.C. § 170(c) and that are made to an organization that is unrelated to the owner of the enrolled land.

* * *

Sec. 6. 32 V.S.A. § 3755 is amended to read:

§ 3755. ELIGIBILITY FOR USE VALUE APPRAISALS

* * *

(h) An owner of enrolled agricultural land that is eligible for enrollment due to farm crop donations pursuant to subdivision 3752(1)(C) of this chapter shall retain receipts or other proof of donation. The receipts or other proof shall be available for inspection and examination at any time upon demand by the Director and shall be preserved for a period of three years.

* * * Milk Producers * * *

Sec. 7. 6 V.S.A. § 2752 is amended to read:

§ 2752. REFUSAL TO PURCHASE; HEARING; SECRETARY'S ORDER

(a) A handler doing business in this State who has a contract either verbal or written with a producer residing in this State for the purchase of the producer's dairy products shall not refuse to purchase them from the producer

except for violations of the sanitary rules or standards applicable to the market in which the dairy product is sold or marketed, without being deemed guilty of unfair discrimination. In the event that the refusal is to be based upon reasons of oversupply or other reasonable grounds, the refusal shall not become operative until the purchaser has given the producer at least 90 days' notice of intention to refuse the producer's product on these grounds, which shall be particularly set forth in writing so that the producer may be fully appraised of the refusal.

(b) If the producer desires to question the existence or validity of such grounds of refusal, ~~he or she~~ the producer may do so within 90 days after receiving the notice or refusal by requesting the Secretary of Agriculture, Food and Markets for a hearing, and the Secretary is hereby given jurisdiction to hear and determine the question. The producer shall make complaints of such contemplated refusal in writing to the Secretary, setting forth the substance of the refusal notice and requesting to be heard thereon. The Secretary shall then notify both the producer and the purchaser in writing, sent to them by registered mail, of the time and place of hearing thereon. The time of the hearing shall not be less than 10 nor more than 30 days from the date of the notice. Hearing shall be informal. Both parties shall have an opportunity to produce evidence.

* * *

(d) If a request for a hearing is made by a ~~purchaser~~ producer, refusal of the purchaser shall not become operative until hearing and decision in the purchaser's favor by the Secretary.

* * *

* * * Farm-to-School Program Contracts * * *

Sec. 8. 6 V.S.A. § 4721 is amended to read:

§ 4721. LOCAL FOODS ~~GRANT~~ PROGRAM

(a) There is created in the Agency of Agriculture, Food and Markets the Rozo McLaughlin Farm-to-School Program to execute, administer, and ~~award~~ provide local grants or contracts for the purpose of helping Vermont schools develop farm-to-school programs that will sustain relationships with local farmers and producers, enrich the educational experience of students, improve the health of Vermont children, and enhance Vermont's agricultural economy.

(b) A school, a school district, a consortium of schools, a consortium of school districts, a registered or licensed child care provider, or an organization administering or assisting the development of farm-to-school programs may

apply to the Secretary of Agriculture, Food and Markets for a grant ~~award~~ or contract to:

* * *

(c) The Secretaries of Agriculture, Food and Markets and of Education and the Commissioner of Health, in consultation with farmers, child nutrition staff, educators, organizations administering or assisting the development of farm-to-school programs, and farm-to-school technical service providers, jointly shall adopt procedures relating to the content of ~~the~~ grant ~~application~~ applications or contract bids and the criteria for making awards.

* * *

(e) No ~~award~~ individual grant or contract shall be greater than 20 percent of the total annual ~~amount~~ funds available ~~for granting~~ except that ~~a grant~~ an award to the following entities may, at the discretion of the Secretary of Agriculture, Food and Markets, exceed the cap:

(1) Farm-to-School service providers; or

(2) school districts or consortiums of school districts that completed merger under 2010 Acts and Resolves No. 153, 2012 Acts and Resolves No. 156, or 2015 Acts and Resolves No. 46 on or before July 1, 2019, provided that the ~~grant is~~ funds are used for the purpose of expanding Farm-to-School projects to additional schools within the new school district.

* * * Pest Control Compact Repeal * * *

Sec. 9. REPEAL

6 V.S.A. chapter 83 (Pest Control Compact) is repealed on July 1, 2026.

* * * Amending Pesticide Exam Requirements * * *

Sec. 10. 6 V.S.A. § 1112 is amended to read:

§ 1112. LICENSING PESTICIDE APPLICATORS; PESTICIDE COMPANIES; DEALERS

(a) The Secretary may adopt rules requiring persons selling Class A and B pesticides to be licensed under this chapter. In addition, the Secretary may adopt rules requiring companies that hire applicators or conduct pesticide applications to be licensed and applicators who use pesticides to be certified under this chapter. The Secretary may establish reasonable requirements for obtaining licenses and certificates. The fees for dealers, licensed companies, and applicator certificates under this chapter shall be as follows:

(1) Class A Dealer License—$50.00;

(2) Class B Dealer License—$50.00;

(3) Pesticide Company License—$75.00;

(4) Commercial ~~and,~~ Noncommercial, and Government Applicator Certification fee—$30.00 per category or subcategory with a maximum of $120.00;

(5) ~~second and third time examination~~ Examination fee for dealer licenses and applicator certification—$25.00; and

(6) Private Applicator—$25.00~~; and~~.

~~(7) State Government, Municipal, and Public Education Institution Applicators—$30.00.~~

* * *

(e) There shall be no limitation on the frequency for retaking examinations for private, commercial, noncommercial, or government applicator certifications or dealer licenses.

* * * Seed Law Conforming to Universal Standards * * *

Sec. 11. 6 V.S.A. § 641 is amended to read:

§ 641. DEFINITIONS

(a) As used in this chapter:

(1) "Agricultural seed" includes grass, forage, cereal, oil, fiber, and other kinds of crop seeds commonly recognized as agricultural seeds, lawn seeds, and combinations of such seeds, and may include noxious weed seeds ~~used~~ when the Secretary determines an appropriate use as agricultural seed.

(2) "Secretary" means the Secretary of Agriculture, Food and Markets or ~~his or her~~ the Secretary's designee.

(3) "Agency" means the Agency of Agriculture, Food and Markets.

(4) "Flower seed" includes seed of herbaceous plants grown for their blooms, ornamental foliage, or other ornamental parts and commonly known and sold under the name of flower or wildflower seed in this State.

(5) "Labeling" ~~includes~~ means tags or other devices attached to, or written, stamped, or printed on, any container or accompanying any lot of bulk seeds that are used to provide the seed label information required by this chapter. "Labeling" includes additional information that describes labeled seed.

(6) "Noxious weed seeds" include:

(A) "Prohibited noxious weed seeds," or those weed seeds that are prohibited from being present in agricultural ~~and~~, vegetable, flower, tree, or shrub seed. They are the seeds of weeds that are highly destructive and difficult to control by good cultural practices and the use of herbicides.

(B) The term "restricted noxious weed seeds," or those weed seeds that are objectionable in agricultural crops, lawns, and gardens of this State and that ~~are difficult to control~~ can be controlled by good cultural practices or the use of herbicides.

* * *

(8) "Weed seeds" ~~mean~~ means the seeds of all plants generally recognized as weeds within this State and ~~include~~ includes prohibited and noxious weed seeds.

* * *

(11) "Distribute" means to import, manufacture, produce, mix, blend, offer for sale, sell, barter, or supply seed for the purpose of sowing in the State through any means, including sales outlets, catalogues, the telephone, the internet, or any electronic means.

(12) "Distributor" means any person who distributes seeds in or into the State and affixes the labeling or any relabeling required in section 644 of this chapter.

(13) "Treated" means seed that received an application of a substance or process designed to reduce, control, or repel certain disease organisms, insects, or other pests from attaching to the seed or seedlings, or designed to enhance the availability or uptake of plant nutrients through root systems.

(b) In addition to the terms defined in subsection (a) of this section and to facilitate uniform seed requirements, the Secretary may apply any other term or definition that the Association of American Seed Control Officials adopted in its *Recommended Uniform State Seed Law*, as amended.

Sec. 12. 6 V.S.A. § 642 is amended to read:

§ 642. DUTIES AND AUTHORITY OF THE SECRETARY

(a) The Secretary shall enforce and carry out the provisions of this subchapter, including:

(1) Sampling, inspecting, making analysis of, and testing seeds subject to the provisions of this subchapter that are ~~transported, sold, or offered or exposed for sale within~~ distributed in or into the State for sowing purposes.

The Secretary shall notify promptly a person who ~~sells, offers, or exposes~~ distributes seeds ~~for sale and, if appropriate, the person who labels or transports seeds~~ of any violation and seizure of the seeds or order to cease sale of the seeds under section 643 of this title.

* * *

Sec. 13. 6 V.S.A. § 644 is amended to read:

§ 644. LABEL REQUIREMENTS FOR AGRICULTURAL, FLOWER, AND VEGETABLE SEEDS

(a) Each container of agricultural, flower, and vegetable seeds that is ~~sold~~ distributed in this State for sowing purposes shall be labeled.

(1) All labels shall include:

* * *

(E) the name and address of the ~~labeler or~~ distributor responsible for labeling the seed.

(2) For all treated agricultural, vegetable, and flower seeds ~~that have been treated~~, the label or an additional label shall include:

(A) ~~a~~ A word or statement ~~indicating that~~ describing the seed ~~has been treated with~~ treatment and identifying the commonly accepted chemical name or abbreviated chemical name of the applied substance, or a description of the process used.

(B) ~~A caution statement shall be set forth if~~ If the substance in the amount present with the seed is harmful to human or other vertebrate animals~~.~~, an appropriate caution statement like "Do not use for food, feed, or oil purposes." The caution statement for mercurial and similarly toxic substances shall be a poison statement or symbol.

(3) For seed treated with an inoculant, the label shall state the ~~date of~~ expiration ~~of~~ date, meaning the date beyond which the inoculant is not considered effective.

* * *

(5) All bins and other bulk displays of agricultural, flower, grass, and vegetable seeds, or mixtures of the described seeds, shall be labeled with the same information that is required to be on containers of agricultural, flower, or vegetable seeds as applicable.

* * *

Sec. 14. 6 V.S.A. § 646(b) is amended to read:

(b) No person shall be subject to the penalties of this subchapter for ~~having sold or offered for sale~~ distributing seeds subject to provisions of this subchapter that were incorrectly labeled or represented as to kind, species, and subspecies; variety; type; or origin, unless the person has failed to obtain an invoice, genuine grower's declaration, or other labeling information or to take such other reasonable precautions to ensure that the identity of the seed is set forth. "Genuine grower's declaration" means a statement signed by the grower that gives for each lot of seed the lot number, kind, variety (if known), origin, weight, year of production, date of shipment, and to whom the shipment was made.

Sec. 15. 6 V.S.A. § 647 is amended to read:

§ 647. ADMINISTRATIVE PENALTIES

(a) The Secretary may assess administrative penalties, not to exceed $250.00 for each offense, in any case ~~he or she~~ the Secretary determines that a person has committed any of the following violations:

(1) ~~sold~~ Distributed seed ~~products~~ without paying the seed ~~inspection fees for hundredweight~~ tonnage or ~~seed~~ registration fee under section 648 of this title~~;~~.

(2) ~~sold~~ Distributed seed ~~products~~ within the State of Vermont found deficient in guarantee analysis and labeling as defined by rule~~; or~~.

(3) Failed to report the quantity of genetically engineered, treated, and untreated seed sold in the State during the previous calendar year. Reporting shall be completed on forms the Secretary prescribes and may include seed categories, traits, Environmental Protection Agency pesticide product numbers, active ingredients, application rate on seed, and other information the Secretary requires.

~~(3)~~(4) ~~violated~~ Violated a stop sale order.

* * *

Sec. 16. 6 V.S.A. § 648 is amended to read:

§ 648. ~~INSPECTIONS~~ REGISTRATION AND REPORTING

(a) ~~Inspection~~ No person shall distribute seed without registering annually. Registration fees shall be paid to the Secretary by a manufacturer ~~or~~, processor, or distributer that distributes seed in or into the State. ~~Fees shall be established as follows:~~ The registration fee is $85.00 annually for each distributor that distributes any seed in or into the State. Registration is for the calendar year and expires on the last day of December each year.

~~(1) $10.00 per ton for any seed sold in containers of more than 10 pounds; and~~

~~(2) a flat fee of $85.00 per company for any seed sold.~~

(b) The following shall be exempt from ~~the inspection fee~~ registration requirements:

(1) seed not intended for sowing purposes;

(2) seed in storage in, or consigned to, a seed cleaning or processing establishment for cleaning or processing; ~~and~~

(3) seed grown, sold, and delivered by a producer on ~~his or her~~ the producer's own premises for seeding purposes to the ultimate consumer, provided such seed has neither been advertised for sale nor been delivered via commercial carrier, and provided the seed contains no prohibited noxious weed seeds or not more than one restricted noxious weed seed per 2,000 ~~of the~~ seeds ~~being sold.~~; and

(4) interpersonal sharing of seed for home, educational, charitable, or personal noncommercial use.

(c) The following reports are required:

(1) ~~For those seeds sold~~ A manufacturer, processor, or distributor distributing seed in containers of more than 10 pounds~~, a~~ must file an annual report ~~shall be filed annually~~ on or before January 15 on forms supplied by the Secretary regarding ~~sales~~ distribution of seed during the previous calendar year~~, and fees based on the~~. A fee of $10.00 per ton ~~rate shall accompany the report. Reporting periods are January 1-June 30 and July 1-December 31~~ of seeds distributed in containers of more than 10 pounds shall accompany the report and is due annually on or before January 15. If a registrant or distributor does not distribute any seed during the calendar year, a report indicating that no distribution occurred must be submitted.

(2) For all seeds distributed in or into Vermont regardless of container size, the manufacturer, processor, or distributor distributing the seed shall report annually on or before February 15 to the Secretary on a form supplied by the Secretary. At minimum, the form will require disclosure of the quantity of seeds containing genetically engineered material, treated seed, and untreated seed distributed during the previous calendar year. The following requirements also apply:

(A) for seeds containing genetically engineered material, the seed type, a brand name for the combination of traits, and any other information the Secretary determines is appropriate; and

(B) for pesticide treated article seed, the Environmental Protection Agency pesticide registration number, application rate on seed by the seed type, and any other information the Secretary determines is appropriate.

~~(d) For those seeds sold in containers of 10 pounds or less, the fee of $85.00 per company shall be paid annually prior to distribution in the State. Fees shall be paid annually on January 1.~~

~~(e)~~(d) All fees shall be deposited in the special fund created by subsection 364(f) of this title and used in accordance with its provisions.

~~(f)~~(e) The Secretary may waive ~~seed inspection~~ fees under this chapter, based on the number of seed varieties sold, and for the sale of heirloom seed varieties.

~~(g) For seeds sold in Vermont that contain genetically engineered material, the manufacturer or processor distributing such seed in Vermont shall report annually on or before February 15 to the Secretary on forms supplied by the Secretary regarding sales during the previous calendar year.~~

~~(h) For agricultural seeds sold in Vermont, the manufacturer or processor distributing the seed in Vermont shall report annually on or before February 15 to the Secretary on forms supplied by the Secretary regarding the quantity of treated article seed and the quantity of untreated seed sold in Vermont during the previous calendar year.~~

* * * Consolidate VACP within VEDA * * *

Sec. 17. TRANSFER OF VERMONT AGRICULTURAL CREDIT PROGRAM

10 V.S.A. chapter 16A (Vermont Agricultural Credit Program) is repealed for the purpose of redesignation as 10 V.S.A. chapter 12, subchapter 16.

Sec. 18. 10 V.S.A. chapter 12, subchapter 16 is added to read:

Subchapter 16. Vermont Agricultural Credit Program

§ 280hh. DEFINITIONS

As used in this subchapter:

(1) "Agricultural facility" means land and rights in land, buildings, structures, machinery, and equipment that is used for, or will be used for, producing, processing, preparing, packaging, storing, distributing, marketing, or transporting agricultural or forest products that have been at least partially produced in this State, and working capital reasonably required to operate an agricultural facility.

(2) "Agricultural land" means real estate capable of supporting commercial farming or forestry, or both.

(3) "Agricultural products" means crops, livestock, forest products, and other farm or forest commodities produced as a result of farming or forestry activities.

(4) "Authority" means the Vermont Economic Development Authority established under section 213 of this title.

(5) "Cash flow" means, on an annual basis, all income, receipts, and revenues of the applicant or borrower from all sources and all expenses of the applicant or borrower, including all debt service and other expenses.

(6) "Farm operation" means the cultivation of land or other uses of land for the production of food, fiber, horticultural, silvicultural, orchard, maple syrup, Christmas trees, forest products, or forest crops; the raising, boarding, and training of equines, and the raising of livestock; or any combination of the foregoing activities. "Farm operation" also means the storage, preparation, retail sale, and transportation of agricultural or forest commodities accessory to the cultivation or use of such land. "Farm operation" also means the operation of an agritourism business on a farm subject to regulation under the Required Agricultural Practices. "Farm operation" also means a business that provides specialty services to farmers, such as foresters, farriers, hoof trimmers, or large animal veterinarians operating or proposing to operate mobile units.

(7) "Farm ownership loan" means a loan to acquire or enlarge a farm or agricultural facility; to make capital improvements, including construction, purchase, and improvement of farm and agricultural facility buildings, farm worker housing, or farmer housing that can be made fixtures to the real estate; to promote soil and water conservation and protection or provide housing; and to refinance indebtedness incurred for farm ownership or operating loan purposes, or both.

(8) "Farmer" means an individual directly engaged in the management or operation of an agricultural facility or farm operation for whom the agricultural facility or farm operation constitutes two or more of the following:

(A) is or is expected to become a significant source of the farmer's income;

(B) the majority of the farmer's assets; and

(C) an occupation in which the farmer is actively engaged, either on a seasonal or year-round basis.

(9) "Forest products business" means an enterprise that is engaged in managing, harvesting, trucking, processing, manufacturing, crafting, or distributing forest products at least partially derived from Vermont forests.

(10) "Livestock" includes cattle, sheep, goats, equines, fallow deer, red deer, reindeer, American bison, swine, poultry, pheasant, chukar partridge, coturnix quail, ferrets, camelids and ratites, cultured trout propagated by commercial trout farms, and bees.

(11) "Loan" means an operating loan or farm ownership loan, including a financing lease, provided that such lease transfers the ownership of the leased property to each lessee following the payment of all required lease payments as specified in each lease agreement.

(12) "Operating loan" means a loan to purchase livestock, farm or forestry equipment, or fixtures to pay annual operating expenses of a farm operation or agricultural facility; to pay loan closing costs; and to refinance indebtedness incurred for farm ownership or operating loan purposes, or both.

(13) "Program" means the Vermont Agricultural Credit Program established by this subchapter.

(14) "Project" or "agricultural project" means the creation, establishment, acquisition, construction, expansion, improvement, strengthening, reclamation, operation, or renovation of an agricultural facility or farm operation.

§ 280ii. VERMONT AGRICULTURAL CREDIT PROGRAM

(a) The Vermont Agricultural Credit Program provides an alternative source of sound and constructive credit to farmers and forest products businesses who are not having their credit needs fully met by conventional agricultural credit sources at reasonable rates and terms; or, in the alternative, the granting of the loan shall serve as a substantial inducement for the establishment or expansion of an eligible agricultural or forestry project within the State. The Program is intended to meet, either in whole or in part, the credit needs of eligible agricultural facilities and farm and forest operations in fulfillment of one or more of the purposes listed in this subsection by making direct loans and participating in loans made by other agricultural credit providers:

(1) to encourage diversification, cooperative farming, and the development of innovative techniques for farming and forest products businesses;

(2) to increase energy efficiency and reduce energy consumption in agricultural facilities, including the construction of water pollution control

facilities that implement best management practices for farm waste abatement pursuant to 6 V.S.A. chapter 215;

(3) to encourage innovative and diversified processing, marketing, and distribution of Vermont agricultural products;

(4) to assist beginning farmers to start new farms and new agricultural facilities to commence or strengthen their operations;

(5) to assist or financially strengthen existing farms; and

(6) to refinance loans incurred by eligible borrowers for any of the purposes enumerated in subdivisions (1) through (5) of this subsection.

(b) No borrower shall be approved for a loan from the Authority that would result in the aggregate principal balances outstanding of all loans to that borrower exceeding $5,000,000.00.

§ 280jj. GENERAL POWERS

(a) The Authority shall have the powers necessary to carry out the purposes and provisions of this program and subchapter, including those general powers conferred on the Authority in section 216 of this title.

(b) The Authority shall have the powers necessary to dissolve the Vermont Agricultural Credit Corporation in accordance with 11B V.S.A. chapter 14. Upon dissolution of the Vermont Agricultural Credit Corporation, title to all property owned by the Vermont Agricultural Credit Corporation shall vest in the Authority.

§ 280kk. LOAN ELIGIBILITY STANDARDS

A farmer, forest products business, or a limited liability company, partnership, corporation, or other business entity with a minimum 20 percent ownership of which is vested in one or more farmers, forest products businesses, or a nonprofit corporation, shall be eligible to apply for a farm ownership or operating loan that shall be intended to expand the agricultural economy or forest economy of the State, provided the applicant is:

(1) an owner, prospective purchaser, or lessee of agricultural land in the State or of depreciable machinery, equipment, or livestock to be used in the State;

(2) a person of sufficient education, training, or experience in the operation and management of an agricultural facility or farm operation or forest products business of the type for which the applicant requests the loan;

(3) an operator or proposed operator of an agricultural facility, farm operation, or forest products business for whom the loan reduces investment

costs to an extent that offers the applicant a reasonable chance to succeed in the operation and management of an agricultural facility or farm operation;

(4) a creditworthy person under such standards as the Authority may establish;

(5) able to provide and maintain adequate security for the loan by a mortgage on real property or a security agreement and perfected financing statement on personal property;

(6) able to demonstrate that the applicant is responsible and able to manage responsibilities as owner or operator of the farm operation, agricultural facility, or forest products business;

(7) able to demonstrate that the applicant has made adequate provision for insurance protection of the mortgaged or secured property while the loan is outstanding;

(8) a person who possesses the legal capacity to incur loan obligations;

(9) in compliance with such other reasonable eligibility standards as the Authority may establish;

(10) able to demonstrate that the project plans comply with all regulations of the municipality where it is to be located and of the State of Vermont;

(11) able to demonstrate that the making of the loan will be of public use and benefit;

(12) able to demonstrate that the proposed loan will be adequately secured by a mortgage on real property or by a security agreement on personal property; and

(13) able to demonstrate that there will be sufficient projected cash flow to service a reasonable level of debt, including the loan or loans, being considered by the Authority.

Sec. 19. 10 V.S.A. § 211(c) is amended to read:

(c) Therefore, the general public advantage requires:

* * *

(7) low-cost capital to assist Vermont ~~family~~ farmers to farm ~~as provided in subdivision 272(3) of this title~~;

* * *

Sec. 20. 10 V.S.A. § 212 is amended to read:

§ 212. DEFINITIONS

As used in this chapter, with the exception of subchapter 16:

* * *

Sec. 21. 10 V.S.A. § 216 is amended to read:

§ 216. AUTHORITY; GENERAL POWERS

The Authority is hereby authorized:

* * *

(17) To contribute to the capital of the Vermont Agricultural Credit ~~Corporation~~ Program established pursuant to ~~chapter 16A~~ subchapter 16 of this ~~title~~ chapter in an amount the Authority determines is necessary and appropriate.

* * *

Sec. 22. 10 V.S.A. § 220a is amended to read:

§ 220a. THE VERMONT JOBS FUND

(a) There is hereby created the Vermont Jobs Fund, hereinafter called the Fund, which shall be used by the Authority as a nonlapsing fund for the purposes of this chapter. To it shall be charged all operating expenses of the Authority not otherwise provided for and all payments of interest and principal required to be made by the Authority under this subchapter. To it shall be credited any appropriations made by the General Assembly for the purposes of this chapter and all payments required to be made to the Authority under this chapter, it being the intent of this section that the Fund shall operate as a revolving fund whereby all appropriations and payments made thereto may be applied and reapplied for the purposes of this chapter. Monies in the Fund may be loaned at interest rates to be set by the Authority for the following:

* * *

~~(b) Monies in the Fund may be loaned to the Vermont Agricultural Credit Program to support its lending operations as established in chapter 16A of this title at interest rates and on terms and conditions to be set by the Authority to establish a line of credit in an amount not to exceed $100,000,000.00 to be advanced to the Vermont Agricultural Credit Program to support its lending operations as established in chapter 16A of this title.~~

~~(c)~~(b) Monies in the Fund may be loaned to the Vermont Small Business Development Corporation to support its lending operations as established

pursuant to subdivision 216(14) of this title at interest rates and on terms and conditions to be set by the Authority.

~~(d)~~(c) Monies in the Fund may be loaned to the Vermont 504 Corporation to support its lending operations as established pursuant to subdivision 216(13) of this title at interest rates and on terms and conditions to be set by the Authority.

~~(e)~~(d) The Authority may loan money from the Fund to the Vermont Sustainable Energy Loan Fund established under subchapter 13 of this chapter at interest rates and on terms and conditions set by the Authority.

Sec. 23. 10 V.S.A. § 280a is amended to read:

§ 280a. ELIGIBLE PROJECTS; AUTHORIZED FINANCING PROGRAMS

(a) The Authority may develop, modify, and implement any existing or new financing program, provided that any specific project that benefits from such program shall meet the criteria contained in the Vermont Sustainable Jobs Strategy outlined in section 280b of this title. These programs may include:

* * *

(12) loans to agricultural enterprises or endeavors administered by the Authority under ~~chapter 16A~~ subchapter 16 of this ~~title~~ chapter and any programs created thereunder.

* * *

* * * Permitting Large and Medium Farm Operations * * *

Sec. 24. 6 V.S.A. § 4851(i) is amended to read:

(i) ~~A~~ Beginning on July 1, 2026, a person required to obtain a permit under this section shall ~~submit~~ not be required to pay an annual operating fee ~~of $2,500.00~~ to the Secretary. ~~During any calendar year in which a person has an active Large Concentrated Animal Feeding Operation permit issued by the Agency of Natural Resources pursuant to the federal Clean Water Act and pays the required associated fee, that person shall not be required to pay the $2,500.00 annual operating fee described in this section. The fees collected under this section shall be deposited in the Agricultural Water Quality Special Fund under section 4803 of this title.~~

Sec. 25. 6 V.S.A. § 4858(e) is amended to read:

(e) Operating fee. ~~A~~ Beginning on July 1, 2026, a person required to obtain a permit or coverage under this section shall ~~submit~~ not be required to pay an annual operating fee ~~of $1,500.00~~ to the Secretary. ~~The fees collected~~

~~under this section shall be deposited in the Agricultural Water Quality Special Fund under section 4803 of this title.~~

Sec. 26. TRANSITION OF HEMP PROCESSOR OVERSIGHT

6 V.S.A. chapter 34 (hemp) is repealed.

Sec. 27. 7 V.S.A. chapter 31, subchapter 3 is added to read:

Subchapter 3. Hemp

§ 851. FINDINGS; PURPOSE

(a) Findings. The General Assembly finds that the federal legal status of most hemp products will be contingent upon an amendment to 7 U.S.C. § 1639o, to take effect in November 2026, pursuant to the Continuing Appropriations, Agriculture, Legislative Branch, Military Construction and Veterans Affairs, and Extensions Act of 2026, Pub. L. No. 119-37. The legality of hemp and hemp products in interstate commerce is unsettled and continues to evolve.

(b) Purpose. The purpose of this subchapter is to unify oversight of cannabis and hemp-derived cannabinoids under the Cannabis Control Board to more effectively prohibit illicit cannabis and cannabis product trade while positioning growers and processors of nonintoxicating hemp products to take advantage of national market opportunities that may exist.

§ 852. DEFINITIONS

As used in this subchapter:

(1)(A) "Grow" means:

(i) planting, cultivating, harvesting, or drying of hemp; and

(ii) selling, storing, and transporting of hemp grown by a grower.

(B) "Grow" also means to produce.

(2) "Grower" means a person who is registered with the Board and the U.S. Department of Agriculture to produce hemp. "Grower" also means producer.

(3) "Hemp" means the plant *Cannabis sativa L.* and any part of the plant, including the seeds and all derivatives, extracts, cannabinoids, acids, salts, isomers, and salts of isomers, whether growing or not, with the federally defined tetrahydrocannabinol concentration level of hemp. Hemp is considered an agricultural commodity.

(4)(A) "Hemp product" or "hemp-infused product" means any product with the federally defined tetrahydrocannabinol concentration level for hemp

derived from, or made by, processing hemp plants or plant parts, that is 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 (4), "hemp product" and "hemp-infused product" do not include any substance, manufacturing intermediary, or product that:

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

(ii) is not lawful in interstate commerce.

(C) A hemp-derived product or substance that is excluded from the definition of "hemp product" or "hemp-infused product" pursuant to subdivision (B) of this subdivision (4) is considered a cannabis product as defined by subdivision 831(3) of this title; provided, however, that a person duly licensed or registered by the Board lawfully may possess such products in conformity with the person's active hemp processor license.

(5) "Process" means the storing, drying, trimming, handling, compounding, or converting of hemp by a processor for a single grower or multiple growers into hemp products or hemp-infused products. "Process" includes:

(A) transporting, aggregating, or packaging hemp from a single grower or multiple growers; or

(B) manufacturing hemp products or hemp-infused products from hemp concentrate.

(6) "Processor" means a person who is licensed by the Board to process hemp. A retail establishment selling hemp products or hemp-infused products is not a processor.

§ 853. HEMP; AN AGRICULTURAL PRODUCT

(a) Hemp is an agricultural product that may be grown as a crop produced, possessed, marketed, and commercially traded in Vermont pursuant to the provisions of this chapter and administrative rules of the Cannabis Control Board.

(b) The cultivation of hemp shall be subject to and comply with the Required Agricultural Practices adopted under 6 V.S.A. § 4810, as amended.

§ 854. HEMP REGISTRATION AND LICENSURE

(a) Producers. All persons engaged in the production of hemp shall register with the Board as growers and shall provide their location, the nature of their activities, and evidence that those activities conform to the requirements of federal law and regulation. A person shall apply for registration or renewal of registration on a form provided by the Board. The application shall be accompanied by the fee required under section 857 of this subchapter.

(b) Processors. All persons engaged in the processing of hemp, including trade in hemp-derived cannabinoids and process intermediaries, shall be licensed by the Board. A person shall apply for a license or renewal of a license on a form provided by the Board. The application shall be accompanied by the fee required under section 857 of this subchapter.

(c) Products. All hemp-derived products containing or reasonably expected to contain more than 0.4 mg tetrahydrocannabinol shall be registered with the Board prior to sale to any person within this State. A person shall apply for registration or renewal of registration on a form provided by the Board. The application shall be accompanied by the fee required under section 857 of this subchapter.

(d) All applicants. The Board may deny an application for licensure, registration, or renewal if the applicant:

(1) fails to establish that its activities comply with State and federal law;

(2) refuses the Board or its lawful designees entry upon its premises to inspect and confirm compliance, including by sampling hemp and hemp products for potency testing;

(3) fails to submit information requested by the Board; or

(4) fails to submit the fee required under section 857 of this subchapter.

§ 855. RULEMAKING AUTHORITY

(a) The Board may adopt rules to provide for the implementation of this subchapter, which may include rules to:

(1) require hemp to be tested during growth for tetrahydrocannabinol levels;

(2) authorize or specify the method or methods of testing hemp, including, where appropriate, the ratio of cannabidiol to tetrahydrocannabinol levels or a taxonomic determination using genetic testing;

(3) require inspection and supervision of hemp during sowing, growing season, harvest, storage, processing, and distribution;

(4) require labels or label information for hemp products in order to provide consumers with transparent and accurate product content or source information, to be free of false or misleading claims and claims contrary to the Federal Food, Drug, and Cosmetic Act, 9 U.S.C. §§ 301–399i, or to conform with federal requirements;

(5) establish registration requirements for hemp-derived products sold or distributed in the State, including requirements that each product be sampled and tested by a laboratory recognized by the Board;

(6) require disclosure or labeling of the amount of cannabinoids known to be present in hemp products sold or distributed in the State;

(7) require that licensees and registrants, including out-of-state purveyors of registered hemp products, obtain and maintain commercially reasonable insurance, which for producers of consumer products in final form shall include product liability insurance;

(8) prohibit hazardous additives to hemp products, or specify additive limits, relative to substances that are toxic, not generally recognized as safe, or designed to make the product more addictive or more appealing to persons under 21 years of age or to mislead consumers; or

(9) specify when a registered hemp product that contains more than 0.4 mg tetrahydrocannabinol must be restricted for sale to persons 21 years of age or older or restricted for sale in specified settings, or both.

(b) The Board shall adopt rules establishing requirements for the licensure of processors of hemp, hemp-derived process intermediaries, and hemp products.

(c) The Board may adopt rules establishing requirements for the consumer sale of any product containing tetrahydrocannabinol or other cannabinoids.

(d) The Board may adopt rules prohibiting any person from making false, misleading, or unsubstantiated claims for cannabinoid-containing products.

§ 856. TEST RESULTS; ENFORCEMENT

(a) When notified that hemp, a hemp product, or a hemp-infused product has a tetrahydrocannabinol concentration exceeding the applicable federally defined tetrahydrocannabinol concentration level of hemp, the person licensed or registered with the Board to grow or process the hemp shall arrange for disposal, remediation, or destruction of the hemp, hemp product, or hemp-infused product in a manner consistent with applicable State and federal law.

(b) To enforce the provisions of this subchapter, the Board, upon presenting appropriate credentials, may conduct one or more of the following:

(1) Enter upon any premises where hemp is grown or processed and inspect premises, machinery, equipment and facilities, all hemp during any growth phase, or any hemp product or hemp-infused product during processing or storage. Inspection under this section may include taking samples, inspecting records, and inspecting equipment or vehicles used to grow, process, or transport hemp, hemp products, or hemp-infused products.

(2) Inspect any retail location offering hemp products or hemp-infused products. Inspection under this section may include taking samples of such products.

(3) Issue and enforce a written or printed "stop sale" order to the owner or custodian of any hemp, hemp product, or hemp-infused product subject to the requirements of this subchapter or rules adopted under this subchapter that the Board finds is in violation of any of the provisions of this subchapter or rules adopted under this subchapter. An order may prohibit further sale, processing, and movement of the hemp, hemp product, or hemp-infused product until the Board has approved and issued a release from the "stop sale" order.

(A) This order shall include the reason for issuance, a description of the hemp or hemp products at issue, instructions to separate all hemp or hemp products subject to the order, and any recommended measures to remedy the basis or bases for the order.

(B) A person issued a "stop sale" order may appeal that order to the Board within 15 days after receipt. The person shall file any appeal by serving a letter on the Board, which shall state all grounds for the appeal and identify the hemp or hemp products affected by the appeal.

§ 857. ADMINISTRATIVE PENALTIES

(a) The Board may assess violations and administrative penalties against persons licensed or registered pursuant to this subchapter, as well as persons required to be licensed or registered pursuant to this subchapter who fail to obtain or maintain required credentials.

(b) The compliance and enforcement authorities and procedures applicable to cannabis establishments shall apply to persons licensed or registered under this subchapter.

(c) The Board may enforce a final administrative penalty by filing a civil collection action in any Superior Court.

§ 858. FEES

The following fees shall apply to each license or registration application or each annual license or registration renewal under this subchapter:

(1) Producer: $50.00.

(2) Processor: $500.00.

(3) Product: $75.00.

Sec. 28. 18 V.S.A. § 4201(15) is amended to read:

(15)(A) "Cannabis" means all parts of the plant *Cannabis sativa L.*, except as provided by subdivision (B) of this subdivision (15), whether growing or harvested, and includes:

(i) the seeds of the plant;

(ii) the resin extracted from any part of the plant; and

(iii) any compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin.

(B) "Cannabis" does not include:

(i) the mature stalks of the plant and fiber produced from the stalks;

(ii) oil or cake made from the seeds of the plant;

(iii) any compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks, fiber, oil, or cake;

(iv) the sterilized seed of the plant that is incapable of germination; or

(v) hemp or hemp products, as defined in ~~6 V.S.A. § 562~~ 7 V.S.A. § 852.

Sec. 29. 32 V.S.A. § 7811(b) is amended to read:

(b) The tax established in this section shall not be imposed on:

(1) cannabis-related supplies sold by a dispensary registered under 7 V.S.A. chapter 37 to registered patients and registered caregivers, as those terms are defined in 7 V.S.A. § 972;

(2) cannabis products, as defined in 7 V.S.A. § 831, that do not contain tobacco; or

(3) hemp or hemp products, as defined in ~~6 V.S.A. § 562~~ 7 V.S.A. § 852, that do not contain tobacco.

* * * Natural Resources Conservation Council Mortgages * * *

Sec. 30. 10 V.S.A. § 723 is amended to read:

§ 723. POWERS OF SUPERVISORS

The supervisors shall have the following powers:

* * *

(5) To obtain options upon and to acquire by purchase, exchange, lease, gift, grant or bequest, any property, real or personal; to maintain, administer and improve any properties acquired; to receive income from the properties and to expend the income in carrying out the purposes and provisions of this chapter; and to borrow money, mortgage, sell, lease, or otherwise dispose of any of its property or interests in property in furtherance of the purposes and the provisions of this chapter~~,; provided however, that real estate shall not be mortgaged, and provided however, that the sale, lease, or other disposition of real property of the district is approved by the written consent of the governor~~;

* * *

* * * Effective Date * * *

Sec. 31. EFFECTIVE DATE

This act shall take effect on July 1, 2026.

(Committee vote: 5-0-0)

S. 325.

An act relating to studying the creation of model bylaws.

By the Committee on Natural Resources and Energy, Senator Watson for the Committee.

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

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

* * * Intent * * *

Sec. 1. LEGISLATIVE INTENT

The General Assembly finds that 2024 Acts and Resolves No. 181 represented a substantial restructuring of Vermont's land use review framework. This act is intended to provide technical clarification, transitional certainty, and implementation alignment, consistent with the intent of 2024 Acts and Resolves No. 181 and without altering its underlying policy goals.

Sec. 2. 10 V.S.A. § 6001(3) is amended to read:

(3)(A) "Development" means each of the following:

* * *

(xii) The construction of a road or roads and any associated driveways to provide access to or within a tract of land owned or controlled by a person. For the purposes of determining jurisdiction under this subdivision, any new development or subdivision on a parcel of land that will be provided access by the road and associated driveways is land involved in the construction of the road.

* * *

(III) For the purpose of determining the length of any road and associated driveways, the length of all other roads and driveways within the tract of land constructed after ~~July 1~~ January 1, ~~2026~~ 2030, shall be included.

* * *

(D) The word "development" does not include:

* * *

(viii)(I) The construction of a priority housing project in a municipality with a population of 10,000 or more.

* * *

(III) Notwithstanding any other provision of law to the contrary, until January 1, ~~2027~~ 2028, the construction of a priority housing project located entirely within areas of a designated downtown development district, designated neighborhood development area, or a designated growth center or within one-half mile around such designated center with permanent zoning and subdivision bylaws served by public sewer or water services or soils that are adequate for wastewater disposal. For purposes of this subdivision (III), in order for a parcel to qualify for the exemption, at least 51 percent of the parcel shall be located within one-half mile of the designated center boundary. If the one-half mile around the designated center extends into an adjacent municipality, the legislative body of the adjacent ~~municipal~~ municipality may inform the Board that it does not want the exemption to extend into that area. This exemption shall not apply to areas within mapped river corridors and floodplains except those areas containing preexisting development in areas suitable for infill development as defined in 29-201 of the Vermont Flood Hazard Area and River Corridor Rule.

Sec. 3. 10 V.S.A. § 6001(35) is amended to read:

(35) "Priority housing project" means a discrete project located on a single tract or multiple contiguous tracts of land that consists exclusively of mixed income housing or mixed use, or any combination thereof, and is located entirely within designated downtown development district, designated new town center, designated growth center, or designated neighborhood development area under 24 V.S.A. chapter 76A, or within an area mapped and approved by the Board as eligible for Tier 1B area status and is not currently approved for Tier 1B area status under section 6033 of this chapter.

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

§ 6081. PERMITS REQUIRED; EXEMPTIONS

* * *

(z)(1) Notwithstanding any other provision of this chapter to the contrary, no permit or permit amendment is required for any subdivision, development, or change to an existing project that is located entirely within a Tier 1A area ~~under~~ as established in section 6034 of this chapter.

* * *

(3) Upon receiving notice and a copy of the permit issued by an appropriate municipal panel pursuant to 24 V.S.A. § 4460(g), a previously issued permit for a development or subdivision located in a Tier 1A area shall remain attached to the property. However, neither the Board nor the Agency of Natural Resources shall enforce the permit or assert amendment jurisdiction on the tract or tracts of land unless the designation is revoked or the municipality has not taken any reasonable action to enforce the conditions of the permit.

* * *

(bb) Until ~~July~~ January 1, ~~2028~~ 2030, no permit or permit amendment is required for the construction of improvements for one accessory dwelling unit constructed within or appurtenant to a single-family dwelling. Units constructed pursuant to this subsection shall not count towards the total units constructed in other projects.

(cc) Until ~~July~~ January 1, ~~2028~~ 2030, no permit or permit amendment is required for the construction of improvements for converting a structure used for a commercial purpose to 29 or fewer housing units.

(dd) Interim housing exemptions.

(1) Notwithstanding any other provision of law to the contrary, until January 1, ~~2027~~ 2030, no permit or permit amendment is required for the subdivision for or the construction of housing projects such as cooperatives, condominiums, dwellings, or mobile homes, and mixed-use development, with 75 units or fewer, constructed or maintained on a tract or tracts of land, located entirely within the areas of a designated new town center, a designated growth center, or a designated neighborhood development area served by public sewer or water services or soils that are adequate for wastewater disposal. Housing units constructed pursuant to this subdivision shall not count towards the total units constructed in other areas. This exemption shall not apply to areas within mapped river corridors and floodplains except those areas containing preexisting development in areas suitable for infill development as defined in 29-201 of the Vermont Flood Hazard Area and River Corridor Rule.

(2)(A) Notwithstanding any other provision of law to the contrary, until ~~July~~ January 1, ~~2027~~ 2030, no permit or permit amendment is required for the subdivision for or the construction of housing projects such as cooperatives, condominiums, dwellings, or mobile homes, and mixed-use development, with 50 or fewer units, constructed or maintained on a tract or tracts of land of 10 acres or less, located entirely within:

(i) areas of a designated village center and within one-quarter mile of its boundary with permanent zoning and subdivision bylaws and served by public sewer or water services or soils that are adequate for wastewater disposal; or

(ii) areas of a municipality that are within a census-designated urbanized area with over 50,000 residents and within one-quarter mile of a transit route.

* * *

(3) Notwithstanding any other provision of law to the contrary, until January 1, ~~2027~~ 2030, no permit or permit amendment is required for the subdivision for or the construction of housing projects such as cooperatives, condominiums, dwellings, or mobile homes, and mixed-use development, constructed or maintained on a tract or tracts of land, located entirely within a designated downtown development district with permanent zoning and subdivision bylaws served by public sewer or water services or soils that are adequate for wastewater disposal. Housing units constructed pursuant to this subdivision shall not count towards the total units constructed in other areas. This exemption shall not apply to areas within mapped river corridors and floodplains except those areas containing preexisting development in areas

suitable for infill development as defined in 29-201 of the Vermont Flood Hazard Area and River Corridor Rule.

Sec. 5. 2024 Acts and Resolves No. 181, Sec. 22 is amended to read:

Sec. 22. TIER 3 RULEMAKING

(a) The Land Use Review Board, in consultation with the Secretary of Natural Resources, shall adopt rules to implement the requirements for the administration of 10 V.S.A. § 6001(3)(A)(xiii) and 10 V.S.A. § 6001(46) and (19). It is the intent of the General Assembly that these rules identify critical natural resources for protection. The Board shall review the definition of Tier 3 area; determine the critical natural resources that shall be included in Tier 3, giving due consideration to river corridors, headwater streams, habitat connectors of statewide significance, riparian areas, class A waters, and natural communities; determine any additional critical natural resources that should be added to the definition; include measures to ensure that no municipality or region is disproportionately impacted by Tier 3 designation that would limit reasonable opportunities for Tier 1 or Tier 2 designations; determine which and under what circumstances criteria under 10 V.S.A. § 6086(a)(1)–(10) should be part of Tier 3 area review; and determine how to define the boundaries. Rules adopted by the Board shall include:

* * *

(c) The Board shall file a final proposed rule with the Secretary of State and the Legislative Committee on Administrative Rules on or before ~~February 1~~ June 30, ~~2026~~ 2028. After the Land Use Review Board files the rule with the Legislative Committee on Administrative Rules, it shall submit a report describing the rules and the issues reviewed under this section to the House Committee on Environment ~~and Energy~~ and the Senate Committee on Natural Resources and Energy.

* * *

Sec. 6. 10 V.S.A. § 6025 is amended to read:

§ 6025. RULES

* * *

(d) Consistent with the intent of subdivision 6001(3)(A)(xii) and the Tier 3 rulemaking requirements, the Board shall have authority to adopt rules establishing a process to limit the criteria that would apply to road development pursuant to subdivision 6001(3)(A)(xii) and development within Tier 3 areas. The rules shall define which criteria will be reviewed and under what circumstances.

Sec. 7. 2024 Acts and Resolves No. 181, Sec. 114 is amended to read:

Sec. 114. EFFECTIVE DATES

This act shall take effect on passage, except that:

(1) Secs. 12 (10 V.S.A. § 6001)~~,~~ and 13 (10 V.S.A. § 6086(a)(8))~~, and 21 (10 V.S.A. § 6001)~~ shall take effect on ~~December 31, 2026~~ January 1, 2028 and Sec. 21 (10 V.S.A. § 6001) shall take effect on June 30, 2028;

(2) Sec. 19 (10 V.S.A. § 6001(3)(A)(xii)) shall take effect on ~~July 1, 2026~~ January 1, 2030;

* * *

Sec. 8. 10 V.S.A. § 6034 is amended to read:

§ 6034. TIER 1A AREA STATUS

* * *

(b) Tier 1A area status requirements.

(1) To obtain a Tier 1A area status under this section, a municipality shall demonstrate to the Board that it has each of the following:

* * *

(G) The municipality has identified and planned for the maintenance of significant natural communities, ~~rare,~~ threatened, and endangered species located in the Tier 1A area or excluded those areas from the Tier 1A area.

* * *

* * * Municipal zoning * * *

Sec. 9. 24 V.S.A. § 4460 is amended to read:

§ 4460. APPROPRIATE MUNICIPAL PANELS

* * *

(g)(1) This subsection shall apply to a subdivision or development that:

(A) was previously permitted pursuant to 10 V.S.A. chapter 151;

(B) is located in a Tier 1A area pursuant to 10 V.S.A. § 6034; and

(C) has applied for a permit or permit amendment required by zoning regulations or bylaws adopted pursuant to this subchapter.

(2) The appropriate municipal panel reviewing a municipal permit or permit amendment pursuant to this subsection shall include conditions contained within a permit previously issued pursuant to 10 V.S.A. chapter 151,

so that the conditions may be enforced as part of the municipal permit, unless the panel determines that the permit condition pertains to any of the following:

(A) the construction phase of the project that has already been constructed;

(B) compliance with another State permit that has independent jurisdiction;

(C) federal or State law that is no longer in effect or applicable;

(D) an issue that is addressed by municipal regulation and the project will meet the municipal standards; or

(E) a physical or use condition that is no longer in effect or applicable or that will no longer be in effect or applicable once the new project is approved.

(3) After issuing or amending a permit containing conditions pursuant to this subsection, the appropriate municipal panel shall provide notice and a copy of the permit to the Land Use Review Board.

(4) The appropriate municipal panel shall comply with the notice and hearing requirements provided in subdivision 4464(a)(1) of this title. In addition, notice shall be provided to those persons requiring notice under 10 V.S.A. § 6084(b) and shall explicitly reference the existing Act 250 permit.

(5) The appropriate municipal panel's decision shall be issued in accordance with subsection 4464(b) of this title and shall include specific findings with respect to its determinations pursuant to subdivision (2) of this subsection.

(6) Any final action by the appropriate municipal panel affecting a condition of a permit previously issued pursuant to 10 V.S.A. chapter 151 shall be recorded in the municipal land records.

~~(h) Within a Tier 1A area, the appropriate municipal panel shall enforce any existing permits issued under 10 V.S.A. chapter 151 that has not had its permit conditions transferred to a municipal permit pursuant to subsection (g) of this section.~~

Sec. 10. DISCRETIONARY REVIEW OF HOUSING; REPORT

(a) On or before January 15, 2027, the Department of Housing and Community Development, after consultation with the Vermont League of Cities and Towns, Let's Build Homes, the Vermont Natural Resources Council, and the Vermont Planners Association, shall report to the General Assembly on recommendations for how to reduce the negative impacts of discretionary

review of residential development. The Department shall consider the following: whether the State should establish a Vermont Model Code to assist municipalities seeking to replace discretionary review with clear and objective standards; the potential value of the federal Right to Build Zone legislation and steps the State can take to maximize that value; and incentives and planning assistance the State can offer municipalities seeking to limit discretionary review.

(b) The report shall also include a status update on the 802 Homes pilot program and recommendations for how to improve the efficiency of appeals of municipal zoning permits for housing.

(c) The report shall be submitted to the House Committees on Environment and on Housing and General and the Senate Committees on Economic Development, Housing, and General Affairs and on Natural Resources and Energy.

* * * Regional Planning * * *

Sec. 11. 24 V.S.A. § 4348 is amended to read:

§ 4348. ADOPTION AND AMENDMENT OF REGIONAL PLAN

* * *

(b) ~~60~~ Sixty days prior to holding the first public hearing on a regional plan adoption, a regional planning commission shall submit a draft regional plan to the Land Use Review Board for review and comments related to conformance of the draft with sections 4302 and 4348a of this title and chapter 139 of this title. The Board shall coordinate with other State agencies and the Community Investment Board and respond within 60 days unless more time is granted by the regional planning commission.

(c) The regional planning commission shall hold two or more public hearings within the region after public notice on any proposed plan ~~or amendment~~. The minimum number of required public hearings may be specified within the bylaws of the regional planning commission.

(d)(1) At least 30 days prior to the first hearing, a copy of the proposed plan ~~or amendment~~, a report documenting conformance with the goals established in section 4302 of this chapter and the plan elements established in section 4348a of this chapter, and a description of any changes to the Regional Future Land Use Map with a request for general comments and for specific comments with respect to the extent to which the plan ~~or amendment~~ is consistent with the goals established in section 4302 of this title, shall be delivered physically or electronically with proof of receipt or sent by certified mail, return receipt requested, to each of the following:

* * *

(e) Any of the foregoing bodies, or their representatives, may submit comments on the proposed regional plan ~~or amendment~~ to the regional planning commission, and may appear and be heard in any proceeding with respect to the adoption of the proposed plan ~~or amendment~~.

(f) The regional planning commission may make revisions to the proposed plan ~~or amendment~~ at any time not less than 30 days prior to the final public hearing held under this section. If the proposal is changed, a copy of the proposed change shall be delivered physically; electronically with proof of receipt; or by certified mail, return receipt requested, to the chair of the legislative body of each municipality within the region and to any individual or organization requesting a copy at least 30 days prior to the final hearing.

* * *

(h)(1) Within 15 days following adoption, a regional planning commission shall submit its regionally adopted regional plan to the Land Use Review Board for a determination of regional plan compliance with a report documenting conformance with the goals established in section 4302 of this chapter and the plan elements established in section 4348a of this chapter and a description of any changes to the regional plan future land use map.

* * *

(4) The Land Use Review Board's affirmative determination shall be based upon finding the regional plan meets the following requirements:

* * *

(j) Minor amendments to regional plan future land use map. A regional planning commission may submit a request for a minor amendment to boundaries of a future land use area for consideration by the Land Use Review Board with a letter of support from the municipality. The request may only be submitted after an affirmative vote of the municipal legislative body and the regional planning commission board. The Land Use Review Board, after consultation with the Community Investment Board and the regional planning commissions, shall provide guidance about what constitutes a minor amendment. Minor amendments may include any change to a future land use area consisting of fewer than 10 acres. A minor amendment to a future land use area shall not require an amendment to a regional plan and shall be included in the next iteration of the regional plan. The Land Use Review Board may adopt rules to implement this section.

* * *

(n) Regional plan amendments, non-minor future land use map amendments, and Tier 1B area status requests. Regional plans may be reviewed from time to time and may be amended in the light of new developments and changed conditions affecting the region. Non-minor future land use map amendments shall be processed as part of a regional plan amendment. Tier 1B area status requests may be made separate from the regional plan approval or amendment process.

(1) Process.

(A) To amend a regional plan, which may include a non-minor future land use map amendment, a regional planning commission shall hold one public hearing. At least 15 days in advance of the hearing, the regional planning commission shall provide notice of the public hearing to parties listed in subdivision (d)(1) of this section and the Land Use Review Board. The public hearing notice shall include a description of changes to the plan including non-minor amendments to future land use maps, or any changes to Tier 1B area status.

(B) After adoption of the regional plan amendment, the regional planning commission shall submit a request to the Land Use Review Board for an affirmative determination of regional plan compliance for the regional plan amendment.

(C) Stand-alone requests for Tier 1B area status shall be submitted to the Land Use Review Board after the public hearing required under subdivision (A) of this section.

(D) The Land Use Review Board shall hold a public hearing within 30 days after receiving the request for an affirmative determination of regional plan amendment compliance or approval of Tier 1B area status. The Land Use Review Board shall issue its determination within 30 days after the hearing.

(2) Adoption of a regional plan amendment, non-minor future land use map amendment, or Tier 1B area status request or amendment shall not change the expiration date of the regional plan.

* * *

Sec. 12. 24 V.S.A. § 4348a is amended to read:

§ 4348a. ELEMENTS OF A REGIONAL PLAN

(a) A regional plan shall be consistent with the goals established in section 4302 of this title and shall include the following:

* * *

(12) A future land use element, based upon the elements in this section, that sets forth the present and prospective location, amount, intensity, and character of such land uses in relation to the provision of necessary community facilities and services and that consists of a map delineating future land use area boundaries for the land uses in subdivisions (A)–(J) of this subdivision (12) as appropriate and any other special land use category the regional planning commission deems necessary; descriptions of intended future land uses, consistent with the smart growth principles in section 4303 of this chapter; and policies intended to support the implementation of the future land use element using the following land use categories:

(A) Downtown or village centers. These areas are the mixed-use centers bringing together community economic activity and civic assets. They include downtowns, villages, and new town centers previously designated under chapter 76A and downtowns and village centers seeking benefits under the Community Investment Program under section 5804 of this title. The downtown or village centers are the traditional ~~and~~ or historic central business and civic centers within planned growth areas, village areas, or may stand alone. Municipalities may have more than one center, including planned new or emerging centers that anchor planned growth or village areas. Village centers are not required to have public water, wastewater, zoning, or subdivision bylaws. It is the intent that most towns in Vermont have at least one village center in which additional housing units are supported.

(B) Planned growth areas. These areas include the high-density existing settlement and future growth areas with high concentrations of population, housing, and employment in each region and town, as appropriate. They include a mix of historic and nonhistoric commercial, residential, and civic or cultural sites with active streetscapes, supported by land development regulations; public water or wastewater, or both; and multimodal transportation systems. These areas include ~~new town centers, downtowns, village centers,~~ growth centers, and neighborhood development areas previously designated under chapter 76A of this title. These areas should generally meet ~~the smart growth principles definition in chapter 139 of this title and~~ the following criteria:

* * *

(iii) The area is generally ~~within walking distance from~~ compact and has multimodal connection to the municipality's or an adjacent municipality's downtown~~,~~ or village center~~, new town center, or growth center~~.

* * *

(vi) The area provides ~~for~~ opportunity for development, infill development, and redevelopment that is needed to meet the regional and municipal housing targets that ~~meets~~ meet the present and future needs of a diversity of social and income groups in the community.

(vii) The area is served by planned or existing transportation infrastructure that conforms with ~~"~~complete streets~~"~~ principles as described under 19 V.S.A. chapter 24 and establishes pedestrian access directly to the downtown~~,~~ or village center~~, or new town center~~. Planned transportation infrastructure includes those investments included in the municipality's capital improvement program pursuant to section 4430 of this title.

(C) Village areas. These areas include the traditional settlement area or a proposed new settlement area, typically composed of a cohesive mix of residential, civic, religious, commercial, ~~and~~ or mixed-use buildings, arranged along a main street and intersecting streets that are ~~within walking distance~~ compact and have multimodal connections for residents who live within and surrounding the ~~core~~ downtown center or village center. ~~These areas include existing village center designations and similar areas statewide, but this area is larger than the village center designation.~~ Village areas shall meet the following criteria:

* * *

(iv) The municipality has either ~~municipal~~ public water or wastewater. If no public water or wastewater is available, the area must have soils that are adequate for wastewater disposal.

(v) The area has some opportunity for infill development or new development areas where the village can grow, support the development of housing to meet the regional and municipal housing targets, and be flood resilient.

* * *

(J) Rural; conservation. These are areas of significant natural resources, identified by regional planning commissions or municipalities based upon existing Agency of Natural Resources mapping that require special consideration for aquifer protection; for wetland protection; for the maintenance of forest blocks, wildlife habitat, and habitat connectors; or for other conservation purposes. ~~The mapping of these areas and accompanying policies are intended to help meet requirements of 10 V.S.A. chapter 89. Any portion of this area that is approved by the LURB as having Tier 3 area status shall be identified on the future land use map as an overlay upon approval.~~

* * *

(d) With the exception of preexisting, nonconforming designations approved prior to the establishment of the State Community Investment program, the areas eligible for designation benefits under that program upon the Land Use Review Board's approval of the regional plan future land use map for designation as a downtown center or village center shall not include development that is disconnected from a downtown or village center and that lacks an existing or planned pedestrian connection to the center via a complete street.

* * *

Sec. 13. 24 V.S.A. § 4303 is amended to read:

§ 4303. DEFINITIONS

The following definitions shall apply throughout this chapter unless the context otherwise requires:

* * *

(43) "Smart growth principles" means growth that:

(A) maintains the historic development pattern of compact village and urban centers separated by rural countryside;

(B) develops compact mixed-use centers at a scale appropriate for the community and the region;

(C) enables choice in modes of transportation;

(D) protects the State's important environmental, natural, and historic features, including natural areas, water quality, scenic resources, and historic sites and districts;

(E) serves to strengthen agricultural and forest industries and minimizes conflicts of development with these industries;

(F) balances growth with the availability of economic and efficient public utilities and services;

(G) supports a diversity of viable businesses in downtowns and villages;

(H) provides for housing that meets the needs of a diversity of social and income groups in each community; and

(I) reflects a settlement pattern that, at full build-out, is not characterized by:

(i) scattered development located outside compact urban and village centers that is excessively land consumptive;

(ii) development that limits transportation options, especially for pedestrians;

(iii) the fragmentation of farmland and forestland;

(iv) development that is not serviced by municipal infrastructure or that requires the extension of municipal infrastructure across undeveloped lands in a manner that would extend service to lands located outside compact village and urban centers; and

(v) linear development along well-traveled roads and highways that lacks depth, as measured from the highway.

Sec. 14. REPEAL

24 V.S.A. § 4476 (formal review of regional planning commission decisions) is repealed.

Sec. 15. REGIONAL AND MUNICIPAL PLAN EXTENSIONS

Any regional or municipal plan due to expire in 2026 shall have its expiration date extended until December 31, 2026.

* * * State Community Investment Program * * *

Sec. 16. 24 V.S.A. § 5801 is amended to read:

§ 5801. DEFINITIONS

As used in this chapter:

* * *

(8) "Planned growth area" means an area on the regional plan future land use maps ~~required under section 4348a of this title, which may encompass a downtown center or village center on the regional future land use map and may be designated as a center or neighborhood, or both~~ meeting the requirements of subdivision 4348a(12)(B) of this title and that may be designated as a neighborhood.

* * *

(10) "Sprawl repair" means the redevelopment of lands with buildings, traffic and circulation, parking, or other land coverage in a pattern that is consistent with smart growth principles as defined in section 4303 of this title.

* * *

(12) "~~State~~ Designated Downtown ~~and~~ Center or Village Center" or "designated center" means a ~~contiguous~~ downtown or village ~~a portion of which is listed or eligible for listing in the national register of historic places~~

~~area~~ center approved as part of the LURB review of regional plan future land use maps~~, which may include an approved preexisting designated designated downtown, village center, or designated new town center established prior to the approval of the regional plan future land use maps~~.

(13) "~~State designated~~ Designated neighborhood" or "neighborhood" means a ~~contiguous geographic~~ village area or planned growth area approved as part of the ~~Land Use Review Board~~ LURB review of regional plan future land use maps that is ~~compact and adjacent and~~ contiguous to a center.

* * *

(15) "Village area" means an area on the regional plan future land use maps ~~adopted pursuant to section 4348a of this title, which may encompass a village center on the regional future land use map~~ meeting the requirements of subdivision 4348a(12)(C) of this title and that may be designated as a neighborhood.

Sec. 17. 24 V.S.A. § 5803 is amended to read:

§ 5803. DESIGNATION OF DOWNTOWN AND VILLAGE CENTERS

(a) Designation established. A regional planning commission may apply to the LURB for approval and designation of all downtown and village centers by submitting the regional plan future land use map adopted by the regional planning commission. ~~The regional plan future land use map shall identify downtown centers and village centers as the downtown and village areas eligible for designation as centers.~~ The Department and State Board shall provide comments to the LURB and the regional planning commission on areas eligible for center designation as provided ~~under~~ in section 4348 of this ~~chapter~~ title.

* * *

(c) ~~Exclusions. With the exception for preexisting, nonconforming designations approved prior to the establishment of the program under this chapter or areas included in the municipal plan for the purposes of relocating a municipality's center for flood resiliency purposes, the areas eligible for designation benefits upon the LURB's approval of the regional plan future land use map for designation as a Center shall not include development that is disconnected from a Center and that lacks a pedestrian connection to the Center via a complete street.~~ [Repealed.]

* * *

* * * Tax Credits * * *

Sec. 18. 32 V.S.A. § 5930bb is amended to read:

§ 5930bb. ELIGIBILITY AND ADMINISTRATION

* * *

(c) Application shall be made in accordance with the guidelines set by the State Board. The guidelines shall clearly indicate that only applications located in Step 2 and Step 3 State designated centers or Step 1 centers where a portion of the designated center is listed or eligible for listing in the national register of historic places shall be considered.

* * *

* * * Appropriations * * *

Sec. 19. APPROPRIATIONS

(a) In fiscal year 2027, $200,000.00 is appropriated from the General Fund to the Agency of Commerce and Community Development to develop additional model plans as part of the 802 Homes program.

(b) In fiscal year 2027, $100,000.00 is appropriated from the General Fund to the Land Use Review Board to conduct public engagement and education on Tier 3 areas.

* * * Effective Date * * *

Sec. 20. EFFECTIVE DATE

This act shall take effect on passage.

and that after passage the title of the bill be amended to read: "An act relating to regional planning and Act 250 Tier jurisdiction"

(Committee vote: 5-0-0)

S. 328.

An act relating to housing and common interest communities.

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

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

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

* * * Municipal Plans * * *

Sec. 1. 24 V.S.A. § 4382 is amended to read:

§ 4382. THE PLAN FOR A MUNICIPALITY

(a) A plan for a municipality shall be consistent with the goals established in section 4302 of this title and compatible with approved plans of other municipalities in the region and with the regional plan and shall include the following:

* * *

(10) A housing element that shall include a recommended program for public and private actions to address housing needs and targets as identified by the regional planning commission pursuant to subdivision 4348a(a)(9) of this title. The housing element shall also include an analysis of any regulatory and physical constraints preventing the development, redevelopment, or rehabilitation of sufficient housing to meet the housing needs and targets, and a description of what actions the municipality may take to accommodate the projected housing needs. The program shall use data on year-round and seasonal dwellings and include specific actions to address the housing needs of persons with low income and persons with moderate income and account for permitted residential development as described in section 4412 of this title. Progress toward the construction of the housing units identified as needed to meet projected housing targets shall be documented within the housing element and updated as appropriate when the plan is amended or readopted according to section 4385 or 4387 of this title, as the case may be.

* * *

* * * Tax Credits * * *

Sec. 2. 32 V.S.A. § 5930u is amended to read:

§ 5930u. TAX CREDIT FOR AFFORDABLE HOUSING

* * *

(b) Eligible tax credit allocations.

* * *

(3)(A) The Vermont Housing Finance Agency shall have the authority to allocate affordable housing tax credits to finance down payment assistance loans that meet the following requirements:

(i) the loan is made in connection with a mortgage through an Agency program;

(ii) the borrower is a first-time home buyer of an owner-occupied primary residence; and

(iii) the borrower uses the loan for the borrower's down payment or closing costs, or both.

(B) The Agency shall require the borrower to repay the loan upon the transfer or refinance of the residence.

(C) The Agency shall use the proceeds of loans made under the Program for future down payment assistance.

(D) The Agency may reserve funding and adopt guidelines to provide grants to first-time homebuyers who are also first-generation homebuyers.

* * *

(h) Credit allocation; Down Payment Assistance Program.

(1) In fiscal year 2016 through fiscal year 2019, the allocating agency may award up to $125,000.00 in total first-year credit allocations for loans through the Down Payment Assistance Program created in subdivision (b)(2) of this section.

(2) In fiscal year 2020 through fiscal year 2026, the allocating agency may award up to $250,000.00 in total first-year credit allocations for loans through the Down Payment Assistance Program created in subdivision (b)(3) of this section.

(3) In fiscal year 2027 through fiscal year 2031, the allocating agency may award up to $350,000.00 in total first-year credit allocations for loans through the Down Payment Assistance Program created in subdivision (b)(3) of this section.

* * * Vermont State Treasurer Credit Facility * * *

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

§ 10. VERMONT STATE TREASURER; CREDIT FACILITY FOR LOCAL INVESTMENTS

(a) Notwithstanding any provision of 32 V.S.A. § 433(a) to the contrary, the Vermont State Treasurer shall have the authority to establish a credit facility of up to ~~10~~ 12.5 percent of the State's average cash balance on terms acceptable to the Treasurer and consistent with prudent investment principles and guidelines pursuant to 32 V.S.A. § 433~~(b) (c)~~ (b) and (c) and the Uniform Prudent Investor Act, 14A V.S.A. chapter 9.

* * *

(c) Notwithstanding any provision of 32 V.S.A. § 433(a) to the contrary, and in addition to the provisions of subsection (a) ~~on~~ of this section, the Vermont State Treasurer shall have the authority to establish a credit facility of up to two and one-half percent of the State's average cash balance on terms acceptable to the Treasurer and consistent with prudent investment principles and guidelines pursuant to 32 V.S.A. § 433~~(b) (c)~~ (b) and (c) and the Uniform Prudent Investor Act, 14A V.S.A. chapter 9. The Treasurer may use amounts available under this subsection only to provide financing for climate infrastructure and resilience projects and may modify the terms of such financing in the Treasurer's discretion as is necessary to protect the ~~interest~~ interests of the State.

(d)(1) Annually, on or before November 15, the Treasurer shall submit a report detailing the activities, financing, and accounting of any credit facilities created pursuant to subsection (c) of this section during the preceding calendar year to the Governor; the House Committees on Appropriations, on Commerce and Economic Development, and on Ways and Means; and the Senate Committees on Appropriations, on Economic Development, Housing and General Affairs, and on Finance.

(2) The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the report to be made under this subsection.

* * * Common Interest Communities * * *

Sec. 4. COMMON INTEREST COMMUNITY REPORT

(a) On or before November 15, 2026, the Office of Legislative Counsel shall provide a written report to the House Committee on General and Housing and the Senate Committee on Economic Development, Housing and General Affairs outlining any legal issues related to requiring common interest communities to:

(1) authorize leasing of residential units;

(2) authorize commercial purposes within a dwelling unit;

(3) permit the construction of accessory dwelling units on land reserved for the exclusive use of a unit owner; and

(4) allow the installation of electric vehicle supply equipment on land reserved for the exclusive use of a unit owner.

(b) In developing the report, the Office shall work with and identify external partners with knowledge and expertise in common interest communities across the State.

* * * Vermont Economic Development Authority * * *

Sec. 5. 10 V.S.A. § 212 is amended to read:

§ 212. DEFINITIONS

As used in this chapter:

* * *

(6) "Eligible facility" or "eligible project" means any industrial, commercial, or agricultural enterprise or endeavor approved by the Authority used in a trade or business whether or not such business is operated for profit, including land and rights in land, air, or water; buildings; structures; machinery; and equipment of such eligible facilities or eligible projects, except that an eligible facility or project shall not include the portion of an enterprise or endeavor relating to the sale of goods at retail where such goods are manufactured primarily out of State, and except further that an eligible facility or project shall not include the portion of an enterprise or endeavor relating to housing unless otherwise authorized in this chapter. Such enterprises or endeavors may include:

* * *

(U) After consultation with, and with deference to, the Vermont Housing Finance Agency on applications that are eligible for financing from both the Authority and the Agency, multiunit housing developments of five or more units when requested by, and jointly financed with, a financing lender, except that the Authority shall not finance housing developments that utilize funding issued by the Agency.

* * *

* * * Service-Supported Housing * * *

Sec. 6. 3 V.S.A. § 3098 is added to read:

§ 3098. SERVICE-SUPPORTED HOUSING ADVISORY COUNCIL

(a) The Service-Supported Housing Advisory Council is created for the purpose of identifying opportunities for increased alignment between human services programs and policies serving individuals who receive Medicaid-funded Developmental Disability Services and housing capital and support services programs.

(b) The Advisory Council shall be overseen by the Department of Disabilities, Aging, and Independent Living and shall be composed of the following individuals:

(1) one member, appointed by the Vermont Housing and Conservation Board;

(2) the Secretary of Human Services or designee;

(3) the Commissioner of Disabilities, Aging, and Independent Living or designee;

(4) the State Treasurer or designee;

(5) the Commissioner of Housing and Community Development or designee;

(6) two members, appointed by the Developmental Disabilities Housing Initiative;

(7) the Executive Director of the Vermont Developmental Disabilities Council or designee;

(8) two members, appointed by Green Mountain Self-Advocates; and

(9) one member, appointed by Vermont Care Partners.

(c)(1) The Advisory Council shall meet at least monthly.

(2) The Commissioner of Disabilities, Aging, and Independent Living shall convene the first meeting of the Advisory Council, during which the Advisory Council shall elect a chair from among its members.

(d) The Advisory Council shall report annually on or before November 15 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 regarding:

(1) administrative and programmatic reforms carried out to better align support-services and housing development programs and policies, including examples of projects or progress enabled by those changes;

(2) a housing needs assessment for individuals served by the Developmental Disabilities Services System of Care, including a summary of the number of units and an overview of the types of housing needed to support this population;

(3) activities undertaken pursuant to this section; and

(4) recommendations for future legislative action, including actionable recommendations for changes in State laws or policies that are obstacles to the creation of housing needed by individuals with Medicaid-funded home- and community-based services.

(e) The Advisory Council shall have the administrative, technical, and legal assistance of the Department of Disabilities, Aging, and Independent Living.

(f) Members of the Advisory Council 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 12 meetings per year.

* * * Municipal Zoning * * *

Sec. 7. 24 V.S.A. § 4412 is amended to read:

§ 4412. REQUIRED PROVISIONS AND PROHIBITED EFFECTS

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

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

* * *

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

* * *

(D) Bylaws shall designate appropriate districts and reasonable regulations for multiunit or multifamily dwellings. No bylaw shall have the effect of excluding these multiunit or multifamily dwellings from the municipality. In any district that allows year-round residential development, duplexes shall be ~~an allowed~~ a permitted use with dimensional standards that are not more restrictive than is required for a single-unit dwelling, including no additional land or lot area than would be required for a single-unit dwelling. In any district that is served by municipal sewer and water infrastructure that allows residential development, multiunit dwellings with four or fewer units shall be a permitted use on the same size lot as a single-unit dwelling~~, unless that district specifically requires multiunit structures to have more than four dwelling units~~.

* * *

Sec. 8. 24 V.S.A. § 4303 is amended to read:

§ 4303. DEFINITIONS

The following definitions shall apply throughout this chapter unless the context otherwise requires:

* * *

(42)(A) An area "served by municipal sewer and water infrastructure" means:

(i) an area where residential connections and expansions are available to a parcel or a portion of a parcel within 2,000 feet of municipal water and direct and indirect discharge wastewater systems and not prohibited by:

(I) State regulations or permits;

(II) identified capacity constraints; or

(III) municipally adopted service and capacity agreements; or

(ii) an area established by the municipality by ordinance or bylaw where residential connections and expansions are available to municipal water and direct and indirect discharge wastewater systems and which may exclude:

(I) flood hazard or inundation areas as established by statute, river corridors or fluvial erosion areas as established by statute, shorelands, areas within a zoning district or overlay district the purpose of which is natural resource protection, and wherever year-round residential development is not allowed;

(II) areas with identified service limits established by State regulations or permits, identified capacity constraints, or municipally adopted service and capacity agreements;

(III) areas served by sewer and water to address an identified community-scale public health hazard or environmental hazard;

(IV) areas serving a mobile home park that is not within an area planned for year-round residential growth;

(V) areas serving an industrial site or park;

(VI) areas where service lines are located to serve the areas described in subdivisions (III)–(V) of this subdivision (ii), but no connections or expansions are permitted; or

(VII) areas that, through an approved Planned Unit Development under section 4417 of this title or Transfer of Development

Rights under section 4423 of this title, prohibit year-round residential development.

(B) Municipally adopted areas served by municipal sewer and water infrastructure that limit sewer and water connections and expansions shall not result in the unequal treatment of housing by discriminating against a year-round residential use or housing type otherwise allowed in this chapter.

* * * State Community Investment Program * * *

Sec. 9. 24 V.S.A. § 5803 is amended to read:

§ 5803. DESIGNATION OF DOWNTOWN AND VILLAGE CENTERS

* * *

(f) Benefits Steps. A center may receive the benefits associated with the steps in this section by meeting the established requirements. The Department shall review applications from municipalities to advance from Step One to Two and from Step Two to Three and issue written decisions. The Department shall issue a written administrative decision within 30 days following an application. If a municipal application is rejected by the Department, the municipality may appeal the administrative decision to the State Board. To maintain a downtown approved under chapter 76A after December 31, 2026, the municipality shall apply for renewal following a regional planning approval by the LURB and meet the program requirements. Step Three designations that are not approved for renewal revert to Step Two. The municipality may appeal the administrative decision of the Department to the State Board. Appeals of administrative decisions shall be heard by the State Board at the next meeting following a timely filing stating the reasons for the appeal. The State Board's decision is final. The Department shall issue guidance to administer these steps.

* * *

(2) Step Two.

(A) Requirements. Step Two is established to create a mid-level designation for villages throughout the State to increase planning and implementation capacity for community-scale projects. A center reaches Step Two if it:

* * *

(iv) a portion of the center is listed or eligible for listing in the National Register of Historic Places, unless recognized by the program as a preexisting designated new town center.

* * *

(3) Step Three.

(A) Requirements. Step Three is established to create an advanced designation for downtowns throughout the State to create mixed-use centers and join the Vermont Downtown Program. A center reaches Step Three if the Department finds that it meets the following requirements:

* * *

(ii) ~~Is~~ A portion of the center is listed or eligible for listing in the National Register of Historic Places, unless recognized by the program as a preexisting designated new town center.

* * *

* * * Positions * * *

Sec. 10. POSITIONS

The following positions are created in the Department of Housing and Community Development:

(1) two full-time, classified Grants Management Specialist Housing and Community Development positions; and

(2) one full-time, exempt position to increase capacity to administer programs, including municipal planning grants, Homes for All developer trainings, 802 Homes Initiative, and Housing Data analysis and reporting.

* * * Appropriations * * *

Sec. 11. APPROPRIATIONS

The following shall be appropriated from the General Fund in fiscal year 2027:

(1) The sum of $250,000.00 to the Municipal and Regional Planning and Resilience Fund to increase available municipal planning grants for municipalities seeking to meet the housing targets established pursuant to 2024 Acts and Resolves No. 181.

(2) The sum of $5,000,000.00 to the Department of Housing and Community Development's base budget for the purpose of funding the Vermont Rental Housing Improvement Program (VHIP).

* * * Effective Date * * *

Sec. 12. EFFECTIVE DATE

This act shall take effect on July 1, 2026.

(Committee vote: 5-0-0)

Second Reading

Favorable

S. 64.

An act relating to amendments to the scope of practice for optometrists.

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

(Committee vote: 5-0-0)

Reported favorably by Senator Morley for the Committee on Health and Welfare.

(Committee vote: 3-2-0)

Favorable with Recommendation of Amendment

S. 26.

An act relating to prohibiting certain artificial dyes in foods and beverages served or sold at school.

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

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

Sec. 1. 16 V.S.A. § 1264b is added to read:

§ 1264b. PROHIBITING CERTAIN SUBSTANCES IN FOODS AND BEVERAGES SERVED OR SOLD AT SCHOOL

(a) In operating its school lunch and breakfast program, pursuant to the National School Lunch Act, 42 U.S.C. §§ 1751–1769j, as amended, and the Child Nutrition Act, 42 U.S.C. §§ 1771–1793, as amended, respectively, or selling competitive food, a school district and an approved independent school shall not serve a food or beverage during the school day containing one or more of the following substances:

(1) Blue 1 (CAS 3844-45-9);

(2) Blue 2 (CAS 860-22-0);

(3) Green 3 (CAS 2353-45-9);

(4) Red 40 (CAS 25956-17-6);

(5) Yellow 5 (CAS 1934-21-0);

(6) Yellow 6 (CAS 2783-94-0);

(7) azodicarbonamide;

(8) potassium bromate;

(9) propylparaben; and

(10) titanium dioxide.

(b) Subsection (a) of this section shall not apply to those foods or beverages sold or served away from a school campus or from at least one half-hour after the school day until 12:00 midnight.

(c) The Agency shall ensure compliance with this section by reviewing school menus and product labels for school meals and competitive foods that are submitted by schools to the Agency as part of existing federal administrative review requirements.

(d) As used in this section:

(1) "Competitive food" has the same meaning as in 7 C.F.R. § 210.11.

(2) "School day," as pertains to public schools, shall be defined by the school district pursuant to subsection 1071(b) of this title, and as pertains to approved independent schools, means the hours fixed by a school for instruction each day.

Sec. 2. EFFECTIVE DATE

This act shall take effect on July 1, 2027.

and that after passage the title of the bill be amended to read: "An act relating to prohibiting certain substances in foods and beverages served or sold at school"

(Committee vote: 5-0-0)

S. 138.

An act relating to commercial property-assessed clean energy projects.

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

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

Sec. 1. 24 V.S.A. chapter 87, subchapter 3 is added to read:

Subchapter 3. Commercial Property-Assessed Clean Energy

§ 3275. COMMERCIAL PROPERTY-ASSESSED CLEAN ENERGY DISTRICTS; APPROVAL OF LEGISLATIVE BODY

(a)(1) The legislative body of a town, city, or incorporated village may vote to designate the municipality as a commercial property-assessed clean energy district or C-PACE district. In a district, only those property owners who have entered into written agreements with the municipality under section 3276 of this title would be subject to a special assessment, as set forth in section 3255 of this title.

(2) In this subchapter, "district" means a commercial property-assessed clean energy district which includes the entire municipality.

(b) Upon a vote of approval by a majority of the legislative body of the municipality voting at a duly warned meeting, the municipality shall allow for the imposition of a special assessment to secure private financing for property owners for projects relating to renewable energy, as defined in 30 V.S.A. § 8002(17), or to eligible projects relating to energy efficiency as defined by section 3267 of this title, undertaken by owners of commercial or industrial buildings within the boundaries of the municipality.

(c) As used in this chapter, "commercial or industrial building" means any building other than a residential dwelling with fewer than five units.

§ 3276. WRITTEN AGREEMENTS; CONSENT OF PROPERTY OWNERS; ENERGY SAVINGS ANALYSIS; LENDER CONSENT

(a) Upon an affirmative vote made pursuant to section 3275 of this title and the performance of an analysis pursuant to subsection (b) of this section, an owner of a commercial or industrial building, within the boundaries of a district, may enter into a written agreement with the municipality that shall constitute the owner's consent to be subject to a special assessment, as set forth in section 3255 of this title. Entry into such an agreement may occur only after January 1, 2027.

(b) Prior to entering into a written agreement, a property owner shall have an analysis performed that includes the following components:

(1) where energy or water usage improvements are proposed, an energy analysis by a licensed professional engineer or engineering firm stating that the proposed qualified improvements will either result in more efficient use or

conservation of energy or water, the reduction of greenhouse gas emissions, or the addition of renewable sources of energy or water;

(2) where renewable energy is proposed, an engineering study showing that the improvements are feasible;

(3) where resilience improvements are proposed, certification by a licensed professional engineer stating that the qualified improvements will result in improved resilience in accordance with local, State, or nationally recognized building standards; or

(4) for new construction, certification by a licensed professional engineer or engineering firm stating that the proposed qualified improvements will enable the project to exceed the energy efficiency or water efficiency or renewable energy or water usage requirements of the current building code.

(c) A written agreement shall provide that:

(1) The length of time allowed for the property owner to repay the assessment shall not exceed the life expectancy of the project. In instances where multiple projects have been installed, the length of time shall not exceed the average lifetime of all projects, weighted by cost.

(2) Notwithstanding any other provision of law:

(A) A lien under this section:

(i) is a first and prior lien on the property, subordinate only to a lien for property taxes, from the date on which the notice of special assessment is recorded until the assessment, interest, or penalty is paid; and

(ii) runs with the land, and that portion of the assessment under the assessment contract that is not yet due shall not be accelerated or extinguished by foreclosure of a property tax lien or any other foreclosure.

(B) In the event of a foreclosure action, all payments on an assessment under this subchapter that are due and unpaid as of the date the action is filed, and all payments on the assessment that become due after that date and that accrue up to and including the date title to the property is transferred to the mortgage holder, the lien holder, or a third party in the foreclosure action shall be paid in order for title to transfer.

(3) A capital provider shall disclose to participating property owners each of the following:

(A) the risks associated with participating in the program, including risks related to the failure of participating property owners to make payments and the risk of foreclosure; and

(B) the provisions of subsection (h) of this section that pertain to prepayment of the assessment.

(d) The notice of an agreement shall include at least each of the following:

(1) the name of the property owner as grantor;

(2) the name of the municipality as grantee;

(3) the date of the agreement;

(4) a legal description of the real property against which the assessment is made pursuant to the agreement;

(5) the amount of the assessment and the period during which the assessment will be made on the property;

(6) a statement that the assessment will remain a lien on the property until paid in full or released; and

(7) the location at which the original agreement may be examined.

(e) Prior to entering into the written assessment contract, the property owner shall obtain and furnish to the municipality a written statement, executed by each holder of a mortgage or deed of trust on the property securing indebtedness, in their sole and absolute discretion, that consents to the assessment and indicates that the assessment does not constitute an event of default under the mortgage or deed of trust.

(f) The combined amount of the assessment plus any outstanding mortgage obligations for the property shall not exceed 90 percent of the assessed value of that property.

(g) With respect to an agreement under this section:

(1) the assessments to be repaid under the agreement, when calculated as if they were the repayment of a loan, shall not violate 9 V.S.A. §§ 41a, 43, 44, and 46–50; and

(2) the maximum length of time for the owner to repay the assessment shall not exceed 30 years.

(h) For projects under subchapter 2 of this chapter, there shall be no penalty or premium for prepayment of the outstanding balance of an assessment under this subchapter if the balance is prepaid in full. Projects under this subchapter 3 are not subject to these provisions, but shall be determined by the private agreement for financing of improvements.

(i) Property may be eligible for financing if otherwise qualified improvements were completed and operational not more than 36 months prior

to submission of the application to the program. Waivers to the 36-month requirement may be granted in the sole discretion of the program administrator.

§ 3277. PROGRAM ADMINISTRATORS

(a) C-PACE Program Administration.

(1) An entity that administers the commercial property-assessed clean energy program or C-PACE Program under this subchapter shall be referred to as a program administrator. A municipality, a public agency, or a private entity may serve as a program administrator. However, a capital provider or lender shall not serve as a program administrator in a municipality where it is also lending.

(2) A municipality that has adopted a C-PACE district may:

(A) enter into a contract with an entity to serve as the program administrator and to administer the functions of the C-PACE Program for the municipality; or

(B) serve as the program administrator itself, to administer the functions of a C-PACE Program, including entering into C-PACE agreements with commercial property owners in its jurisdiction and collecting C-PACE assessments.

(b) An entity may:

(1) enter into a contract with a C-PACE municipality where the entity shall serve as the program administrator in the municipality; and

(2) collect fees necessary to administer the C-PACE program.

(c) Other than the fulfillment of its obligations specified in a C-PACE agreement, neither the program administrator nor a municipality has any liability to a commercial property owner for or related to energy savings or resilience improvements financed under a C-PACE Program.

(d) The Department of Financial Regulation shall consult with relevant stakeholders, including the Vermont League of Cities and Towns, the Vermont Economic Development Authority, Efficiency Vermont, and agencies from other States with C-PACE programs, in order to identify appropriate entities to serve as program administrators.

Sec. 2. 24 V.S.A. § 3263 is amended to read:

§ 3263. COSTS OF OPERATION OF DISTRICT

The owners of real property who have entered into written agreements with the municipality under section 3262 of this title shall be obligated to cover the costs of operating the district. A municipality may use other available funds to operate the district. A municipality may charge fees to cover the operation of the C-PACE Program under subchapter 3 of this chapter.

Sec. 3. 24 V.S.A. § 3264 is amended to read:

§ 3264. RIGHTS OF PROPERTY OWNERS

A property owner who has entered into a written agreement with the municipality under section 3262 or section 3276 of this title may enter into a private agreement for the installation or construction of a project relating to renewable energy, as defined in 30 V.S.A. § 8002(17), or relating to energy efficiency as defined in section 3267 of this title.

Sec. 4. 24 V.S.A. § 3265 is amended to read:

§ 3265. LIABILITY OF MUNICIPALITY

(a) A municipality that incurs indebtedness for or otherwise finances projects under this subchapter shall not be liable for the failure of performance of a project.

(b) A municipality that incurs indebtedness for bonding under this subchapter shall pledge the full faith and credit of the municipality.

(c) A municipality that enters into a written agreement with a property owner under subchapter 3 of this chapter shall not incur any indebtedness or otherwise finance projects under this chapter, nor shall be liable for the failure of the performance of a project, nor pledge the full faith and credit of the municipality.

Sec. 5. 24 V.S.A. § 3268 is amended to read:

§ 3268. RELEASE OF LIEN

(a) A municipality shall release a participating property owner of the lien on the property against which the assessment under this subchapter or subchapter 3 of this chapter is made upon full payment of the value of the assessment.

(b) Notice of a release of a lien for an assessment under this subchapter or subchapter 3 of this chapter shall be filed with the clerk of the applicable municipality for recording in the land records of that municipality.

Sec. 6. 24 V.S.A. § 3255 is amended to read:

§ 3255. COLLECTION OF ASSESSMENTS; LIENS

(a) Special assessments under this chapter shall constitute a lien on the property against which the assessment is made in the same manner and to the same extent as taxes assessed on the grand list of a municipality, and all procedures and remedies for the collection of taxes shall apply to special assessments.

(b) Notwithstanding subsection (a) of this section, a lien for an assessment under subchapter 2 of this chapter shall be subordinate to all liens on the property in existence at the time the lien for the assessment is filed on the land records, shall be subordinate to a first mortgage on the property recorded after such filing, and shall be superior to any other lien on the property recorded after such filing. In no way shall this subsection affect the status or priority of any municipal lien other than a lien for an assessment under subchapter 2 of this chapter. A lien for an assessment under subchapter 3 of this chapter shall be exempt from the provisions of this section and, upon receipt of consent from lenders, pursuant to subsection 3276(e) of this title, shall not be subordinate to all liens on the property in existence at the time the lien for the assessment is filed on the land records.

Sec. 7. 9 V.S.A. § 46 is amended to read:

§ 46. EXCEPTIONS

Section 43 of this title, relating to deposit requirements, and section 45 of this title, relating to prepayment penalties, shall not apply and the parties may contract for a rate of interest in excess of the rate provided in section 41a of this title in the case of:

(1) obligations of corporations, including municipal and nonprofit corporations; ~~or~~

(2) obligations incurred by any person, partnership, association, or other entity to finance in whole or in part income-producing business or activity, but not including obligations incurred to finance family dwellings of four units or fewer when used as a residence by the borrower or to finance real estate that is devoted to agricultural purposes as part of an operating farming unit when used as a residence by the borrower; ~~or~~

(3) obligations to finance the purchase, construction, or improvement of property for seasonal or part-time occupancy and not as a place of legal residence; ~~or~~

(4) obligations guaranteed or insured by the United States of America or any agency thereof; or

(5) obligations incurred for commercial property-assessed clean energy projects pursuant to 24 V.S.A. chapter 87, subchapter 3.

Sec. 8. EFFECTIVE DATE

This act shall take effect on July 1, 2026.

(Committee vote: 5-0-0)

S. 142.

An act relating to a pathway to licensure for internationally trained physicians and medical graduates.

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

The Committee recommends that the bill be amended by striking out Sec. 4, effective dates, and inserting in lieu thereof two new sections to be Secs. 4 and 5 to read as follows:

Sec. 4. ALTERNATIVE PATHWAY TO LICENSURE FOR INTERNATIONALLY TRAINED PHYSICIANS AND MEDICAL GRADUATES; REPORT

(a) On or before January 15, 2027, the Department of Health, in collaboration with the Board of Medical Practice, shall provide to the House Committees on Health Care and on Government Operations and Military Affairs and the Senate Committees on Health and Welfare and on Government Operations a report detailing a pathway to licensure for internationally trained physicians and medical graduates as an alternative to the pathway established in Sec. 2 of this act. The report shall include the following information:

(1) a summary of other states' processes for licensing internationally trained physicians and medical graduates to practice medicine and, if available, data on the outcomes of these processes and related programs;

(2) a description of the external resources needed to evaluate the education, experience, and examinations of internationally trained physicians and medical graduates and the availability of these resources;

(3) a proposal for licensing internationally trained physicians and medical graduates to practice medicine in Vermont, including potential qualifications and supervision requirements for licensure, a summary of any additional resources and statutory authority needed, and a plan and timeline for implementing the licensing program; and

(4) any additional information that the Department deems relevant to a robust consideration of the issues related to licensing internationally trained physicians and medical graduates to practice medicine in Vermont.

(b) In preparing the report required by this section, the Department shall consult with other states that have implemented licensing programs for internationally trained physicians and medical graduates; the Vermont chapter of the NAACP; third-party credentialing services; the Vermont Medical Society; the Vermont Association of Hospitals and Health Systems; and other advocacy organizations, researchers, and other entities whose expertise is relevant to developing the report.

Sec. 5. EFFECTIVE DATES

(a) Secs. 1 (26 V.S.A. § 1391) and 2 (26 V.S.A. chapter 23, subchapter 3B) shall take effect on July 1, 2028.

(b) Sec. 3 (rulemaking) shall take effect on July 1, 2027.

(c) Secs. 4 (alternative pathway to licensure for internationally trained physicians and medical graduates; report) and this section shall take effect on passage.

(Committee vote: 5-0-0)

S. 154.

An act relating to health insurance coverage for biomarker testing.

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

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

Sec. 1. HEALTH INSURANCE AND MEDICAID COVERAGE FOR BIOMARKER TESTING; DEPARTMENT OF FINANCIAL REGULATION; AGENCY OF HUMAN SERVICES; REPORTS

(a) As used in this section:

(1) "Biomarker" means a characteristic that is objectively measured and evaluated as an indicator of normal biological processes, pathogenic processes, or pharmacologic responses to a specific therapeutic intervention, including known gene-drug interactions for medications being considered for use or already being administered. Biomarkers include gene mutations, characteristics of genes, and protein expression.

(2) "Biomarker testing" means the analysis of a patient's tissue, blood, or other biospecimen for the presence of a biomarker. Biomarker testing includes single-analyte tests; multiplex panel tests; protein expression analysis; and whole exome, whole genome, and whole transcriptome sequencing.

(3) "Consensus statements" means statements developed by an independent, multidisciplinary panel of experts utilizing a transparent methodology and reporting structure and with a conflict of interest policy. These statements are aimed at specific clinical circumstances and the statements are based on the best available evidence for the purpose of optimizing the outcomes of clinical care.

(4) "Nationally recognized clinical practice guidelines" means evidence-based clinical practice guidelines developed by independent organizations or medical professional societies utilizing a transparent methodology and reporting structure and with a conflict of interest policy. Clinical practice guidelines establish standards of care informed by a systematic review of evidence and an assessment of the benefits and risks of alternative care options and include recommendations intended to optimize patient care.

(b) The Department of Financial Regulation and Agency of Human Services shall analyze the costs associated with requiring health insurance coverage and Medicaid coverage, respectively, for biomarker testing for the purposes of diagnosis, treatment, appropriate management, and ongoing monitoring of a patient's disease or condition when the test is supported by medical and scientific evidence, including:

(1) labeled indications for a test approved or cleared by the U.S. Food and Drug Administration (FDA);

(2) indicated tests for an FDA-approved drug;

(3) warnings and precautions on FDA-approved drug labels;

(4) Centers for Medicare and Medicaid Services national coverage determinations or Medicare Administrative Contractor local coverage determinations; or

(5) nationally recognized clinical practice guidelines and consensus statements.

(c)(1) On or before January 15, 2027, the Department of Financial Regulation shall report to the House Committee on Health Care and the Senate Committees on Health and Welfare and on Finance on the estimated amount that health insurance premiums would increase if Vermont were to enact legislation requiring health insurance coverage of biomarker testing as set forth in subsection (b) of this section, including the amounts of the State's financial obligations for defrayal of premium increases for qualified health benefit plans pursuant to 45 C.F.R. § 155.170 and for premium increases in the State Employees' Health Benefit Plan.

(2) On or before January 15, 2027, the Agency of Human Services shall report to the House Committee on Health Care and the Senate Committee on Health and Welfare regarding the approvals that would be needed from the Centers for Medicare and Medicaid in order for Vermont Medicaid to cover biomarker testing as set forth in subsection (b) of this section and the costs to the Medicaid program if Vermont were to enact legislation requiring that coverage.

Sec. 2. EFFECTIVE DATE

This act shall take effect on passage.

(Committee vote: 5-0-0)

S. 181.

An act relating to eliminating the requirement for a presentence investigation for imposition of a deferred sentence.

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

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

Sec. 1. 13 V.S.A. § 7041 is amended to read:

§ 7041. DEFERRED SENTENCE

(a)(1) Upon an adjudication of guilt ~~and after the filing of a presentence investigation report~~, the court may defer sentencing and place the respondent on probation upon such terms and conditions as it may require if a written agreement concerning the deferring of sentence is entered into between the State's Attorney and the respondent and filed with the clerk of the court.

(2) If the offense is a listed crime as provided in subdivision 5301(7) of this title, a presentence investigation shall be conducted unless the State's Attorney and the respondent agree to waive the presentence investigation.

(b) Notwithstanding subsection (a) of this section, the court may defer sentencing and place the respondent on probation without a written agreement between the State's Attorney and the respondent if the following conditions are met:

(1) [Repealed.]

(2) the crime for which the respondent is being sentenced is not a listed crime as defined in subdivision 5301(7) of this title;

(3) ~~the court orders a presentence investigation in accordance with the procedures set forth in V.R.C.P. Rule 32, unless the State's Attorney agrees to waive the presentence investigation;~~ [Repealed.]

(4) the court permits the victim to submit a written or oral statement concerning the consideration of deferment of sentence;

(5) the court reviews ~~the presentence investigation and~~ the victim's impact statement with the parties; and

(6) the court determines that deferring sentence is in the interests of justice.

(c) Notwithstanding subsections (a) and (b) of this section, the court may not defer a sentence for a violation of section 3253a (aggravated sexual assault of a child), section 2602 (lewd and lascivious conduct with a child unless the victim and the defendant were within five years of age and the act was consensual), subsection 3252(c) (sexual assault of a child under 16 years of age unless the victim and the defendant were within five years of age and the act was consensual), subsection 3252(d) or (e) (sexual assault of a child), subdivision 3253(a)(8) (aggravated sexual assault), or section 3253a (aggravated sexual assault of a child) of this title.

(d) Entry of deferment of sentence shall constitute an appealable judgment for purposes of appeal in accordance with 12 V.S.A. § 2383 and V.R.A.P. Rule 3. Except as otherwise provided, entry of deferment of sentence shall constitute imposition of sentence solely for the purpose of sentence review in accordance with section 7042 of this title. The court may impose sentence at any time if the respondent violates the conditions of the deferred sentence during the period of deferment.

(e) Upon violation of the terms of probation or of the deferred sentence agreement, the court shall impose sentence. Upon fulfillment of the terms of probation and of the deferred sentence agreement, the court shall strike the adjudication of guilt and discharge the respondent. Except as provided in subsection (h) of this section, the record of the criminal proceedings shall be expunged upon the discharge of the respondent from probation, absent a finding of good cause by the court. The court shall issue an order to expunge all records and files related to the arrest, citation, investigation, charge, adjudication of guilt, criminal proceedings, and probation related to the deferred sentence. Copies of the order shall be sent to each agency, department, or official named therein. Thereafter, the court, law enforcement officers, agencies, and departments shall reply to any request for information that no record exists with respect to such person upon inquiry in the matter.

Notwithstanding this subsection, the record shall not be expunged until restitution has been paid in full.

(f) A deferred sentence imposed under subsection (a) or (b) of this section may include a restitution order issued pursuant to section 7043 of this title. Nonpayment of restitution shall not constitute grounds for imposition of the underlying sentence.

(g) [Repealed.]

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

Sec. 2. EFFECTIVE DATE

This act shall take effect on July 1, 2026.

(Committee vote: 5-0-0)

S. 190.

An act relating to the Green Mountain Care Board, reference-based pricing, and hospital outsourcing of clinical care.

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

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

* * * Reference-Based Pricing * * *

Sec. 1. 18 V.S.A. § 9376(e) is amended to read:

(e) Reference-based pricing.

* * *

(3)(A) The Board shall begin implementing reference-based pricing as soon as practicable but not later than hospital fiscal year 2027 by establishing the maximum amounts that Vermont hospitals shall accept as payment in full

for items provided and services delivered. After initial implementation, the Board shall review the reference-based prices for each hospital annually as part of the hospital budget review process set forth in chapter 221, subchapter 7 of this title.

(B) The Board, in collaboration with the Department of Financial Regulation, shall monitor the implementation of reference-based pricing to ensure that any decreases in amounts paid to hospitals also result in decreases in health insurance premiums. The Board shall post its findings regarding the alignment between price decreases and premium decreases annually on its website.

(C)(i) For provider contracts entered into, amended, or renewed on or after October 1, 2026, each hospital and health insurer shall begin expressing as a percentage of Medicare or of another benchmark, if another benchmark is deemed appropriate by the Green Mountain Care Board, the rates for items and services identified pursuant to a collaborative process between the Board and representatives of Vermont hospitals.

(ii) When making public the charges for items and services pursuant to 45 C.F.R. Part 180, each hospital shall include in its machine-readable files pricing information shown as a percentage of Medicare rates, as well as in dollars and cents, disaggregated by payer and by plan.

(iii) For purposes of subdivisions (i) and (ii) of this subdivision (3)(C), a hospital may express rates as a percentage of Medicare based on the actual reimbursement amounts the hospital receives from Medicare for items provided and services delivered to Medicare beneficiaries until such time as the Green Mountain Care Board adopts a rule establishing the methodology for determining Medicare rates for use as a benchmark in establishing reference-based prices pursuant to this subsection (e).

(D)(i) Each hospital shall apply for, obtain, and use a unique National Provider Identifier (NPI) on all claims filed after October 1, 2027, for reimbursement or payment of items provided and services delivered at an off-campus department of the hospital that is distinct from the NPI used for services delivered at the main hospital campus or at any other off-campus hospital department.

(ii) As used in this subdivision (D):

(I) "Campus" has the same meaning as in 42 C.F.R. § 413.65.

(II) "Off-campus" means a facility located more than 250 yards from the main hospital campus.

* * *

Sec. 2. 33 V.S.A. § 1815 is added to read:

§ 1815. LIMITATIONS ON HOSPITAL REIMBURSEMENTS

(a)(1) As used in this section, "Medicare adjusted base rate" means the standardized Medicare payment amount for a hospital inpatient, outpatient, or professional service as determined under the Medicare program, calculated prior to the application of any hospital-specific, patient-specific, or policy-based payment adjustments and reflecting only the core payment methodology used by the Centers for Medicare and Medicaid Services to establish baseline payment levels, which include adjustments for geographic factors such as wages.

(2) For items provided and services delivered at a critical access hospital, the Medicare adjusted base rate shall be determined under the applicable Medicare prospective payment system, using the Medicare payment methodology that would apply if the hospital were not designated as a critical access hospital.

(b)(1) A registered carrier shall not reimburse or agree to reimburse a hospital more than 250 percent of the Medicare adjusted base rate for any item provided or service delivered in Vermont to an enrollee in a qualified health benefit plan.

(2) In the event that a registered carrier reimburses a hospital for an item or service on a capitated or other non-fee-for-service basis, the carrier shall ensure that its reimbursement method is adjusted to account for the reimbursement limit set forth in subdivision (1) of this subsection.

(c) The reimbursement limit set forth in subsection (b) of this section shall apply until the applicability date specified in the Green Mountain Care Board rule establishing the reference-based pricing methodology for all items provided and services delivered in Vermont hospitals.

(d) A hospital or hospital provider that is reimbursed in accordance with subsection (b) of this section shall not charge or collect from the patient any additional amounts other than the cost-sharing amounts authorized by the terms of the health benefit plan.

(e) In its reviews of premium rates in accordance with 8 V.S.A. § 4026, the Green Mountain Care Board shall ensure that the limitations on reimbursements established in this section are appropriately reflected in the premium rates for qualified health benefit plans.

Sec. 3. 18 V.S.A. chapter 221, subchapter 7 is amended to read:

Subchapter 7. Hospital Budgets and Budget Review

§ 9451. DEFINITIONS

As used in this subchapter:

* * *

(4)(A) "Medicare adjusted base rate" means the standardized Medicare payment amount for a hospital inpatient, outpatient, or professional service as determined under the Medicare program, calculated prior to the application of any hospital-specific, patient-specific, or policy-based payment adjustments and reflecting only the core payment methodology used by the Centers for Medicare and Medicaid Services to establish baseline payment levels, which include adjustments for geographic factors such as wages.

(B) For items provided and services delivered at a critical access hospital, the Medicare adjusted base rate shall be determined under the applicable Medicare prospective payment system, using the Medicare payment methodology that would apply if the hospital were not designated as a critical access hospital.

* * *

§ 9459. TARGETED COMMERCIAL REIMBURSEMENT RATE REDUCTIONS

(a) A hospital shall implement any commercial reimbursement rate reduction ordered by the Board pursuant to section 9456 of this title through the limitations on its commercial reimbursement rates for qualified health benefit plans in accordance with 33 V.S.A. § 1815.

(b) To the extent that a hospital is required by the Board's budget order to reduce its commercial reimbursement rates by amounts greater than the reductions achieved pursuant to subsection (a) of this section, the hospital shall reduce its commercial reimbursement rates that exceed 500 percent of the Medicare adjusted base rate or, if the hospital does not have any commercial reimbursement rates that exceed 500 percent of the Medicare adjusted base rate, by reducing its commercial reimbursement rates that are the highest in relation to the Medicare adjusted base rate.

(c) If a hospital demonstrates to the Board that the limitations on the hospital's reimbursement rates for qualified health plans set forth in 33 V.S.A. § 1815 or pursuant to this section are 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.

Sec. 4. IMPLEMENTATION OF REFERENCE-BASED PRICING FOR CERTAIN PUBLIC EMPLOYEE HEALTH PLANS; REPORT

(a) The Green Mountain Care Board, in consultation with the Departments of Financial Regulation and of Human Resources and the Vermont Education Health Initiative (VEHI), shall analyze commercial health insurance claims for inpatient and outpatient hospital items provided and services delivered to active and retired members and their dependents enrolled in the State Employees' Health Benefit Plan and in the health benefit plans offered to teachers and other school employees through VEHI to determine the opportunities available through the use of reference-based pricing and the projected impact on Vermont's hospitals. VEHI, the Department of Human Resources, and the administrator of the State Employees' Health Benefit Plan shall provide the Board with access to the claims data necessary to perform the analysis.

(b) On or before January 15, 2027, the Green Mountain Care Board shall provide to the House Committee on Health Care and the Senate Committee on Health and Welfare the Board's findings and any recommendations with respect to scope, timing, financial impacts, and other considerations in implementing reference-based pricing for items provided and services delivered to enrollees in the State Employees' Health Benefit Plan and in the health benefit plans offered by VEHI.

* * * Hospital Outsourcing * * *

Sec. 5. HOSPITAL OUTSOURCING; HOSPITAL BUDGETS; PROVIDER TAXES; REPORT

(a) For fiscal year 2027 hospital budgets, the Green Mountain Care Board shall direct hospitals to provide such information as the Board may require regarding the clinical services that the hospital outsources to external entities.

(b) On or before January 15, 2027, the Green Mountain Care Board, after consulting with hospitals and their contracted independent providers and assessing the impact of outsourcing on access to and the quality and availability of care, shall provide findings and recommendations regarding hospital outsourcing to the House Committee on Health Care and the Senate Committee on Health and Welfare. In addition, the Board, in collaboration with the Agency of Human Services, shall report on the extent to which hospital outsourcing affects provider tax revenue and recommend any necessary modifications to 33 V.S.A. chapter 19, subchapter 2 to appropriately reflect expenditures for patient care at Vermont hospitals.

* * * Excluding Reference-Based Pricing from Scope of Health Care Professional Bargaining * * *

Sec. 6. 18 V.S.A. § 9409 is amended to read:

§ 9409. HEALTH CARE PROVIDER BARGAINING GROUPS

(a) The Green Mountain Care Board may approve the creation of one or more health care provider bargaining groups, consisting of health care providers who choose to participate. A bargaining group is authorized to negotiate on behalf of all participating providers with the Secretary of Administration, the Secretary of Human Services, the Green Mountain Care Board, or the Commissioner of Labor with respect to any matter in this chapter; chapter 13, 219, 220, or 222 of this title; 21 V.S.A. chapter 9; and 33 V.S.A. chapters 18 and 19 with respect to provider regulation, provider reimbursement, administrative simplification, information technology, workforce planning, or quality of health care.

(b) The Green Mountain Care Board shall adopt by rule criteria for forming and approving bargaining groups and criteria and procedures for negotiations authorized by this section.

(c) The rules relating to negotiations shall include a nonbinding arbitration process to assist in the resolution of disputes. Nothing in this section shall be construed to limit the authority of the Secretary of Administration, the Secretary of Human Services, the Green Mountain Care Board, or the Commissioner of Labor to reject the recommendation or decision of the arbiter.

(d) Notwithstanding any provisions of this section to the contrary, the Green Mountain Care Board shall not be required to negotiate with a provider bargaining group or engage in a nonbinding arbitration process in connection with the Board's establishment of reference-based prices in accordance with subdivision 9375(b)(1)(A), subdivision 9375(b)(5), or section 9376 of this title.

* * * Appeals of Green Mountain Care Board Orders * * *

Sec. 7. 18 V.S.A. § 9381 is amended to read:

§ 9381. APPEALS

(a) The Green Mountain Care Board shall adopt procedures ~~for administrative appeals of its actions, orders, or other determinations. Such procedures shall~~ that provide for the issuance of a final order and for the creation of a record sufficient to serve as the basis for judicial review of the

Board's final actions, orders, and other determinations pursuant to subsection (b) of this section.

(b) Any person aggrieved by a final action, order, or other determination of the Green Mountain Care Board may~~, upon exhaustion of all administrative appeals available pursuant to subsection (a) of this section,~~ appeal to the Supreme Court pursuant to the Vermont Rules of Appellate Procedure.

* * *

* * * Data Infrastructure * * *

Sec. 8. 18 V.S.A. § 9411 is amended to read:

§ 9411. INTERACTIVE PRICE TRANSPARENCY DASHBOARD AND HEALTH SYSTEM PERFORMANCE TOOL

(a)(1) The Green Mountain Care Board shall develop and maintain a public, interactive, ~~Internet-based~~ internet-based price transparency dashboard that allows consumers to compare health care prices for certain health care services across the State. Using data from the Vermont Healthcare Claims Uniform Reporting and Evaluation System (VHCURES) established pursuant to section 9410 of this title, the dashboard shall provide the range of actual allowed amounts for selected health care services, showing both the amount paid by the health insurer or other payer and the amount of the member's responsibility, and shall allow the consumer to sort the information by geographic location, by health care provider, by payer type, and by the specific health care procedure or health care service. The Board shall provide a link on the dashboard to the statewide comparative hospital quality report published by the Commissioner of Health pursuant to section 9405b of this title.

~~(b)~~(2) The Board shall update the information in the interactive price transparency dashboard at least annually.

(b)(1) The Board shall develop and maintain a public, interactive tool that displays information on health system performance, including information regarding quality, access, and affordability.

(2) The Board shall update the information in the health system performance tool on a regular basis, to the extent operationally feasible.

Sec. 9. IMPLEMENTATION OF HEALTH SYSTEM PERFORMANCE TOOL

The Green Mountain Care Board shall develop the health system performance tool described in 18 V.S.A. § 9411(b), as added by Sec. 8 of this act, only if the Board receives sufficient funding from the federal government or another source for this purpose.

* * * Public Employee Health Benefit Authority Study Committee * * *

Sec. 10. PUBLIC EMPLOYEE HEALTH BENEFIT AUTHORITY STUDY COMMITTEE; STATE TREASURER; REPORT

(a) Creation. There is created the Public Employee Health Benefit Authority Study Committee to evaluate opportunities to establish a State authority to develop and administer comprehensive and affordable health benefits for all public-sector employees in Vermont.

(b) Membership. The Study Committee shall be composed of the following members, who shall each be appointed by the entities they represent:

(1) the State Treasurer or designee;

(2) one member representing the Vermont State Employees' Association;

(3) one member representing the Vermont-National Education Association;

(4) one member representing the American Federation of Teachers;

(5) one member representing the United Electrical Workers;

(6) one member representing the American Federation of State, County and Municipal Employees;

(7) one member representing the Vermont School Boards Association;

(8) one member representing the Vermont League of Cities and Towns;

(9) one member representing the Vermont State College system;

(10) one member representing the University of Vermont; and

(11) one member representing the Department of Human Resources.

(c) Powers and duties; report.

(1) The Study Committee shall consider the topics set forth in this subsection and produce a report regarding the potential for establishing the Public Employee Health Benefit Authority to provide and administer health plans that would meet the health care and wellness needs of Vermont's municipal, State, public school, and public college and university employees and their dependents, including addressing all the following:

(A) the manner in which health benefits are provided to public employees in other states, including Oregon and Washington;

(B) the similarities and differences in the level and scope of coverage provided by current health plans offered to public employees;

(C) the similarities and differences in the current service or contractual agreements negotiated by public-sector parties with commercial health insurers, third-party administrators, and independent clinical and analytical vendors;

(D) uniform design, coordination, and administration of medical and pharmaceutical health plans, care networks, wellness initiatives, and medical privacy protections;

(E) uniform standards and protocols for contract review and negotiations with hospital facilities, nonhospital health care providers, commercial health insurers, third-party administrators, independent clinical and analytical vendors, and pharmacy benefit managers;

(F) streamlined, auditable processes to confirm the integrity and accuracy of billing from and reimbursements to hospitals, nonhospital health care providers, and vendors;

(G) opportunities to secure substantial and sustainable cost reductions for employees, employers, and taxpayers;

(H) monitoring and management of fiduciary risk;

(I) Public Employee Health Benefit Authority governance structures, deliberative processes, and equality of decision making by employer and organized labor representatives; staff positions; member and patient advocacy; and problem resolution on behalf of employees and employers;

(J) uniform standards and systems for collecting, analyzing, and securely transmitting data on clinical, utilization, quality of care, and other essential metrics to support health benefit plan management and vendor needs;

(K) opportunities to expand participant access to primary care, mental health, and community-based health care services; redirect care from hospitals and their emergency departments to less costly settings; and improve chronic disease management and medication therapy adherence; and

(L) alignment of Public Employee Health Benefit Authority operations and health benefit plans with the transition to reference-based pricing, global hospital budgets, and regional care transformations directed by acts of the General Assembly, including 2024 Acts and Resolves No. 134 and 2025 Acts and Resolves Nos. 55 and 68.

(2) The Study Committee shall provide recommendations regarding:

(A) a detailed blueprint, with timelines, to design, build, and launch the Public Employee Health Benefit Authority;

(B) the need, if any, for independent consultants or advisory personnel for establishing the Public Employee Health Benefit Authority and, going forward, to support its mission, on a regular or intermittent basis; and

(C) the projected costs of creating and annually funding the Public Employee Health Benefit Authority.

(3) On or before February 15, 2027, the Study Committee shall submit a report detailing the information set forth in subdivisions (1) and (2) of this subsection to the General Assembly and the Governor.

(d) Assistance. The Study Committee shall have the administrative, technical, and legal assistance of the Office of the State Treasurer and may engage the services of one or more consultants or firms to assist with facilitating meetings and public hearings and preparing its report.

(e) Meetings.

(1) The State Treasurer or designee shall call the first meeting of the Study Committee to occur on or before August 15, 2026.

(2) The State Treasurer or designee shall be the chair.

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

(4) The Study Committee shall cease to exist on March 1, 2027.

(f) Public hearings. The Study Committee shall schedule public hearings, both remote and in person, to allow public-sector employers and employees the opportunity to share their health care needs and concerns with the Study Committee before the issuance of the Study Committee's report.

(g) Access to information. Commercial health insurers, third-party administrators, the Vermont Education Health Initiative (VEHI), and clinical and analytical vendors that serve the public sector shall provide full and timely access to the Study Committee, with appropriate nondisclosure agreements in place as needed, to:

(1) their service contracts or agreements with relevant public-sector entities; and

(2) any data, including claims, actuarial, financial, and other data, that the Study Committee requests.

(h) Compensation and reimbursement. Members of the Study Committee shall not receive per diem compensation and reimbursement of expenses for their participation on the Study Committee.

(i) Appropriation. The sum of $50,000.00 is appropriated to the Office of the State Treasurer from the General Fund in fiscal year 2027 to pay for the services of one or more consultants or firms.

* * * Effective Date * * *

Sec. 11. EFFECTIVE DATE

This act shall take effect on passage.

and that after passage the title of the bill be amended to read: "An act relating to the Green Mountain Care Board, reference-based pricing, and studying the creation of a Public Employee Health Benefit Authority"

(Committee vote: 5-0-0)

S. 193.

An act relating to establishing a forensic facility for certain criminal justice-involved persons.

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

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

Sec. 1. 13 V.S.A. § 4815a is added to read:

§ 4815a. COMPETENCY RESTORATION SERVICES WITHIN FORENSIC FACILITY

(a) A person shall be transferred to the forensic facility established in section 4826 of this title if the person:

(1) has been charged with an offense punishable by a life sentence;

(2)(A) has been held without bail pursuant to section 7553 of this title; or

(B) if the person is not held without bail pursuant to section 7553 of this title, the person's release would create a substantial risk of bodily injury to another person;

(3) is not currently receiving treatment through an order of hospitalization pursuant to 18 V.S.A. § 7619 or section 4822 of this title; and

(4) has been found not competent to stand trial.

(b)(1)(A) Upon admission, the forensic facility shall cause the person to be evaluated for competency to stand trial not less often than the shorter of either:

(i) every six months; or

(ii) upon the determination by the forensic facility's clinical services director that the person is likely competent to stand trial.

(B) The results of all evaluations shall be supplied to the court and the parties to the underlying criminal action.

(2)(A) At the request of a party, the court may order that a second or subsequent evaluation include an opinion on whether the person's competency can be restored. If the court finds that the person may be found likely competent to stand trial, the court shall immediately notify the State's Attorney and the person's counsel in the criminal case. If the court finds by clear and convincing evidence that the person cannot be restored to competency, the court shall order continued commitment of the person, taking into account the least restrictive conditions applicable, unless subdivision (B) of this subdivision (2) applies.

(B) If the court finds that the release of a person who cannot be restored to competency would not create a substantial risk of bodily injury to another person, the court shall:

(i) order the release of the person under a prescribed regimen of medical, psychiatric, or psychological care or treatment that the forensic facility's clinical services director has certified as appropriate and that has been found by the court to be appropriate; and

(ii) order, as an explicit condition of release, that the person comply with the prescribed regimen of medical, psychiatric, or psychological care or treatment together with any other conditions appropriate to protect the public.

(c) The person shall remain at the forensic facility until the person is restored to competency or until there is a final disposition of the charges against the person.

(d) The person shall receive competency restoration services while at the forensic facility according to a plan approved by the forensic facility's clinical services director. Such services shall include any appropriate combination of medication, education, accommodations, habilitation, or other services identified as necessary or proper to achieve and maintain competency to stand trial. The person's refusal to receive competency restoration services shall not be grounds for release or dismissal from the forensic facility.

(e) Competency restoration services shall be provided to the person at the forensic facility, or at another location as part of a discharge plan, until the

person is restored to competency or until there is a final disposition of the charges against the person.

(f)(1) The Commissioner shall actively monitor compliance with orders issued pursuant to subdivision (2)(B) of subsection (b) and shall immediately return a person to the forensic facility if:

(A) the person was previously restored to competence pursuant to this section and released from the facility;

(B) the Commissioner has reason to believe that the person is again incompetent; and

(C) the person's continued release would create a substantial risk of bodily injury to another person.

(2) The Commissioner shall notify the court where the person was committed upon return of the person to the forensic facility. Upon readmission, the court shall hold a hearing at which the State's Attorney shall have the burden of establishing by clear and convincing evidence that the person is not competent. If the court finds that the person is not competent, the court shall order the person readmitted to the forensic facility for competency restoration treatment pursuant to this section. If the court finds that the person is competent, the court shall order the person restored to the status the person had when the person was returned to the facility.

(g) The Commissioner shall receive prior approval of the Criminal Division of the Superior Court where the person's underlying criminal charge is pending for any competency restoration plan involving involuntary medication. The court shall not approve involuntary medication unless the court finds that:

(1) the involuntary medication is medically appropriate;

(2) the involuntary medication serves the important governmental interests of bringing to trial an individual accused of a serious crime and ensuring a fair, timely prosecution;

(3) the involuntary medication significantly furthers these important governmental interests by making it substantially likely to render the defendant competent to stand trial; and

(4) any alternative, less intrusive treatments are unlikely to achieve the same results.

Sec. 2. 13 V.S.A. § 4817 is amended to read:

§ 4817. COMPETENCY TO STAND TRIAL; DETERMINATION; DISMISSAL

* * *

(e) When a person has been found incompetent to stand trial for an alleged misdemeanor offense, the charges against the person shall be dismissed without prejudice if, after the finding of incompetence, the case remains inactive for a continuous period of time equal to or greater than the maximum sentence for the offense. Dismissal under this section shall not be required if the court finds that dismissing the case would be contrary to the interests of justice.

Sec. 3. 13 V.S.A § 4819a is added to read:

§ 4819a. FORENSIC FACILITY PLACEMENT FOR PERSONS ACQUITTED OF CERTAIN CRIMES

(a) A person who is charged with an offense punishable by a life sentence and is found not guilty only by reason of insanity at the time of the offense charged shall be committed to a forensic facility pursuant to this section. This section shall not be construed to prohibit the temporary transfer of a person requiring inpatient treatment through an order of hospitalization pursuant to 18 V.S.A. § 7619 or section 4822 of this title.

(b)(1) A hearing shall be held by the court where the person was tried within 48 hours following admission to the forensic facility, unless that period is extended by the court.

(2) Prior to the date of the hearing, the court shall order that a forensic risk assessment of the person be conducted that includes:

(A) the person's history and present dangerousness;

(B) a description of any tests that were employed and the results of the tests;

(C) the examiner's findings; and

(D) the examiner's opinion as to whether the person's release would create a substantial risk of bodily injury to another person.

(3)(A) At the hearing, the court shall order the person committed to the forensic facility if the State's Attorney establishes by clear and convincing evidence that the person is suffering from a qualifying condition that, upon the person's release, would create a substantial risk of bodily injury to another person.

(B) If the court finds that the State's Attorney has not established by clear and convincing evidence that the person is suffering from a qualifying condition that, upon the person's release, would create a substantial risk of bodily injury to another person, the court shall enter an order releasing the person pursuant to subdivision (e)(2) of this section.

(c) A person committed to the forensic facility pursuant to this section shall not be released until the court finds pursuant to subsection (e) of this section that the person is no longer suffering from a qualifying condition that, upon the person's release, would create a substantial risk of bodily injury to another person.

(d) The Commissioner of Corrections shall, taking into account the least restrictive conditions applicable, provide adequate care and individualized treatment at the forensic facility to persons ordered committed pursuant to this section. In order that the Commissioner may adequately determine the nature of the person's condition and needs, all persons committed pursuant to this section shall be promptly examined by qualified personnel in order to provide a proper evaluation, diagnosis, and treatment plan.

(e)(1)(A)(i) The State's Attorney shall petition the committing court for evaluation of the person not less often than the shorter of either:

(I) every six months after the date that the person is committed pursuant to subdivision (b)(3)(A) of this section; or

(II) certification to the Commissioner of Corrections by the forensic facility's clinical services director that the person is no longer suffering from a qualifying condition that, upon the person's release, would create a substantial risk of bodily injury to another person.

(ii) The Commissioner of Corrections shall provide all reports required under this section to the State's Attorney, who shall file them with the petition.

(B) A person committed pursuant to subdivision (b)(3)(A) of this section may petition the committing court for release on the grounds that the person is no longer suffering from a qualifying condition that, upon the person's release, would create a substantial risk of bodily injury to another person. A petition shall not be filed pursuant to this subdivision (B) until at least 90 days after the issuance of the commitment order.

(2) If the reviewing court finds by clear and convincing evidence that the person is no longer suffering from a qualifying condition that, upon the person's release, would create a substantial risk of bodily injury to another person, the court shall:

(A) order the release of the person under a prescribed regimen of medical, psychiatric, or psychological care or treatment that the forensic facility's clinical services director has certified as appropriate and that has been found by the court to be appropriate; and

(B) order, as an explicit condition of release, that the person comply with the prescribed regimen of medical, psychiatric, or psychological care or treatment together with any other conditions appropriate to protect the public.

(3) If the court finds that the person is suffering from a qualifying condition that, upon the person's release, would create a substantial risk of bodily injury to another person, the court shall deny the petition and order the person committed to the forensic facility for continued treatment pursuant to this section.

(f) The Commissioner shall actively monitor compliance with orders issued pursuant to subdivision (e)(2) of this section and shall immediately return the person to the forensic facility if the Commissioner determines that the person is noncompliant with the order and that the noncompliance may create a risk of bodily injury to another person. The Commissioner shall notify the court where the person was committed upon return of the person to the forensic facility. Upon readmission, the court shall hold a hearing at which the State's Attorney shall have the burden of establishing by a preponderance of the evidence that the person was noncompliant with the court's order for conditional release and that the noncompliance creates a risk of bodily injury to another person.

(g) At any hearing under this section, the victim may express the victim's views concerning the offense and preferences for the person's placement and care, and the court may consider the victim's testimony.

Sec. 4. 13 V.S.A. § 4826 is added to read:

§ 4826. FORENSIC FACILITY; DEFINITIONS

(a)(1) As used in this chapter:

(A) "Forensic facility" means a locked facility or placement that:

(i) the Department of Corrections provides for the secure evaluation, treatment, and care of persons involved in the legal system who do not require a hospitalization level of care; and

(ii) is required for the custody, control, correctional treatment, and rehabilitation of persons transferred pursuant to subsections 4815a(a) and 4819a(a) of this title.

(B) "Qualifying condition" means any condition whether mental, congenital, or traumatic, however acquired or developed, or any other circumstance that resulted in the person being determined:

(i) incompetent to stand trial; or

(ii) not guilty by reason of insanity.

(2) The evaluations required by this chapter may be conducted pursuant to contracts entered into between the Commissioner of General Services and evaluation providers.

(b) The Commissioner of Corrections shall establish and operate a locked secure forensic facility for the secure evaluation, treatment, and care of persons who have been transferred pursuant to subsections 4815a(a) and 4819a(a) of this title. The forensic facility shall not refuse any persons it is ordered to admit, and it shall not require any clinical or diagnostic prerequisites for admission. All forensic, clinical, and competency restoration services provided at the forensic facility shall be overseen by a clinical services director.

(c) Any records related to a person placed at the forensic facility shall be exempt from public inspection and copying under the Public Records Act and shall be kept confidential, except that:

(1) the records shall be made available to the parties in the underlying criminal case upon request; and

(2) the person's health care providers may, with the person's permission, view forensic facility records of the person's psychiatric assessments at the facility, including assessments of the person's competency to stand trial and criminal responsibility.

(d) Persons shall be admitted to and maintained at the forensic facility pursuant to sections 4815a and 4819a of this title, and in proceedings under those sections shall be entitled to have counsel appointed from Vermont Legal Aid to represent them.

(e) The Commissioner of Corrections shall regularly consult with the Commissioner of Mental Health when performing the duties required by this chapter for operating the forensic facility.

(f) The Commissioner shall adopt rules pursuant to 3 V.S.A. chapter 25 to implement this section.

Sec. 5. RULEMAKING; FORENSIC FACILITY

Pending the adoption of permanent rules pursuant to 3 V.S.A. chapter 25 to implement the provisions of Secs. 1–4 of this act, the Commissioner of Corrections shall adopt emergency rules pursuant to 3 V.S.A. § 844 on or before January 1, 2027, which shall be deemed to meet the emergency rulemaking standard in 3 V.S.A. § 844(a).

Sec. 6. Rule 1101 of the Vermont Rules of Evidence is amended to read:

RULE 1101. APPLICABILITY OF RULES

(a) Rules applicable. Except as otherwise provided in subdivision (b), these rules apply to all actions and proceedings in the courts of this state.

(b) Rules inapplicable. The rules other than those with respect to privileges do not apply in the following situations:

* * *

(3) Miscellaneous Proceedings. Proceedings for extradition or rendition; inquest proceedings; except as otherwise provided by statute or rule promulgated by the Supreme Court, sentencing or granting or revoking probation; proceedings concerning competency restoration; granting or revoking conditional release from a forensic facility; finding probable cause for arrests without warrant and issuance of citations, warrants for arrest, criminal summonses, and search warrants.

* * *

Sec. 7. EFFECTIVE DATE

This act shall take effect on July 1, 2026.

(Committee vote: 4-1-0)

S. 197.

An act relating to establishing a primary care payment reform program.

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

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

Sec. 1. LEGISLATIVE INTENT

It is the intent of the General Assembly to invest in primary through streamlined primary care payments that build on the Blueprint for Health and

will promote the public good by increasing access to primary care in order to improve the health of Vermonters and reduce health care system costs.

Sec. 2. 18 V.S.A. chapter 13, subchapter 1 is amended to read:

Subchapter 1. Blueprint for Health

§ 701. DEFINITIONS

As used in this chapter:

(1) "Blueprint for Health" or "Blueprint" means the State's program for integrating a system of health care for patients, improving the health of the overall population, and improving control over health care costs by promoting health maintenance, prevention, and care coordination and management.

* * *

(8) "Health insurance plan" ~~has the same meaning as~~ means a major medical insurance plan as defined in 8 V.S.A. § 4011.

(9) "Health insurer" ~~shall have the same meaning as in section 9402 of this title~~ means any person that offers, issues, renews, or administers a health insurance plan or other health benefit plan in this State and includes, to the extent permitted under federal law, third-party administrators that administer a health benefit plan offering coverage in this State or that provide administrative services only for a health benefit plan offering coverage in this State.

* * *

§ 706. HEALTH INSURER PARTICIPATION; PAYMENTS TO PRACTICES

(a) As set forth in 8 V.S.A. § 4025, health insurance plans shall be consistent with the Blueprint for Health as determined by the Commissioner of Financial Regulation.

(b)(1) Health insurers shall participate in the Blueprint for Health as a condition of doing business in this State as provided for in this section and in 8 V.S.A. § 4025.

(2) In order to facilitate development of the sustainable payment models necessary for the Blueprint's success, health insurers shall submit to the Agency of Human Services at least quarterly, or more frequently upon the Agency's request, all information that the Director of the Blueprint deems necessary to perform a comprehensive fiscal analysis of the total cost of care within Vermont and to implement one or more payment models that address health care capacity, volume, quality, and clinical outcomes.

(c)(1) The Blueprint payment reform methodologies shall include per-person per-month payments to ~~medical home~~ participating practices, including medical homes and primary care providers, by each health insurer and Medicaid for their attributed patients and for contributions to the shared costs of operating Blueprint initiatives, including the community health teams. Per-person per-month payments to practices shall be:

(A) based on the official National Committee for Quality Assurance's ~~Physician Practice Connections~~-Patient Centered Medical Home (NCQA ~~PPC~~-PCMH) score or another quality standard identified by the Director of the Blueprint in consultation with the Blueprint Payment Implementation Workgroup, to the extent practicable ~~and shall be~~;

(B) provided in addition to ~~their normal~~ a practice's typical fee-for-service or other payments; and

(C) from health insurers, in amounts at least equal to Medicaid payments beginning in 2027.

(2) Consistent with recommendations of the Blueprint Executive Committee, the Director of the Blueprint may recommend to the ~~Commissioner of Vermont Health Access~~ Secretary of Human Services changes to the payment amounts or to the payment reform methodologies described in subdivision (1) of this subsection, including by providing for enhanced payment to health care professional practices ~~that operate as a medical home~~, including medical homes and primary care ~~naturopathic physicians'~~ practices; payment toward the shared costs for community health teams; or other payment methodologies required by the Centers for Medicare and Medicaid Services (CMS) for participation by Medicaid or Medicare. In formulating recommendations, the Director shall strive to achieve or maintain parity across payers and payment methodologies and to adjust payment methodologies annually as needed to adequately support practices in maintaining NCQA PCMH status or meeting other requirements for participation in Blueprint programs.

(3) Health insurers shall modify payment methodologies and amounts to health care professionals and providers as required for the establishment of the model described in sections 703–705 of this title and this section, including any requirements specified by the Centers for Medicare and Medicaid Services (CMS) in approving federal participation in the model to ensure consistency of payment methods in the model.

(4) In the event that the Secretary of Human Services is denied permission from the Centers for Medicare and Medicaid Services (CMS) to

include financial participation by Medicare, health insurers shall not be required to cover the costs associated with individuals covered by Medicare.

(d) ~~An~~ A health insurer may appeal a decision to require a particular payment methodology or payment amount to the ~~Commissioner of Vermont Health Access~~ Secretary of Human Services or designee, who shall provide a hearing in accordance with 3 V.S.A. chapter 25. ~~An~~ A health insurer aggrieved by the decision of the ~~Commissioner~~ Secretary or designee may appeal to the Superior Court for the Washington District within 30 days after the ~~Commissioner issues his or her~~ Secretary or designee issues a decision.

* * *

§ 710. PRIMARY CARE SPENDING TARGETS

The Agency of Human Services shall establish a target for the amount of per-person per-month spending on Vermont residents that should be for primary care services and shall develop a transitional schedule that increases that target over time. Targets may be adjusted to reflect payer-specific differences, such as age and health status. The increased spending shall be directed to the per-person per-month payments established in section 706(c) of this chapter.

Sec. 3. BLUEPRINT PAYMENTS TO PRACTICES; PRIMARY CARE; REPORT

On or before January 1, 2027, the Director of the Blueprint for Health, in consultation with the Blueprint Executive Committee and the Vermont Steering Committee for Comprehensive Primary Health Care, shall report to the House Committee on Health Care and the Senate Committee on Health and Welfare regarding changes to the payment amounts or payment reform methodologies, or both, that are necessary to transition the Blueprint's per-person per-month payments to primary care practices to include payment for the routine primary care needs of attributed patients who are covered by participating health plans. The report shall:

(1) define which services should be considered routine primary care;

(2) address any differences in methodology for different practice types;

(3) make recommendations regarding risk-adjustment and attribution methodologies;

(4) describe the ways in which the methodology will balance capacity, volume, quality, and outcomes;

(5) include mechanisms for ensuring that health plans make accurate and appropriate payments to primary care practices in a timely manner;

(6) make recommendations regarding participation or quality measurement requirements, or both;

(7) provide an analysis of including cost-sharing amounts for individuals covered by participating health plans in the methodology, including the extent to which such inclusion would be permissible for a high-deductible health plan without losing its eligibility to be paired with a health savings account;

(8) provide an analysis of ways to incorporate a primary care spending allocation target into the methodology; and

(9) provide an operational plan and a description of any additional legislation needed in order to implement the methodology not later than January 1, 2028.

Sec. 4. PRIMARY CARE SPENDING; AGENCY OF HUMAN SERVICES; REPORT

On or before January 1, 2027, the Agency of Human Services, in consultation with the Green Mountain Care Board, shall report to the House Committee on Health Care and the Senate Committee on Health and Welfare the baseline per-person per-month spending on primary care services for Vermont residents overall and by each health insurer, third-party administrator administering a health plan or providing administrative services only for a health plan, Medicaid, and Medicare. The Agency shall use the definition of primary care providers and services from the Advancing Healthcare Efficiency through Accountable Design (AHEAD) Model or the definition of primary care services used by the New England States Consortium Systems Organization (NESCSO).

Sec. 5. PRIMARY CARE SPENDING TARGETS; REPORT

On or before January 1, 2028, the Agency of Human Services shall report to the House Committee on Health Care and the Senate Committee on Health and Welfare the per-person per-month primary care spending targets developed pursuant to 18 V.S.A. § 710, as added by Sec. 2 of this act, as well as the proposed transitional schedule for increasing that target over time, any recommendations for payer-specific adjustments to the targets, and any additional legislation that is needed to implement and enforce the primary care spending targets and 18 V.S.A. § 710.

Sec. 6. VERMONT CLINICIAN LANDSCAPE; SITE-NEUTRAL REIMBURSEMENTS; REPORTS

On or before January 1, 2027, the Green Mountain Care Board shall report to the House Committee on Health Care and the Senate Committee on Health and Welfare with:

(1) an updated version of the Board's 2017 Vermont Clinician Landscape Study report that reflects the current climate among practicing clinicians in Vermont; and

(2) an updated version of the Board's previous reporting regarding site-neutral reimbursements pursuant to 2015 Acts and Resolves No. 54, Sec. 23; 2016 Acts and Resolves No. 143, Sec. 5; and 2017 Acts and Resolves No. 85, Sec. E.345.1, including the current state of reimbursement differentials based on practice setting and ownership type, along with a description of any significant efforts that have been implemented since 2017 toward achieving site-neutral reimbursements.

Sec. 7. TRANSITIONING CARE TO COMMUNITY SETTINGS; REPORT

On or before January 15, 2027, the Agency of Human Services, in consultation with the Vermont Steering Committee for Comprehensive Primary Health Care, the Blueprint for Health, the Vermont Association of Hospitals and Health Systems, the Vermont Medical Society, Bi-State Primary Care Association, and other interested stakeholders, shall report to the House Committee on Health Care and the Senate Committee on Health and Welfare with recommendations for ways to accelerate the appropriate transition of patients from hospital care to care delivered in a community setting, including ways to reduce the extent to which primary care services are delivered to patients in an inpatient hospital setting following surgery or other acute care, when care delivered by a primary care provider in the community would be as or more effective and less costly. The recommendations shall include opportunities to use community health teams through the Blueprint for Health to coordinate patients' care transitions. The Agency shall incorporate the recommendations into the Health Care Delivery Strategic Plan as appropriate.

Sec. 8. REGIONAL UNIVERSAL PRIMARY CARE PROGRAM; REPORT

The Office of the State Treasurer, in consultation with the Agency of Human Services, shall collaborate with other northeastern states to explore the potential to establish a regional universal primary care program that would be available to all residents of the member states. On or before January 15, 2027, the State Treasurer shall report to the House Committee on Health Care and the Senate Committee on Health and Welfare regarding the Office's outreach

efforts, interest from other northeastern states, any legal or regulatory obstacles identified, and recommendations for next steps.

Sec. 9. 2020 Acts and Resolves No. 155, Sec. 7a, as amended by 2021 Acts and Resolves No. 74, Sec. E.311.2, is further amended to read:

Sec. 7a. ~~SUNSET~~

~~18 V.S.A. § 33 (medical students; primary care) is repealed on July 1, 2027.~~ [Deleted.]

Sec. 10. 8 V.S.A. § 4092(i) is amended to read:

(i)(1) On a periodic basis but not less than once per calendar year, each health insurer shall notify all individuals covered under its health insurance plans of any changes in pharmaceutical coverage and provide access to the preferred drug list maintained by the health insurer or its pharmacy benefit manager.

(2) Not less than 60 days prior to removing a prescription drug from its formulary or from the formulary maintained by a pharmacy benefit manager its behalf, a health insurer shall notify all individuals covered under its health insurance plans who filled a prescription for that prescription drug within the previous 12-month period that coverage for the drug will be discontinued and of the date on which the coverage will end.

Sec. 11. EFFECTIVE DATE

This act shall take effect on passage.

and that after passage the title of the bill be amended to read: "An act relating to payment reform for primary care"

(Committee vote: 5-0-0)

S. 206.

An act relating to licensure of early childhood educators by the Office of Professional Regulation.

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

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

Sec. 1. 3 V.S.A. § 122 is amended to read:

§ 122. OFFICE OF PROFESSIONAL REGULATION

The Office of Professional Regulation is created within the Office of the Secretary of State. The Office shall have a director who shall be qualified by education and professional experience to perform the duties of the position. The Director of the Office of Professional Regulation shall be a classified position with the Office of the Secretary of State. The following boards or professions are attached to the Office of Professional Regulation:

(1) Board of Architects

* * *

(55) Early Childhood Educators

Sec. 2. 26 V.S.A. chapter 111 is added to read:

CHAPTER 111. EARLY CHILDHOOD EDUCATORS IN PROGRAMS REGULATED BY THE CHILD DEVELOPMENT DIVISION

§ 6211. CREATION OF BOARD

(a) The Vermont Board of Early Childhood Educators is created.

(b) The Board shall consist of nine members appointed for five-year terms by the Governor pursuant to 3 V.S.A. §§ 129b and 2004 as follows: two public members; two each of individuals licensed as an Early Childhood Educator I, an Early Childhood Educator II, and an Early Childhood Educator III; and one Family Child Care Provider. All members shall be Vermont residents. The members who are early childhood educators shall have been in active practice in Vermont for not less than the preceding three years and shall be in active practice during their incumbency. The public members shall be individuals who have no financial interest personally or through a spouse, parent, child, or sibling in the activities regulated under this chapter, other than as a consumer or a possible consumer of its services. Appointments shall be made without regard to political affiliation and on the basis of integrity and demonstrated ability.

(c) Vacancies shall be filled in the same manner as initial appointments.

(d) Board members shall not serve more than two consecutive terms.

§ 6212. BOARD PROCEDURES

(a) Annually, the Board shall meet to elect a chair, vice chair, and a secretary.

(b) Meetings shall be warned and conducted in accordance with 1 V.S.A. chapter 5.

(c) A majority of the members of the Board shall constitute a quorum.

(d) All business shall be transacted by a majority vote of the members present and voting, unless otherwise provided by statute.

§ 6213. POWERS AND DUTIES OF THE BOARD

(a) The Board shall:

(1) adopt rules, pursuant to 3 V.S.A. chapter 25, that are necessary for the performance of its duties in accordance with this chapter, including activities that must be completed by an applicant in order to fulfill the educational and experiential requirements established by this chapter;

(2) provide general information to applicants for licensure as early childhood educators;

(3) explain appeal procedures to licensees and applicants and complaint procedures to the public; and

(4) use the administrative and legal services provided by the Office of Professional Regulation under 3 V.S.A. chapter 5.

(b) The Board may conduct hearings and exercise its authority as provided in 3 V.S.A. chapter 5.

Sec. 3. 26 V.S.A. chapter 111 is amended to read:

CHAPTER 111. EARLY CHILDHOOD EDUCATORS IN PROGRAMS REGULATED BY THE CHILD DEVELOPMENT DIVISION

Subchapter 1. General Provisions

§ 6201. DEFINITIONS

As used in this chapter:

(1) "Board" means the Vermont Board of Early Childhood Educators.

(2) "Early childhood educator" means an individual providing care and educational instruction to children from birth through eight years of age in a program regulated by the Child Development Division, including:

(A) planning and implementing intentional, developmentally appropriate learning experiences that promote the physical health and social, emotional, linguistic, and cognitive growth of children;

(B) establishing and maintaining a safe, caring, inclusive, and healthy learning environment;

(C) observing, documenting, and assessing children's learning and development;

(D) developing reciprocal, culturally responsive relationships with families and communities; and

(E) engaging in reflective practice and continuous learning.

(3) "Early Childhood Educator I" means an individual who practices early childhood education as an assistant educator in a program under the supervision of Early Childhood Educators II or III or a teacher who is exempt from this chapter and licensed by the Agency of Education under 16 V.S.A. chapter 51 with endorsements in early childhood education, early childhood special education, or elementary education.

(4) "Early Childhood Educator II" means an individual who practices early childhood education as the lead or primary educator in a program, supervises the practice of individuals licensed as an Early Childhood Educator I, and receives guidance from individuals licensed as an Early Childhood Educator III.

(5) "Early Childhood Educator III" means an individual who practices early childhood education as the lead or primary educator in a program, supervises the practice of individuals licensed as an Early Childhood Educator I, and provides guidance to individuals licensed as an Early Childhood Educator II.

(6) "Family child care provider" means an individual who provides developmentally appropriate care, education, protection, and supervision of children from birth through eight years of age and is authorized by the Child Development Division to operate a family child care home as defined in 33 V.S.A. § 3511.

(7) "Guidance" means direct or indirect consultative support in which an Early Childhood Educator III provides feedback to an Early Childhood Educator II.

(8) "Program" or "program regulated by the Child Development Division" means a program or facility approved by the Department for Children and Families' Child Development Division as a licensed or registered family child care home or a licensed center-based child care and preschool program and is not operated by a public school.

(9) "Supervision" means on-site, direct oversight in which an Early Childhood Educator II or III observes the practice of an Early Childhood Educator I and provides feedback, support, and direction to an Early Childhood Educator I.

§ 6202. PROHIBITIONS

(a) An individual shall not hold themselves out as an early childhood educator in this State unless the individual is licensed under this chapter or exempt from this chapter pursuant to section 6203 of this chapter.

(b) An individual shall not use in connection with the individual's name any letters, words, or insignia indicating that the individual is an early childhood educator unless the individual is licensed under this chapter or exempt from this chapter pursuant to section 6203 of this chapter.

§ 6203. EXEMPTIONS

(a) The provisions of this chapter shall not apply to the following persons acting within the scope of their respective professional practices:

(1) a teacher actively licensed under 16 V.S.A. chapter 51 by the Agency of Education with endorsements in early childhood education, an early childhood special education, or an elementary education;

(2) an individual who provides care in an afterschool child care program that is regulated by the Child Development Division or any other child care program that is exempt from regulation by the Child Development Division; and

(3) an individual who works exclusively in a public school.

(b) This chapter shall not be construed to alter or amend the requirements of publicly funded prekindergarten education programs operated in accordance with 16 V.S.A. § 829.

(c) This chapter shall not be construed to limit or restrict in any manner the right of a practitioner of another profession or occupation from carrying on in the usual manner any of the functions incidental to that profession or occupation.

Subchapter 2. Board of Early Childhood Educators

§ 6211. CREATION OF BOARD

* * *

Subchapter 3. Licensure Requirements

§ 6221. ELIGIBILITY AND QUALIFICATIONS

(a) To be eligible for licensure under this chapter, an applicant shall have attained the age of majority; achieved a high school diploma, a General Education Development (GED) certificate, or an approved equivalent

credential; and completed field experience in early childhood education as required by rule.

(b) An applicant shall meet the following educational requirements for each of the following license types:

(1) Early Childhood Educator I shall have received a certificate from an approved credential program in early childhood education requiring a minimum of 120 hours of training and instruction.

(2) Early Childhood Educator II shall have received an associate's degree program in:

(A) early childhood education or a related field requiring a minimum of 60 college credits; or

(B) any unrelated field and a minimum of 21 approved college credits in the core early childhood education competency areas identified in rule.

(3) Early Childhood Educator III shall have received a bachelor's degree from an approved program in:

(A) early childhood education or a related field requiring a minimum of 120 college credits; or

(B) any unrelated field and a minimum of 21 approved college credits in the core early childhood education competency areas identified in rule.

(4) A Family Child Care Provider shall be qualified for licensure if authorized by the Child Development Division to operate a family child care home and is in good standing with the Division as of January 1, 2029. The Board shall not accept Family Child Care Provider applications after January 1, 2029.

(c) Approved educational programs may offer college credit based upon an assessment of the individual's competencies acquired through experience working in the profession.

(d) In addition to the requirements of subsections (a) and (b) of this section, applicants shall pass any examination that may be required by rule.

§ 6222. LICENSE RENEWAL

(a) Licenses shall be renewed every two years upon application and payment of the required fee. Failure to comply with the provisions of this section shall result in suspension of all privileges granted by the license beginning on the expiration date of the license. A license that has lapsed shall

be reinstated upon payment of the biennial renewal fee and the late renewal penalty pursuant to 3 V.S.A. § 127, except a Family Child Care Provider license shall not be renewed after a lapse of two or more years.

(b) The Board may adopt rules pursuant to 3 V.S.A. chapter 25 necessary for the protection of the public to assure the Board that an applicant whose license has lapsed for more than five years is professionally qualified before reinstatement may occur. Conditions imposed under this subsection shall be in addition to the requirements of subsection (a) of this section.

(c) In addition to the provisions of subsection (a) of this section, an applicant for renewal shall have satisfactorily completed continuing education as required by the Board. For purposes of this subsection, the Board may require, by rule, not more than 24 hours of approved continuing education as a condition of renewal.

§ 6223. FEES

Applicants and persons regulated under this chapter shall pay the following fees:

(1) Early Childhood Educator I:

(A) Application for initial license, $125.00.

(B) Biennial renewal, $225.00.

(2) Early Childhood Educator II:

(A) Application for initial license, $175.00.

(B) Biennial renewal, $250.00.

(3) Early Childhood Educator III:

(A) Application for initial license, $225.00.

(B) Biennial renewal, $275.00.

(4) Family Child Care Provider:

(A) Application for initial license, $175.00.

(B) Biennial renewal, $250.00.

§ 6224. UNPROFESSIONAL CONDUCT

As used in this chapter, "unprofessional conduct" means:

(1) conduct prohibited by this section, by 3 V.S.A. § 129a, or by other statutes relating to early childhood education, whether that conduct is by a licensee, an applicant, or an individual who later becomes an applicant;

(2) conduct that results in a licensee, applicant, or an individual who later becomes an applicant being placed on the Child Protection Registry pursuant to 33 V.S.A. chapter 49; or

(3) conduct that is not in accordance with the professional standards and competencies for Early Childhood Educators published by the National Association for the Education of Young Children.

§ 6225. VARIANCES

(a)(1) The Board shall issue a transitional Early Childhood Educator II or III license to a teacher or director of a program who does not meet the educational and experiential licensure in this chapter. Transitional licenses shall be valid for a two-year period and shall be renewed by the Board for an otherwise qualified applicant for an additional two-year period with satisfactory supporting documentation of the individual's ongoing work to obtain the required educational and experiential qualifications for licensure under this chapter.

(2) At the conclusion of three two-year transitional licensure periods, the Board, at its discretion, may issue one final two-year transitional license for an otherwise qualified applicant if the licensee can demonstrate extenuating circumstances for not having attained the educational and experiential requirements in this chapter and ongoing work to attain these requirements.

(b) In addition to the transitional licensure available pursuant to subsection (a) of this section, the Board shall also issue an Early Childhood Educator II license for individuals who have completed the eligibility requirements set forth in subsections 6221(a) and (d) of this chapter and completed one of the following:

(1) 21 college credits in the core early childhood education competency areas identified by the Board in rule; or

(2) prior experiential learning that is assessed by an appropriately accredited institution of higher learning to be the equivalent of 21 college credits in the core early childhood education competency areas identified by the Board in rule.

§ 6226. DISCLOSURE BY LICENSEES

An early childhood educator licensed pursuant to this chapter shall post and provide to current and prospective families the following information:

(1) all available license types regulated by the Office of Professional Regulation pursuant to this chapter;

(2) a description of the Office of Professional Regulation's regulatory authority over licensees in programs regulated by the Child Development Division and how to make complaints;

(3) a description of the Agency of Education's regulatory authority over teachers providing prekindergarten services pursuant to 16 V.S.A. § 829 and how to make complaints; and

(4) a description of the Child Development Division's regulatory authority over regulated child care programs and how to make complaints.

Sec. 4. REPEAL; VARIANCES

26 V.S.A. § 6225 (variances) is repealed on July 1, 2036.

Sec. 5. REPORT; EARLY CHILDHOOD EDUCATOR LICENSURE

On or before November 1, 2031, the Office of Professional Regulation shall submit a written report to the House Committees on Government Operations and Military Affairs and on Human Services and to the Senate Committees on Government Operations and on Health and Welfare regarding the implementation of 26 V.S.A. chapter 111, including:

(1) the number of licensees by license type;

(2) the State resources necessary to implement the chapter;

(3) the number and nature of any complaints or enforcement actions against a licensee;

(4) the qualifications required for each license type; and

(5) any other issues the Office deems appropriate.

Sec. 6. OFFICE OF PROFESSIONAL REGULATION; LICENSURE OF EARLY CHILDHOOD EDUCATORS IN PROGRAMS REGULATED BY THE CHILD DEVELOPMENT DIVISION; APPROPRIATION; POSITIONS

(a) The establishment of the following new permanent positions is authorized in the Office of Professional Regulation in fiscal year 2027:

(1) one full-time, classified executive officer for the Vermont Board of Early Childhood Educators; and

(2) one full-time, exempt staff attorney.

(b) In fiscal year 2027, the amount of $262,000.00 is appropriated from the General Fund to the Office of Professional Regulation to be used for the licensure of early childhood educators in accordance with this act.

Sec. 7. EFFECTIVE DATES

(a) This section, Sec. 1 (Office of Professional Regulation), Sec. 2 (Vermont Board of Early Childhood Educators), Sec. 5 (report; early childhood educator licensure), and Sec. 6 (Office of Professional Regulation; licensure of early childhood educators; appropriation; positions) shall take effect on July 1, 2026.

(b) Sec. 3 (early childhood educators) and Sec. 4 (repeal; variances) shall take effect on July 1, 2028.

(Committee vote: 5-0-0)

Reported favorably by Senator Hardy for the Committee on Finance.

(Committee Vote: 4-3-0)

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

The Committee recommends that the bill be amended as recommended by the Committee on Health and Welfare, with further amendment thereto by adding a new section to be Sec. 6a, to read as follows:

Sec. 6a. CONTIGENCY OF FUNDING

The duty to implement Sec. 6 of this act, Office of Professional Regulation; licensure of early childhood educators in program regulated by the Child Development Division; appropriation; positions, is contingent upon an appropriation of funds in fiscal year 2027 from the General Fund to the Office of Professional Regulation for the specific purposes described in Sec. 6 of this act.

(Committee vote: 7-0-0)

S. 219.

An act relating to an energy navigator program report.

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

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

Sec. 1. ENERGY NAVIGATOR PROGRAM; REPORT

(a) The Department of Public Service shall contract with a third-party consultant to design a Vermont community-based home energy navigator and

coaching program, in collaboration with the Climate Action Center of Addison County and other existing community-based energy navigator programs in Vermont, that will provide in-person and remote energy coaching services to residential consumers in communities statewide. The Department's consultant shall build on findings from the Department's comprehensive process and performance evaluation of more than 100 publicly funded energy programs focused on affordability, including electric and thermal efficiency, weatherization for customers with low income, and beneficial electrification initiatives to inform the design of a Vermont community-based home energy navigator and coaching program. The Department's consultant shall consult with Efficiency Vermont, the Vermont State Energy Office, the Vermont Climate Action Office, Vermont's community action agencies, the Vermont Energy and Climate Action Network, Vermont's electric utilities, community-based home energy navigator and coaching programs, and other states, including Connecticut and Massachusetts, that have experience with community-based energy programs. For the purposes of this section, "residential consumers" includes homeowners, landlords, and renters.

(b) The program shall:

(1) provide guidance to residential consumers, particularly those with low and moderate incomes, to better understand and navigate energy efficiency and clean energy investment options to affordably meet their home energy needs;

(2) advise residential consumers on accessing available grants, rebates, financing, and other assistance programs and incentives to meet their home energy needs;

(3) assist residential consumers in prioritizing identified energy-saving opportunities, including through the integration of weatherization strategies to reduce heating and cooling loads that could minimize the need for the installation of new equipment and lower future electric demands on the grid;

(4) help residential consumers connect to local contractors and review and analyze contractor recommendations regarding cost, payment, and other relevant factors;

(5) advise residential consumers in person, as necessary, and over time, recognizing that hands-on coaching help may be needed at a consumer's home and over several years;

(6) provide ongoing State funding to support the operations of community-based energy coaching programs; and

(7) use available grant funds and private partnerships to support program implementation.

(c) On or before March 1, 2027, the Department shall submit a report on the program design to the House Committee on Energy and Digital Infrastructure and the Senate Committee on Natural Resources and Energy. The report shall include a description of the design of the program, which could include the creation of a pilot program or expansion and support of existing community-based programs, a description of the technical assistance and educational materials to be developed as part of the program, an estimate of program costs, funding sources to provide ongoing support to community-based energy coaching programs, a target number of residential consumers to be served by the program, energy and emissions savings that will result from the program, and a proposed timeline for the implementation of the program.

Sec. 2. APPROPRIATIONS

(a) In fiscal year 2027, the sum of $25,000.00 is appropriated from the General Fund to the Department of Public Service to hire the third-party consultant for the energy navigator report.

(b) In fiscal year 2027, the sum of $10,000.00 is appropriated from the General Fund to the Climate Economy Action Center to collaborate with the Department of Public Service on the energy navigator program design.

Sec. 3. EFFECTIVE DATE

This act shall take effect on July 1, 2026.

(Committee vote: 5-0-0)

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

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

First: In Sec. 1, energy navigator program; report, by striking out subdivision (b)(6) in its entirety and inserting in lieu thereof a new subdivision (b)(6) to read as follows:

(6) provide recommendations for how the program would provide ongoing funding to support the operations of community-based energy coaching programs; and

Second: In Sec. 1, energy navigator program; report, by striking out subdivision (b)(7) in its entirety and inserting in lieu thereof a new subdivision (b)(7) to read as follows:

(7) recommend any grant funds and private partnerships that may be available to support program implementation.

Third: By striking out Sec. 2, appropriations, in its entirety and inserting in lieu thereof a new Sec. 2 to read as follows:

Sec. 2. CONTIGENCY OF FUNDING

The duty to hire a consultant as described in Sec. 1 of this act (energy navigator program; report) is contingent upon an appropriation of funds in fiscal year 2027 from the General Fund to the Department of Public Service for that. The duty of the Department of Public Service to grant funding to the Climate Economy Action Center is contingent upon an appropriation of funds in fiscal year 2027 from the General Fund to the Department of Public Service for that.

(Committee vote: 7-0-0)

S. 220.

An act relating to addressing education spending in fiscal years 2028 and 2029.

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

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

Sec. 1. 16 V.S.A. § 4001 is amended to read:

§ 4001. DEFINITIONS

As used in this chapter:

* * *

(6) "Education spending" means the amount of the school district budget, any assessment for a joint contract school, career technical center payments made on behalf of the district under subsection 1561(b) of this title, and any amount added to pay a deficit pursuant to 24 V.S.A. § 1523(b) that is paid for by the school district, but excluding any portion of the school budget paid for from any other sources such as endowments, parental fundraising, federal funds, nongovernmental grants, or other State funds such as special education funds paid under chapter 101 of this title.

(A) [Repealed.]

(B) ~~For all bonds approved by voters prior to July 1, 2024, voter-approved~~ Voter-approved bond payments toward principal and interest shall not be included in "education spending" for purposes of calculating excess spending pursuant to 32 V.S.A. § 5401(12).

* * *

Sec. 2. 32 V.S.A. § 5401 is amended to read:

§ 5401. DEFINITIONS

As used in this chapter:

* * *

(12) "Excess spending" means:

(A) The per pupil spending amount of the district's education spending, as defined in 16 V.S.A. § 4001(6), plus any amount required to be added from a capital construction reserve fund under 24 V.S.A. § 2804(b).

(B) In excess of ~~118~~ 112 percent of the statewide average district per pupil education spending increased by inflation, as determined by the Secretary of Education on or before November 15 of each year based on the passed budgets to date. As used in this subdivision (B), "increased by inflation" means increasing the statewide average district per pupil education spending for fiscal year 2025 by the most recent New England Economic Project cumulative price index, as of November 15, for state and local government purchases of goods and services, from fiscal year 2025 through the fiscal year for which the amount is being determined.

(C) A school district's excess spending shall be zero if any of the following conditions is met:

(i) the district's education spending is not greater than the district's educating spending for the preceding school year;

(ii) the district's per pupil education spending is not greater than the district's per pupil education spending for the preceding school year; or

(iii) the Secretary of Education, with the advice of three business managers and three superintendents selected by the Secretary, determines that the increase in the district's per pupil education spending above the excess spending threshold was for good cause or beyond the district's control, such as due to emergency capital expenditures or substantial loss of pupils or offsetting revenues.

* * *

Sec. 3. EFFECTIVE DATE

This act shall take effect on July 1, 2026.

and that after passage the title of the bill be amended to read: "An act relating to the excess spending threshold"

(Committee vote: 5-2-0)

S. 239.

An act relating to the Child Abuse and Neglect Reporting Working Group.

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

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

Sec. 1. CHILD ABUSE AND NEGLECT REPORTING WORKING GROUP

(a) There is created the Child Abuse and Neglect Reporting Working Group for the purpose of examining the existing statutes and the Department for Children and Families' rules and policies regarding mandatory reporting of abuse and neglect of a child and recommending changes to modernize them and reflect current best practices.

(b) The Working Group shall be composed of the following members:

(1) the Director of the Office of Professional Regulation or designee;

(2) the Executive Director of the Vermont Center for Crime Victim Services or designee;

(3) a co-executive director of the Vermont Network Against Domestic and Sexual Violence or designee;

(4) the Attorney General or designee;

(5) the Chief Administrative Judge or designee;

(6) two members from the Department for Children and Families' Family Services Division, appointed by the Deputy Commissioner of the Division;

(7) the Executive Director of Prevent Child Abuse Vermont or designee; and

(8) the Vermont Child, Youth, and Family Advocate.

(c) In conducting its work, the Working Group shall consult with stakeholders, including:

(1) Vermont Children's Alliance and representation from Child Advocacy Centers;

(2) the Department of State's Attorneys and Sheriffs;

(3) KidSafe Collaborative;

(4) Voices for Vermont's Children;

(5) Vermont Parent Representation Center;

(6) Disability Rights Vermont;

(7) medical partners, such as the University of Vermont's Child Safe Program; and

(8) individuals with lived experience as child victims of abuse and neglect.

(d) On or before January 15, 2027, the Working Group shall report its findings and any recommended legislative proposal to the House Committee on Human Services, Senate Committee on Health and Welfare, and Senate and House Committees on Judiciary.

(1) Any recommendations should remain consistent with federal requirements under the Child Abuse Prevention and Treatment Act (CAPTA), which establishes minimum standards related to state definitions of abuse and neglect, including physical abuse, neglect, sexual abuse or exploitation, and emotional maltreatment.

(2) To promote efficiency and avoid duplicative work, the Working Group shall leverage the work of the Children's Justice Act Task Force and the Vermont Citizens Advisory Board (VCAB), which serves as Vermont's CAPTA citizen review panel.

(3) The Working Group shall consider best practices from other states in development of its recommendations.

(e) The Working Group shall have the administrative, technical, and legal assistance of the Department for Children and Families.

(1) The Working Group shall convene its first meeting on or before August 15, 2026.

(2) The Working Group shall elect a chair at its first meeting.

(3) Five members shall constitute a quorum for meeting purposes.

Sec. 2. EFFECTIVE DATE

This act shall take effect on passage.

(Committee vote: 5-0-0)

S. 275.

An act relating to creation of the Cemetery Vandalism Response Fund.

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

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

Sec. 1. 18 V.S.A. § 5302 is amended to read:

§ 5302. DEFINITIONS

As used in this chapter and unless otherwise required by the context:

(1) "Agencies" means town cemeteries; religious or ecclesiastical society cemeteries; cemetery associations; and any person, firm, corporation, or unincorporated association engaged in the business of a cemetery.

* * *

(13) "Niche" means a recess in a columbarium used, or intended to be used, for the permanent disposition of human remains of one or more deceased persons.

(14) "Protected category" has the same meaning as in 13 V.S.A. § 1455.

(15) "Qualifying damage" means damage caused by acts of vandalism that cannot be repaired by means of regular maintenance.

(16) "Regular maintenance" means regular upkeep, including mowing and tree removal.

(17) "Temporary receiving vault" means a vault or crypt in a structure of durable and lasting construction used, or intended to be used, for the temporary deposit of the remains of a deceased person for a period of time not exceeding one year.

(18) "Vandalism" means the willful or malicious destruction or defacement of property in a cemetery, such as the toppling of memorial stones and damage to crypts, niches, grave sites, monuments, or memorials.

Sec. 2. 18 V.S.A. § 5324 is added to read:

§ 5324. CEMETERY VANDALISM RESPONSE GRANTS

(a) The Vermont Old Cemetery Association (VOCA) shall provide grants to an agency to repair vandalized cemeteries.

(b) Within 30 days after the discovery of an act of vandalism, as defined in section 5302 of this title, an agency shall:

(1) Report the act to VOCA either verbally or in writing.

(2) Provide written notice to the lot owner or, to the extent practicable, next of kin if damage was done to a crypt, niche, grave site, monument, or memorial. The notice shall advise the lot owner or next of kin to seek insurance benefits that may be available pursuant to a homeowner's insurance policy. A copy of the notice shall be maintained by the agency.

(c) Within six months after reporting an act of vandalism, the agency may apply to VOCA for a grant to repair the qualifying damage.

(1) The grant application shall include the following:

(A) a description of the qualifying damage, photographs of the qualifying damage, and the date that the report of vandalism was filed with VOCA;

(B) a copy of any letters, newspaper advertisements, or other documented attempts to obtain funding for the repair from the family of the deceased;

(C) a copy of other reports relating to the act of vandalism filed in accordance with law;

(D) a copy of bids submitted by at least two contractors for the cost of repairs; and

(E) a statement signed by the cemetery commissioner or other proper officer that the agency has no available funds specifically authorized for repair of the vandalism; that it has not been able to obtain sufficient funds from the family of the deceased, including insurance benefits; and that the proposed costs of the repairs are fair and reasonable.

(2) A VOCA representative shall review the qualifying damage within 90 days after receipt of a complete grant application and make a determination based on the following factors:

(A) whether there is qualifying damage;

(B) severity of the qualifying damage;

(C) whether the vandalism is part of a wave of vandalism;

(D) emotional distress to visiting families;

(E) whether the vandalism appears to be motivated, in whole or in part, by a person's actual or perceived membership in a protected category;

(F) appropriateness of prior use of payments from the Cemetery Vandalism Response Fund;

(G) priority of application based upon previous allocations; and

(H) availability of monies within the Cemetery Vandalism Response Fund.

(3) Upon approval, the VOCA treasurer shall disburse funds directly to the appropriate cemetery commissioner or other proper officer. The agency shall apply all disbursements made by VOCA to the repair of the vandalized property described in the vandalism grant application. Any funds remaining after the repairs have been performed must be returned to VOCA for redeposit to the Cemetery Vandalism Response Fund.

(4) Within 90 days after receipt of disbursements, the agency shall make a final report to VOCA. The final report shall include the repairs made and by whom, the amount of funds expended, and the amount of funds to be returned to VOCA, if any. If the repairs have not been completed, the reason shall be explained, and the anticipated date for a subsequent, final report shall be provided. The report and any additional report shall be sworn by a cemetery commissioner or other proper officer.

Sec. 3. 18 V.S.A. § 5325 is added to read:

§ 5325. CEMETERY VANDALISM RESPONSE FUND

(a) Creation. The Cemetery Vandalism Response Fund is established to provide grants to agencies to repair vandalized cemeteries. The Fund shall be administered by the Vermont Old Cemetery Association (VOCA). Monies in the Fund shall be used solely to provide cemetery vandalism response grants pursuant to section 5324 of this title.

(b) Fees and collection.

(1) Every agency shall contribute $5.00 to the Cemetery Vandalism Response Fund for each burial or cremation it performs. A contribution shall not be collected upon the burial of the remains of a deceased person where a contribution was collected upon cremation. An agency shall not charge a fee to cover the cost of the contribution to any person receiving financial assistance for the burial or cremation.

(2) On or before January 15 of each year, every agency that has performed a burial or cremation during the preceding calendar year shall submit to the Division for Historic Preservation a check made out to VOCA for the total amount collected during the preceding year toward payment to the Fund. Payment shall be accompanied by a statement signed by a cemetery commissioner or other proper officer certifying the number of burials and cremations and the amount transmitted. Funds shall be disbursed to VOCA on January 31 of each year.

Sec. 4. CEMETERY VANDALISM RESPONSE FUND; INITIAL FEE COLLECTION

The Division for Historic Preservation shall collect initial fees for the Cemetery Vandalism Response Fund beginning on January 1, 2027, for each burial or cremation occurring between July 1, 2026, and December 31, 2026.

Sec. 5. EFFECTIVE DATE

This act shall take effect on July 1, 2026.

(Committee vote: 5-0-0)

S. 278.

An act relating to cannabis.

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

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

* * * Packaging Limit * * *

Sec. 1. 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)~~ (1)–(8) of this subsection.

* * *

(3) Rules concerning product manufacturers shall include:

(A) requirements that a single package of a cannabis product shall not contain more than ~~100~~ 200 milligrams of THC, except in the case of:

* * *

* * * Transaction Limit * * *

Sec. 2. 7 V.S.A. § 907 is amended to read:

§ 907. RETAILER LICENSE

* * *

(b) In a single transaction, a retailer may provide ~~one ounce~~ two ounces of cannabis or the equivalent in cannabis products, or a combination thereof, to a person 21 years of age or older upon verification of a valid government-issued photograph identification card.

* * *

Sec. 3. 18 V.S.A. § 4230 is amended to read:

§ 4230. CANNABIS

(a) Possession and cultivation.

(1) No person shall knowingly and unlawfully possess more than ~~one ounce~~ two ounces of cannabis or more than ~~five~~ 10 grams of hashish or cultivate more than two mature cannabis plants or four immature cannabis plants. A person who violates this subdivision shall be assessed a civil penalty as follows:

* * *

(2)(A) No person shall knowingly and unlawfully possess more than two ounces ~~or more~~ of cannabis or ~~ten~~ 10 grams or more of hashish or more than three mature cannabis plants or six immature cannabis plants. For a first offense under this subdivision (2), a person shall be provided the opportunity to participate in the Court Diversion Program unless the prosecutor states on the record why a referral to the Court Diversion Program would not serve the ends of justice. A person convicted of a first offense under this subdivision shall be imprisoned not more than six months or fined not more than $500.00, or both.

* * *

Sec. 4. 18 V.S.A. § 4230a is amended to read:

§ 4230a. CANNABIS POSSESSION BY A PERSON 21 YEARS OF AGE OR OLDER

(a)(1) Except as otherwise provided in this section, a person 21 years of age or older who possesses ~~one ounce~~ two ounces or less of cannabis or ~~five~~ 10 grams or less of hashish and two mature cannabis plants or fewer or four immature cannabis plants or fewer or who possesses paraphernalia for cannabis use shall not be penalized or sanctioned in any manner by the State or

any of its political subdivisions or denied any right or privilege under State law. The ~~one-ounce~~ two-ounce limit of cannabis or ~~five~~ 10 grams of hashish that may be possessed by a person 21 years of age or older shall not include cannabis cultivated, harvested, and stored in accordance with section 4230e of this title.

* * *

* * * Permits; Pilot Programs * * *

Sec. 5. 7 V.S.A. § 912 is added to read:

§ 912. EVENT PERMIT

(a) Authorization. The Board may grant event permits to licensed cannabis establishments in good standing. The holder of an event permit is authorized to oversee and administer a commercial event pursuant to this section and procedures adopted by the Board. Notwithstanding section 833 of this title, persons 21 years of age or older may consume cannabis or cannabis products at an event authorized pursuant to this section.

(b) Eligibility. A licensed cannabis establishment is eligible to apply for an event permit, provided that the establishment submits a fee and application demonstrating to the Board's satisfaction:

(1) that the establishment has received written approval from the local cannabis control commission created pursuant to 7 V.S.A. § 863, or the municipal legislative body if no local cannabis control commission exists, which may include conditions and limitations appropriate to protect the public, manage traffic, and abate nuisance;

(2) a security plan to ensure that 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;

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

(4) capacity to administer and enforce the required plans, and confirmation that the applicant has secured the services of a county law enforcement agency or private security provider licensed pursuant to 26 V.S.A. chapter 59, if required by the Board;

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

(6) compliance with any other health and safety requirements that the Board may prescribe for the particular event or event location, including limits on attendees or types of products that may be consumed at the event site.

(c) Restrictions. Annually, the Board shall issue not more than 10 permits for public events and 10 permits for private events. An event permit shall be valid for a single event not to exceed 24 hours held at a single access-controlled location. An event permit shall not be issued for a location at which alcoholic beverages are sold or furnished for on-premises consumption. A cannabis retailer that holds an event permit shall not conduct sales at the licensed retail location and the permitted event contemporaneously, except for sales conducted from a permitted event location that is contiguous with the licensed retail location. The holder of an event permit shall sell only registered adult-use cannabis and cannabis products at the event.

(d) Noncompliance; penalties. 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) Fee. Cannabis establishments shall be assessed a fee of $500.00 to apply for an 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) Procedures. The Board shall adopt procedures pursuant to 3 V.S.A. § 835 to govern the event permits issued pursuant to this section, including application procedures and associated forms, the permittee selection process, security requirements, and event site restrictions. For the permittee selection procedures, the Board shall include a requirement that permits are issued equitably among cannabis establishment license categories.

(1) For each procedure proposed to be adopted or amended pursuant to this section, the Board shall publish the proposed procedure on the Board's website and hold not fewer than two public hearings at which members of the public may seek additional information or submit oral or written comments concerning the proposed procedure.

(2) The Board shall not be required to initiate rulemaking pursuant to 3 V.S.A. § 831(c) in relation to a procedure adopted pursuant to this section. A procedure adopted pursuant to this section shall have the force of law and be binding on all persons who apply for and hold an event permit pursuant to this section.

Sec. 6. 7 V.S.A. § 913 is added to read:

§ 913. DELIVERY PERMIT

(a) Authorization. The Board may grant delivery permits to tier 1 and tier 2 cultivators and tier 1 and tier 2 manufacturers licensed under this chapter.

(b) Permit terms and restrictions. The Board may grant not more than 15 delivery permits annually. The holder of a delivery permit may deliver cannabis and cannabis products sold from the licensed premises for consumption off the premises to an individual who is 21 years of age or older, provided:

(1) Deliveries shall only be made by the permit holder or an employee or agent of the permit holder.

(2) Deliveries shall only occur between the hours of 9:00 a.m. and 5:00 p.m.

(3) Deliveries shall only be made to a physical address located in Vermont.

(4) An employee or agent of a delivery permit holder shall not be permitted to make deliveries pursuant to the permit unless the employee has completed a training program approved by the Cannabis Control Board.

(5) Cannabis and cannabis products delivered pursuant to a delivery permit shall be for personal use and not for resale.

(c) Fee. A cannabis establishment shall pay an annual fee of $100.00 when applying for or renewing a delivery permit.

(d) Procedures. The Board shall adopt procedures pursuant to 3 V.S.A. § 835 to govern the delivery permits issued pursuant to this section, including any application procedures and associated forms, the permittee selection process, permit restrictions, and storage and security requirements.

(1) For each procedure proposed to be adopted or amended pursuant to this section, the Board shall publish the proposed procedure on the Board's website and hold not fewer than two public hearings at which members of the public may seek additional information or submit oral or written comments concerning the proposed procedure.

(2) The Board shall not be required to initiate rulemaking pursuant to 3 V.S.A. § 831(c) in relation to a procedure adopted pursuant to this section. A procedure adopted pursuant to this section shall have the force of law and be binding on all persons who apply for and hold a delivery permit pursuant to this section.

Sec. 7. 32 V.S.A. § 7902 is amended to read:

§ 7902. CANNABIS EXCISE TAX

* * *

(b) The tax imposed by this section shall be paid by the purchaser to the retailer or ~~integrated licensee~~ holder of an event or delivery permit. Each retailer or ~~integrated licensee~~ permit holder shall collect from the purchaser the full amount of the tax payable on each taxable sale.

* * *

Sec. 8. 32 V.S.A. § 7904 is amended to read:

§ 7904. RETURNS; RECORDS

(a) Any retailer or ~~integrated licensee~~ holder of an event or delivery permit required to collect the tax imposed by this chapter shall, on or before the 25th day of every month, return to the Department of Taxes, under oath of a person with legal authority to bind the retailer or ~~integrated licensee~~ permit holder, a statement containing its name and place of business, the total amount of sales subject to the cannabis excise tax made in the preceding month, and any information required by the Department of Taxes, along with the total tax due. Retailers and ~~integrated licensees~~ permit holders shall not remit the tax collected to the Department of Taxes in cash absent the issuance of a waiver by the Commissioner of Taxes, and the Commissioner may require that returns be submitted electronically.

(b) Every retailer and ~~integrated licensee~~ permit holder shall maintain, for not less than three years, accurate records showing all transactions subject to tax liability under this chapter. The records are subject to inspection by the Department of Taxes at all reasonable times during normal business hours.

Sec. 9. 32 V.S.A. § 7906 is amended to read:

§ 7906. LICENSE

(a) Any retailer or ~~integrated licensee~~ holder of an event or delivery permit required to collect tax imposed by this chapter must apply for and receive a cannabis retail tax license from the Commissioner for each place of business within the State where ~~he or she~~ the retailer or permit holder sells cannabis or cannabis products prior to commencing business. The Commissioner shall issue without charge a license, or licenses, empowering the retailer or ~~integrated licensee~~ permit holder to collect the cannabis excise tax, provided that a retailer's or ~~integrated licensee's~~ permit holder's application is properly submitted and the retailer or ~~integrated licensee~~ permit holder is otherwise in compliance with applicable laws, rules, and provisions.

* * *

Sec. 10. CANNABIS CONTROL BOARD; RULES AND REPORT

(a) On or before July 1, 2027, the Cannabis Control Board shall initiate rulemaking pursuant to 3 V.S.A. chapter 25 to adopt rules governing the permits established in Secs. 7 and 8 of this act.

(b) On or before November 15, 2027, the Cannabis Control Board shall submit a written report to the House Committee on Government Operations and Military Affairs and the Senate Committee on Economic Development, Housing and General Affairs concerning the permits established in Secs. 7 and 8 of this act. The report shall include a concise assessment of the benefits, challenges, and administrative viability of the permit programs. The Board may recommend best practices for security, inventory tracking, tax enforcement, permit administration, local government coordination, and optimizing market access for small cultivators. The Board shall recommend updates to the statutes governing event permits and delivery permits, including whether either statute should be repealed on the date set by this act.

* * * Municipal Authority * * *

Sec. 11. 7 V.S.A. § 863 is amended to read:

§ 863. REGULATION BY LOCAL GOVERNMENT

(a)(1) Prior to a cannabis retailer ~~or the retail portion of an integrated licensee~~ operating within a municipality, the municipality shall affirmatively permit the operation of ~~such~~ cannabis establishments by majority vote of those present and voting by Australian ballot at an annual or special meeting warned for that purpose. ~~A municipality may place retailers or integrated licensees, or both, on the ballot for approval.~~ A proposal to hold a vote pursuant to this subsection may be made by the legislative body of the municipality or by petition of five percent of the voters of the municipality.

(2) A vote to permit the operation of a licensed cannabis retailer ~~or integrated licensee~~ within the municipality shall remain in effect until rescinded by majority vote of those present and voting by Australian ballot at a subsequent annual or special meeting warned for that purpose. A rescission of the permission to operate a licensed cannabis retailer ~~or integrated licensee~~ within the municipality under this subdivision shall not apply to a licensed cannabis retailer ~~or integrated licensee~~ that is operating within the municipality at the time of the vote.

(b)(1) A municipality that hosts any cannabis establishment may establish a cannabis control commission composed of commissioners who may be members of the municipal legislative body.

(2) The local cannabis control commission may issue and administer local control licenses under this subsection for cannabis establishments within the municipality but shall not assess a fee for a local control license issued to a cannabis establishment. The commissioners may condition the issuance of a local control license upon compliance with any bylaw adopted pursuant to 24 V.S.A. § 4414 or ~~upon~~ ordinances regulating signs or public nuisances adopted pursuant to 24 V.S.A. § 2291, except that ordinances may not regulate public nuisances as applied to:

(A) indoor cultivators;

(B) tier 1 manufacturers;

(C) outdoor cultivators that are regulated in the same manner as the Required Agricultural Practices under subdivision 869(f)(2) of this title.

(3) The commission may suspend or revoke a local control license for a violation of any condition placed upon the license.

(4) The Board shall adopt rules relating to a municipality's issuance of a local control license in accordance with this subsection and the local commissioners shall administer the rules furnished to them by the Board as necessary to carry out the purposes of this section.

* * *

(d) A municipality shall not:

(1) ~~prohibit~~ adopt an ordinance or bylaw that completely prohibits the operation of ~~a~~ cannabis ~~establishment~~ establishments within the municipality ~~through an ordinance adopted pursuant to 24 V.S.A. § 2291 or a bylaw adopted pursuant to 24 V.S.A. § 4414~~, or regulate ~~a~~ cannabis ~~establishment~~ establishments in a manner that has the effect of completely prohibiting the operation of ~~a~~ cannabis ~~establishment~~ establishments within the municipality;

* * *

* * * Distribution of Local License Fees to Municipalities * * *

Sec. 12. 7 V.S.A. § 846 is amended to read:

§ 846. FEES; AUTHORITY

* * *

(c) Distribution to municipalities. After reduction for costs of administration and collection, the Board shall pay local license fees on ~~a quarterly~~ an annual basis to the municipality for which the fees were collected.

* * * Two-Year Employee Identification Cards * * *

Sec. 13. 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) Employees. Cannabis establishments licensed by the Board shall be assessed ~~an annual~~ a biennial licensing fee of ~~$50.00~~ $100.00 for each employee. Employee licenses shall be valid for two years.

(9) 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. The products may be defined and distinguished in readily accessible published guidance.

* * *

* * * Repeal of Integrated License Provisions * * *

Sec. 14. 7 V.S.A. § 861 is amended to read:

§ 861. DEFINITIONS

As used in this chapter:

* * *

(8) "Cannabis establishment" means a cannabis cultivator, propagation cultivator, wholesaler, product manufacturer, retailer, or testing laboratory~~, or integrated licensee~~ licensed by the Board to engage in commercial cannabis activity in accordance with this chapter.

* * *

(24) ~~"Integrated licensee" means a person licensed by the Board to engage in the activities of a cultivator, wholesaler, product manufacturer, retailer, and testing laboratory in accordance with this chapter.~~ [Repealed.]

* * *

Sec. 15. 7 V.S.A. § 866 is amended to read:

§ 866. YOUTH

* * *

(c) The Board, in consultation with the Department of Health, shall adopt rules in accordance with section 881 of this title to:

* * *

(3) require that cannabis products sold by licensed retailers ~~and integrated licensees~~ are contained in child-resistant packaging; and

(4) require that cannabis and cannabis products sold by licensed retailers ~~and integrated licensees~~ are packaged with labels that clearly indicate that the contents of the package contain cannabis and should be kept away from persons under 21 years of age.

* * *

Sec. 16. 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)~~ (1)–(8) of this subsection.

* * *

(2)(A) Rules concerning cultivators shall include:

* * *

(v) labeling requirements for cannabis sold to retailers ~~and integrated licensees~~, including health warnings developed in consultation with the Department of Health;

* * *

(7) ~~Rules concerning integrated licensees shall include the provisions provided in subdivisions (1)-(6) of this subsection and any additional provisions the Board deems appropriate for safe regulation of integrated licensees in accordance with this chapter.~~ [Repealed.]

(8) Rules concerning propagators shall include:

* * *

(E) labeling requirements for cannabis sold to retailers ~~and integrated licensees~~;

* * *

Sec. 17. 7 V.S.A. § 901 is amended to read:

§ 901. GENERAL PROVISIONS

* * *

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

* * *

(E) a retailer license; and

(F) a testing laboratory license~~; and~~

~~(G) an integrated license~~.

* * *

(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) of this subsection (d). Each license shall permit only one location of the establishment.

(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) 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.~~ [Repealed.]

* * *

(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.

* * *

Sec. 18. 7 V.S.A. § 904 is amended to read:

§ 904. CULTIVATOR LICENSE

(a) A cultivator licensed under this chapter may:

(1) cultivate, process, package, label, transport, test, and sell cannabis to a licensed wholesaler, product manufacturer, retailer, ~~integrated licensee,~~ and dispensary;

* * *

(3) possess and sell cannabis products to a licensed wholesaler, product manufacturer, retailer, ~~integrated licensee,~~ and dispensary.

* * *

Sec. 19. 7 V.S.A. § 904a is amended to read:

§ 904a. SMALL CULTIVATORS

* * *

(d) Upon licensing, a small cultivator may sell cannabis to a licensed dispensary at any time for sale to patients and caregivers pursuant to the dispensary license ~~or to the public pursuant to an integrated license~~, including the time period before retail sales are permitted for licensed cannabis retailers.

Sec. 20. 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:

* * *

(6) ~~Integrated licensees. Integrated licensees shall be assessed an annual licensing fee of $100,000.00.~~ [Repealed.]

* * *

Sec. 21. 7 V.S.A. § 974 is amended to read:

§ 974. RULEMAKING

(a)(1) The Board shall adopt rules to implement and administer this chapter. In adoption of rules, the Board shall strive for consistency with rules adopted for cannabis establishments pursuant to chapter 33 of this title where appropriate.

(2) Rules shall include:

* * *

(U) labeling requirements for cannabis sold to retailers ~~and integrated licensees~~, including health warnings developed in consultation with the Department of Health;

* * *

Sec. 22. 7 V.S.A. § 987 is amended to read:

§ 987. CANNABIS BUSINESS DEVELOPMENT FUND

(a) There is established the Cannabis Business Development Fund, which shall be managed in accordance with 32 V.S.A. chapter 7, subchapter 5.

(b) The Fund shall comprise:

(1) ~~a one-time contribution of $50,000.00 per integrated license to be made on or before October 15, 2022; and~~ [Repealed.]

* * *

* * * CBDF Grants for Cultivators, Manufacturers, and Economic Empowerment Businesses * * *

Sec. 23. 7 V.S.A. § 987 is amended to read:

§ 987. CANNABIS BUSINESS DEVELOPMENT FUND

* * *

(c) The Fund shall be used for the following purposes:

(1) to provide low-interest rate loans and grants to:

(A) social equity applicants to pay for ordinary and necessary expenses to start and operate a licensed cannabis establishment; and

(B) tier 1 cultivators, tier 1 manufacturers, and businesses granted economic empowerment status by the Board;

* * *

* * * Household Income; Cannabis Business Expenses Deduction * * *

Sec. 24. 32 V.S.A. § 6061 is amended to read:

§ 6061. DEFINITIONS

As used in this chapter unless the context requires otherwise:

* * *

(5) "Modified adjusted gross income" means "federal adjusted gross income":

* * *

(F) With the inclusion of any federal deduction or credit that the claimant 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.

* * *

* * * Outdoor Cannabis Cultivation; Use Value Appraisal Program * * *

Sec. 25. 7 V.S.A. § 869 is amended to read:

§ 869. CULTIVATION OF CANNABIS; ENVIRONMENTAL AND LAND USE STANDARDS; REGULATION OF CULTIVATION

* * *

(f) Notwithstanding subsection (a) of this section, a cultivator licensed under this chapter who ~~initiates cultivation of~~ cultivates cannabis outdoors ~~on a parcel of land~~ as defined in rule by the Cannabis Control Board pursuant to section 881 of this chapter shall:

* * *

(3) be eligible to enroll in the Use Value Appraisal Program under 32 V.S.A. chapter 124 for the cultivation of cannabis;

(4) be exempt under 32 V.S.A. § 9741(3), (25), and (50) from the tax on retail sales imposed under 32 V.S.A. § 9771; and

* * *

Sec. 26. 32 V.S.A. § 3102 is amended to read:

§ 3102. CONFIDENTIALITY OF TAX RECORDS

* * *

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

* * *

(25) To the Cannabis Control Board for the purposes of administering the Cannabis Excise Tax under chapter 207 of this title, the Sales and Use Tax under chapter 233 of this title, and the exemptions to those taxes.

* * *

* * * Cannabis Cultivator Cooperatives * * *

Sec. 27. 7 V.S.A. § 904c is added to read:

§ 904c. CANNABIS CULTIVATOR COOPERATIVE CORPORATIONS

Licensed cannabis cultivators may form a cannabis cultivator cooperative corporation pursuant to 11 V.S.A. chapter 7 in the same manner as other associations or persons engaged in the production of the agricultural or handcraft products.

Sec. 28. APPROPRIATIONS

(a) In fiscal year 2027, the sum of $1,000,000.00 is transferred from the General Fund to the Cannabis Business Development Fund.

(b) In fiscal year 2027, the sum of $1,680,000.00 is appropriated to the Vermont Land Access and Opportunity Board.

* * * Repeals * * *

Sec. 29. REPEALS

(a) 7 V.S.A. § 909 (integrated license) is repealed on July 1, 2026.

(b) 7 V.S.A. § 862 (cannabis establishment chapter not applicable to hemp or therapeutic use of cannabis) is repealed on July 1, 2026.

(c) 7 V.S.A. § 912 (cannabis event permit) is repealed on July 1, 2028.

(d) 7 V.S.A. § 913 (cannabis delivery permit) is repealed on July 1, 2028.

* * * Effective Dates * * *

Sec. 30. EFFECTIVE DATES

(a) This section shall take effect on passage.

(b) Notwithstanding 1 V.S.A. § 214, Sec. 24 (household income; cannabis business expenses deduction) shall take effect retroactively on January 1, 2025, for household income received beginning in the 2025 calendar year and shall apply to property tax credit claims filed on and after January 1, 2026.

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

(Committee vote: 5-0-0)

S. 291.

An act relating to travel disclosures for legislators and certain executive officers.

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

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

* * * Travel Disclosures * * *

Sec. 1. 3 V.S.A. § 1201 is amended to read:

§ 1201. DEFINITIONS

As used in this chapter:

* * *

(10) "Immediate family" means an individual's spouse, domestic partner, or civil union partner; child or foster child; sibling; parent; or such relations by marriage or by civil union or domestic partnership; or an individual claimed as a dependent for federal income tax purposes.

* * *

(16) "Staff" means any individual who supports a member of the General Assembly or an executive officer in the member's or executive officer's official capacity and acts at the direction of the member or executive officer, whether paid or unpaid or receiving academic credit.

(17) "State officer" means the Governor, Lieutenant Governor, Treasurer, Secretary of State, Auditor of Accounts, or Attorney General.

~~(17)~~(18) "Unethical conduct" means any conduct of a public servant in violation of the Code of Ethics, as provided for in this chapter.

Sec. 2. 3 V.S.A. § 1214 is added to read:

§ 1214. TRAVEL DISCLOSURES; IN GENERAL

(a) Applicability.

(1) A member of the General Assembly or an executive officer shall file with the State Ethics Commission, or as otherwise directed by law, a disclosure detailing costs and associated information for any travel made in the course of the member's or executive officer's official capacity or that would not have likely occurred but for the member's or executive officer's status of occupying the member's or executive officer's office.

(2) Notwithstanding subdivision (1) of this subsection, a member or an executive officer is not required to file a disclosure if the travel is:

(A) fully paid by the member or executive officer, this State, or the federal government; or

(B) of de minimis value, meaning having a value of $50.00 or less per source per occasion, provided that the aggregate market value of the individual item received from any one source shall not exceed $150.00 in a calendar year.

(b) Contents and design of disclosure.

(1) A member of the General Assembly or an executive officer shall disclose, in writing:

(A) the purpose of the travel;

(B) whether the travel was purely in the member's or executive officer's official capacity or made for another purpose;

(C) the itinerary of travel, including dates of travel and any stopover or intentional visit to another location prior to the destination of travel;

(D)(i) with reasonable particularity, any expense made or reimbursement received for all costs associated with transportation to and from any destination, and food, refreshments, tickets and admissions, entertainment, lodging, and anything else of value, whether for cost or in kind, associated with the travel; and

(ii) notwithstanding the provisions of subdivision (i) of this subdivision (D), a member or an executive officer is not required to disclose any expenses or reimbursements for any travel fully paid by the member or executive officer, this State, or the federal government;

(E) the date of any expense or reimbursement; and

(F) if certain costs associated with the travel were in part paid for or reimbursed by any other source than the member or executive officer or this State, indicate what amount was paid for or reimbursed by:

(i) the State;

(ii) the member's or executive officer's own person; or

(iii) any other sources, including associations, lobbyists, political committees and parties, individuals, other countries, states, and territories.

(2) A member or an executive officer shall also make the same disclosures described in subdivision (1) of this subsection for any staff and immediate family accompanying the member or executive officer on the travel. These disclosures shall include the name and title of any staff and only the nature of the relationship for any immediate family.

(3) A member or an executive officer shall attest to the veracity and completeness of the disclosed information and sign and date the disclosure.

(4) Disclosure forms shall, where appropriate, be designed by the State Ethics Commission.

(c) Filing date. A member of the General Assembly or an executive officer shall file the disclosure within 30 calendar days following the conclusion of travel.

(d) Supplemental disclosure. A member of the General Assembly or an executive officer shall file with the State Ethics Commission, or as otherwise directed by law, a supplemental disclosure in accordance with section 1203 of this title if a particular matter involving the payer or orchestrator of any expense or reimbursement detailed in subsection (b) of this section comes before the member or executive officer during the six months following such acceptance or reimbursement.

Sec. 3. 3 V.S.A. § 1215 is added to read:

§ 1215. TRAVEL DISCLOSURES; EXECUTIVE OFFICERS UNDER GOVERNOR

(a) Notwithstanding the requirements of subsection §1214(a) of this title, an executive officer serving under the Governor is not required to disclose any expenses or reimbursements for any travel if:

(1) that executive officer's travel is otherwise required to be approved, reported, and disclosed pursuant to a rule or bulletin as adopted by the Governor;

(2) that rule or bulletin conforms to the requirements of section 1214 of this title; and

(3) copies of all disclosures made by the executive officers pursuant to the rule or bulletin are posted on the Agency of Administration's website.

(b) The Agency of Administration may design its own disclosure forms for executive officers serving under the Governor, provided these forms conform to the requirements of subsection 1214(b) of this title.

* * * General Amendments * * *

Sec. 4. 3 V.S.A. § 1211 is amended to read:

§ 1211. EXECUTIVE OFFICERS; ANNUAL DISCLOSURE

(a) Annually, each Executive officer and county officer shall file with the State Ethics Commission a disclosure form that contains the following information in regard to the previous 12 months:

(1) each source, but not amount, of personal income of the officer and of the officer's spouse or domestic partner, and of the officer together with the officer's spouse or domestic partner, that totals more than $5,000.00, including:

(A) the officer's employer or business name and address; and

(B) if self-employed, a description of the nature of the self-employment, including the names of any clients whose principal business activities are regulated by or that have a contract with any municipal or State office, department, or agency, provided that this information is known to the ~~candidate~~ officer or the ~~candidate's~~ officer's domestic partner and that the disclosed information is not confidential information;

(2) any board, commission, or other entity that is regulated by law on which the officer served and the officer's position on that entity;

* * *

(6) a generalized description, but not amount, to the best of the ~~candidate's~~ officer's knowledge, of the following investments held by ~~a~~ ~~candidate~~ an officer or the ~~candidate's~~ officer's spouse or domestic partner:

(A) individual stock holdings valued at $25,000.00 or more, which ~~a~~ ~~candidate~~ an officer exercises control over or has the ability to buy or sell, which shall be listed individually;

(B) interests in investment funds valued at $25,000.00 or more that ~~a~~ ~~candidate~~ an officer or the ~~candidate's~~ officer's spouse or domestic partner has the ability to exercise control over the composition of assets within a fund, which shall be listed individually;

* * *

(F) the details of any loan valued at $10,000.00 or more, made to the ~~candidate~~ officer or the ~~candidate's~~ officer's spouse that is not a commercially reasonable loan made in the ordinary course of business; and

(7) the full name of the ~~candidate's~~ officer's spouse or domestic partner.

* * *

Sec. 5. 3 V.S.A. § 1221 is amended to read:

§ 1221. STATE ETHICS COMMISSION

* * *

(b) Membership.

(1) The Commission shall be composed of the following seven members:

(A) one member, appointed by the Chief Justice of the Supreme Court;

(B) one member, appointed by the League of Women Voters of Vermont, who shall be a member of the League;

(C) one member, appointed by the Board of Directors of the Vermont Society of Certified Public Accountants, who shall be a member of the Society;

(D) one member, appointed by the ~~Board of Managers of the Vermont Bar Association, who shall be a member of the Association~~ Governor;

(E) one member, appointed by the Board of Directors of the SHRM (Society for Human Resource Management) Vermont State Council, who shall be a member of the Council;

(F) one member, who shall be a former municipal officer, appointed by the Speaker of the House; and

(G) one member, who shall be a former municipal officer, appointed by the Senate Committee on Committees.

* * *

(e) Meetings.

(1) Meetings of the Commission:

~~(1)~~(A) shall be held at least quarterly for the purpose of the Executive Director updating the Commission on the Executive Director's work;

~~(2)~~(B) may be called by the Chair and shall be called upon the request of any other two Commission members; and

~~(3)~~(C) shall be conducted in accordance with 1 V.S.A. § 310 et seq.

(2) A majority of the currently appointed members of the Commission shall constitute a quorum. Once a quorum has been established, the vote of a majority of the members present at the time of the vote shall be an act of the Commission.

* * *

* * * Effective Date * * *

Sec. 6. EFFECTIVE DATE

This act shall take effect on July 1, 2026.

(Committee vote: 5-0-0)

CONFIRMATIONS

The following appointment will be considered by the Senate, as a group, under suspension of the Rules, as moved by the President *pro tempore,* for confirmation together and without debate, by consent thereby given by the Senate. However, upon request of any senator, any appointment may be singled out and acted upon separately by the Senate, with consideration given to the report of the Committee to which the appointment was referred, and with full debate; and further, all appointments for the positions of Secretaries of Agencies, Commissioners of Departments, Judges, Magistrates, and members of the Public Utility Commission and the Cannabis Control Board, underlined below, shall be fully and separately acted upon.

Mike Donohue of Shelburne, VT – Member of the Vermont Economic Progress Council – By Senator Mattos for the Committee on Finance (February 27, 2026)

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 #3273: $29,303,666.00 to the Public Service Department, Office of Economic Opportunity from the U.S. Department of Energy. The Home Energy Rebate Program funds will be used to weatherize low-income homes. The first-year distribution is $14,133.00 with subsequent yearly awards through May 31, 2029, for a total of $29,303,666.00.
[Received March 9, 2026]

FOR INFORMATION ONLY

CROSSOVER DATES

The Joint Rules Committee established the following crossover deadlines:

(1) All **Senate/House** bills must be reported out of the last committee of reference (including the Committees on Appropriations and Finance/Ways and Means, except as provided below in (2) and the exceptions listed below) on or before **Friday, March 13, 2026**, and filed with the Secretary/Clerk so they may be placed on the Calendar for Notice the next legislative day. Committee bills must be voted out of Committee by **Friday, March 13, 2026.**

(2) All **Senate/House** bills referred pursuant to Senate Rule 31 or House Rule 35(a) to the Committees on Appropriations and Finance/Ways and Means must be reported out by the last of those committees on or before **Friday, March 20, 2026**, and filed with the Secretary/Clerk so they may be placed on the Calendar for Notice the next legislative day.

Note: The Senate will not act on bills that do not meet these crossover deadlines, without the consent of the Senate Rules Committee.

Exceptions to the foregoing deadlines include the major money bills (the General Appropriations Bill ("The Big Bill"), the Transportation Capital Bill, the Capital Construction Bill, and the Fee/Revenue Bills).