Senate Calendar

WEDNESDAY, MAY 6, 2026

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Second Reading

Favorable with Proposal of Amendment

H. 639.

An act relating to genetic data privacy.

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

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

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

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

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

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

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

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

(2) If the company or service provider does not cure the alleged violation within 60 days after the notice is received by the company or service provider or if there is a disagreement as to whether the alleged violation has been cured, the consumer shall have the right to initiate a civil action against the company or service provider pursuant to subsection 2461(b) of this title.

(Committee vote: 5-0-0)

(For House amendments, see House Journal of February 24, 2026, pages 3108-3118)

H. 739.

An act relating to prohibiting the use and sale of the herbicide paraquat.

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

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

Sec. 1. 6 V.S.A. § 1105d is added to read:

§ 1105d. USE AND SALE OF PARAQUAT; REPORT

(a) Definition. As used in this section, "paraquat" means an herbicide:

(1) known as paraquat, with the chemical name 1,1′-Dimethyl-4,4′-bipyridinium ion and the Chemical Abstracts Service (CAS) registry number 4685-14-7;

(2) known as paraquat dichloride, with the chemical name 1,1′-Dimethyl-4,4′-bipyridinium dichloride and the CAS registry number 1910-42-5;

(3) known as paraquat dimethyl sulfate, with the chemical name 1,1′-Dimethyl-4,4′-bipyridinium dimethyl sulfate and the CAS registry number 2074-50-2; or

(4) known as paraquat, with the chemical name 1,1′-Dimethyl-4,4′-bipyridinium ion and all salts thereof.

(b) Prohibition. No person shall sell, use, or apply paraquat except when authorized by the Secretary of Agriculture, Food and Markets under subsection (c) of this section.

(c) Authorized use. The Secretary may issue a written permit for the sale, use, or application of paraquat within fruit-producing tree orchards or for growing any crop listed in the U.S. Department of Agriculture Crop Group 13-07: Berry and Small Fruit Crop Group on or before December 31, 2030. The Secretary shall ensure that any authorized certified applicator of paraquat has received all training required by the Environmental Protection Agency and the Agency of Agriculture, Food and Markets not more than one year prior to receiving a permit for authorized use of paraquat. A written exemption order under this subsection shall:

(1) be valid for not more than three years or until December 31, 2030, whichever comes first;

(2) specify the name on the label of the paraquat, uses, and crops or plants to which the permit applies; the date the permit takes effect; the permit's duration; and the permit's geographic scope, which may include specific farms, fields, or properties; and

(3) include permit conditions that minimize drift based on drift mitigation measures identified by the Environmental Protection Agency, require adherence to label directions to minimize applicator exposure, and exclusively limit applications to tree rows or vine rows for necessary weed control.

(d) Reporting. The Secretary shall report annually on all data regarding any use of paraquat in the State. The report shall include the amount of paraquat used and the date and location where the paraquat was used. The Secretary shall submit the report to the House Committee on Agriculture, Food Resiliency, and Forestry and the Senate Committee on Agriculture on or before December 15 of each year.

Sec. 2. EFFECTIVE DATE

This act shall take effect on November 1, 2026.

(Committee vote: 5-0-0)

(For House amendments, see House Journal of March 19, 2026, pages 3418-3421)

Reported favorably by Senator Norris for the Committee on Appropriations.

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

(Committee vote: 7-0-0)

H. 816.

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

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

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

Sec. 1. PURPOSE

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

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

§ 129a. UNPROFESSIONAL CONDUCT

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

* * *

(30) For any mental health professional, engaging in the prohibited use of artificial intelligence pursuant to 18 V.S.A. § 7115.

* * *

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

§ 7115. PROHIBITED USES OF ARTIFICIAL INTELLIGENCE

(a) As used in this section:

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

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

noncertified psychotherapist or a noncertified psychoanalyst; or any other professional who provides mental health services.

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

(4) "Therapeutic communication" means a written, verbal, or nonverbal interaction intended to diagnose or treat any type of mental or behavioral health concern, provide ongoing recovery support, or provide any advice related to diagnosis, treatment, or recovery, such as:

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

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

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

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

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

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

(b) An individual, corporation, or other entity shall not offer or provide mental health services through artificial intelligence without the review and approval of a mental health professional.

(c)(1) A violation of this section by a corporation; an entity; or an individual who is not licensed, certified, or rostered as a mental health professional shall be deemed a violation of the Consumer Protection Act, 9 V.S.A. chapter 63. The Attorney General has the same authority, and private parties have the same rights and remedies, as provided under 9 V.S.A. chapter 63, subchapter 1. Each violation of this section shall carry a civil penalty of $10,000.00 as set forth in 9 V.S.A. § 2461.

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

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

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

§ 1354. UNPROFESSIONAL CONDUCT

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

* * *

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

* * *

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

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

Sec. 6. EFFECTIVE DATE

This act shall take effect on passage.

(Committee vote: 5-0-0)

(For House amendments, see House Journal of March 17, 2026, pages 3316-3321)

H. 952.

An act relating to capital construction and State bonding budget adjustment.

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

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

First: By striking out Sec. 1, 2025 Acts and Resolves No. 33, Sec. 1, in its entirety and inserting in lieu thereof a new Sec. 1 to read as follows:

Sec. 1. 2025 Acts and Resolves No. 33, Sec. 1 is amended to read:

Sec. 1. LEGISLATIVE INTENT

(a) It is the intent of the General Assembly that of the ~~$111,965,288.44~~ $123,564,624.67 authorized in Secs. 2–16 this act, not more than ~~$61,969,761.44~~ $61,569,761.44 shall be appropriated in the first year of the biennium, and the remainder shall be appropriated in the second year.

* * *

Second: By striking out Sec. 2, 2025 Acts and Resolves No. 33, Sec. 2, in its entirety and inserting in lieu thereof a new Sec. 2 to read as follows:

Sec. 2. 2025 Acts and Resolves No. 33, Sec. 2 is amended to read:

Sec. 2. STATE BUILDINGS

* * *

(b) The following sums are appropriated in FY 2026:

* * *

(2) Statewide, three-acre parcel stormwater compliance: ~~$1,500,000.00~~ $1,100,000.00

* * *

(c) The following sums are appropriated in FY 2027:

(1) Statewide, major maintenance: ~~$8,500,000.00~~ $8,538,413.18

* * *

(4) ~~Statewide, three-acre parcel stormwater compliance: $1,100,000.00~~ [Repealed.]

* * *

(7) Montpelier, State House replacement of ~~historic~~ interior finishes: $50,000.00

(8) Montpelier, 120 State Street HVAC – steam lines interior renovation: ~~$2,000,000.00~~ $1,000,000.00

* * *

(12) Montpelier, State House entryway upgrades, design documents, including comprehensive parking plan and delivery truck access, and second-floor egress design: $1,325,000.00

Appropriation – FY 2026 ~~$13,726,680.44~~ $13,326,680.44

Appropriation – FY 2027 ~~$15,925,000.00~~ $15,188,413.18

Total Appropriation – Section 2 ~~$28,951,680.44~~ $28,515,093.62

Third: By striking out Sec. 3, 2025 Acts and Resolves No. 33, Sec. 3, in its entirety and inserting in lieu thereof a new Sec. 3 to read as follows:

Sec. 3. 2025 Acts and Resolves No. 33, Sec. 3 is amended to read:

Sec. 3. HUMAN SERVICES

* * *

(b) The following sums are appropriated in FY 2027 to the Department of Buildings and General Services for the Agency of Human Services for the following projects:

(1) Statewide, planning, design, and construction for HVAC system upgrades at correctional facilities: ~~$1,000,000.00~~ $9,426,254.21

* * *

~~(5) Newport, Northern State Correctional Facility (NSCF) sprinkler system upgrades: $500,000.00~~ [Repealed.]

(6) Newport, Northern State Correctional Facility (NSCF) boiler replacement: $700,000.00

(7) Recovery House, Inc., residential treatment center, renovations: $220,000.00

(8) Maintenance, replacement, and renovations at the Chittenden Regional Correctional Facility or other facilities serving the incarcerated women's population: $598,850.00

* * *

Appropriation – FY 2027 ~~$4,800,000.00~~ $14,245,104.21

Total Appropriation – Section 3 ~~$13,025,000.00~~ $22,470,104.21

Fourth: By adding a new section to be Sec. 4a to read as follows:

Sec. 4a. 2025 Acts and Resolves No. 33, Sec. 5 is amended to read:

Sec. 5. GRANT PROGRAMS

* * *

(b) The following sums are appropriated in FY 2027 for the Building Communities Grants established in 24 V.S.A. chapter 137:

(1) To the Agency of Commerce and Community Development, Division for Historic Preservation, for the Historic Preservation Grant Program: ~~$300,000.00~~ $400,000.00

(2) To the Agency of Commerce and Community Development, Division for Historic Preservation, for the Historic Barns Preservation Grant Program: ~~$300,000.00~~ $400,000.00

* * *

Appropriation – FY 2027	~~$2,100,000.00~~ $2,300,000.00
Total Appropriation – Section 5	~~$4,200,000.00~~ $4,400,000.00

Fifth: By adding a new section to be Sec. 5a to read as follows:

Sec. 5a. 2025 Acts and Resolves No. 33, Sec. 9 is amended to read:

Sec. 9. NATURAL RESOURCES

* * *

(g) The sum of $100,000.00 is appropriated in FY 2027 to the Agency of Natural Resources for technical support to municipalities to design and implement stormwater utilities.

Appropriation – FY 2026	$5,805,000.00
Appropriation – FY 2027	~~$5,319,360.00~~ $5,419,360.00
Total Appropriation – Section 9	~~$11,124,360.00~~ $11,224,360.00

Sixth: By striking out Sec. 8, 2025 Acts and Resolves No. 33, Sec. 17, in its entirety and inserting in lieu thereof a new Sec. 8 to read as follows:

Sec. 8. 2025 Acts and Resolves No. 33, Sec. 17 is amended to read:

Sec. 17. REALLOCATION AND REVERSION OF FUNDS; TRANSFER OF FUNDS

(a) The following sums ~~are reallocated~~ appropriated to the Department of Buildings and General Services from prior capital appropriations are reallocated to defray expenditures authorized in Secs. 2–16 of this act:

* * *

(12) of the amount appropriated in 2017 Acts and Resolves No. 84, Sec. 13(b)(2), as added by 2018 Acts and Resolves No. 190, Sec. 10 (CJTC East Cottage): $43,190.08

(13) of the amounts appropriated in 2019 Acts and Resolves No. 42, Sec. 2(c) (various projects): $1,624,241.12

(14) of the amounts appropriated in 2021 Acts and Resolves No. 50, Sec. 2(b) (various projects): $393,854.32

(15) of the amount appropriated in 2021 Acts and Resolves No. 50, Sec. 3(a)(2) (women's correctional facilities): $97,890.12

(16) of the amounts appropriated in 2021 Acts and Resolves No. 50, Sec. 2(c) (various projects): $618,000.00

(17) of the amounts appropriated in 2023 Acts and Resolves No. 69, Sec. 2(b) (various projects): $350,420.67

(18) of the amounts appropriated in 2023 Acts and Resolves No. 69, Sec. 2(c) (various projects): $150,000.00

(19) of the amounts appropriated in 2021 Acts and Resolves No. 50, Sec. 3(b)(1) (women's correctional facilities, replacement): $868,850.00

(b) The following sums appropriated to the Agency of Commerce and Community Development from prior capital appropriations are reallocated to defray expenditures authorized in Secs. 2–16 of this act:

* * *

(3) of the amount appropriated in 2021 Acts and Resolves No. 50, Sec. 4(a)(4) (Unmarked Burial Fund): $31,320.70

* * *

(h) Of the amount appropriated from the Capital Infrastructure subaccount of the Cash Fund for Capital and Essential Investments to the Vermont Veterans' Home in 2024 Acts and Resolves No. 113, Sec. B.1103(a)(7) and authorized in 2023 Acts and Resolves No. 69, Sec. 18(d)(7) (design for the renovation of the Brandon and Cardinal units), $1,500,000.00 is ~~reallocated~~ reverted to defray expenditures authorized in Sec. 19 of this act.

(i) Of the amount appropriated from the Capital Infrastructure subaccount of the Cash Fund for Capital and Essential Investments to the Department of Buildings and General Services in 2024 Acts and Resolves No. 113, Sec. B.1103(a)(9) and authorized in 2023 Acts and Resolves No. 69, Sec.

18(d)(10) (111 State Street; renovation of the stack area), $200,000.00 is ~~reallocated~~ reverted to defray expenditures authorized in Sec. 19 of this act.

* * *

(n) Of the amount appropriated to the Vermont Veterans' Home in 2023 Acts and Resolves No. 69, Sec. 15(b)(2) (elevator upgrade), $500,000.00 is reallocated to defray expenditures authorized in Sec. 6 of this act.

(o) Of the amount appropriated to the Enhanced 911 Board in 2017 Acts and Resolves No. 84, Sec. 6(b)(9), as added by 2018 Acts and Resolves No. 190, Sec. 5 (Enhanced 911 Compliance Grants Program), $63,413.15 is reallocated to defray expenditures authorized in Secs. 2–16 of this act.

(p) Of the amount appropriated to the Agency of Natural Resources for the Department of Forests, Parks and Recreation in 2019 Acts and Resolves No. 42, Sec. 11(j), as added by 2020 Acts and Resolves No. 139, Sec. 7 (State-owned forest and recreational access points), $0.03 is reallocated to defray expenditures authorized in Secs. 2–16 of this act.

(q) The following sums appropriated from the Capital Infrastructure subaccount of the Cash Fund for Capital and Essential Investments to the Department of Buildings and General Services in 2023 Acts and Resolves No. 78, Sec. B.1105(a) are reverted to defray expenditures authorized in Sec. 19 of this act:

(1) of the amount authorized in 2023 Acts and Resolves No. 69, Sec. 18(c)(1) (planning, reuse, and contingency): $119,114.60

(2) of the amount authorized in 2023 Acts and Resolves No. 69, Sec. 18(c)(6) (120 State Street renovation): $1,000,000.00

(3) of the amount authorized in 2023 Acts and Resolves No. 69, Sec. 18(c)(8) (CJTC administration building and West Cottage): $450,000.00

(4) of the amount authorized in 2023 Acts and Resolves No. 69, Sec. 18(c)(10) (DCF short-term stabilization facility): $372,557.10

(5) of the amount authorized in 2023 Acts and Resolves No. 69, Sec. 18(c)(11) (Washington County Superior Courthouse in Barre): $750,000.00

(6) of the amount authorized in 2023 Acts and Resolves No. 69, Sec. 18(c)(13) (planning and design of the Rutland Field Station): $250,000.00

(7) of the amount authorized in 2023 Acts and Resolves No. 69, Sec. 18(c)(15) (EV charging stations): $995,040.00

(r) Of the amount appropriated from the Capital Infrastructure subaccount of the Cash Fund for Capital and Essential Investments to the

Department of Buildings and General Services in 2024 Acts and Resolves No. 113, Sec. B.1103(a)(3) and authorized in 2023 Acts and Resolves No. 69, Sec. 18(d)(3), as amended by 2024 Acts and Resolves No. 162, Sec. 11 (120 State Street renovation), $1,500,000.00 is reverted to defray expenditures authorized in Sec. 19 of this act.

Bonded Dollars	~~$5,074,938.48~~ $9,816,118.67
Cash	~~$1,700,000.00~~ $7,136,711.70
Total Reallocations, Reversions, and Transfers – Section 17	~~$6,774,938.48~~ $16,083,980.37

Seventh: By striking out Sec. 9, 2025 Acts and Resolves No. 33, Sec. 19, in its entirety and inserting in lieu thereof a new Sec. 9 to read as follows:

Sec. 9. 2025 Acts and Resolves No. 33, Sec. 19 is amended to read:

Sec. 19. FY 2026 AND 2027; CAPITAL PROJECTS; FY 2026 AND FY 2027 APPROPRIATIONS ~~ACT~~ ACTS; INTENT; AUTHORIZATIONS

* * *

(b) Intent. It is the intent of the General Assembly to authorize certain capital projects eligible for funding by 32 V.S.A. § 1001b in this act but appropriate the funds for these projects in the FY 2026 and FY 2027 Appropriations ~~Act~~ Acts. It is also the intent of the General Assembly that the FY 2026 and FY 2027 Appropriations ~~Act appropriate~~ Acts transfer funds to the Fund established in 32 V.S.A. § 1001b for projects in FY 2026 and FY 2027.

(c) Authorizations; Capital Infrastructure subaccount. In FY 2026, spending authority for the following capital projects from the Capital Infrastructure subaccount of the Cash Fund for Capital and Essential Investments are authorized as follows:

* * *

(7) to the Vermont Veterans' Home for the design and construction of the American unit and sprinkler system installation: $1,500,000.00

* * *

(f) Authorizations; Capital Infrastructure subaccount. In FY 2027, spending authority for the following capital projects from the Capital Infrastructure subaccount of the Cash Fund for Capital and Essential Investments are authorized as follows:

(1) to the Department of Buildings and General Services for statewide major maintenance: $1,281,173.60

(2) to the Department of Buildings and General Services for statewide physical security enhancements: $225,000.00

(3) to the Department of Buildings and General Services for statewide three-acre parcel stormwater compliance: $1,000,000.00

(4) to the Department of Buildings and General Services for Asa Bloomer roof replacement: $3,600,000.00

(5) to the Department of Buildings and General Services for Rutland multimodal garage renovation: $900,000.00

(6) to the Department of Buildings and General Services for Burlington, 32 Cherry St. parking garage repairs: $3,000,000.00

(7) to the Department of Buildings and General Services for the Agency of Human Services for HVAC upgrades at correctional facilities:

$1,050,000.00

(8) to the Department of Buildings and General Services for the Agency of Human Services for statewide correctional facilities security upgrades: $225,000.00

(9) to the Department of Buildings and General Services for the Agency of Human Services for door control upgrades at correctional facilities: $2,700,000.00

(10) to the Department of Buildings and General Services for the Agency of Human Services for the Northern State Correctional Facility boiler replacement: $1,000,000.00

(11) to the Department of Buildings and General Services for the Agency of Human Services for Newport, Northern State Correctional Facility sprinkler system upgrades: $500,000.00

(12) to the Department of Buildings and General Services for the Agency of Human Services for maintenance and renovations at the Chittenden Regional Correctional Facility: $500,000.00

(13) to the Department of Buildings and General Services for the Agency of Human Services for the Department for Children and Families' youth short-term stabilization facility: $772,557.10

(14) to the Department of Environmental Conservation for the State match for federal Drinking Water State Revolving Fund: $2,498,000.00

(15) to the Department of Environmental Conservation for Waterbury Dam Penstock project cost overruns: $150,000.00

(16) to the Department of Forests, Parks and Recreation for park infrastructure and rehabilitation, improvement, and three-acre rule compliance: $400,000.00

(17) to the Department of Fish and Wildlife for dam maintenance and safety planning: $200,000.00

(18) to the Department of Buildings and General Services for the Department of Public Safety for an Urban Search and Rescue (USAR) facility: $500,000.00

(19) to the Judiciary for the Essex County Courthouse connector project: $500,000.00

(20) to the Department of Buildings and General Services for the Judiciary for renovations at the White River Junction courthouse: $1,600,000.00

(21) to the Vermont Historical Society for the replacement of a climate control unit: $566,724.00

(22) to the Department of Corrections to work with the Agency of Digital Services to install a Wi-Fi system in State correctional facilities that is appropriately designed to address the safety, security, and confidentiality risks of the correctional environment: $250,000.00

Eighth: In Sec. 13, Department of Forests, Parks and Recreation; Little River State Park lease, following "Notwithstanding 29 V.S.A. § 166, in fiscal year 2027, the Commissioner of Forests, Parks and Recreation is authorized to" by striking out the words "enter into" and inserting in lieu thereof the word "negotiate"

Ninth: By adding a new section to be Sec. 14a to read as follows:

Sec. 14a. REPEAL OF AUTHORITY TO SELL 110 STATE STREET

2023 Acts and Resolves No. 69, Sec. 22(a) (authority for BGS to sell 110 State Street, Montpelier) is repealed.

Tenth: By striking out Sec. 18, effective date, and its reader assistance heading in their entireties and inserting in lieu thereof two new reader assistance headings and three new sections to be Secs. 18–20 to read as follows:

* * * Stormwater Utilities * * *

Sec. 18. 24 V.S.A. § 4414(9) is amended to read:

(9) Stormwater management and control. Any municipality may adopt bylaws to implement stormwater management and control consistent with the program developed by the Secretary of Natural Resources pursuant to 10 V.S.A. § 1264. The creation of a regional stormwater utility under statute or rules of the Agency of Natural Resources shall not prevent a municipality from regulating stormwater under this subdivision, including adoption by the municipality of a bylaw establishing a municipal stormwater utility. Municipalities shall not charge an impervious surface fee or other stormwater fee under this subdivision or under other provisions of this title on property regulated under the Required Agricultural Practices for discharges of agricultural waste or agricultural nonpoint source pollution.

Sec. 19. 24 V.S.A. § 3626 is added to read:

§ 3626. MUNICIPAL AUTHORITY TO AUTHORIZE AND OPERATE STORMWATER UTILITY

The creation of a regional stormwater utility under statute or rules of the Agency of Natural Resources shall not prevent a municipality from regulating stormwater under this chapter, including adoption by the municipality of a bylaw authorizing the operation of a municipal stormwater utility that establishes an assessment on an equivalent residential unit or impervious surface.

* * * Effective Date * * *

Sec. 20. EFFECTIVE DATE

This act shall take effect on passage.

(Committee vote: 5-0-0)

(No House Amendments)

Reported favorably by Senator Mattos for the Committee on Finance.

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

(Committee vote: 6-0-1)

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

The Committee recommends that the bill ought to pass in concurrence with proposals of amendment as recommended by the Committee on Institutions,

with further recommendation of proposal of amendment by adding a reader assistance heading and a new section to be Sec. 19a to read as follows:

* * * General Assembly * * *

Sec. 19a. STATE HOUSE; ENTRYWAY DESIGN; SPECIAL COMMITTEE

(a) A special committee consisting of the Joint Legislative Management Committee and the Chairs of the House Committee on Corrections and Institutions and the Senate Committee on Institutions (special committee) is hereby established. The special committee is authorized to meet to review, approve, or recommend alterations to the State House entryway design at a regularly scheduled Joint Legislative Management Committee meeting.

(b) The special committee shall be entitled to per diem and expenses as provided in 2 V.S.A. § 23.

(Committee vote: 7-0-0)

House Proposal of Amendment

S. 173.

An act relating to vocational rehabilitation.

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

Sec. 1. 21 V.S.A. § 641 is amended to read:

§ 641. VOCATIONAL REHABILITATION

(a) When as a result of an injury covered by this chapter, an employee is unable to perform work for which the employee has previous training or experience, the employee shall be entitled to vocational rehabilitation services, including retraining and job placement, as may be reasonably necessary to restore the employee to suitable employment. Vocational rehabilitation services shall be provided as follows:

* * *

(2) The Department shall provide an injured worker with a form that includes information and employee rights. The form shall clearly and simply explain the worker's rights, including the choice of provider, the right to challenge a determination, the right to request vocational rehabilitation services in the future if the work injury affects the worker's ability to earn the worker's preinjury wage, and reimbursement for related expenses. The worker shall sign the form and return it to the Department.

* * *

Sec. 2. VOCATIONAL REHABILITATION WORKING GROUP; REPORT

(a) Creation. There is created the Vocational Rehabilitation Working Group to provide recommendations to the General Assembly on how to improve the current vocational rehabilitation system to ensure that it meets the needs of eligible injured workers in a timely and cost-effective manner.

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

(1) one current member of the House of Representatives, appointed by the Speaker of House, who shall be a member of the Committee on Commerce and Economic Development;

(2) one current member of the Senate, appointed by the Committee on Committees, who shall be a member of the Committee on Economic Development, Housing and General Affairs;

(3) the Commissioner of Labor or designee;

(4) the Commissioner of Financial Regulation or designee;

(5) two representatives on behalf of workers' compensation claimants, one of whom shall be appointed by the Speaker of the House and one of whom shall be appointed by the Committee on Committees;

(6) two representatives on behalf of employers and workers' compensation insurance carriers, one of whom shall be appointed by the Speaker of the House and one of whom shall be appointed by the Committee on Committees; and

(7) two vocational rehabilitation counselors currently certified in Vermont, one of whom shall be appointed by the Speaker of the House and one of whom shall be appointed by the Committee on Committees.

(c) Powers and duties. The Working Group shall meet over the summer and fall to discuss and develop recommendations on how to improve the current vocational rehabilitation system and prepare recommendations for consideration by the General Assembly. The Working Group shall consider the following topics:

(1) Initial screening.

(A) Is the current initial screening requirement relevant and helpful or a hindrance to accessing vocational rehabilitation services?

(B) Do other states require an initial screening before a claimant receives a vocational rehabilitation assessment? What are other possible approaches that Vermont may wish to consider?

(C) Should the three questions currently asked as part of the initial screening be modified? Are there additional or different questions that should be asked?

(D) What improvements could be made to ensure that those conducting the initial screenings and vocational rehabilitation providers who provide services to workers' compensation claimants are familiar with Vermont's workers' compensation system?

(E) Who has current oversight over the initial screening process to ensure that the system is working as intended?

(2) Vocational rehabilitation generally.

(A) What mechanisms could better and earlier identify which claimants are likely to require vocational rehabilitation services?

(B) Are claimants being adequately and timely informed of their right to request a vocational rehabilitation assessment? Is information about the workers' compensation system and benefits as a whole being clearly conveyed in plain, easily understood language?

(C) Are some of the current requirements for providing vocational rehabilitation services too onerous and administratively unnecessary?

(D) How could vocational rehabilitation services be provided in a way that is more cost-effective for the workers' compensation system?

(E) How could the Department of Labor's oversight of vocational rehabilitation be improved?

(3) Wage replacement benefits.

(A) Could utilization of vocational services be improved by enabling claimants to access vocational rehabilitation benefits while receiving wage replacement benefits?

(B) Could the workers' compensation system take into account the diminished earning capacity of those claimants who are unable to earn a preinjury wage but are not eligible to receive permanent total disability benefits?

(C) Should the average weekly wage be indexed to the cost of living for vocational rehabilitation purposes?

(d) Meetings. The Commissioner of Labor or designee shall serve as the chair of the Working Group and shall call the first meeting of the Working Group to occur on or before August 14, 2026.

(e) Assistance. The Working Group shall have the administrative, technical, and legal assistance of the Department of Labor.

(f) Report. On or before December 15, 2026, the Working Group shall submit a written report to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs with its findings and any recommendations for legislative action. The Working Group shall cease to exist upon submission of the report.

(g) Compensation and reimbursement.

(1) Except for those members regularly employed by the State, members of the Working Group shall be entitled to reimbursement of expenses as permitted under 32 V.S.A. § 1010 for not more than five meetings. These payments shall be made from monies appropriated to the Department of Labor.

(2) A legislative member of the Working Group serving in the member's capacity as a legislator shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 23 for not more than five meetings. These payments shall be made from monies appropriated to the General Assembly.

Sec. 3. 21 V.S.A. chapter 13 is amended to read:

CHAPTER 13. APPRENTICESHIP

§ 1111. DEFINITIONS

As used in this chapter:

* * *

(22) "Nontraditional ~~apprenticeship~~ population" means a group of individuals who have historically been excluded from various occupations, such as individuals from the same gender, race, or ethnicity, the members of which comprise fewer than 25 percent of the program participants in an apprenticeable occupation.

(23) "Nontraditional apprenticeship industry or occupation" refers to an industry sector or occupation that represents fewer than 10 percent of apprenticeable occupations or the programs under the national apprenticeship system, using the calendar year 2023 as the benchmark.

* * *

(33) "Underserved communities" means the populations sharing a particular characteristic, as well as geographic communities, who have been systematically denied a full opportunity to participate in aspects of economic, social, and civic life. This term includes individuals who ~~belong to~~

~~communities of color, such as Black and African American, Hispanic and Latino, Native American, Alaskan Native and Indigenous, Asian American, Native Hawaiian and Pacific Islander, Middle Eastern, and North African persons. It also includes individuals who belong to communities that face discrimination based on sex, sexual orientation, and gender identity, including lesbian, gay, bisexual, transgender, queer, gender non-conforming, and non-binary (LGBTQ+ persons); persons who face discrimination based on pregnancy or pregnancy-related conditions; parents; and caregivers. It also includes individuals who belong to communities that face discrimination based on their religion and disability; first-generation professionals or first-generation college students; individuals with limited English proficiency; immigrants; individuals who belong to communities that may face employment barriers based on older age or former incarceration; persons who live in rural areas; veterans and military spouses; and persons otherwise adversely affected by persistent poverty, discrimination, or inequality~~:

(A) face employment barriers based on age or former incarceration;

(B) live in rural areas;

(C) lack access to transportation options or high-speed internet;

(D) are veterans or spouses of veterans; and

(E) are otherwise adversely affected by poverty, discrimination, or inequality. ~~Individuals may belong to more than one underserved community and face intersecting barriers.~~

* * *

§ 1113. VERMONT REGISTERED APPRENTICESHIP PROGRAM

* * *

(e) Strategic planning and reporting. The Vermont Registered Apprenticeship Program shall:

(1) develop and disseminate a strategic plan once every five years, beginning on July 1, ~~2024~~ 2026, which shall include information on how the Program will implement the requirements of this chapter;

(2) prepare and submit to the Vermont General Assembly an annual report on the status of the Vermont Registered Apprenticeship Program on or before December 1 of each year that includes:

(A) general ~~program~~ Program statistics, including a list of programs by county;

(B) an analysis of apprentices in the ~~program~~ Program disaggregated by age, race, sex, gender identity, ~~New American status~~ language access needs, Veteran status, disability, industry, and education status, including participation in career ~~and~~ technical education;

(C) nontraditional occupations by gender and race;

(D) new occupations approved;

(E) an analysis of the average starting and ending wage by occupation;

(F) new sponsors, employers, or industries involved with programs over the previous period;

(G) a summary of how allocated funds were used and analysis of the impact of those funds, including uses of any federal funds awarded during the year; and

(H) a summary of significant activities of the ~~program~~ Program.

§ 1114. VERMONT APPRENTICESHIP ADVISORY BOARD

* * *

(c) Duties. The Board shall:

* * *

(6) Create and convene working groups that are tasked with specific activities related to improving the quality, safety, diversity, and alignment of apprenticeship programs. Working group membership is not limited to appointed members of the Board and shall be selected and serve at the discretion of the Chair.

(7) Ensure that the registered apprenticeship program addresses barriers to participation and completion of the program, including underserved populations.

(8) Strengthen relationships with community partners that serve:

(A) underserved populations and historically marginalized communities that have not previously accessed apprenticeship programs; and

(B) individuals who face systemic barriers to participation in the program as evidenced by a disproportionate lack of participation in apprenticeship programs.

* * *

§ 1119. APPRENTICES REGISTERED; AGREEMENT

* * *

(c) An apprenticeship agreement shall contain:

(1) the names and signatures of the apprentice, of the program sponsor or employer, and of a parent or guardian of the apprentice if the apprentice is a minor;

(2) the date of birth ~~and Social Security number~~ of the apprentice;

(3) the contact information of the program sponsor and the Vermont Registered Apprenticeship Program;

(4) a statement of the occupation in which the apprentice is to be trained and the beginning date and duration of apprenticeship;

* * *

(12) to conform to the federal Equal Employment Opportunity Act of 1972, 42 U.S.C. chapter 21, subchapter VI and for affirmative action compliance in apprenticeship programs, and for compliance with reporting and analysis of the Vermont Registered Apprenticeship Program, the voluntary disclosure of the apprentice's race, color, national origin, place of birth, sex, gender, gender identity, primary language spoken, age, veteran status, sexual orientation, ~~ethnicity,~~ and disability status; ~~and~~

(13) if the apprentice completed secondary school in Vermont and is between 18 and 25 years of age, the name of the secondary school from which the apprentice is a graduate, and if the apprentice attended a regional CTE center, the name of the center where the apprentice received technical education while in secondary school;

(14) a statement that the apprentice will be accorded equal opportunity in all phases of apprenticeship employment and training, without discrimination because of race, color, national origin, place of birth, sex, gender, gender identity, sexual orientation, age, primary language spoken, genetic information, veteran status, and disability status; and

(15) optional fields for:

(A) the Social Security number of the apprentice; and

(B) the demographic characteristics of the apprentice.

(d) An apprenticeship agreement shall not be modified unless it is in writing and signed by the parties.

* * *

§ 1123. PRE-APPRENTICESHIP PROGRAMS

* * *

(b) A pre-apprenticeship program may be ~~registered~~ certified by the Department after successfully demonstrating:

* * *

§ 1124. YOUTH APPRENTICESHIP PROGRAMS

(a) A youth apprenticeship program is one that prepares a youth apprentice for acceptance into an apprenticeship program and is designed for youth apprentices who ~~start the program while still enrolled in high school~~:

(1) have not completed secondary education;

(2) are in an educational program approved by the Agency of Education; and

(3) are enrolled in a career technical education program.

(b) A youth apprenticeship program may be registered by the Department after ~~submitting~~ a regional CTE center submits the following information to the Department:

(1) a written plan that articulates the work processes and how a youth apprentice will receive supervised work experience and on-the-job training or training in an experiential setting;

(2) how time spent by a youth apprentice in each major work process will be spent or that specifies how competencies or proficiencies are aligned between ~~their~~ the youth's high school education and the youth apprenticeship program, and that states which graduation requirements will be met;

(3) a description of the mentoring that will be provided to the youth apprentice;

(4) a description or timeline explaining the periodic reviews and evaluations of the youth ~~apprentices~~ apprentice's performance on the job and in related technical instruction;

(5) a process for maintaining appropriate progress records, including the reviews and evaluations;

(6) a description of related classroom-based instruction, which may be fulfilled through dual or concurrent enrollment ~~in secondary or post-secondary~~ courses;

(7) whether and how the program is aligned with high school diploma requirements ~~and career clusters~~;

(8) whether the program meets the related technical instruction requirements for an apprenticeship program;

(9) if a program includes paid work during or outside the school year and outside the school day, a progressively increasing, clearly defined schedule of wages to be paid to the youth apprentice as skills are mastered;

(10) how the program prepares the youth apprentice for placement in further education, employment, or ~~an~~ a registered apprenticeship program; ~~and~~

(11) ~~the terms by which the program grants advanced standing or credit to individuals applying for the youth apprenticeship with demonstrated competency or acquired experience, training, or skills~~ the procedure for advanced standing that grants credit for demonstrated competency, acquired experience, training, or skills to youths who are interested in transferring to full apprenticeship registration upon completion of the youth apprenticeship program;

(12) an accounting of costs for the program covered by the participating partners, grants, or other sources of funds; and

(13) an assurance that school staff, employer partners, and others involved in the program are aware of youth legal protections regarding child labor, wage payment, and youth apprenticeship and other applicable laws and regulations.

(c) An apprenticeship plan submitted in conformity with subsection (b) of this section shall be developed in partnership with apprenticeship sponsors for specific occupational areas and sending high schools.

* * *

Sec. 4. 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 vocational rehabilitation and apprenticeships"

Joint Resolution for Action

J.R.H. 10.

Joint resolution authorizing the 2026 Green Mountain Girls State educational program to use the State House.

PENDING QUESTION: Shall the resolution be adopted in concurrence?

(For text of resolution, see Senate Journal of May 1, 2026, page 855.)

NEW BUSINESS

Third Reading

H. 512.

An act relating to the regulation of the event ticketing market.

H. 536.

An act relating to toxic heavy metals in baby food products.

H. 559.

An act relating to the Parole Board.

H. 674.

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

H. 814.

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

H. 941.

An act relating to municipal regulation of agriculture.

Second Reading

Favorable

H. 270.

An act relating to confidentiality in peer support sessions for emergency service providers.

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

(Committee vote: 5-0-0)

(For House amendments, see House Journal of January 28, 2026, pages 2886-2889)

H. 385.

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

Reported favorably by Senator Gulick for the Committee on Finance.

(Committee vote: 7-0-0)

(For House amendments, see House Journal of March 17, 2026, pages 3292-3309)

Favorable with Recommendation of Amendment

S. 329.

An act relating to criminal procedures involving firearms.

Reported favorably with recommendation of amendment by Senator Baruth 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. § 4017 is amended to read:

§ 4017. PERSONS PROHIBITED FROM POSSESSING FIREARMS; CONVICTION OF VIOLENT CRIME

(a) A person shall not possess a firearm if the person has been convicted of a violent crime.

(b) A person who violates this section shall:

(1) for a first offense, be imprisoned not more than two years or fined not more than $1,000.00, or both; or

(2) for a second or subsequent offense, be imprisoned not more than three years or fined not more than $5,000.00, or both.

(c) This section shall not apply to a person who is exempt from federal firearms restrictions under 18 U.S.C. § 925(c).

(d) As used in this section:

(1)(A) "Firearm" means:

(i) any weapon (including a starter gun) that will or is designed to or may readily be converted to expel a projectile by the action of an explosive;

(ii) the frame or receiver of any such weapon; or

(iii) any firearm muffler or firearm silencer.

(B) "Firearm" ~~shall~~ does not include an antique firearm.

(2) "Antique firearm" means:

(A) Any firearm (including any firearm with a matchlock, flintlock, percussion cap, or similar type of ignition system) manufactured in or before 1898.

(B) Any replica of any firearm described in subdivision (A) of this subdivision (2) if the replica:

(i) is not designed or redesigned for using rimfire or conventional centerfire fixed ammunition; or

(ii) uses rimfire or conventional centerfire fixed ammunition that is no longer manufactured in the United States and that is not readily available in the ordinary channels of commercial trade.

(C) Any muzzle loading rifle, muzzle loading shotgun, or muzzle loading pistol that is designed to use black powder or a black powder substitute and that cannot use fixed ammunition. As used in this subdivision (C), "antique firearm" ~~shall~~ does not include a weapon that incorporates a firearm frame or receiver, a firearm that is converted into a muzzle loading weapon, or any muzzle loading weapon that can be readily converted to fire fixed ammunition by replacing the barrel, bolt, breechblock, or any combination thereof.

(3) "Violent crime" means:

(A)(i) A listed crime as defined in subdivision 5301(7) of this title other than:

(I) lewd or lascivious conduct as defined in section 2601 of this title;

(II) recklessly endangering another person as defined in section 1025 of this title;

(III) operating a vehicle under the influence of alcohol or other substance with either death or serious bodily injury resulting as defined in 23 V.S.A. § 1210(f) and (g);

(IV) careless or negligent operation resulting in serious bodily injury or death as defined in 23 V.S.A. § 1091(b);

(V) leaving the scene of an accident resulting in serious bodily injury or death as defined in 23 V.S.A. § 1128(b) or (c); or

(VI) a misdemeanor violation of chapter 28 of this title, relating to abuse, neglect, and exploitation of vulnerable adults; or

(ii) a comparable offense and sentence in another jurisdiction if the offense prohibits the person from possessing a firearm under 18 U.S.C. § 922(g)(1) or 18 U.S.C. § 921(a)(20).

(B) An offense involving sexual exploitation of children in violation of chapter 64 of this title~~,~~ or a comparable offense and sentence in another jurisdiction if the offense prohibits the person from possessing a firearm under 18 U.S.C. § 922(g)(1) or 18 U.S.C. § 921(a)(20).

(C) A violation of 18 V.S.A. § 4231(b)(2), (b)(3), or (c) (selling~~,~~ ~~dispensing,~~ or trafficking cocaine); 4232(b)(2) or (b)(3) (selling ~~or dispensing~~ LSD); 4233(b)(2), (b)(3), or (c) (selling~~, dispensing,~~ or trafficking heroin); 4234(b)(2) or (b)(3) (selling ~~or dispensing~~ depressants, stimulants, and narcotics); 4234a(b)(2), (b)(3), or (c) (selling~~, dispensing,~~ or trafficking methamphetamine); 4235(c)(2) or (c)(3) (selling ~~or dispensing~~ hallucinogenic drugs); 4235a(b)(2) or (b)(3) (selling ~~or dispensing~~ Ecstasy), or a comparable offense and sentence in another jurisdiction if the offense prohibits the person from possessing a firearm under 18 U.S.C. § 922(g)(1) or 18 U.S.C. § 921(a)(20).

(D) A conviction of possession with intent to distribute a controlled substance other than cannabis in another jurisdiction if the offense prohibits the person from possessing a firearm under 18 U.S.C. § 922(g)(1) or 18 U.S.C. § 921(a)(20).

Sec. 2. 13 V.S.A. § 4017a is amended to read:

§ 4017a. FUGITIVES FROM JUSTICE; PERSONS SUBJECT TO FINAL RELIEF FROM ABUSE OR STALKING ORDER; PERSONS CHARGED WITH CERTAIN OFFENSES; PROHIBITION ON POSSESSION OF FIREARMS

(a) A person shall not possess a firearm if the person:

(1) is a fugitive from justice;

(2) is the subject of a final relief from abuse order issued pursuant to 15 V.S.A. § 1103;

(3) is the subject of a final order against stalking issued pursuant to 12 V.S.A. § 5133 if the order prohibits the person from possessing a firearm; ~~or~~

(4) is a person against whom charges are pending for:

(A) carrying a dangerous weapon while committing a felony in violation of section 4005 of this title;

(B) trafficking a regulated drug in violation of 18 V.S.A. chapter 84, subchapter 1; ~~or~~

(C) human trafficking or aggravated human trafficking in violation of section 2652 or 2653 of this title; or

(5)(A)(i) has been found by the court to be a person in need of treatment or a patient in need of further treatment pursuant to section 4822 of this title and:

(I) not guilty by reason of insanity of a violent crime as defined in section 4017 of this title; or

(II) incompetent to stand trial for a violent crime as defined in section 4017 of this title; or

(ii) is the subject of a hospitalization order issued by the court pursuant to 18 V.S.A. § 7617(b)(1) or (2) or a nonhospitalization order issued by the court pursuant to 18 V.S.A. § 7617(b)(3).

(B) Subdivision (A) of this subdivision (5) shall not apply to a person if the Family Division grants a petition for relief from firearms disability for the person pursuant to section 4825 of this title.

(b) A person who violates this section shall:

(1) for a first offense, be imprisoned not more than two years or fined not more than $1,000.00, or both; or

(2) for a second or subsequent offense, be imprisoned not more than three years or fined not more than $5,000.00, or both.

(c) As used in this section:

(1) "Firearm" has the same meaning as in section 4017 of this title.

(2) "Fugitive from justice" means a person who has fled:

(A) to avoid prosecution for a ~~crime~~ Vermont criminal offense or for an offense that would be a crime if committed in Vermont; or

(B) to avoid giving testimony in a criminal proceeding.

Sec. 3. 13 V.S.A. § 4019a is amended to read:

§ 4019a. FIREARMS TRANSFERS; WAITING PERIOD

(a)(1) A person shall not transfer a firearm to another person until 72 hours after the licensed dealer facilitating the transfer is provided with a unique identification number for the transfer by the National Instant Criminal Background Check System (NICS) or seven business days have elapsed since the dealer contacted NICS to initiate the background check, whichever occurs first.

(2) If a firearm is transferred by mail, the 72-hour waiting period required by subdivision (1) of this subsection shall commence when the order is placed. This subdivision shall not apply unless the transferee provides the licensed dealer facilitating the transfer with a receipt and documentation of a verified tracking number indicating the date the firearm was purchased and mailed. If the transferee fails to provide a receipt and documentation of a

verified tracking number that satisfactorily indicates the purchase and mailing dates to the dealer, the dealer shall refuse to transfer the firearm to the transferee until completion of the waiting period required by subdivision (1) of this subsection.

(b) A person who transfers a firearm to another person in violation of subsection (a) of this section shall be imprisoned not more than one year or fined not more than $500.00, or both.

(c) This section shall not apply to a firearm transfer that does not require a background check under 18 U.S.C. § 922(t) or section 4019 of this title.

(d) As used in this section, "firearm" has the same meaning as in subsection 4017(d) of this title.

(e) [Repealed.]

(f) This section shall not apply to the return of a firearm, frame, or receiver to a person by a licensed dealer after the dealer has serialized it pursuant to federal law or section 4084 of this title if the dealer returns the firearm, frame, or receiver to the same person from whom it was received.

Sec. 4. 13 V.S.A. § 4022 is amended to read:

§ 4022. BUMP-FIRE STOCKS; MACHINE GUNS; POSSESSION PROHIBITED

(a) As used in this section~~,~~:

(1) ~~"bump-fire stock"~~ "Bump-fire stock" means a butt stock designed to be attached to a semiautomatic firearm and intended to increase the rate of fire achievable with the firearm to that of a fully automatic firearm by using the energy from the recoil of the firearm to generate a reciprocating action that facilitates the repeated activation of the trigger.

(2) "Machine gun" means any weapon that shoots, is designed to shoot, or can be readily restored to shoot automatically more than one shot without manual reloading, by a single function of the trigger. The term also includes the frame or receiver of any such weapon; any part designed and intended solely and exclusively, or combination of parts designed and intended, for use in converting a weapon into a machine gun; and any combination of parts from which a machine gun can be assembled if the parts are in the possession or under the control of a person. The term does not include any weapon or other item that is registered in the National Firearms Registration and Transfer Record maintained by the Bureau of Alcohol, Tobacco, Firearms and Explosives, or that is otherwise not subject to that registration requirement.

(b) A person shall not possess a bump-fire stock or a machine gun. A person who violates this subsection shall be imprisoned not more than one year or fined not more than $1,000.00, or both.

(c) The Department of Public Safety shall develop, promote, and execute a collection process that permits persons to voluntarily and anonymously relinquish bump-fire stocks prior to ~~the effective date of this section~~ October 1, 2018.

Sec. 5. 13 V.S.A. § 4028 is added to read:

§ 4028. POSSESSION OF FIREARMS PROHIBITED ON PREMISES LICENSED TO SERVE ALCOHOL

(a) A person shall not knowingly possess a firearm on premises where alcohol is licensed to be served.

(b) A person who violates this section shall be imprisoned for not more than one year or fined not more than $1,000.00, or both.

(c) This section shall not apply to:

(1)(A) a second-class licensed premises, including a premises used for a retail alcoholic beverage tasting permit;

(B) sidewalks or public highways that pass through an outside premises for which a licensee holds an outside consumption permit;

(C) the premises for which a licensee holds a limited event permit, special event permit, or special event serving permit; or

(D) a dining car for which a licensee holds a promotional railroad tasting permit; or

(2) a firearm possessed by:

(A) a federal law enforcement officer or a law enforcement officer certified as a law enforcement officer by the Vermont Criminal Justice Council pursuant to 20 V.S.A. § 2358 for legitimate law enforcement purposes;

(B) a law enforcement officer of another state who is authorized to carry a firearm by the officer's state or local law enforcement agency and is carrying the firearm for legitimate law enforcement purposes;

(C) a member of the Vermont National Guard, of the National Guard of another state, or of the U.S. Armed Forces who is on duty and acting under state or federal orders;

(D) any government officer, agent, or employee authorized to carry a weapon and acting within the scope of that person's duties; or

(E) the holder of the license for the premises, provided that person is not prohibited from possessing a firearm under state or federal law.

(d) The owner or operator of a premises where alcohol is licensed to be served shall cause notice of the provisions of this section to be posted conspicuously at each public entrance to the premises.

(e) As used in this section, "firearm" has the same meaning as in subsection 4017(d) of this title.

Sec. 6. 13 V.S.A. § 4824 is amended to read:

§ 4824. REPORTING; NATIONAL INSTANT CRIMINAL BACKGROUND CHECK SYSTEM

(a) If the court finds that a person is a person in need of treatment or a patient in need of further treatment pursuant to section 4822 of this title, the Court Administrator shall within 48 hours report the name of the person subject to the order to the National Instant Criminal Background Check System, established by Section 103 of the Brady Handgun Violence Prevention Act of 1993. The report shall include only information sufficient to identify the person, the reason for the report, and a statement that the report is made in accordance with 18 U.S.C. § 922(g)(4).

* * *

Sec. 7. EFFECTIVE DATE

This act shall take effect on passage.

(Committee vote: 3-2-0)

Favorable with Proposal of Amendment

H. 921.

An act relating to alcoholic beverages.

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

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

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

Second: In Sec. 6, 7 V.S.A. § 271, after the period at the end of subsection (g), by inserting "A licensed manufacturer of malt beverages shall retain copies of records of distribution and sales made pursuant to this subsection.

Annually, on or before January 15, a licensed manufacturer shall report to the Division in a manner and form required by the Commissioner the total amount of malt beverages distributed pursuant to this subsection during the preceding 12 months."

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

Sec. 7. [Deleted.]

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

* * * Caterer's License * * *

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

§ 2. DEFINITIONS

As used in this title:

* * *

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

* * *

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

§ 241. CATERER'S LICENSE; COMMERCIAL CATERING LICENSE

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

* * *

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

(Committee vote: 5-0-0)

(No House Amendments)

Reported favorably by Senator Brock for the Committee on Finance.

The Committee recommends that the bill ought to pass in concurrence with proposal of amendment as recommended by the Committee on Economic Development, Housing and General Affairs.

(Committee vote: 7-0-0)

H. 930.

An act relating to addressing and preventing chronic absenteeism.

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

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

Sec. 1. FINDINGS

The General Assembly finds that:

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

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

Sec. 2. LEGSLATIVE INTENT

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

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

Subchapter 3. Compulsory Attendance

§ 1120. DEFINITIONS

As used in this chapter:

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

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

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

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

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

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

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

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

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

(5) "Truancy" means a student who accumulates 20 or more unexcused absences either within the same school year or within a district's or approved independent school's last 175 consecutive student attendance days, regardless of whether the absences were within the same school year.

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

§ 1121. ATTENDANCE BY CHILDREN OF SCHOOL AGE REQUIRED

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

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

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

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

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

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

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

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

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

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

* * *

§ 1124. RESPONSE TO CHRONIC ABSENTEEISM

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

(1) The model policy shall:

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

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

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

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

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

(b) To minimize each student's loss of educational and developmental opportunities, and to ensure equity in the treatment of absenteeism and truancy for all students and families, each school district and each approved

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

* * *

§ 1126. FAILURE TO ATTEND; NOTICE

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

§ 1127. NOTICE AND COMPLAINT BY TRUANT OFFICER; PENALTY

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

~~cause and shall also notify that person to cause the child to attend school regularly thereafter~~ parent or guardian that the parent or guardian must comply with the obligations of section 1122 of this chapter.

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

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

§ 1128. ~~LEGAL PUPIL TAKEN TO SCHOOL; NONRESIDENT CHILD LIVING IN DISTRICT~~

~~(a) A superintendent may and the truant officer shall stop a child between the ages of six and 16 years or a child 16 years of age or over and enrolled in public school, wherever found during school hours, and shall, unless such child is excused or exempted from school attendance, take the child to the school that she or he should attend.~~

~~(b) A child of legal school age who is not exempt from school attendance and who has not finished the elementary school course and is living in a district other than the place of legal residence shall, with the school board's approval, be admitted immediately to a school in the district where he or she is found. If the child is not admitted to school, then immediate action shall be taken by the truant officer to cause the return of the child to the district of his or her residence.~~ [Repealed.]

§ 1129. JURISDICTION OF NONRESIDENTS

The superintendent of a school in which a nonresident pupil is enrolled and a truant officer having jurisdiction of the pupils in such school shall have the same authority and jurisdiction over such nonresident pupil and the ~~person having the control of such pupil~~ parent or guardian as they have over resident pupils and the ~~persons having control~~ parent or guardian of such pupils.

* * *

Sec. 4. 16 V.S.A. § 1162 is amended to read:

§ 1162. SUSPENSION OR EXPULSION OF STUDENTS

* * *

(e) A public school or an approved independent school may provide access to alternative education, such as tutoring, instructional materials, and assignments to a student during any period of suspension of three or more days. A public school or an approved independent school may provide access to alternative education, such as tutoring, instructional materials, and assignments to a student who has been expelled, except that the school shall provide educational access to the extent otherwise required by law.

Sec. 5. PREVENTION OF CHRONIC ABSENTEEISM; AGENCY OF EDUCATION POLICY; IMPLEMENTATION

(a) On or before March 15, 2027, the Agency of Education shall submit a written update on the efforts made to develop the model policy required pursuant to 16 V.S.A. § 1124. The Agency shall include the most recent draft model policy and most recent draft templates required to be developed as part of the model policy.

(b) The Agency of Education shall adopt and publish the model policy required pursuant to 16 V.S.A. § 1124 on or before July 1, 2027.

(c) School boards and the governing bodies of approved independent schools shall adopt and implement a chronic absenteeism policy as required by 16 V.S.A. § 1124 on or before July 1, 2028.

Sec. 6. REPEAL

16 V.S.A. § 1076 (penalties) is repealed.

Sec. 7. HOME STUDY PROGRAM; AGENCY OF EDUCATION RECOMMENDATIONS; REPORT

On or before December 1, 2026, the Agency of Education shall submit a written report to the House and Senate Committees on Education with recommendations for updates to Vermont's home study program law.

Sec. 8. EFFECTIVE DATE

This act shall take effect on July 1, 2026.

(Committee vote: 5-0-1)

(For House amendments, see House Journal of March 20, 2026, page 3447)

House Proposal of Amendment

S. 142.

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

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

Sec. 1. PATHWAY TO LICENSURE FOR INTERNATIONALLY TRAINED PHYSICIANS; 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. The report shall include the following information:

(1) a summary of other states' processes for licensing internationally trained physicians 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 the availability of these resources;

(3) a proposal for licensing internationally trained physicians to practice medicine in Vermont, including potential qualifications and supervision requirements for licensure, proposed requirements for recency of practice, 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 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; the Windham County Branch 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. 2. 26 V.S.A. § 1391 is amended to read:

§ 1391. QUALIFICATIONS FOR MEDICAL LICENSURE

* * *

(g) Internationally trained physicians. The Board may issue:

(1) a provisional license to practice at a participating health care facility, as defined in section 1397 of this chapter, to an internationally trained physician who meets the requirements for provisional licensure established by the Board by rule pursuant to section 1396 of this chapter; and

(2) a full license to an internationally trained physician who has successfully completed the pathway to licensure established by the Board by rule pursuant to section 1396 of this chapter.

Sec. 3. 26 V.S.A. § 1396 is added to read:

§ 1396. PATHWAY TO LICENSURE FOR INTERNATIONALLY TRAINED PHYSICIANS; RULEMAKING

Pursuant to the authority of the Commissioner in subsection 1351(e) of this chapter, the Board shall adopt rules in accordance with 3 V.S.A. chapter 25 as needed to enable the licensure of internationally trained physicians as set forth in subsection 1391(g) of this chapter. The rules adopted by the Board shall reflect the least restrictive form of regulation necessary to protect the public interest and shall include:

(1) the qualifications necessary for an internationally trained physician to obtain a provisional license to practice at a participating health care facility, as defined in section 1397 of this chapter;

(2) the standards for participating health care facilities to use for the evaluation and assessment of the holder of a provisional license; and

(3) the additional qualifications necessary for an internationally trained physician to obtain a full license to practice medicine in this State following successful completion of the provisional licensure period.

Sec. 4. 26 V.S.A. § 1397 is added to read:

§ 1397. PARTICIPATING HEALTH CARE FACILITIES

(a) As used in this section:

(1) "Health care facility" means a hospital, federally qualified health center, or community health center.

(2) "Participating health care facility" means a health care facility that meets the requirements of this section and has the capacity to provide an assessment and evaluation program designed in accordance with rules adopted by the Board pursuant to section 1396 of this chapter to evaluate an internationally trained physician holding a provisional license issued pursuant to subdivision 1391(g)(1) of this chapter.

(b) In order to be eligible to be a participating health care facility for purposes of subdivision 1391(g)(1) and section 1396 of this chapter, a health care facility shall:

(1) agree to provide medical mentoring, evaluation, assessment, and support in navigating the U.S. health care system by one or more fully licensed physicians employed by the health care facility to a provisionally licensed physician using an evaluation and assessment system that meets the standards established by the Board by rule pursuant to section 1396 of this chapter;

(2) ensure that the mentoring, evaluation, assessment, and support of a provisionally licensed physician is provided by one or more physicians who are licensed under 26 V.S.A. chapter 33 or this chapter and who are physically located in Vermont and that the provisionally licensed physician provides services only to patients physically located in Vermont;

(3) carry medical malpractice insurance covering the provisionally licensed physician for the duration of that physician's employment by the participating health care facility; and

(4) not retaliate against or discipline a provisionally licensed physician for making a complaint or pursuing enforcement of an employment-related claim.

Sec. 5. EFFECTIVE DATES

(a) Sec. 1 (pathway to licensure for internationally trained physicians; report) and this section shall take effect on passage.

(b) Sec. 3 (26 V.S.A. § 1396; pathway to licensure for internationally trained physicians; rulemaking) shall take effect on July 1, 2027.

(c) Secs. 2 (26 V.S.A. § 1391; qualifications for medical licensure) and 4 (26 V.S.A. § 1397; participating health care facilities) shall take effect on July 1, 2028.

and that after passage the title of the bill be amended to read: "An act relating to a pathway to licensure for internationally trained physicians"

S. 179.

An act relating to the Uniform Disclaimer of Property Interests Act.

The House proposes to the Senate to amend the bill in Sec. 1, 14 V.S.A. chapter 129, in subsection 4105(c), after the word "minor" by inserting the word "child"

S. 227.

An act relating to creating immigration protocols in Vermont schools.

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

Sec. 1. PURPOSE

The purpose of this act is to secure the right of every child to equal access to a free public education and to a school that is safe from intimidation and fear, regardless of immigration status. In order to ensure the right to educational equality, schools must take steps to protect the integrity of school learning environments for all children, so that no parent is discouraged from sending a child to, and no child is discouraged from attending, school, including due to the threat of immigration enforcement on a school campus.

Sec. 2. 16 V.S.A. chapter 33 is amended to read:

CHAPTER 33. FIRE AND EMERGENCY PREPAREDNESS DRILLS ~~AND~~, SAFETY PATROLS, AND IMMIGRATION PROTOCOLS

* * *

§ 1486. IMMIGRATION PROTOCOLS

(a) Definitions. As used in this section:

(1)(A) "Law enforcement officer" has the same meaning as in 20 V.S.A. § 2351a and includes any officer of a federal law enforcement agency or any person acting on behalf of a local, state, or federal law enforcement agency.

(B) "Law enforcement officer" does not include a school resource officer or safety officer who is stationed at a school.

(2) "Nonpublic area of a school" means an area of a school that normally requires authorization to enter, consistent with the policy required by section 1484 of this chapter, and includes any area a superintendent or head of school or designee determines to be nonpublic.

(3) "School" means a public school or an independent school approved under section 166 of this title.

(b) Immigration resources and support.

(1) A superintendent or head of school shall:

(A) distribute the immigration resource guide developed by the Office of the Attorney General pursuant to subdivision (2) of this subsection (b) to staff, students, and family members of students;

(B) at each school the superintendent or head of school oversees, designate at least one individual to serve as a resource for immigration-related matters who shall receive on an ongoing basis updated information and training material as provided to the superintendent or head of school by the Office of the Attorney General; and

(C) provide support, to the greatest extent possible, to a student with regard to immigration-related concerns, including connecting the student and the student's family with an immigration advocacy institution and similar resources.

(2)(A) The Office of the Attorney General, in consultation with the Agency of Education, shall develop an immigration resource guide that shall:

(i) include immigration- and civil rights–related resources; information regarding standby guardianships pursuant to 14 V.S.A § 2626a; and a list of immigration, human rights, and relevant advocacy organizations available to provide immigration assistance to students and staff; and

(ii) be developed in a manner that serves to protect the privacy and safety of students and staff.

(B) The Office of the Attorney General shall review the guide at least once annually and send any updates made to the guide to the Agency of Education for distribution to all superintendents and heads of schools not later than 30 days after completing the update.

(c) Student information privacy. School districts and independent schools are prohibited from:

(1) collecting or requesting information regarding citizenship or immigration status of a student or of a family member of the student except as

required by State or federal law or as required to administer a State- or federally supported educational program;

(2) disclosing a student's immigration status, citizenship, place of birth, nationality, or national origin:

(A) in any database that the school maintains; or

(B) as directory information, as that term is defined by the Family Educational Rights and Privacy Act (FERPA), 20 U.S.C. § 1232g and 34 C.F.R. Part 99; and

(3) voluntarily sharing student information, including immigration status, citizenship, place of birth, nationality, national origin, sexual orientation, status as a survivor of domestic violence or sexual assault, status as a recipient of public assistance, or school discipline records, with a third party unless required to do so by State or federal law.

(d) Law enforcement on-site and requests for information.

(1) A superintendent or head of school shall:

(A) subject to subdivision (B) of this subdivision (1), be the sole authority to admit a law enforcement officer who appears on an immigration-related matter into a nonpublic area of school; and

(B) designate at least one individual who works at each school to serve as a designee of the superintendent or head of school in the event that the superintendent or head of school is not present when the law enforcement officer appears on-site.

(2) The superintendent or head of school or designee shall not allow a law enforcement officer appearing on an immigration-related matter into a nonpublic area of a school unless the officer provides official identification and a judicial warrant that authorizes entrance into a specific area of the school and names a specific individual located within the school who is subject to a search or arrest.

(3) Absent a judicial warrant pursuant to subdivision (2) of this subsection, no school or individual working at a school shall reveal any information about a student or school staff member in response to an immigration-related request from a law enforcement officer unless otherwise required by law.

(4) As used in this subsection, "immigration-related matter" and "immigration-related request" mean an administrative warrant, civil warrant, immigration detainer, or any other document or request that pertains to an individual's immigration or citizenship status.

(e) Immigration agreements.

(1) Except as required by State or federal law, no school, school district, or supervisory union shall enter into an agreement with a State, local, or federal government entity that furthers the enforcement of any immigration law.

(2)(A) Any proposed agreement pursuant to subdivision (1) of this subsection (e) that purports to be required by State or federal law shall be subject to review by the superintendent or head of school after the superintendent or head of school has consulted with the Office of the Attorney General.

(B) The superintendent or head of school shall provide a recommendation on the proposed agreement to the school's appropriate governing body after the superintendent's or head of school's review pursuant to subdivision (A) of this subdivision (2).

(f) Applicability. Nothing in this section is intended to prohibit or impede any public agency from complying with the lawful requirements of 8 U.S.C. §§ 1373 and 1644. To the extent any school, school district, or supervisory union policy or practice conflicts with the lawful requirements of 8 U.S.C. §§ 1373 and 1644, the policy or practice is, to the extent of such conflict, abolished.

(g) Policy required.

(1) Model policy and recommended procedures. On or before January 1, 2027, the Agency of Education, in consultation with the Office of the Attorney General, the Vermont Independent Schools Association, and the Vermont School Boards Association, shall develop, and review at least annually, a model policy along with recommended procedures that reflect the requirements set forth in subsections (c) and (d) of this section.

(2) Adoption of policy and procedures.

(A) Beginning with the 2027–2028 school year, each school board shall develop, adopt, ensure the enforcement of, and make available in the manner described under subdivision 563(1) of this title an immigration protocol policy that shall be at least as stringent as the model policy developed by the Agency. Any school board that fails to adopt a policy shall be presumed to have adopted the most current model policy published by the Agency.

(B) Beginning with the 2027–2028 school year, each independent school shall develop, adopt, and ensure the enforcement of an immigration protocol policy that shall be at least as stringent as the model policy developed

by the Agency. Any approved independent school that fails to adopt a policy shall be presumed to have adopted the most current model policy published by the Agency.

Sec. 3. IMMIGRATION RESOURCE GUIDE

The Office of the Attorney General shall complete the immigration resource guide required pursuant to 16 V.S.A. § 1486(b)(2) on or before August 1, 2026, and shall send the completed guide to the Agency of Education for distribution to all superintendents and heads of schools on or before August 31, 2026.

Sec. 4. EFFECTIVE DATE

This act shall take effect on passage.

S. 230.

An act relating to fair employment practices.

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

Sec. 1. 21 V.S.A. § 471 is amended to read:

§ 471. DEFINITIONS

As used in this subchapter:

* * *

(5) "Employee" means a person who, in consideration of direct or indirect gain or profit, has been continuously employed by the same employer for a period of one year for an average of at least 30 hours per week or meets the service requirement set forth in 29 C.F.R. § 825.801 (airline flight crew employees) or 29 C.F.R. § 825.110(c)(3) (full-time teachers, as defined in 29 C.F.R. § 825.102, of an elementary or secondary school system or institution of higher education).

* * *

Sec. 2. 21 V.S.A. § 495d is amended to read:

§ 495d. DEFINITIONS

As used in this subchapter:

* * *

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

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

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

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

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

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

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

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

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

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

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

* * *

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

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

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

Sec. 3. 21 V.S.A. § 495g is amended to read:

§ 495g. ~~PROVISION APPLICABLE TO COLLEGE PROFESSORS~~

~~Nothing in this subchapter shall be construed to prohibit any institution of higher education as defined by section 1201(a) of the federal Higher Education Act of 1965 from retiring any employee who is serving under a contract of unlimited tenure, who attains 70 years of age. Any employee whose tenure contract is terminated may, in the discretion of the institution, be allowed to continue in the employ of the institution on a nontenured basis.~~ [Repealed.]

Sec. 3a. 21 V.S.A. § 383 is amended to read:

§ 383. DEFINITIONS

As used in this subchapter:

(1) "Commissioner" means the Commissioner of Labor or designee.

(2) "Employee" means any individual employed or permitted to work by an employer except:

* * *

(H) outside salespersons; ~~and~~

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

(J) elected and appointed municipal officers.

* * *

Sec. 3b. 21 V.S.A. § 495q is added to read:

§ 495q. AGREEMENTS NOT TO COMPETE; PROHIBITION

(a) Nonexempt employees. Agreements not to compete between an employer and a nonexempt employee, per the Fair Labor Standards Act, 29 U.S.C. §§ 201–219, are prohibited as presumptively coercive and a restraint on trade, unless bargained for as part of a collective bargaining agreement.

(b) Health care providers.

(1) Any provision in a contract or agreement that creates or establishes the terms of a partnership, employment, or any other form of professional relationship with a health care provider regarding the health care provider's provision of health care services in Vermont shall be void and unenforceable if the provision:

(A) includes a restriction on the right of the health care provider to provide health care services in any geographical area for any period of time after the termination of such partnership, agreement, or professional relationship;

(B) limits the ability of a separating health care provider to provide notice of the provider's change of employment to individuals to whom the separating provider provided direct health care services;

(C) restricts a health care provider from making disparaging statements about another party to the contract or agreement, or about another person specified in the agreement as a third-party beneficiary of the agreement;

(D) is inconsistent with Vermont law; or

(E) requires litigation arising from the performance of the contract or agreement in Vermont to be conducted in another state.

(2) The notice provided in subdivision (1)(B) of this subsection may include the following information:

(A) that the health care provider is continuing to practice the provider's profession;

(B) the health care provider's new professional contact information; and

(C) the recipient's right to choose a health care provider.

(3) The provisions in subdivision (1) of this subsection do not apply to restrictions that limit a health care provider who contracts with a third-party company for nonclinical business support services from opening a business within a specific territory supported by a different third-party company providing nonclinical services.

(c) Retaliation and remedies. An employer shall not discharge or in any other manner retaliate against an employee who exercises or attempts to exercise the employee's rights under this section. The provisions against retaliation in subdivision 495(a)(8) of this subchapter and the penalty provisions of section 495b of this subchapter shall apply to this section.

(d) Effective date. This section shall apply to agreements not to compete entered into on or after July 1, 2026.

Sec. 4. EFFECTIVE DATE

This act shall take effect on July 1, 2026.

S. 298.

An act relating to creating the Vermont Voting Rights Act.

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

* * * Voter Protections Act * * *

Sec. 1. SHORT TITLE

This act may be cited as the "Voter Protections Act of 2026."

Sec. 2. 17 V.S.A. chapter 35 is amended to read:

CHAPTER 35. OFFENSES AGAINST THE PURITY OF ELECTIONS

* * *

Subchapter 2. Penalties Upon Voters

* * *

§ 1972. SHOWING BALLOT~~; INTERFERENCE WITH VOTER~~

~~(a)~~ A voter who, except in cases of assistance as provided in this title, allows ~~his or her~~ the voter's ballot to be seen by another person with an apparent intention of letting it be known how ~~he or she~~ the voter is about to vote or makes a false statement to the presiding officer at an election as to ~~his or her~~ the voter's inability to mark ~~his or her~~ the voter's ballot or places a distinguishing mark on ~~his or her~~ the voter's ballot ~~or a person who interferes with a voter when inside the guard rail or who, within the building in which the voting is proceeding, endeavors to induce a voter to vote for a particular candidate,~~ shall be fined $1,000.00.

~~(b) It shall be the duty of the election officers to see that the offender is duly prosecuted for a violation of this section.~~

* * *

§ 1975. INTERFERENCE WITH VOTERS AND ELECTION OFFICIALS

(a) No person shall intentionally or recklessly intimidate, threaten, or coerce, or attempt to intimidate, threaten, or coerce:

(1) any other person for the purpose of:

(A) obstructing the right of the other person to vote or to vote as the other person may choose; or

(B) causing the other person to vote for, or not to vote for, any candidate for public office or public question at any election; or

(2) a public servant, an election official, or a public employee for the purpose of obstructing the administration of an election.

(b) A person who violates subsection (a) of this section shall be imprisoned not more than two years or fined not more than $2,000.00, or both.

§ 1976. IMPAIRMENT OF VOTING RIGHTS OF REGISTERED VOTERS

Nothing in this chapter shall be construed to deny, impair, or otherwise adversely affect the right to vote of any registered voter.

* * *

Subchapter 4. Use of Synthetic Media in Elections

* * *

Subchapter 5. Enforcement and Investigation

* * *

Subchapter 6. Voter Protections

§ 2045. VOTE DENIAL OR DILUTION

(a) No voting qualification or prerequisite to voting or standard, practice, or procedure shall be imposed or applied by the State or any municipality in a manner that results in a denial or abridgement of the right of any citizen of the United States to vote based on race or color, membership in a language minority group, or having a disability as defined in 9 V.S.A. § 4501.

(b) A violation of subsection (a) of this section is established if, on the basis of the totality of circumstances, it is shown that the political processes leading to nomination or election in the State or a municipality are not equally open to participation by members of a protected class in that its members have less opportunity than other members of the electorate to participate in the political processes or to elect representatives of their choice. The extent to which members of a protected class have been elected to office in the State or municipality is one circumstance that may be considered.

(c) Nothing in this section shall be construed to establish a right to have members of a protected class elected in numbers equal to their proportion in the population.

(d) As used in this section:

(1) "Municipality" means a town, city, village, school district, or other political subdivision that holds public elections.

(2) "Protected class" means a group of citizens protected from discrimination based on race or color, membership in a language minority group, or having a disability as defined in 9 V.S.A. § 4501.

§ 2046. CIVIL ACTIONS BY ATTORNEY GENERAL

(a) Whenever the Attorney General has reasonable cause to believe that a violation of this subchapter has occurred and that the rights of any voter or

group of voters have been affected by such violation, the Attorney General may initiate a civil action in the Civil Division of the Superior Court in the county in which the alleged violation has occurred for appropriate relief.

(b) In such civil action, the court may:

(1) award such preventive relief, including a permanent or temporary injunction, restraining order, or other order against the person responsible for a violation of this title, as is necessary to ensure the full enjoyment of the rights granted by this title;

(2) assess a civil penalty against the respondent of not more than $5,000.00 for a first violation and of not more than $25,000.00 for any subsequent violation; and

(3) issue an order requiring reimbursement to the State of Vermont for the reasonable value of its services and its expenses in investigating and prosecuting the action.

* * * Voter Checklists * * *

Sec. 3. 17 V.S.A. § 2154 is amended to read:

§ 2154. STATEWIDE VOTER CHECKLIST

* * *

(c)(1) Any person wishing to obtain a copy of all of the statewide voter checklist ~~must~~, a municipality's portion of the statewide voter checklist, or any other municipal voter checklist shall swear or affirm, under penalty of perjury pursuant to 13 V.S.A. chapter 65, that the person will not:

(A) use the checklist for commercial purposes; or

(B) knowingly disclose the checklist to any foreign government or to a federal agency or commission or to a person acting on behalf of a foreign government or of such a federal entity in circumvention of the prohibited purposes for using the checklist set forth in subdivision (b)(2) of this section.

(2) ~~The~~ In the case of the statewide voter checklist, the affirmation shall be filed with the Secretary of State. In the case of a municipality's portion of the statewide voter checklist or any other municipal voter checklist, the affirmation shall be filed with the municipal clerk.

* * *

* * * Disclosures for Candidates for State, Legislative, and County Office * * *

Sec. 4. 17 V.S.A. § 2414 is amended to read:

§ 2414. CANDIDATES FOR STATE ~~AND~~, LEGISLATIVE, AND COUNTY OFFICE; DISCLOSURE FORM

* * *

(f)(1) The State Ethics Commission shall provide informational resources to candidates and answer candidates' questions regarding the requirements of this section, how to accurately complete and submit the disclosure form, and the penalties for failing to properly file the disclosure form pursuant to section 2415 of this title. The Commission shall make available on its web page the disclosure form, preprepared responses to frequently asked questions, and any informational resources and materials that it deems necessary to adequately inform candidates of how to comply with the provisions of this section. Upon contact by a candidate, the Commission shall provide answers to the candidate's questions by email or by phone, whichever the candidate may prefer.

(2) The Office of the Secretary of State shall provide hyperlinks from its web page connecting to the disclosure form and other materials and resources required of the State Ethics Commission pursuant to subdivision (1) of this subsection.

Sec. 5. SUSPENSION OF DISCLOSURE PENALTIES FOR CANDIDATES FOR STATE, LEGISLATIVE, AND COUNTY OFFICE

Notwithstanding 17 V.S.A. § 2415, through May 30, 2027, the State Ethics Commission shall not enforce against any delinquent filers, nor shall the Office of the Secretary of State notify the State Ethics Commission of the names of delinquent filers, nor shall the candidates for State office, county office, State Senator, and State Representative be otherwise penalized for delinquently filing a disclosure.

* * * Safety Protections for Candidates * * *

Sec. 6. 17 V.S.A. § 2901 is amended to read:

§ 2901. DEFINITIONS

As used in this chapter:

* * *

(7) "Expenditure" means a payment, disbursement, distribution, advance, deposit, loan, or gift of money or anything of value, paid or promised to be paid, for the purpose of influencing an election, advocating a position on a public question, or supporting or opposing one or more candidates.

(A) Expenditures may include those expenses that are necessary to allow a candidate to campaign, such as expenses for the care of a dependent family member that are incurred as a direct result of campaign activity or for the provision of monitoring systems, protective detail, and cybersecurity related to a candidate's security.

* * *

* * * Effective Date * * *

Sec. 7. 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 voter protections"

NOTICE CALENDAR

Second Reading

Favorable with Proposal of Amendment

H. 660.

An act relating to fiscal year 2027 Opioid Abatement Special Fund appropriations.

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

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

* * * Opioid Abatement Special Fund * * *

Sec. 1. APPROPRIATIONS; OPIOID ABATEMENT SPECIAL FUND

(a) In fiscal year 2027, the following sums shall be appropriated from the Opioid Abatement Special Fund established in 18 V.S.A. § 4774:

(1)(A) $455,000.00 to the Department of Health to fund 26 outreach or case management staff positions within the preferred provider network for the provision of services that increase the motivation of and engagement with individuals with substance use disorder in settings such as police barracks, shelters, social service organizations, and elsewhere in the community.

(B) It is the intent of the General Assembly that these positions shall be funded annually by the Opioid Abatement Special Fund unless and until the Special Fund does not have sufficient monies to fund this expenditure.

(2)(A) $1,600,000.00 to the Department of Health for recovery residences certified by the Vermont Alliance for Recovery Residences.

(B) It is the intent of the General Assembly that recovery residences be funded annually by the Opioid Abatement Special Fund unless and until the Special Fund does not have sufficient monies to fund this expenditure.

(3)(A) $850,000.00 to the Department of Health for syringe services.

(B) It is the intent of the General Assembly that syringe services be funded annually by the Opioid Abatement Special Fund unless and until the Special Fund does not have sufficient monies to fund this expenditure.

(4) $1,100,000.00 to the Department of Corrections to provide peer recovery center coaches in Vermont correctional facilities and in probation and parole offices to provide group and individual coaching and reentry support, which shall not be used to cover administrative expenses.

(5) $250,000.00 to the Department for Children and Families' Office of Economic Opportunity to support long-term programs at shelters for individuals experiencing homelessness, including harm-reduction supports, transportation to recovery meetings and appointments, and clinical nursing programs.

(6)(A) $600,000.00 to the Department of Health for the creation of new recovery residence beds at National Alliance for Recovery Residences (NARR) certification level III or above.

(B) $600,000.00 to the Department of Health for opioid use disorder residential treatment beds at American Society of Addiction Medicine level 3.1.

(7) $248,000.00 to the Department of Health for the Prehospital Vermont EMS Buprenorphine Treatment (PREVENT) Program to expand training for emergency service providers on carrying buprenorphine and administering buprenorphine after administering naloxone.

(8) $35,000.00 to the Department of Health to subsidize room and board for individuals in Rutland Mental Health Services' transitional housing program.

(9) $237,646.00 to the Department of Health for distribution to Springfield Project ACTION to support public safety enhancement team coordinator positions in Bennington, Springfield, Brattleboro, St. Johnsbury, and central Vermont for the purposes of providing administrative support, meeting facilitation, data tracking, outreach event coordination, and sustainability planning.

(10) $800,000.00 to the Department of Health for distribution to recovery centers.

(11) $287,000.00 to the Department of Public Safety to provide funding for expanding the Public Safety Enhancement Team's harm reduction and strategic community intervention efforts.

(12)(A) $1,100,000.00 to the Department of Health for the purpose of awarding grants to the City of Burlington to establish an overdose prevention center, provided, however, that the Department shall not distribute funding until a location for the overdose prevention center has been procured by lease or purchase, the overdose prevention center is being fit up for its intended use, and the overdose prevention center is currently or will imminently become operational.

(B) It is the intent of the General Assembly to continue to appropriate funds annually from the Opioid Abatement Special Fund through at least fiscal year 2028 for the purpose of awarding grants to the City of Burlington for the operation of the overdose prevention center, unless and until the Special Fund does not have sufficient monies to fund this expenditure.

(b) Notwithstanding 32 V.S.A. § 703, unless reverted by a future act of the General Assembly, the appropriations made in accordance with this section shall carry forward until fully expended.

Sec. 2. 2023 Acts and Resolves No. 22, Sec. 14, as amended by 2024 Acts and Resolves No. 113, Sec. C.112, is further amended to read:

Sec. 14. APPROPRIATION; OPIOID ABATEMENT SPECIAL FUND

In fiscal year 2023, the following monies shall be appropriated from the Opioid Abatement Special Fund pursuant to 18 V.S.A. § 4774:

(1)(A) $1,500,000 ~~divided equally between four opioid treatment programs~~ to cover costs associated with partnering with other health care providers to expand satellite locations for the dosing of medications, including costs associated with the satellite locations' physical facilities, staff time at the satellite locations, and staff time at opioid treatment programs to prepare medications and coordinate with satellite locations;

(B) the satellite locations established pursuant to this subdivision (1) shall be located in Addison County~~,~~ and eastern or southern Vermont~~, and in a facility operated by the Department of Corrections~~;

(2) $500,000 to establish a ~~second Chittenden Clinic Addiction Treatment Center~~ satellite location in northwestern Vermont;

* * *

Sec. 3. 18 V.S.A. § 4772 is amended to read:

§ 4772. OPIOID SETTLEMENT ADVISORY COMMITTEE

* * *

(c) Powers and duties. The Advisory Committee shall demonstrate broad ongoing consultation with individuals living with opioid use disorder about their direct experience with related systems, including medication for opioid use disorder, residential treatment, recovery services, harm reduction services, overdose, supervision by the Department of Corrections, and involvement with the Department for Children and Families' Family Services Division. To that end, the Advisory Committee shall demonstrate consultation with individuals with direct lived experience of opioid use disorder, frontline support professionals, the Substance Misuse Oversight Prevention and Advisory Council, the Health Equity Advisory Commission, and other stakeholders to identify spending priorities as related to opioid use disorder prevention, intervention, treatment, and recovery services and harm reduction strategies for the purpose of providing recommendations to the Governor, the Department of Health, and the General Assembly on prioritizing spending from the Opioid Abatement Special Fund. Each ongoing funding proposal considered by the Advisory Committee shall include a sustainability plan from the applicant to ensure consideration of future expenses and available resources apart from the Opioid Abatement Special Fund. The Advisory Committee shall consider:

(1) the impact of the opioid crisis on communities throughout Vermont, including communities' abatement needs and proposals for abatement strategies and responses;

(2) the perspectives of and proposals from opioid use disorder prevention coalitions, recovery centers, and medication for opioid use disorder providers; and

(3) the ongoing challenges of the opioid crisis on marginalized populations, including individuals who have a lived experience of opioid use disorder.

* * *

Sec. 4. APPROPRIATION REVIEW; FISCAL YEAR 2028 PROPOSAL SUSPENSION

The Opioid Settlement Advisory Committee shall not accept funding proposals from the Opioid Abatement Special Fund for fiscal year 2028, unless a proposal was previously identified in statute as intended for annual funding. It instead shall review the outcomes of programs and initiatives

previously funded through the Opioid Abatement Special Fund to assess effectiveness, long-term sustainability, and the appropriateness of the Opioid Abatement Special Fund as a funding source, where applicable. If funds are available after making fiscal year 2028 appropriations recommendations for previously funded programs and initiatives, the Opioid Settlement Advisory Committee shall identify specific areas of focus and shall make funding recommendations within those areas based on needs assessments and statewide data rather than requesting new proposals.

Sec. 5. QUARTERLY REPORTING; EXPENDITURE OF OPIOID ABATEMENT SPECIAL FUND MONIES

The Department of Health shall submit to the General Assembly quarterly reports regarding expenditures from the Opioid Abatement Special Fund. Specifically, the reports shall identify funds appropriated from the Special Fund that remain unobligated or unspent, or both, and shall include an explanation as to why the funds have not been fully distributed. Reports due on October 1, 2026, and July 1, 2027, shall be submitted to the Joint Fiscal Committee. Reports due on January 1, 2027, and April 1, 2027, shall be submitted to the House Committees on Appropriations and on Human Services and to the Senate Committees on Appropriations and on Health and Welfare. The Department shall post reports required pursuant to this section on its website.

Sec. 6. REVERSIONS

Notwithstanding any provision of law to the contrary, in fiscal year 2027, the following amounts shall revert to the Opioid Abatement Special Fund from the accounts indicated:

3420892313	VDH-Opioid Sp. Fund Prov Satellites	$444,000.00
3420892313	VDH-Opioid Sp. Fund Wound Care	$8,287.34
3420892501	VDH-Opioid Sp. Fund Stabilization Beds	$1,000,000.00

* * * Substance Misuse Prevention Special Fund * * *

Sec. 7. APPROPRIATIONS; SUBSTANCE MISUSE PREVENTION SPECIAL FUND

In fiscal year 2027, the following monies shall be appropriated from the Substance Misuse Prevention Special Fund established pursuant to 18 V.S.A. § 4812:

(1) $288,935.00 to the Department of Health for distribution to Elevate Youth Services to support the creation of a low-barrier, drop-in teen center in

Barre to provide food, activities, positive adults role models, peer counselors, prevention and recovery programming, and direct connection to treatments;

(2) $124,999.00 to the Department of Health for distribution to the Greater Falls Connections to enhance youth engagement and education and to expand prevention-focused staffing and youth programming space in response to increasing community need;

(3) $200,000.00 to the Department of Health for distribution to Interaction: Friends for Change to increase access to community-based therapy, housing, crisis, medical, recovery, and employment supports for youth in Windham County; and

(4) $26,697.00 to the Department of Health for distribution to Winooski Partnership for Prevention to provide funding for staff time and stipends for partners to deliver medicine safety education to elementary-aged youth during school with family engagement.

Sec. 8. 18 V.S.A. § 4812 is amended to read:

§ 4812. SUBSTANCE MISUSE PREVENTION SPECIAL FUND

* * *

(e) As part of its annual budget presentation, the Department shall report to the House Committees on Appropriations and on Human Services and to the Senate Committees on Appropriations and on Health and Welfare on its specific spending proposal from the Substance Misuse Prevention Special Fund for the coming fiscal year. The report shall include an estimate of the monies in the Special Fund anticipated to remain unallocated at the end of the fiscal year.

* * * Effective Date * * *

Sec. 9. 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 fiscal year 2027 Opioid Abatement Special Fund and Substance Misuse Prevention Special Fund appropriations"

(Committee vote: 5-0-0)

(For House amendments, see House Journal of March 19, 2026, pages 3409-3418)

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

The Committee recommends that the bill ought to pass in concurrence with proposal of amendment as recommended by the Committee on Health and Welfare, with further recommendation of proposals of amendment thereto:

First: By striking out Sec. 3, 18 V.S.A. § 4772, in its entirety and inserting a new Sec. 3 to read as follows:

Sec. 3. 18 V.S.A. § 4772 is amended to read:

§ 4772. OPIOID SETTLEMENT ADVISORY COMMITTEE

* * *

(c) Powers and duties. The Advisory Committee shall demonstrate broad ongoing consultation with individuals living with opioid use disorder about their direct experience with related systems, including medication for opioid use disorder, residential treatment, recovery services, harm reduction services, overdose, supervision by the Department of Corrections, and involvement with the Department for Children and Families' Family Services Division. To that end, the Advisory Committee shall demonstrate consultation with individuals with direct lived experience of opioid use disorder, frontline support professionals, the Substance Misuse Oversight Prevention and Advisory Council, the Health Equity Advisory Commission, and other stakeholders to identify spending priorities as related to opioid use disorder prevention, intervention, treatment, and recovery services and harm reduction strategies for the purpose of providing recommendations to the Governor, the Department of Health, and the General Assembly on prioritizing spending from the Opioid Abatement Special Fund. Each ongoing funding proposal considered by the Advisory Committee shall include a sustainability plan from the applicant to ensure consideration of future expenses and available resources apart from the Opioid Abatement Special Fund. The Advisory Committee shall consider:

(1) the impact of the opioid crisis on communities throughout Vermont, including communities' abatement needs and proposals for abatement strategies and responses;

(2) the perspectives of and proposals from opioid use disorder prevention coalitions, recovery centers, and medication for opioid use disorder providers; and

(3) the ongoing challenges of the opioid crisis on marginalized populations, including individuals who have a lived experience of opioid use disorder.

* * *

(e) ~~Presentation~~ Recommendations.

(1) Annually, the Advisory Committee shall vote on its recommendations. Recommendations shall be informed by outcomes and measurements reported by previous grantees and developed in consultation with the Office of the Attorney General. If the recommendations are supported by an affirmative vote of the majority, the Advisory Committee shall present its recommendations for expenditures from the Opioid Abatement Special Fund established pursuant to this subchapter to the Department of Health and concurrently submit its recommendations in writing to the House Committees on Appropriations and on Human Services and the Senate Committees on Appropriations and on Health and Welfare. The Advisory Committee's written recommendations shall address how each recommendation meets one or more of the criteria listed in subsections 4774(b) and (c) of this subchapter. The Advisory Committee shall give priority consideration to services requiring funding on an ongoing basis.

(2) If the Department does not agree with the recommendations of the Advisory Committee, it may separately submit its own recommendations, developed in consultation with the Office of the Attorney General, to the General Assembly.

* * *

Second: By inserting a new section to be Sec. 3a to read as follows:

Sec. 3a. 18 V.S.A. § 4774 is amended to read:

§ 4774. OPIOID ABATEMENT SPECIAL FUND

(a)(1) There is created the Opioid Abatement Special Fund, a special fund established and managed pursuant to 32 V.S.A. chapter 7, subchapter 5 and administered by the Department of Health. The Opioid Abatement Special Fund shall consist of all abatement account fund monies disbursed to the Department from the national abatement account fund, the national opioid abatement trust, the supplemental opioid abatement fund, or any other settlement funds that must be utilized exclusively for opioid prevention, intervention, treatment, recovery, ~~and~~ harm reduction services, co-occurring mental health conditions, and co-occurring substance use disorders.

* * *

(Committee vote: 6-1-0)

H. 944.

An act relating to the fiscal year 2027 Transportation Program and miscellaneous changes to laws related to transportation.

Reported favorably with recommendation of proposal of amendment by Senator Westman for the Committee on Transportation.

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

* * * Legislative Findings * * *

Sec. 1. LEGISLATIVE FINDINGS

The General Assembly finds that:

(1) State fiscal year 2025 Transportation Fund revenues came in nearly $7,400,000.00 below the revenue forecast.

(2) In July 2025, the revenue forecast for the Transportation Fund was downgraded for State fiscal years 2026–2030 because of reductions in the projected revenues from the purchase and use tax and Department of Motor Vehicles fees.

(3) Revenues from the taxes on gasoline and diesel fuel are projected to gradually decrease in State fiscal years 2026–2030. That trend is expected to continue because of improving vehicle fuel efficiency among all vehicles and increasing adoption of electric vehicles.

(4) The July 2025 consensus revenue forecast estimates a 1.33 percent compound annual growth rate in Transportation Fund revenues between 2026 and 2030, which is far below recent inflation levels.

(5) In contrast with the slow growth in Transportation Fund revenues, the National Highway Construction Cost Index increased by approximately 62 percent between 2020 and 2025.

(6) In addition to rising construction costs, salaries and benefits have also increased significantly in recent years, creating significant ongoing cost pressure on the Transportation Fund.

(7) To address budget shortfalls in the past year, the Agency has been forced to eliminate 62 permanent positions.

(8) Continuing deficits in the Transportation Fund threaten the State's ability to provide the required match for federal funds, which make up more than half of the State's annual transportation budget.

(9) Municipalities face the same cost pressures as the State. However, State aid for town highways has only increased by 2.7 percent, which places increasing pressure on chronically underfunded town highway programs and puts pressure on the property tax.

(10) If Vermont is unable to keep up with the maintenance and capital needs of its transportation system, the infrastructure will continue to deteriorate, and restoring the system to a state of good repair will cost significantly more.

(11) Prompt legislative action is necessary to ensure the future health and stability of the Transportation Fund and to enable the Agency of Transportation to keep Vermont's transportation system in a state of good repair.

* * * Transportation Program Adopted as Amended; Definitions * * *

Sec. 2. TRANSPORTATION PROGRAM ADOPTED; DEFINITIONS

(a) Adoption. The Agency of Transportation's Proposed Fiscal Year 2027 Transportation Program appended to the Agency of Transportation's proposed fiscal year 2027 budget, as amended by this act, is adopted to the extent federal, State, and local funds are available.

(b) Definitions. As used in this act, unless otherwise indicated:

(1) "Agency" means the Agency of Transportation.

(2) "Candidate project" means a project approved by the General Assembly that is not anticipated to have significant preliminary engineering expenditures or right-of-way expenditures, or both, during the budget year and for which construction funding is not anticipated within a predictable time frame.

(3) "Development and evaluation (D&E) project" means a project approved by the General Assembly that is anticipated to have preliminary engineering expenditures or right-of-way expenditures, or both, during the budget year and that the Agency is committed to delivering to construction on a timeline driven by priority and available funding.

(4) "Electric vehicle supply equipment (EVSE)" and "electric vehicle supply equipment available to the public" have the same meanings as in 30 V.S.A. § 201.

(5) "Front-of-book project" means a project approved by the General Assembly that is anticipated to have construction expenditures during the budget year or the following three years, or both, with expected expenditures shown over four years.

(6) "Plug-in electric vehicle (PEV)," "plug-in hybrid electric vehicle (PHEV)," and "battery electric vehicle (BEV)" have the same meanings as in 23 V.S.A. § 4(85).

(7) "Secretary" means the Secretary of Transportation.

(8) "TIB funds" means monies deposited in the Transportation Infrastructure Bond Fund in accordance with 19 V.S.A. § 11f.

(9) The table heading "As Proposed" means the Proposed Transportation Program referenced in subsection (a) of this section; the table heading "As Amended" means the amendments as made by this act; the table heading "Change" means the difference obtained by subtracting the "As Proposed" figure from the "As Amended" figure; the term "change" or "changes" in the text refer to the project- and program-specific amendments, the aggregate sum of which equals the net "Change" in the applicable table heading; and "State" in any tables amending authorizations indicates that the source of funds is State monies in the Transportation Fund, unless otherwise specified.

* * * Summary of Transportation Investments * * *

Sec. 3. FISCAL YEAR 2027 TRANSPORTATION INVESTMENTS INTENDED TO REDUCE TRANSPORTATION-RELATED GREENHOUSE GAS EMISSIONS, REDUCE FOSSIL FUEL USE, AND SAVE VERMONT HOUSEHOLDS MONEY

This act includes the State's fiscal year 2027 transportation investments intended to reduce transportation-related greenhouse gas emissions, reduce fossil fuel use, and save Vermont households money in furtherance of the policies articulated in 19 V.S.A. § 10b and the goals of the Comprehensive Energy Plan and the Vermont Climate Action Plan and to satisfy the Executive and Legislative Branches' commitments to the Paris Agreement climate goals. In fiscal year 2027, these efforts will include the following:

(1) Park and Ride Program. This act provides for a fiscal year expenditure of $1,976,211.00, which will fund three park and ride projects.

(2) Bike and Pedestrian Facilities Program. This act provides for a fiscal year expenditure, including local match, of $24,576,873.00, which will fund 34 bike and pedestrian construction projects; 18 bike and pedestrian design, right-of-way, or design and right-of way projects for construction in future fiscal years; and eight scoping studies. The construction projects include the creation, improvement, and rehabilitation of walkways, sidewalks, shared-use paths, bike paths, and cycling lanes. Projects are funded in Arlington, Bennington, Bethel, Brattleboro, Burke, Burlington, Castleton,

Chester, Danville, Essex Town, Fairfax, Greensboro, Guilford, Hartford, Huntington, Hyde Park, Irasburg, Jamaica, Johnson, Lunenburg, Middlebury, Montpelier, Moretown, Morristown, Newfane, Newport City, Northfield, Pownal, Royalton, Rutland City, Rutland Town, Sheldon, South Burlington, Springfield, St. Albans City, Swanton, Wallingford, Warren, Waterbury, West Rutland, Williston, Wilmington, and Wolcott. This act also provides funding for:

(A) some of Local Motion's operation costs to run the bike ferry on the Colchester Causeway, which is part of the Island Line Trail;

(B) grant awards for State-aid construction projects;

(C) projects funded through the Safe Routes to School Program; and

(D) community grants along the Lamoille Valley Rail Trail (LVRT).

(3) Transportation Alternatives Program. This act provides for a fiscal year expenditure of $4,514,362.00, including local funds, which will fund 22 transportation alternatives construction projects; 28 transportation alternatives design, right-of-way, or design and right-of-way projects; and one scoping study. Of these 51 projects, 18 involve environmental mitigation related to clean water or stormwater concerns, or both clean water and stormwater concerns, and 30 involve bicycle and pedestrian facilities. Projects are funded in Athens, Bennington, Bethel, Brandon, Brattleboro, Bristol, Burke, Burlington, Derby, Enosburg Falls, Fairlee, Ferrisburgh, Glover, Guilford, Hinesburg, Hyde Park, Jericho, Londonderry, Ludlow, Lyndon, Montgomery, Newark, Putney, Rockingham, Rutland City, Shoreham, South Burlington, Springfield, Swanton, Warren, Weathersfield, Williston, Wilmington, and Windham.

(4) Public Transit Program. This act provides for a fiscal year expenditure of $57,855,144.00 for public transit uses throughout the State. Included in the authorization are:

(A) Go! Vermont, with an authorization of $380,000.00. This authorization supports transportation demand management (TDM) strategies, including the State's Trip Planner and commuter services, to promote the use of carpools and vanpools.

(B) Mobility and Transportation Innovations (MTI) Grant Program, with an authorization of $315,000.00 in federal funds. This authorization continues to support projects that improve both mobility and access to services for transit-dependent Vermonters, reduce the use of single-occupancy vehicles, and reduce greenhouse gas emissions.

(5) Rail Program. This act provides for a fiscal year expenditure of $60,289,410.00, including local funds and $34,688,907.00 in federal funds, for intercity passenger rail service, including funding for the Ethan Allen Express and Vermonter Amtrak services, and rail infrastructure that supports freight rail as well. Moving freight by rail instead of trucks lowers greenhouse gas emissions by up to 75 percent, on average.

* * * Paving * * *

Sec. 4. PAVING; STATEWIDE DISTRICT LEVELING

(a) Within the Agency of Transportation's Proposed Fiscal Year 2027 Transportation Program for Paving, authorized spending is amended as follows:

FY27	As Proposed	As Amended	Change
Other	1,150,000	1,150,000	0
PE	2,183,194	2,183,194	0
Const.	144,812,226	146,512,226	1,700,000
Total	148,145,420	149,845,420	1,700,000
Sources of funds			
State	24,400,007	25,100,007	1,700,000
Federal	123,732,179	123,732,179	0
Local	13,235	13,235	0
Total	148,145,420	149,845,420	1,700,000

(b) Within the Agency of Transportation's Proposed Fiscal Year 2027 Transportation Program for Paving, authorized spending for STATEWIDE District Leveling TBD is amended as follows:

FY27	As Proposed	As Amended	Change
Const.	7,000,000	8,700,000	1,700,000
Total	7,000,000	8,700,000	1,700,000
Sources of funds			
State	7,000,000	8,700,000	1,700,000
Total	7,000,000	8,700,000	1,700,000

(c) It is the intent of the General Assembly to direct the maximum amount of funding to the State highway system. Consistent with this intent, within the

Agency of Transportation's Proposed Fiscal Year 2027 Transportation Program for Paving, any unobligated amounts or carryforward resulting from project delays or cost overruns or underruns shall be directed to State highway paving projects.

* * * State Highway Bridges * * *

Sec. 5. STATE HIGHWAY BRIDGES

(a) Within the Agency of Transportation's Proposed Fiscal Year 2027 Transportation Program for State Highway Bridges, authorized spending is amended as follows:

FY27	As Proposed	As Amended	Change
PE	4,143,897	4,143,897	0
ROW	414,000	414,000	0
Const.	78,935,408	78,935,408	0
Other	1,400,000	1,400,000	0
Total	84,893,305	84,893,305	0
Sources of funds			
State	2,873,295	1,123,295	-1,750,000
TIB	6,180,851	7,930,851	1,750,000
Federal	67,312,444	67,312,444	0
Local/Other	1,247,049	1,247,049	0
Inter Unit	7,279,666	7,279,666	0
Total	84,893,305	84,893,305	0

(b) Within the Agency of Transportation's Proposed Fiscal Year 2027 Transportation Program for State Highway Bridges, authorized spending for SHAFTSBURY STP 014-1(6) is amended as follows:

FY27	As Proposed	As Amended	Change
PE	14,678	14,678	0
Const.	2,600,000	2,600,000	0
Total	2,614,678	2,614,678	0
Sources of funds			
State	521,000	0	-521,000

TIB	1,936	522,936	521,000
Federal	2,091,742	2,091,742	0
Total	2,614,678	2,614,678	0

(c) Within the Agency of Transportation's Proposed Fiscal Year 2027 Transportation Program for State Highway Bridges, authorized spending for SUNDERLAND BM20102 is amended as follows:

FY27	As Proposed	As Amended	Change
PE	85,287	85,287	0
Const.	2,000,000	2,000,000	0
Total	2,085,287	2,085,287	0
Sources of funds			
State	415,057	0	-415,057
TIB	2,000	417,057	415,057
Federal	1,668,230	1,668,230	0
Total	2,085,287	2,085,287	0

(d) Within the Agency of Transportation's Proposed Fiscal Year 2027 Transportation Program for State Highway Bridges, authorized spending for SUNDERLAND NH CULV 122 is amended as follows:

FY27	As Proposed	As Amended	Change
PE	53,182	53,182	0
Const.	2,000,000	2,000,000	0
Total	2,053,182	2,053,182	0
Sources of funds			
State	408,636	141,686	-266,950
TIB	2,000	268,950	266,950
Federal	1,642,546	1,642,546	0
Total	2,053,182	2,053,182	0

(e) Within the Agency of Transportation's Proposed Fiscal Year 2027 Transportation Program for State Highway Bridges, authorized spending for TOPSHAM BF 031-1(13) is amended as follows:

FY27	As Proposed	As Amended	Change
PE	10,000	10,000	0
ROW	1,000	1,000	0
Const.	2,733,967	2,733,967	0
Total	2,744,967	2,744,967	0
Sources of funds			
State	546,993	0	-546,993
TIB	2,000	548,993	546,993
Federal	2,195,974	2,195,974	0
Total	2,744,967	2,744,967	0

* * * Funding for Municipal Grant Programs * * *

Sec. 6. 32 V.S.A. § 3709 is amended to read:

§ 3709. PILOT SPECIAL FUND

(a) There is hereby established a PILOT Special Fund consisting of local option tax revenues paid to the State Treasurer pursuant to 24 V.S.A. § 138. This Fund shall be managed by the Commissioner of Taxes pursuant to chapter 7, subchapter 5 of this title. Notwithstanding subdivision 588(3) of this title, all interest earned on the Fund shall be retained in the Fund for use in meeting future obligations. The Fund shall be exclusively for payments required under ~~chapter 123,~~ subchapters 4 and 4C of this ~~title~~ chapter, ~~and~~ for any additional State payments in lieu of taxes for correctional facilities, and as provided in subsection (c) of this section. The Commissioner of Finance and Management may draw warrants for disbursements from this Fund in anticipation of receipts.

* * *

(c) If the local option tax revenues deposited in the PILOT Special Fund pursuant to 24 V.S.A. § 138 in any State fiscal year exceed the full amount of all payments made under subchapters 4 and 4C of this chapter plus any additional State payments in lieu of taxes for correctional facilities and any amounts appropriated from the PILOT Special Fund to the Department of Taxes for expenses related to grand list and appraisal assistance, three-fourths of the excess amount shall be transferred to the Local Option Municipal Transportation Special Fund established pursuant to 19 V.S.A. § 306b.

Sec. 7. 19 V.S.A. § 306b is added to read:

§ 306b. LOCAL OPTION MUNICIPAL TRANSPORTATION SPECIAL FUND

(a) The Local Option Municipal Transportation Special Fund is established in the Agency of Transportation and shall be managed in accordance with 32 V.S.A. chapter 7, subchapter 5. The purpose of the Fund is to provide additional State aid for town highways pursuant to the provisions of section 306 of this chapter.

(b) The Fund shall consist of:

(1) transfers from the PILOT Special Fund pursuant to 32 V.S.A. § 3709(c);

(2) any gifts, grants, or contributions made to the Fund; and

(3) any amounts transferred to the Fund by the General Assembly.

(c)(1) All interest earned on Fund balances shall be credited to the Fund.

(2) The Secretary may seek and accept gifts, donations, and grants from any source, public or private, to be dedicated for deposit into the Fund.

(3) The Commissioner of Finance and Management shall anticipate receipts to the Fund and shall issue warrants based on the anticipated amounts.

(4)(A) Monies in the Fund shall be used solely to provide State aid to municipalities pursuant to subsections 306(a), (e), and (h) of this chapter and for any administrative costs incurred in administering the Fund.

(B) Notwithstanding any provision of subsections 306(a), (e), and (h) of this chapter to the contrary, the aggregate amount of monies appropriated from the Fund pursuant to those subsections in any given State fiscal year shall not exceed 95 percent of the anticipated receipts to the Fund for that fiscal year.

Sec. 8. 19 V.S.A. § 306 is amended to read:

§ 306. APPROPRIATION; STATE AID FOR TOWN HIGHWAYS

(a) General State aid to town highways.

(1) An annual appropriation to class 1, 2, and 3 town highways shall be made. This appropriation shall increase over the previous fiscal year's appropriation by the same percentage change as the following, whichever is less, or shall remain at the previous fiscal year's appropriation if either of the following are negative or zero:

* * *

(3) The funds appropriated shall be distributed to towns as follows:

(A) Six percent of the State's annual town highway appropriation shall be apportioned to class 1 town highways. The apportionment for each town shall be that town's percentage of class 1 town highways of the total class 1 town highway mileage in the State.

(B) Forty-four percent of the State's annual town highway appropriation shall be apportioned to class 2 town highways. The apportionment for each town shall be that town's percentage of class 2 town highways of the total class 2 town highway mileage in the State.

(C) Fifty percent of the State's annual town highway appropriation shall be apportioned to class 3 town highways. The apportionment for each town shall be that town's percentage of class 3 town highways of the total class 3 town highway mileage in the State.

(D) Monies apportioned under subdivisions (1), (2), and (3) of this subsection (a) shall be distributed to each town in quarterly payments beginning July 15 in each year.

(E) Each town shall use the monies apportioned to it solely for town highway construction, improvement, and maintenance purposes or as the nonfederal share for public transit assistance. These funds may also be used for the establishment and maintenance of bicycle routes and sidewalks. The members of the selectboard shall be personally liable to the State, in a civil action brought by the Attorney General, for making any unauthorized expenditures from money apportioned to the town under this section.

(4)(A) In addition to the amounts appropriated pursuant to subdivision (1) of this subsection (a), a portion of the anticipated annual revenue of the Local Option Municipal Transportation Special Fund may be appropriated for class 1, 2, and 3 town highways in each State fiscal year in an amount that is consistent with the provisions of subdivision 306b(c)(4) of this chapter. Amounts appropriated from the Fund shall be apportioned, distributed, and used in the same manner as provided pursuant to subdivision (3) of this subsection (a).

(B) Amounts appropriated pursuant to this subdivision (4) shall be supplemental to and shall not supplant or decrease the amount appropriated pursuant to subdivision (1) of this subsection (a) or be subject to the annual inflationary adjustment provided for in subdivisions (1) and (2) of this subsection (a).

* * *

(e) State aid for town highway structures.

(1) There shall be an annual appropriation for grants to municipalities for maintenance (, including actions to extend life expectancy), and for construction of bridges and culverts; for maintenance and construction of other structures, including causeways and retaining walls, intended to preserve the integrity of the traveled portion of class 1, 2, and 3 town highways; and for alternatives that eliminate the need for a bridge, culvert, or other structure, such as the construction or reconstruction of a highway, the purchase of parcels of land that would be landlocked by closure of a bridge, the payment of damages for loss of highway access, and the substitution of other means of access. This appropriation shall increase over the previous fiscal year's appropriation by the same percentage change as the following, whichever is less, or shall remain at the previous fiscal year's appropriation if either of the following are negative or zero:

* * *

(5) Funds received as grants for State aid for town highway structures may be used by a municipality to satisfy a portion of the matching requirements for federal earmarks, subject to subsection 309b(c) of this title.

(6)(A) In addition to the amounts appropriated pursuant to subdivision (1) of this subsection (e), a portion of the anticipated annual revenue of the Local Option Municipal Transportation Special Fund may be appropriated for town highway structures in each State fiscal year in an amount that is consistent with the provisions of subdivision 306b(c)(4) of this chapter. Amounts appropriated from the Fund shall be used in the same manner and for the same purposes as provided pursuant to subdivisions (1) and (5) of this subsection (e).

(B) Amounts appropriated pursuant to this subdivision (6) shall be supplemental to and shall not supplant or decrease the amount appropriated pursuant to subdivision (1) of this subsection (e) or be subject to the annual inflationary adjustment provided for in subdivisions (1)–(3) of this subsection (e).

* * *

(h) Class 2 Town Highway Roadway Program.

(1) There shall be an annual appropriation for grants to municipalities for resurfacing, rehabilitation, or reconstruction of paved or unpaved class 2 town highways. Municipalities that have no State highways or class 1 town highways within their borders may use the grants for such activities with respect to both class 2 and class 3 town highways. This appropriation shall increase over the previous fiscal year's appropriation by the same percentage

change as the following, whichever is less, or shall remain at the previous fiscal year's appropriation if either of the following are negative or zero:

* * *

(4) In a given fiscal year, should expenditures in the Class 2 Town Highway Roadway Program exceed the amount appropriated, the Agency shall advise the Governor of the need to request a supplemental appropriation from the General Assembly to fund the additional project cost, provided that the Agency has previously committed to completing those projects.

(5) Funds received as grants for State aid under the Class 2 Town Highway Roadway Program may be used by a municipality to satisfy a portion of the matching requirements for federal earmarks, subject to subsection 309b(c) of this title.

(6)(A) In addition to the amounts appropriated pursuant to subdivision (1) of this subsection (h), a portion of the anticipated annual revenue of the Local Option Municipal Transportation Special Fund may be appropriated for town highway structures in each State fiscal year in an amount that is consistent with the provisions of subdivision 306b(c)(4) of this chapter. Amounts appropriated from the Fund shall be used in the same manner and for the same purposes as provided pursuant to subdivisions (1) and (5) of this subsection (h).

(B) Amounts appropriated pursuant to this subdivision (6) shall be supplemental to and shall not supplant or decrease the amount appropriated pursuant to subdivision (1) of this subsection (h) or be subject to the annual inflationary adjustment provided for in subdivisions (1)–(3) of this subsection (h).

* * *

Sec. 9. GENERAL STATE AID FOR TOWN HIGHWAYS; ADDITIONAL APPROPRIATION

Notwithstanding any provision of 32 V.S.A. § 3709(a) to the contrary, the sum of $3,000,000.00 is appropriated in State fiscal year 2027 from the PILOT Special Fund to the Agency of Transportation to provide additional grants through the general State aid to town highways program pursuant to 19 V.S.A. § 306(a). The amounts appropriated pursuant to this section shall be supplemental to and shall not supplant or decrease any amounts appropriated pursuant to the provisions of 19 V.S.A. § 306(a) in State fiscal year 2027.

* * * Transfer from General Fund * * *

Sec. 10. TRANSFER

In State fiscal year 2027, the amount of $10,400,000.00 is transferred from the General Fund to the Transportation Fund.

* * * Allocation of Purchase and Use Tax Revenues * * *

Sec. 11. 16 V.S.A. § 4025 is amended to read:

§ 4025. EDUCATION FUND

(a) The Education Fund is established to comprise the following:

* * *

(5) ~~one-third of the revenues raised from the purchase and use tax imposed by 32 V.S.A. chapter 219,~~ notwithstanding 19 V.S.A. § 11(1), the amount received from the purchase and use tax imposed pursuant to 32 V.S.A. chapter 219 as follows: $43,500,000.00 for the fiscal year beginning on July 1, 2027; $33,500,000.00 for the fiscal year beginning on July 1, 2028; $23,500,000.00 for the fiscal year beginning on July 1, 2029; and $13,500,000.00 for the fiscal year beginning on July 1, 2030;

* * *

Sec. 12. 16 V.S.A. § 4025 is amended to read:

§ 4025. EDUCATION FUND

(a) The Education Fund is established to comprise the following:

* * *

(5) ~~notwithstanding 19 V.S.A. § 11(1), the amount received from the purchase and use tax imposed pursuant to 32 V.S.A. chapter 219 as follows: $43,500,000.00 for the fiscal year beginning on July 1, 2027; $33,500,000.00 for the fiscal year beginning on July 1, 2028; $23,500,000.00 for the fiscal year beginning on July 1, 2029; and $13,500,000.00 for the fiscal year beginning on July 1, 2030;~~ [Repealed.]

* * *

* * * Authority to Issue Transportation Infrastructure Bonds * * *

Sec. 13. AUTHORITY TO ISSUE TRANSPORTATION INFRASTRUCTURE BONDS; FISCAL YEARS 2028–2032

(a) The State Treasurer is authorized to issue transportation infrastructure bonds pursuant to 32 V.S.A. § 972 for State fiscal years 2028–2032 in an amount approved by the General Assembly.

(b) For State fiscal years 2028–2032, the Capital Debt Affordability Advisory Committee (CDAAC) shall annually report to the House and Senate

Committees on Transportation on or before September 30 of the preceding fiscal year an estimate of the maximum amount of transportation infrastructure bonds that prudently may be authorized for the next fiscal year.

(c) The Treasurer, in consultation with the CDAAC, shall review annually any requested issuance of transportation infrastructure bonds pursuant to 32 V.S.A. § 1001 as part of its net State tax-supported debt analysis provided to the Governor and the General Assembly.

Sec. 14. 2028 PROPOSED TRANSPORTATION PROGRAM; TRANSPORTATION INFRASTRUCTURE BOND PROPOSAL; REPORT

(a) The Agency of Transportation shall, when preparing the 2028 Transportation Program, prepare both:

(1) a Transportation Program proposal that includes the use of transportation infrastructure bond proceeds to fund eligible projects pursuant to 32 V.S.A. § 972(d); and

(2) a Transportation Program proposal that does not include the use of transportation infrastructure bond proceeds.

(b)(1) The Agency of Transportation shall, in consultation with the State Treasurer and at the same time as the Agency submits the proposed State fiscal year 2028 Transportation Program to the General Assembly, submit a written report to the House and Senate Committees on Transportation that identifies projects proposed for the State fiscal year 2028 Transportation Program that are eligible to be funded with the proceeds from the issuance of transportation infrastructure bonds pursuant to the provisions of 32 V.S.A. § 972(d).

(2) The report shall include:

(A) an analysis comparing the present value of the estimated cost to pay for the identified projects using transportation infrastructure bond proceeds to the cost to pay for the projects on a pay-as-you-go basis; and

(B) a comparison of the projects' schedules if funded with transportation infrastructure bonds to the projects' schedules if funded on a pay-as-you-go basis.

* * * Mileage-Based User Fee * * *

Sec. 15. FINDINGS AND INTENT

(a) Findings. The General Assembly finds that:

(1) Vermont adopted its first tax on gasoline in 1923.

(2) In 1923, the most common motor vehicle in the Unites States was the Ford Model T, whose annual production peaked at more than 2,000,000 new vehicles that year.

(3) Because of the limited variety of mass-produced vehicles available when it was adopted, the gasoline tax, and the later-adopted diesel fuel tax, served as use fees that required drivers of light-duty motor vehicles to contribute to the State's Transportation Fund in an amount that reflected the amount of miles that each vehicle was driven on Vermont's surface transportation system.

(4) Since 1923, the variety of mass-produced light-duty motor vehicles available to consumers has expanded greatly, resulting in a wide variety of internal combustion engine and vehicle types and designs with significant differences in vehicle fuel efficiency.

(5) Improvements in fuel efficiency among light-duty motor vehicles and the increasing adoption of hybrid, plug-in hybrid, and battery electric vehicles (BEVs) is leading to reduced fuel consumption among newer vehicles.

(6) BEVs do not require gasoline and diesel fuel, and the $89.00 annual infrastructure fee paid by owners and lessees of BEVs registered in Vermont is less than the average amount of fuel taxes collected in relation to a light-duty motor vehicle with an internal combustion engine.

(7) As a result of differences in fuel consumption between different types and ages of light-duty motor vehicles, the current system for funding Vermont's surface transportation system through fuel taxes has become inequitable when the impacts of each vehicle on the transportation system are considered.

(8) In contrast to the current system, a mileage-based user fee imposes a per-mile fee for usage of the State's highways and ensures that owners and lessees of motor vehicles contribute to the Transportation Fund in an equitable manner.

(9) Vermont's taxes on gasoline and on diesel fuel were last increased in 2014, and the federal taxes on gasoline and on diesel fuel were last increased in 1993.

(10) Reduced fuel consumption and unchanged gasoline and diesel tax rates have resulted in stagnant fuel tax revenues that have not kept pace with inflation or the needs of Vermont's transportation system.

(11) In addition to Vermont's stagnant fuel tax revenues, Vermont's demographic constraints and changes in vehicle ownership and usage have limited the growth of fee revenues to the Transportation Fund.

(12) The July 2025 consensus revenue forecast estimates a 1.33 percent compound annual growth rate in Transportation Fund revenues between 2026 and 2030.

(13) In comparison, highway construction costs, as measured by the National Highway Construction Cost Index, have increased by 62 percent, nationally, since 2020.

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

(1) implement a mileage-based user fee for BEVs, which will replace the existing infrastructure fee beginning on January 1, 2027, to ensure that owners and lessees of BEVs contribute to the Transportation Fund in an amount that reflects the annual miles traveled by each vehicle;

(2) ensure that owners and lessees of all light-duty motor vehicles contribute to the Transportation Fund in an amount that reflects the annual miles traveled by each vehicle by expanding the mileage-based user fee to fuel-efficient light-duty motor vehicles, such as plug-in hybrids, hybrids, and vehicles with efficient internal combustion engines on or before January 1, 2029, and to all light-duty motor vehicles on or before January 1, 2031; and

(3) develop and implement the mileage-based user fee in a manner that does not discourage ownership and use of BEVs and fuel-efficient vehicles, consistent with the intent of the Global Warming Solutions Act and the State's Climate Action Plan.

Sec. 16. 23 V.S.A. chapter 43 is added to read:

CHAPTER 43. MILEAGE-BASED USER FEE

§ 4301. DEFINITIONS

As used in this chapter:

(1) "Account manager" means a person that the Agency of Transportation or Department of Motor Vehicles contracts with to administer and manage the mileage-based user fee.

(2) "Annual vehicle miles traveled" means the total number of miles that a covered vehicle is driven during a mileage reporting period.

(3) "Covered vehicle" means a battery electric vehicle pleasure car.

(4) "Mileage-based user fee" or "MBUF" means the fee charged for the annual vehicle miles traveled by a covered vehicle pursuant to section 4302 of this chapter.

(5) "Mileage-based user fee rate" means the per-mile usage fee charged to the owner or lessee of a covered vehicle pursuant to section 4302 of this chapter.

(6) "Mileage reporting period" means:

(A) the time period between required annual inspections;

(B) the time period between an initial odometer reading related to the purchase of a covered vehicle or beginning of a lease of a covered vehicle and an annual inspection; or

(C) the time period between the most recent annual inspection and a terminating event.

(7) "Terminating event" means any of the following:

(A) the registration of a covered vehicle that had been registered in Vermont in a different state;

(B) a change in ownership or lesseeship of a covered vehicle; or

(C) the termination of a covered vehicle's registration in Vermont.

§ 4302. MILEAGE-BASED USER FEE; ASSESSMENT; CALCULATION; PAYMENT; EXEMPTIONS

(a) Assessment and payment of mileage-based user fee (MBUF).

(1) Options for payment of MBUF. The owner or lessee of a covered vehicle may elect to pay the MBUF according to one of the following options:

(A) annual payment of the MBUF as a lump sum following the conclusion of each mileage reporting period as set forth in subdivision (2) of this subsection (a);

(B) pay-as-you-go installment payments of the MBUF during a mileage reporting period as set forth in subdivision (3) of this subsection (a), provided that the Commissioner, in the Commissioner's sole discretion, elects to make a pay-as-you-go option available;

(C) estimated payments of the MBUF in annual, quarterly, or monthly installments as set forth in subdivision (4) of this subsection (a); or

(D) a flat rate of $178.00.

(2) Annual mileage-based user fee payment option.

(A) For an owner or lessee who opts to pay the MBUF as a lump sum at the end of each mileage reporting period, the Commissioner shall, within 14 days after the conclusion of the covered vehicle's mileage reporting period, calculate the amount of the MBUF pursuant to subsection (d) of this section and mail an assessment of the amount to the owner or lessee.

(B) The owner or lessee shall remit the amount due to the Commissioner on or before the sooner of:

(i) the next required registration renewal for the covered vehicle;

(ii) the termination of the covered vehicle's Vermont registration; or

(iii) the sale of the covered vehicle or termination of the lease of the covered vehicle, as appropriate.

(3) Pay-as-you-go option.

(A) Owners and lessees who opt into the pay-as-you-go mileage-based user fee option shall report the mileage shown on the odometer of the owner's or lessee's covered vehicle at times and in a manner required by the Commissioner.

(B) As soon as practicable after receiving each report, the Commissioner shall calculate pursuant to subsection (d) of this section the applicable MBUF due for the covered vehicle and mail to the owner or lessee a statement of the amount of the mileage-based user fee assessed.

(C) The owner or lessee of the covered vehicle shall remit the full amount due to the Commissioner within not more than 30 days after the assessment is mailed.

(D) At the end of each mileage reporting period, the amount paid by the owner or lessee shall be reconciled against the actual mileage driven as set forth in subdivision (5) of this subsection.

(4) Estimated payment option.

(A) An owner or lessee who elects to make estimated payments shall be assessed upon registration of the covered vehicle, or registration renewal, an estimated mileage-based user fee equal to the rate established pursuant to subsection (e) of this section multiplied by the average annual vehicle miles traveled by pleasure cars registered in Vermont.

(B) The owner or lessee shall either:

(i) pay the estimated MBUF as a lump sum not more than 45 days after the date of registration or registration renewal; or

(ii) enter into an agreement with the Commissioner to pay the estimated amount in monthly or quarterly installments.

(C) At the end of each mileage reporting period, the amount paid by the owner or lessee shall be reconciled against the actual mileage driven as set forth in subdivision (5) of this subsection.

(5) Reconciliation of mileage for pay-as-you-go and estimated payment options.

(A) At the conclusion of each mileage reporting period for a covered vehicle whose owner or lessee has elected either the pay-as-you-go or the estimated payment option, the Commissioner shall determine if the amount of the MBUF for the actual miles traveled by the covered vehicle during the mileage reporting period is greater than or less than the amount of the payments made by the owner or lessee during that period.

(B) If the actual MBUF is less than the amount paid, the owner or lessee of the covered vehicle shall receive a credit equal to the difference between the amount paid and the actual amount, which shall be applied to reduce the amount of future fees due from the owner or lessee for the covered vehicle pursuant to this subsection (a).

(C) If the actual MBUF is more than the amount paid, the owner or lessee of the covered vehicle shall be assessed an amount equal to the difference between the actual MBUF and the amount paid, which shall be added to the next amount due from the owner or lessee pursuant to this subsection (a).

(6) Flat-rate option.

(A) The Commissioner shall send an owner or lessee who elects the flat-rate option an assessment for the flat fee due at the conclusion of each mileage reporting period. The owner or lessee shall remit the amount due to the Commissioner on or before the sooner of:

(i) the next required registration renewal for the covered vehicle;

(ii) the termination of the covered vehicle's Vermont registration; or

(iii) the sale of the covered vehicle or termination of the lease of the covered vehicle, as appropriate.

(B) An owner or lessee enrolled in the flat-rate option shall not be required to report vehicle mileage to the Commissioner pursuant to the provisions of this chapter. Nothing in this subdivision (6)(B) shall be construed to exempt an owner or lessee enrolled in the flat-rate option from any other requirements in State law related to vehicle inspections or odometer disclosures.

(b) Newly registered vehicles. The owner or lessee of a newly registered covered vehicle shall pay the MBUF during the initial year of registration pursuant to:

(1) the pay-as-you-go option set forth in subdivision (a)(3) of this section;

(2) the estimated payment option set forth in subdivision (a)(4) of this section; or

(3) the flat-rate option set forth in subdivision (a)(6) of this section.

(c) Election of different payment option. An owner or lessee of a covered vehicle may select a different option for payment of the MBUF pursuant to subsection (a) of this section by providing notice to the Commissioner in the time and manner prescribed by the Commissioner.

(d) Calculation of the mileage-based user fee.

(1) The Commissioner shall calculate the mileage-based user fee of each covered vehicle by multiplying the miles traveled by the covered vehicle during the applicable period by the rate established pursuant to subsection (e) of this section. The number of miles traveled shall be equal to:

(A) for a mileage reporting period, the difference between the mileage shown on the covered vehicle's odometer at the end of the mileage reporting period and the mileage shown on the covered vehicle's odometer at the beginning of the mileage reporting period; and

(B) for a report filed by an owner or lessee as part of the pay-as-you-go mileage-based user fee program pursuant to subdivision (a)(3) of this section, the difference between the mileage reported by the owner or lessee and the most recent prior mileage reported for the covered vehicle.

(2) Notwithstanding any provision of subdivision (1) of this subsection to the contrary, the mileage-based user fee assessed for a mileage reporting period shall not exceed $178.00.

(e) Mileage-based user fee rate. The mileage-based user fee rate shall be $0.014 per mile traveled by a covered vehicle during its mileage reporting period.

(f) Exemptions. The mileage-based user fee assessed pursuant to this section shall not apply to:

(1) covered vehicles owned or operated by the government of the United States;

(2) covered vehicles owned or operated by the State of Vermont; or

(3) covered vehicles that are used for short-term rentals.

(g) Fee in addition to other fees and taxes. A mileage-based user fee assessed pursuant to this section shall be in addition to any other fees and taxes imposed by this title.

(h) Review of amount assessed. A person may, within 45 days after an assessment is mailed pursuant to subsection (a) of this section, appeal the amount of the assessment to the Commissioner. The Commissioner shall establish procedures for filing and hearing appeals pursuant to this subsection that are consistent with the provisions of sections 105–107 of this title. The procedures shall include a process by which an appellant can resolve the dispute prior to the issuance of a final administrative decision on the appeal.

(i) Refunds. Notwithstanding subdivision (a)(5)(B) of this section, upon occurrence of a terminating event, the Commissioner shall issue a refund to the owner or lessee of a covered vehicle for any amounts paid by the owner or lessee that are in excess of the amount due pursuant to this chapter.

§ 4303. REPORTS

(a) Upon completion of an inspection of a covered vehicle pursuant to section 1222 of this title, an inspection mechanic shall report the mileage shown on the covered vehicle's odometer to the Department in the manner required by the Commissioner.

(b) Upon the occurrence of a terminating event, the owner or lessee of a covered vehicle shall report the mileage shown on the covered vehicle's odometer at the time of the terminating event to the Department in the time and manner required by the Commissioner.

§ 4304. FAILURE TO FILE REPORT OR OBTAIN INSPECTION; DEFAULT RATE

(a) The Commissioner shall charge the owner or lessee of a covered vehicle a default rate of $178.00 if the Commissioner is unable to determine the annual vehicle miles traveled for the owner's or lessee's covered vehicle because the owner or lessee:

(1) failed to file a report required by section 4303 of this chapter within a reasonable period of time after the report is due;

(2) failed to have the covered vehicle inspected as required pursuant to section 1222 of this title within a reasonable period of time after the inspection is due at either the commencement or conclusion of a mileage reporting period; or

(3) failed to have the covered vehicle inspected at any time during or within a reasonable time after the conclusion of a mileage reporting period.

(b)(1) The default amount required pursuant to subsection (a) of this section shall be assessed when the owner or lessee of the covered vehicle next renews the vehicle's registration following the mileage reporting period.

(2) After being assessed the default amount pursuant to this subsection, the owner or lessee of the covered vehicle may obtain an inspection within 90 days after the date on which the vehicle's registration is renewed. If the covered vehicle's mileage is such that the mileage-based user fee would have been less than the default amount, the owner or lessee shall receive a credit for the difference that is applied to reduce the amount of the next mileage-based user fee due for the covered vehicle.

§ 4305. REGISTRATION; SUSPENSION OR REFUSAL

(a) Suspension of registration. The Commissioner may suspend or refuse to renew the registration of a covered vehicle if the Commissioner determines, following notice and an opportunity for a hearing as provided pursuant to subsection (b) of this section, that the owner or lessee of the covered vehicle:

(1) failed to file a report required pursuant to section 4303 of this chapter;

(2) filed a report containing an intentional misrepresentation, misstatement, or omission of material information required by this chapter; or

(3) is delinquent at the time of renewal in the payment of any amount due pursuant to the provisions of this chapter.

(b) Notice and opportunity for hearing. The Commissioner shall provide the owner or lessee of a covered vehicle with not less than 15 days' notice of the intent to suspend or not to renew the registration of the covered vehicle pursuant to the provisions of this section. The owner or lessee shall be provided with the opportunity for a hearing and shall be permitted to be represented by counsel at the hearing.

§ 4306. POWERS OF THE COMMISSIONER

(a) General authority. The Commissioner shall have the authority to administer and enforce the provisions of this chapter.

(b) Additional powers. In addition to any powers or authority specifically granted to the Commissioner pursuant to the provisions of this chapter, the Commissioner may do the following:

(1) adopt rules pursuant to 3 V.S.A. chapter 25 as the Commissioner determines necessary to administer and enforce the provisions of this chapter;

(2) prescribe forms appropriate to the purposes of this chapter; and

(3) contract with an account manager to administer and manage the mileage-based user fee.

§ 4307. APPEALS; JUDICIAL REVIEW

(a) Administrative appeal. An aggrieved person may appeal any final decision, order, or finding of the Commissioner under this chapter within not more than 45 days after the decision is issued or the order or finding is made. The Commissioner shall establish procedures for filing and hearing appeals pursuant to this subsection that are consistent with the provisions of sections 105–107 of this title.

(b) Appeal to Superior Court. Following a final decision on an appeal pursuant to subsection (a) of this section or subsection 4302(h) of this chapter, the appellant may appeal the decision pursuant to Rule 74 of the Vermont Rules of Civil Procedure. The appeal shall be to the Washington Superior Court or, in the discretion of the appellant, to the Superior Court in the county where the appellant resides or has a principal place of business.

(c) Exclusivity of remedies. The appeals provided by this section and subsection 4302(h) of this chapter shall be the exclusive remedies available to any person for review of an assessment, decision, or order or finding of the Commissioner under this chapter.

Sec. 17. 23 V.S.A. § 361 is amended to read:

§ 361. PLEASURE CARS

* * *

(c) In addition to the registration fee set forth in subsection (a) of this section, there shall be an annual ~~EV~~ infrastructure fee for a pleasure car that is a plug-in hybrid electric vehicle, as defined in subdivision ~~4(85)(B)~~ (4)(85)(B) of this title, equal to one-half the amount of the annual fee collected in

subsection (a) of this section, or a biennial ~~EV~~ infrastructure fee equal to the annual fee collected in subsection (a) of this section.

(d) The annual and biennial ~~EV~~ infrastructure fees collected in subsection (c) of this section shall be ~~allocated to~~ deposited in the Transportation Fund ~~for programs administered by the Agency of Commerce and Community Development to increase Vermonters' access to level 1 and 2 electric vehicle supply equipment (EVSE) charging ports at workplaces or multiunit dwellings, or both~~.

Sec. 18. MILEAGE-BASED USER FEE; INITIAL TRANSITION

(a) Notwithstanding any provision of 23 V.S.A. § 4302 to the contrary, during calendar years 2027 and 2028, the owner or lessee of a covered vehicle shall pay the mileage-based user fee for the covered vehicle's first mileage reporting period as provided pursuant to the provisions of either subsection (b) or (c) of this section.

(b)(1)(A) For a covered vehicle that has a valid Vermont registration on December 31, 2026, the vehicle's initial mileage reporting period shall commence with its first annual inspection occurring on or after January 1, 2027.

(B) For a covered vehicle that is newly registered in Vermont on or after January 1, 2027, the vehicle's initial mileage reporting period shall commence on the date of registration.

(2) For an initial registration or a registration renewal of a covered vehicle that occurs on or after January 1, 2027, and prior to the completion of the initial mileage reporting period, the owner or lessee of the covered vehicle shall pay a one-time road usage charge of $89.00 for a one-year registration or $178.00 for a two-year registration.

(3) At the conclusion of a covered vehicle's initial mileage reporting period, the mileage-based user fee for the vehicle shall be calculated as provided pursuant to the annual mileage-based user fee payment option set forth in 23 V.S.A. § 4302(a)(2).

(4)(A) The amount of the covered vehicle's mileage-based user fee calculated pursuant to subdivision (3) of this subsection shall be reduced by:

(i) the amount of any road usage charge paid pursuant to subdivision (2) of this subsection (b); or

(ii) for a covered vehicle whose owner or lessee did not pay the road usage charge pursuant to subdivision (2) of this subsection (b) but paid the EV infrastructure fee required pursuant to 23 V.S.A. § 361 at the most

recent registration or registration renewal of the vehicle prior to January 1, 2027, an amount equal to the amount of the EV infrastructure fee paid at the most recent registration.

(B) Any amounts remaining after the initial mileage-based user fee has been paid shall be carried forward and applied as a credit to reduce the amount of future mileage-based user fees due in relation to the covered vehicle.

(c) As an alternative to paying the mileage-based user fee as set forth in subsection (b) of this section, the owner or lessee of a covered vehicle may elect to pay a flat fee of $178.00 for the initial mileage reporting period. The provisions of 23 V.S.A. § 4302(a)(6) shall apply to an owner or lessee who elects to pay a flat fee pursuant to this subsection.

(d) As used in this section, "covered vehicle" has the same meaning as in 23 V.S.A. § 4301.

Sec. 19. OUTREACH AND EDUCATION; USER EXPERIENCE; REPORT

(a) The Agency of Transportation and the Department of Motor Vehicles shall develop and implement a public outreach, education, and communications strategy regarding the mileage-based user fee program established pursuant to 23 V.S.A. chapter 43 to build public awareness and understanding of the program and to solicit public feedback regarding the program. The strategy shall include the following:

(1) printed materials, web-based materials, mailings, and local media outreach that describes the purpose of the mileage-based user fee, the transportation funding challenges that the mileage-based user fee is intended to help address, and how the mileage-based user fee will be implemented with respect to battery electric vehicles and, later, other light-duty vehicles;

(2) prior to implementation, direct mailing of informational materials to owners and lessees of battery electric vehicles that are currently registered in Vermont that:

(A) outline the goals and design of the mileage-based user fee;

(B) set forth the timeline for implementation of the mileage-based user fee;

(C) provide information regarding compliance with the mileage-based user fee, including the options that will be available to each owner and lessee; and

(D) provide information on how to obtain additional information regarding the mileage-based user fee, including how to obtain informational

resources provided by the Agency, the availability of user support resources, and how to determine how the mileage-based user fee may apply to a user's specific circumstances;

(3) prior to initial implementation of the mileage-based user fee in January 2027, Agency engagement with owners and lessees of various types of light-duty motor vehicles registered in Vermont to obtain feedback on the design of the user experience for the mileage-based user fee, with particular attention to universal accessibility and specific needs for translated materials and services;

(4) survey and focus group work prior to and following implementation of the mileage-based user fee with owners and lessees whose vehicles are subject to the mileage-based user fee to aid in evaluating the implementation of the initial phase of the mileage-based user fee and in developing recommended programmatic and statutory changes; and

(5) ongoing engagement and collaboration with relevant stakeholders, including the Vermont Vehicle and Automotive Distributors Association and Drive Electric Vermont, to obtain feedback on the mileage-based user fee program and to educate members of the public about the mileage-based user fee and program design.

(b) The Agency and Department shall, on or before September 15, 2026, submit to the Joint Transportation Oversight Committee a report summarizing the public outreach, education, and communications strategy required pursuant to subsection (a) of this section.

Sec. 20. MILEAGE-BASED USER FEE TRANSITION PLAN; REPORT

(a)(1) The Agency of Transportation and the Department of Motor Vehicles, in consultation with the Agency of Digital Services, shall develop a plan to expand the mileage-based user fee (MBUF) program to all light-duty motor vehicles to ensure that each vehicle contributes an amount that bears a direct relation to the estimated demands and impacts that the vehicle places upon public infrastructure, as determined on the basis of vehicle miles traveled.

(2) The plan shall provide that:

(A) plug-in hybrid electric, hybrid electric, and fuel-efficient light-duty motor vehicles shall begin participating in the MBUF program on or before January 1, 2029; and

(B) all light-duty motor vehicles shall begin participating in the MBUF program on or before January 1, 2031.

(3) The plan shall provide methods for ensuring that contributions to the Transportation Fund are proportionate to the number of miles traveled in Vermont by each vehicle, including:

(A) additional payment and mileage tracking options for vehicle owners or lessees to select from, including methods for differentiating between miles traveled in Vermont and miles traveled outside Vermont; and

(B) a system of fuel tax credits for vehicles that use gasoline or diesel fuel based on the vehicle's fuel economy as estimated by the U.S. Environmental Protection Agency to ensure that all covered vehicles contribute to Vermont's transportation system in an equitable manner.

(b) In developing the plan, the Agency and the Department shall:

(1) analyze the amounts paid by vehicles of different engine-fuel types and classifications with respect to the diesel fuel tax pursuant to 23 V.S.A. chapter 27, the gasoline tax pursuant to 23 V.S.A. chapter 28, and the infrastructure fee imposed pursuant to 23 V.S.A. § 361(c), as applicable;

(2) develop a proposed schedule for the inclusion of plug-in hybrid electric, hybrid electric, and fuel-efficient light-duty vehicles in the MBUF program on or before January 1, 2029;

(3) identify any other light-duty vehicles that currently contribute less to the Transportation Fund than they would under the mileage-based user fee for inclusion in the MBUF program on or before January 1, 2029;

(4) consider possible methods to account for and differentiate between in-state and out-of-state vehicle miles traveled by vehicles registered in Vermont and vehicles registered in another state;

(5) examine the potential for integrating alternative mileage reporting methods into the mileage-based user fee program and related costs;

(6) evaluate the potential to include medium- and heavy-duty electric vehicles in the mileage-based user fee program and potential rate designs based on vehicle weights; and

(7) examine the relationship between expansion of the mileage-based user fee program and fuel tax rates, Transportation Fund revenue sustainability, and Vermont's carbon reduction targets.

(c) The Agency and Department shall also track the implementation costs and operating expenses of and revenues generated by the mileage-based user fee for State fiscal years 2027–2031. The Agency and Department shall submit an annual report of these amounts to the House Committees on Transportation and on Ways and Means and the Senate Committees on

Transportation and on Finance on or before each December 31 beginning on December 31, 2027, and continuing until December 31, 2031.

(d)(1) On or before January 31, 2027, the Agency of Transportation and the Department of Motor Vehicles shall submit to the House Committees on Transportation and on Ways and Means and the Senate Committees on Transportation and on Finance an initial plan and recommendation for legislative action to:

(A) incorporate plug-in hybrid electric, hybrid electric, and fuel-efficient light-duty vehicles into the MBUF program;

(B)(i) provide at least two additional options for determining the number of vehicle miles traveled by a covered vehicle, including:

(I) an option that would utilize vehicle systems or an aftermarket device to track vehicle miles traveled; and

(II) an option that would enable vehicle owners and lessees to track and differentiate between miles traveled in Vermont and miles traveled outside Vermont, with the MBUF only applying to miles traveled in Vermont; and

(ii) identify data privacy protections and best practices that should be implemented to protect data obtained from owners and lessees who elect to utilize the options identified pursuant to this subdivision (B);

(C)(i) recommend whether to retain a flat-rate option for the MBUF and, if so, recommend the appropriate amount of the flat fee; and

(ii) recommend how to apply the flat fee to plug-in hybrid, hybrid, and internal combustion engine vehicles, including whether to provide different flat fees based on vehicle type or to provide credits against the amount of the flat fee based on vehicle fuel efficiency;

(D) provide at least one option to enable vehicle owners and lessees to track and differentiate between miles traveled in Vermont and miles traveled outside Vermont, with the MBUF only applying to miles traveled in Vermont; and

(E) recommend a maximum amount by which the mileage-based user fee rate can increase from year to year after all light-duty vehicles are subject to the mileage-based user fee.

(2) On or before July 30, 2028, the Agency shall submit to the Joint Transportation Oversight Committee and the House and Senate Committees on Transportation a draft copy of the final report required to be submitted to the

Federal Highway Administration pursuant to the terms of the Agency's federal Strategic Innovation for Revenue Collection grant.

(3) On or before September 15, 2028, the Agency of Transportation and the Department of Motor Vehicles shall submit to the House Committees on Transportation and on Ways and Means and the Senate Committees on Transportation and on Finance:

(A) a final plan and proposal for legislative action necessary to expand the MBUF program to all light-duty motor vehicles on or before January 1, 2031;

(B) a report of all findings made pursuant to subsection (b) of this section; and

(C) any additional recommendations for legislative action.

(e) As used in this section:

(1) "Fuel-efficient vehicle" means a motor vehicle with an estimated fuel economy of at least 25 miles per gallon according to the U.S. Environmental Protection Agency, a plug-in electric vehicle as defined pursuant to 23 V.S.A. § 4, or a hybrid electric vehicle.

(2) "Light-duty motor vehicle" means any motor vehicle with a gross vehicle weight rating of not more than 10,000 pounds.

* * * Expansion of MBUF to Fuel-Efficient Vehicles * * *

Sec. 21. 23 V.S.A. § 4301 is amended to read:

§ 4301. DEFINITIONS

As used in this chapter:

* * *

(3) "Covered vehicle" means a ~~battery electric vehicle~~ pleasure car with an estimated fuel economy of at least 25 miles per gallon according to the U.S. Environmental Protection Agency, a PEV, or a hybrid electric vehicle.

(4) "Hybrid electric vehicle" means a pleasure car that can be powered by an electric motor drawing current from a rechargeable energy storage system but also has an onboard combustion engine.

(5) "Mileage-based user fee" or "MBUF" means the fee charged for the annual vehicle miles traveled by a covered vehicle pursuant to section 4302 of this chapter.

~~(5)~~(6) "Mileage-based user fee rate" means the per-mile usage fee charged to the owner or lessee of a covered vehicle pursuant to section 4302 of this chapter.

~~(6)~~(7) "Mileage reporting period" means:

* * *

(8) "PEV" means a plug-in electric vehicle pleasure car.

~~(7)~~(9) "Terminating event" means any of the following:

* * *

* * * Expansion of MBUF to All Light-Duty Motor Vehicles * * *

Sec. 22. 23 V.S.A. § 4301 is amended to read:

§ 4301. DEFINITIONS

As used in this chapter:

* * *

(3) "Covered vehicle" means a ~~pleasure car with an estimated fuel economy of at least 25 miles per gallon according to the U.S. Environmental Protection Agency, a PEV, or a hybrid electric vehicle~~ motor vehicle with a gross vehicle weight rating of not more than 10,000 pounds.

(4) ~~"Hybrid electric vehicle" means a pleasure car that can be powered by an electric motor drawing current from a rechargeable energy storage system but also has an onboard combustion engine.~~ [Repealed.]

* * *

(8) ~~"PEV" means a plug-in electric vehicle pleasure car.~~ [Repealed.]

* * *

Sec. 23. 23 V.S.A. § 4302(e) is amended to read:

(e) Mileage-based user fee rate.

(1) The mileage-based user fee rate shall be $0.014 per mile traveled by a covered vehicle during its mileage reporting period.

(2) Beginning on January 1, 2032, and on each succeeding January 1, the mileage-based user fee rate shall be increased by the percentage change in the National Highway Construction Cost Index, or successor index, for the year ending on September 30 of the preceding calendar year. If the percentage change in the National Highway Construction Cost Index, or successor index, is zero or negative, the rate per mile shall remain the same as in the preceding year.

* * * Repeal of Municipal Equipment and Vehicle Loan Fund Rules * * *

Sec. 24. RULES REGARDING MUNICIPAL HEAVY EQUIPMENT LOAN FUND; REPEAL

The Rules Regarding Municipal Heavy Equipment Loan Fund (CVR 14-053-002) are repealed. The Municipal Equipment and Vehicle Loan Fund, as the successor to the Municipal Heavy Equipment Loan Fund, shall be administered as provided pursuant to 29 V.S.A. § 1601.

* * * Statement of Policy; Highways and Bridges * * *

Sec. 25. 19 V.S.A. § 10c is amended to read:

§ 10c. STATEMENT OF POLICY; HIGHWAYS AND BRIDGES

* * *

(b) For projects that are not on the National Highway System, the Agency shall ~~develop and implement~~ maintain State standards and guidance for geometric design. ~~Design speeds may be lower than legal speeds.~~ Design speeds lower than legal speeds may be used without the requirement of a formal design exception~~, provided appropriate warnings are posted~~ if appropriate warning signs, signals, and markings are used as provided pursuant to 23 V.S.A. § 1025.

* * *

* * * Agency of Transportation Duties * * *

Sec. 26. 19 V.S.A. § 10 is amended to read:

§ 10. DUTIES

The Agency shall, except where otherwise specifically provided by law:

* * *

(8)(A) Require any contractor or contractors employed in any project of the Agency for construction of a transportation improvement to file in the office of the Secretary a good and sufficient surety bond to the State of Vermont, executed by a surety company authorized to transact business in this State in ~~such~~ the sum ~~as~~ required by the Agency ~~shall direct~~, conditioned for the compliance by the contractor or contractors and their agents and servants, with all matters and things set forth and specified to be by the principal kept, done, and performed at the time and in the manner in the contract between the Agency and the contractor or contractors specified and to pay over, make good, and reimburse the State of Vermont for all loss or losses and damage or damages that the State of Vermont may sustain by reason of failure or default

on the part of the contractor or contractors. The Agency is authorized to require any other condition in the bond that may ~~from time to time~~ be necessary. The Secretary ~~at his or her discretion as to~~ may, if the Secretary determines that it is in the best ~~interest~~ interests of the State, accept other good and sufficient surety in lieu of a bond and, in cases involving contracts for ~~$100,000.00~~ $250,000.00 or less, may waive the requirement of a performance bond.

(B) During an emergency event, the Secretary may, in the Secretary's discretion, waive the bonding requirements of this subdivision (8) for immediate, temporary stabilization work related to public safety or State infrastructure. Permanent work shall be subject to the requirements of subdivision (A) of this subdivision (8).

(9)(A) Require any contractor or contractors employed in any project of the Agency for construction of a transportation improvement to file an additional surety bond to the Secretary and the Secretary's successor in office, for the benefit of labor, materialmen, and others, executed by a surety company authorized to transact business in this State. The surety bond shall be in ~~such~~ the sum ~~as~~ required by the Agency ~~shall direct~~, conditioned for the payment, settlement, liquidation, and discharge of the claims of all creditors for material~~,~~; merchandise~~,~~; labor~~,~~; rent~~,~~; hire of vehicles, power shovels, rollers, concrete mixers, tools, and other appliances~~,~~; professional services~~,~~; premiums~~,~~; and other services used or employed in carrying out the terms of the contract between the contractor and the State ~~and~~. The surety bond shall be further conditioned for the following accruing during the term of performance of the contract: the payment of taxes, both State and municipal, and the payment of unemployment insurance contributions to the Vermont Commissioner of Labor~~; provided, however, in~~.

(B) In order to obtain the benefit of the security, the claimant shall file with the Secretary a sworn statement of the claimant's claim, within 90 days after the final acceptance of the project by the State or within 90 days from the time the taxes or unemployment contributions ~~to the Vermont Commissioner of Labor~~ are due and payable, and, within one year after the filing of the claim, shall bring a petition in the Superior Court in the name of the Secretary, with notice and summons to the principal, surety, and the Secretary, to enforce the claim or intervene in a petition already filed. The Secretary may, if the Secretary determines that it is in the best interests of the State, accept other good and sufficient surety in lieu of a bond and, in cases involving contracts for ~~$100,000.00~~ $250,000.00 or less, may waive the requirement of a surety bond.

(C) During an emergency event, the Secretary may, in the Secretary's discretion, waive the requirements of this subdivision (9) for immediate emergency stabilization work related to public safety or State infrastructure. Permanent work shall be subject to the requirements of subdivision (A) of this subdivision (9).

* * *

* * * Bridge Inspections; Posting; Closure * * *

Sec. 27. 19 V.S.A. § 1514 is added to read:

§ 1514. BRIDGE INSPECTION; POSTING; CLOSURE

(a) Definition. As used in this section, "bridge" means a structure to which the National Bridge Inspection Standards apply pursuant to 23 C.F.R. § 650.303.

(b) Bridge inspections. The Agency shall inspect bridges on State highways and town highways in accordance with the requirements of the National Bridge Inspection Standards.

(c) Municipally maintained bridges.

(1) For a bridge for which a municipality has maintenance responsibility, the Agency shall advise the municipality of its inspection findings and any noted deficiencies.

(2) The Agency shall notify a municipality if a bridge for which the municipality has maintenance responsibility requires posting or closure and, upon receiving notification, the municipality shall post or close the bridge, as appropriate.

(3) If necessary to protect the public from an imminent hazard, the Agency may post or close a bridge for which a municipality has maintenance responsibility.

(4) A municipality shall be responsible for all costs and expenses related to the posting or closure of a bridge for which it has maintenance responsibility, including the costs of any required notifications, procedures, signage or traffic control devices, and barricades.

(d) Agency-maintained bridges.

(1) For any bridge for which the Agency has maintenance responsibility, the Agency shall have the sole responsibility and authority to determine whether the bridge shall be posted or closed, except that a municipality may close an Agency-maintained bridge during an emergency.

(2) If a municipality becomes aware of any deficiencies or structural conditions that could impact the Agency's determination of whether to post or close a bridge, the municipality shall promptly notify the Agency.

(3) The Agency shall be responsible for all costs and expenses associated with posting or closing an Agency-maintained bridge, including any required notifications, procedures, signage or traffic control devices, and barricades.

(e) Enforcement and penalties. In addition to any other penalties provided by law, a person that violates a bridge posting or closure by a municipality or the Agency shall be subject to a civil penalty of not more than $1,000.00.

Sec. 28. 23 V.S.A. § 2302 is amended to read:

§ 2302. TRAFFIC VIOLATION DEFINED

(a) As used in this chapter, "traffic violation" means:

* * *

(11) a violation of subsection 1006b(b) of this title, relating to operation of a prohibited vehicle in Smugglers' Notch; section 1006c of this title, relating to requirements for use of tire chains; or subsections 4120(a) and (b) of this title, relating to violations of an out-of-service order; ~~or~~

(12) a violation of section 4123 of this title, relating to authorizing railroad crossing violations; or

(13) a violation of 19 V.S.A. § 1514, relating to use of a bridge in violation of a posting or closure.

* * *

* * * Public Transit Advisory Council * * *

Sec. 29. 24 V.S.A. § 5084 is amended to read:

§ 5084. PUBLIC TRANSIT ADVISORY COUNCIL

(a) The Public Transit Advisory Council shall be created by the Secretary of Transportation under 19 V.S.A. § 7(f)(5)~~, to~~ and shall consist of the following members:

* * *

(8) a representative of ~~the Community of Vermont Elders~~ AARP Vermont;

(9) ~~a representative of private bus operators and taxi services;~~ [Repealed.]

(10) a representative of Vermont ~~intercity~~ private bus operators;

* * *

* * * Green Mountain Transit Authority * * *

Sec. 30. 24 App. V.S.A. ch. 801, § 7 is amended to read:

§ 7. Annual budget and assessments

(a) On or before February 15 in each year, the Board of Commissioners shall prepare a budget for the Authority for the next fiscal year, which shall include an estimate of the revenue of the Authority from fares and other sources, except membership assessments, and the expenses for the next fiscal year, including debt service, and at such time the Board of Commissioners shall call a meeting of the residents of its members for the purpose of presenting the proposed budget and inviting discussion thereon. The meeting shall be held at a place within the County and shall be warned by a notice published in a newspaper of general circulation in the County at least 15 days prior to the meeting. The notice shall contain a copy of the proposed budget, and members of the legislative body of each member municipality shall be notified of the meeting by certified mail. The proposed budget may include, in addition to revenues from fares and other sources, anticipated voluntary local match contributions, grants, donations, and other nonassessment revenues that may be offered by a member municipality or another public or private source.

* * *

(f)(1) The Authority shall be permitted to seek and accept voluntary local match contributions.

(2) Notwithstanding the formula for apportionment, the Authority may accept voluntary local match contributions from a member municipality or another public or private source for the purposes of:

(A) meeting federal, State, or other grant matching requirements; and

(B) supporting Authority programs, capital projects, and operations.

(3) A voluntary local match contribution accepted pursuant to this subsection shall be in addition to any assessment required pursuant to this section and shall not reduce, offset, or otherwise modify the assessment apportioned to any member municipality pursuant to the formula for apportionment unless the formula is amended in accordance with the provisions of this section.

* * * Public-Private Partnership Sunset Extension * * *

Sec. 31. 2018 Acts and Resolves No. 158, Sec. 21 as amended by 2023 Acts and Resolves No. 62, Sec. 41 is further amended to read:

Sec. 21. REPEAL OF TRANSPORTATION P3 AUTHORITY

19 V.S.A. chapter 26, subchapter 2 shall be repealed on July 1, ~~2026~~ 2029.

* * * Transportation Board * * *

Sec. 32. 19 V.S.A. § 5 is amended to read:

§ 5. TRANSPORTATION BOARD; POWERS AND DUTIES

* * *

(d) Specific duties and responsibilities. The Board shall:

* * *

(7) provide appellate review, when requested in writing by an applicant or permittee, of Agency decisions and rulings regarding private and commercial access to State highway rights-of-way pursuant to the permit process established in section 1111 of this title;

* * *

* * * Transportation Alternatives Grant Program * * *

Sec. 33. 19 V.S.A. § 38 is amended to read:

§ 38. TRANSPORTATION ALTERNATIVES GRANT PROGRAM

(a), (b) [Repealed.]

(c) The Transportation Alternatives Grant Program is created. The Grant Program shall be administered by the Agency and shall be funded in the amount provided for in 23 U.S.C. § 133(h), less the funds set aside for the Recreational Trails Program. Awards shall be made to eligible entities as defined under 23 U.S.C. § 133(h), and awards under the Grant Program shall be limited to the activities authorized under federal law and shall not exceed ~~$300,000.00~~ $600,000.00 per grant allocation.

* * *

(f)(1) In fiscal year ~~2024~~ 2027 and thereafter, ~~50 percent of Grant Program funds, or such lesser sum if all eligible applications amount to less than 50 percent of Grant Program funds, shall be reserved for municipalities for environmental mitigation projects relating to stormwater and highways, including eligible salt and sand shed projects, and the balance of~~ Grant Program funds shall be awarded for any eligible activity, including

environmental mitigation projects relating to stormwater and highways, such as eligible salt and sand shed projects, and infrastructure-related projects and systems that will provide safe routes for nondrivers, and in accordance with the priorities established in subdivision (2) of this subsection.

(2) In evaluating applications for Transportation Alternatives grants, the Agency shall give preferential weighting to sand and salt shed projects and projects involving as a primary feature a bicycle or pedestrian facility. The degree of preferential weighting and the circumstantial factors sufficient to overcome the weighting shall be in the complete discretion of the Agency.

* * *

Sec. 34. 2023 Acts and Resolves No. 62, Sec. 11 is amended to read:

Sec. 11. TRANSPORTATION ALTERNATIVES GRANT PROGRAM AWARDS IN STATE FISCAL YEARS 2024 TO 2027

Notwithstanding 19 V.S.A. § 38(c), Transportation Alternatives Grant Program awards in State fiscal years 2024 to ~~2027~~ 2026 shall not exceed $600,000.00 per grant allocation. Notwithstanding 19 V.S.A. § 38(c), Transportation Alternatives Grant Program awards in State fiscal year 2027 shall not exceed $1,200,000.00 per grant allocation.

* * * Consultation Regarding Municipal Programs * * *

Sec. 35. MUNICIPAL TRANSPORTATION PROGRAMS; ONGOING EVALUATION; IDENTIFICATION OF IMPROVEMENTS

(a) In addition to ongoing work pursuant to 2025 Acts and Resolves No. 43, Sec. 15, the Agency of Transportation, in consultation with the Vermont League of Cities and Towns and the Vermont Association of Planning and Development Agencies, shall:

(1) continue examining the requirements of 19 V.S.A. § 309c, cancellation of locally managed projects, as set forth in 2025 Acts and Resolves No. 43, Sec. 14, to evaluate the obligations, risks, and benefits imposed by the provisions of that section on the State and the local sponsor of a locally managed project and to identify potential changes to the provisions of that section to ensure that State and federal transportation funding resources are appropriately administered;

(2) continue evaluating the State's Town Highway Aid and municipal grant programs administered by the Agency, as set forth in 2025 Acts and Resolves No. 43, Sec. 16, to identify potential efficiencies and improvements related to the administration of Town Highway Aid and municipal grant programs; and

(3)(A) examine the provisions in the Vermont statutes related to the procedures for establishing speed limits; and

(B) identify potential opportunities to simplify and clarify those provisions to assist municipalities in meeting local needs, including safety and context sensitivity.

(b) The Agency shall, on or before January 15, 2027, submit to the House and Senate Committees on Transportation any recommendations for legislative action.

* * * Drive Electric Vermont * * *

Sec. 36. DRIVE ELECTRIC VERMONT; APPROPRIATION

In State fiscal year 2027, the sum of $242,000.00 is appropriated from the Transportation Fund to the Agency of Transportation to support the continuation of the Agency's partnership with Drive Electric Vermont. The monies shall be used for programs and activities that support increased ownership and use of plug-in electric vehicles in the State through:

(1) stakeholder coordination;

(2) consumer education and outreach;

(3) infrastructure development; and

(4) the provision of technical assistance and support to Vermont municipalities and Vermont businesses desiring to electrify their vehicle fleets.

* * * Caledonia County State Airport * * *

Sec. 37. 2023 Acts and Resolves No. 62, Sec. 8 is amended to read:

Sec. 8. SALE OR LEASE OF CALEDONIA COUNTY STATE AIRPORT

(a)(1) The Agency of Transportation is authorized to issue a request for proposals for the purchase or lease of the Caledonia County State Airport, located in the Town of Lyndon, and the Agency shall consult with the Town of Lyndon on any requests for proposals related to the purchase or lease of the Airport prior to the issuance of any requests for proposals related to the purchase or lease of the Airport.

(2) The request for proposal shall include a request for a business plan, which shall, at a minimum, include the prospective purchaser's or lessor's plans for investments in the Airport and the surrounding communities and may include plans for partnerships with secondary and post-secondary institutions in the surrounding communities.

(b) Subject to obtaining any necessary approvals from the U.S. Federal Aviation Administration, the Vermont Secretary of Transportation, as agent for the State, is authorized to convey the Airport property by warranty deed according to the terms of a purchase and sale agreement or through a long-term lease.

(c) Any such conveyance shall:

(1) include assignment of the State's interest in easements, leases, licenses, and other agreements pertaining to the Airport and the acceptance of the State's obligations under such easements, leases, licenses, and other agreements that requires, at a minimum, that any leases and terms of leases that are in effect at the time of the conveyance of the Airport are fully honored for the balance of the lease term;

(2) ensure that there are investments in the Airport to address current deficiencies and necessary repairs;

(3) ensure that the Airport continues to be a public-use airport and that the public continues to have access to the Airport for general aviation uses in perpetuity;

(4) ~~ensure that the Airport continues to be identified as a public-use airport within the National Plan of Integrated Airport Systems until at least 2050, subject to federal determination;~~

~~(5)~~ include, if the Airport is conveyed through a purchase and sale agreement, a six-month right of first refusal, running from the date that the owner of the Airport provides notice to the State of an intent to sell the Airport, for the State to repurchase the Airport at fair market value before the Airport is resold or transferred to a new owner; and

~~(6)~~(5) include, if the Airport is leased, that the lease cannot be either assigned or the lessor cannot sub-lease all or substantially all of the Airport without the written approval of the Vermont Secretary of Transportation.

(d) The Agency shall not proceed with a sale or lease of the Airport unless:

(1) there is a fair market value offer, as required under 19 V.S.A. § 10k(b) or 26a(a), that meets the requirements of subsection (c) of this section; and

(2) the Town of Lyndon is given the opportunity to review and comment on the final purchase and sale agreement or lease as applicable.

(e) This section shall constitute specific prior approval, including of any sale or lease terms, by the General Assembly for purposes of 5 V.S.A. § 204.

Sec. 38. 2023 Acts and Resolves No. 62, Sec. 9 is amended to read:

Sec. 9. REPEAL OF AUTHORITY FOR SALE OR LEASE OF CALEDONIA COUNTY STATE AIRPORT

Sec. 8 of this act shall be repealed on ~~May 1, 2026~~ November 1, 2027.

* * * Medical Transports * * *

Sec. 39. PUBLIC TRANSIT DEMAND RESPONSE MEDICAL TRANSPORTS; VOLUNTEER DRIVERS; MOBILITY MANAGEMENT; GRANTS; APPROPRIATION

The Agency of Transportation is authorized to utilize up to $400,000.00 in one-time funds appropriated from the Transportation Fund to the Agency of Transportation in fiscal year 2027 for the purpose of providing grants to public transit agencies to support the recruitment and retention of volunteer drivers and mobility management activities related to medical transports.

* * * Real-Time Status of Public EVSE * * *

Sec. 40. 19 V.S.A. § 2901 is amended to read:

§ 2901. DEFINITIONS

As used in this chapter:

* * *

(2) "Charging network provider" means a person that operates the digital communication network that remotely manages the EVSE at a charging station.

(3) "Charging station" means the area in the immediate vicinity of one or more EVSE and includes the EVSE, supporting equipment, parking areas adjacent to the EVSE, and lanes for vehicle ingress and egress. A charging station may comprise only a portion of the property on which it is located.

(4) "Charging station operator" means a person that owns or provides the EVSE and the supporting equipment and facilities at one or more charging stations and is responsible for operating and maintaining the EVSE, supporting equipment, and facilities. A charging station operator may delegate to another person or contract with another person for charging station operation and maintenance.

(5) "Connector" means a device that attaches EVSE to a PEV to transfer electricity from the EVSE to the PEV.

(6) "Direct current fast charger" or "DCFC" means EVSE that enables charging through the delivery of direct current electricity to a PEV's battery.

(7) "Electric bicycle" has the same meaning as in 23 V.S.A. § 4(46)(A).

~~(3)~~(8) "Electric cargo bicycle" means a motor-assisted bicycle, as defined in 23 V.S.A. § 4(45)(B)(i), with an electric motor, as defined under 23 V.S.A. § 4(45)(B)(i)(II), that is specifically designed and constructed for transporting loads, including at least one or more of the following: goods, one or more individuals in addition to the operator, or one or more animals. A motor-assisted bicycle that is not specifically designed and constructed for transporting loads, including a motor-assisted bicycle that is only capable of transporting loads because an accessory rear or front bicycle rack has been installed, is not an electric cargo bicycle.

~~(4)~~(9) "Electric vehicle supply equipment (EVSE)" and "electric vehicle supply equipment available to the public" have the same meanings as in 30 V.S.A. § 201.

(10) "Level 2 EVSE" means EVSE with a single-phase input voltage range from 208 to 277 volts of alternating current (AC) and maximum output current of not more than 80 amperes AC.

(11) "NEVI standards" means the minimum standards and requirements for projects funded under the National Electric Vehicle Infrastructure (NEVI) Formula Program that were published in the Federal Register on February 28, 2023 (88 FR 12752).

~~(5)~~(12) "Plug-in electric vehicle (PEV)," "battery electric vehicle (BEV)," and "plug-in hybrid electric vehicle (PHEV)" have the same meanings as in 23 V.S.A. § 4(85).

(13) "Port" means a system or connecting outlet on EVSE that provides power to charge a PEV, provided that a port may be equipped with more than one connector but shall only use one connector at a time to provide power to a PEV.

(14) "Publicly funded and available charging station" means a charging station that has received, or expects to receive, a grant, loan, or other incentive from a federal or State government source or from funds provided by Vermont retail electricity providers and that is publicly available.

Sec. 41. 19 V.S.A. § 2908 is added to read:

§ 2908. PUBLIC EVSE; REAL-TIME STATUS; AVAILABILITY

(a) Except as provided in subsection (b) of this section, a charging network provider shall, for any networked publicly funded and available charging station in Vermont that is installed or reconditioned on or after September 30,

2026, ensure that the following data fields are made available, free of charge, to third-party software developers via an application programming interface:

(1) a unique charging station name or identifier;

(2) the address of the property where the charging station is located, including street address, city, and ZIP code;

(3) the geographic coordinates in decimal degrees of the exact charging station location;

(4) the charging station operator name;

(5) the charging network provider name;

(6) the charging station status, including whether the station is operational, under construction, planned, or decommissioned;

(7) charging station access information, including:

(A) the charging station access type, such as whether it may be used by the public or is limited to use by commercial vehicles; and

(B) the charging station access days and times, including the hours of operation for the charging station;

(8) charging port information, including:

(A) the number of charging ports;

(B) the unique port identifier for each port;

(C) the connector types available by port;

(D) the charging level by port, such as DCFC or AC Level 2;

(E) the maximum power delivery rating in kilowatts by charging port;

(F) the maximum output voltage by charging port;

(G) accessibility by a vehicle with a trailer by port (yes/no); and

(H) the real-time status by port in terms defined by Open Charge Point Interface 2.2.1; and

(9) pricing and payment information, including:

(A) the pricing structure;

(B) the real-time price to charge at each charging port, in terms defined by Open Charge Point Interface 2.2.1; and

(C) the payment methods accepted at the charging station, including whether credit, debit, or contactless forms of payment are accepted.

(b) The provisions of this section shall apply to a publicly funded and available charging station at all times that a member of the public may use the associated EVSE to charge a PEV.

(c) The provisions of this section may be enforced by:

(1) any State agency or department that provides or administers grants, loans, or other incentives to support the construction or operation of publicly funded and available charging stations; and

(2) the Department of Public Service for publicly funded and available charging stations that have received a grant, loan, or other incentive provided by one or more Vermont retail electricity providers.

(d) A charging network provider may attach reasonable conditions to data use that are designed to protect confidential business information, provided that the conditions do not prevent third-party software developers from accessing the real-time information required pursuant to subsection (a) of this section.

(e)(1) A State agency or department that provides a grant, loan, or other incentive for the construction or operation of a charging station that is installed or reconditioned on or after September 30, 2026, shall require the recipient to notify the relevant charging network provider that the provisions of this section apply to a charging station.

(2) A retail electricity provider, if it provides a grant, loan, or other incentive for the construction or operation of a charging station that is installed or reconditioned on or after September 30, 2026, shall require the recipient to notify the relevant charging network provider that the provisions of this section apply to the charging station.

(f) As used in this section:

(1) "Real-time" means that the applicable data field must be updated within one minute following a change in the charging port's status.

(2) "Retail electricity provider" has the same meaning as in 30 V.S.A. § 8002.

* * * EVSE Installation in Common Interest Communities * * *

Sec. 42. 27A V.S.A. § 1-204 is amended to read:

§ 1-204. PREEXISTING COMMON INTEREST COMMUNITIES

(a)(1) Unless excepted under section 1-203 of this title, the following sections and subdivisions of this title apply to a common interest community created in this State before January 1, 1999: sections 1-103, 1-105, 1-106, 1-107, 2-103, 2-104, and 2-121, subdivisions ~~3-102(a)(1) through (6)~~ 3-102(a)(1)–(6) and ~~(11) through (16)~~ (11)–(16), and sections 3-111, 3-116, 3-118, 4-109, and 4-117 to the extent necessary to construe the applicable sections. The sections and subdivisions described in this subdivision apply only to events and circumstances occurring after December 31, 1998, and do not invalidate existing provisions of the declarations, bylaws, plats, or plans of those common interest communities.

* * *

(3) Unless excepted under section 1-203 of this title, section 3-125 of this title shall apply to all common interest communities that contain 12 or more units that may be used for residential purposes created in this State on or before January 1, 2011. Section 3-125 applies only to events and circumstances occurring after June 30, 2026, and does not invalidate existing provisions of the declarations, bylaws, plats, or plans of those common interest communities.

* * *

Sec. 43. 27A V.S.A. § 3-125 is added to read:

§ 3-125. ELECTRIC VEHICLE SUPPLY EQUIPMENT

(a) As used in this section:

(1) "Electric vehicle supply equipment (EVSE)" means a device or system designed and used specifically to transfer electrical energy to a plug-in electric vehicle.

(2) "EVSE owner" means the unit owner who applies to install an EVSE and each successive unit owner associated with the initial application to install the EVSE unless there is a specific change in ownership of the EVSE, in which case the EVSE owner shall be the owner specified in a conveying document memorializing the change in ownership of the EVSE.

(3) "Plug-in electric vehicle" has the same meaning as in 23 V.S.A. § 4(85).

(4) "Reasonable restriction" is a restriction that does not significantly increase the cost of the EVSE or significantly decrease the efficiency or specified performance of the EVSE.

(b)(1) Any covenant, restriction, or condition contained in any deed, contract, security instrument, or other instrument affecting the transfer or sale

of any interest in a common interest community, and any provision of a governing document associated with a common interest community, such as a declaration, bylaw, or rule, that either effectively prohibits or unreasonably restricts the installation of EVSE within the boundaries of a unit owner's unit or limited common element or the unit owner's exclusively designated parking space or the use of such EVSE for noncommercial purposes by a unit owner or the occupants of the unit owner's unit or is in conflict with this section is void and unenforceable.

(2) This subsection shall not apply to provisions that impose reasonable restrictions on EVSE. However, it is the policy of the State to promote, encourage, and remove obstacles to the use of plug-in electric vehicles, including access to EVSE at home.

(3) Installation of EVSE shall not be deemed a division or reallocation of a common element and shall not alter the allocated interests of any unit owner.

(c) The association may require the unit owner to:

(1) comply with federal, State, and local health and safety laws, including any applicable building codes or safety standards;

(2) comply with reasonable architectural standards adopted by the association that govern the dimensions, placement, or external appearance of the EVSE, provided that such standards shall not prohibit the installation of such EVSE or substantially increase the costs thereof;

(3) engage the services of a licensed electrician to install the EVSE;

(4) if the EVSE is installed in a common element or limited common element, reimburse the association for the actual costs of any increased insurance premium amount attributable to the EVSE with 14 days after receiving the association's insurance premium invoice; and

(5) comply with any other reasonable restrictions the association may impose.

(d) Notwithstanding any provision to the contrary in the association's governing documents, if the executive board of the association determines that the cumulative or additional use of electricity due to the installation and use of EVSE requires infrastructure improvements to provide a sufficient supply of electricity for the EVSE, the association may assess the cost of the required improvements against the unit of each unit owner that has installed, or will install, EVSE.

(e) If approval is required for the installation or use of EVSE, the application for approval shall be processed and approved by the association in the same manner as an application for approval of an architectural modification to the common interest community and shall not be intentionally avoided or delayed. The approval or denial of an application shall be in writing. If an application is not denied in writing within 60 days from the date of receipt of the application, the application shall be deemed approved, unless that delay is the result of a reasonable request for additional information.

(f) The unit owner and each successive owner of the EVSE shall be responsible for all of the following:

(1) costs for damage to the EVSE, common element, or limited common element resulting from the installation, maintenance, repair, removal, or replacement of the EVSE;

(2) costs for the installation, maintenance, repair, and replacement of the EVSE until the EVSE has been removed and for the restoration of the common element or limited common element after removal;

(3) cost of electricity associated with the EVSE; and

(4) unless the successor owner of the unit agrees in writing to undertake and comply with the unit owner's responsibilities with respect to the EVSE, removing the EVSE prior to the sale and restoring any affected common element or limited common element.

* * * Surcharge on Jet Fuel * * *

Sec. 44. 32 V.S.A. § 9784 is added to read:

§ 9784. JET FUEL TRANSPORTATION INFRASTRUCTURE SURCHARGE

(a) A vendor shall collect a transportation infrastructure surcharge of two percent on the sale of aviation jet fuel.

(b) The surcharge shall be in addition to the tax imposed under section 9771 of this subchapter. The surcharge assessed under this section shall be paid, collected, remitted, and enforced under this chapter in the same manner as the sales tax assessed under section 9771 of this subchapter.

(c) The surcharge imposed under this section shall be deposited in the Transportation Fund pursuant to 19 V.S.A. § 11 and shall be used exclusively for the construction of aviation-related infrastructure consistent with 49 U.S.C. § 47133 and applicable Federal Aviation Administration regulations and policies.

Sec. 45. 19 V.S.A. § 11 is amended to read:

§ 11. TRANSPORTATION FUND

The Transportation Fund shall comprise the following:

* * *

(4) monies received from the sales and use tax on aviation jet fuel and on natural gas used to propel a motor vehicle under 32 V.S.A. chapter 233, ~~and~~ from the portion of a local option tax on the sale of aviation jet fuel specified in 24 V.S.A. § 138, and from the transportation infrastructure surcharge on aviation jet fuel pursuant to 32 V.S.A. § 9784;

* * *

* * * Intelligent Speed Assistance * * *

Sec. 46. INTELLIGENT SPEED ASSISTANCE; IMPLEMENTATION AND COST EVALUATION; REPORT

(a) The Department of Motor Vehicles shall examine the potential to implement and administer an intelligent speed assistance program, including the following issues:

(1) intelligent speed assistance programs that have been or will be implemented in other states and the District of Columbia;

(2) costs for the State to implement an intelligent speed assistance program; and

(3) potential costs to drivers who choose to participate in an intelligent speed assistance program.

(b) On or before January 15, 2027, the Department shall submit a written report to the House and Senate Committees on Transportation regarding its findings and any recommendations for legislative action.

* * * Miscellaneous Transportation Jurisdiction Corrections * * *

Sec. 47. 20 V.S.A. § 3065 is amended to read:

§ 3065. PENALTIES

(a) A person who knowingly violates, or causes to be violated, a provision of sections 3062–3064 of this ~~title, or a regulation made by the Public Utility Commission in pursuance thereof,~~ chapter shall be imprisoned not more than 18 months or fined not more than $2,000.00, or both.

(b) When the death or bodily injury of a person is caused by the explosion of any explosive named in sections 3062–3064 and ~~3091-3092~~ 3091 and 3092

of this ~~title~~ chapter, while the ~~same~~ explosive is being placed upon a vessel or vehicle to be transported in violation ~~hereof~~ of this chapter, or while the ~~same~~ explosive is being so transported, or while the ~~same~~ explosive is being removed from ~~such~~ the vessel or vehicle, the person who knowingly places or aids or permits the placement of ~~such~~ the explosives upon ~~such~~ the vessel or vehicle to be so transported shall be imprisoned not more than ~~ten~~ 10 years.

Sec. 48. 24 V.S.A. § 5106 is amended to read:

§ 5106. EXEMPTION FROM REGULATION

The public transportation systems and facilities operating under this authority are exempt from any of the regulatory provisions of Title 30, except that the ~~Public Utility Commission~~ Transportation Board may impose any regulatory provisions of Title 30 that it ~~may determine from time to time~~ determines to be necessary.

Sec. 49. 24 App. V.S.A. ch. 801, § 5 is amended to read:

§ 5. EXEMPTION FROM REGULATION

The public transportation systems and facilities operating under this Authority are generally exempt from any of the regulatory provisions of Title 30 of the Vermont Statutes Annotated. However, the ~~Public Utility Commission~~ Transportation Board may impose those regulatory provisions of Title 30 of the Vermont Statutes Annotated that it ~~may determine from time to time~~ determines to be necessary.

Sec. 50. 25 V.S.A. § 241 is amended to read:

§ 241. APPLICATION OF PROVISIONS

This subchapter shall apply to every person~~, partnership, unincorporated association, or corporation~~ that shall drive or float lumber in any stream. The use of any ~~such~~ stream for ~~such~~ that purpose shall constitute an election on the part of ~~such~~ the person~~, partnership, unincorporated association, or corporation~~ to be subject to and bound by the provisions of this subchapter ~~and to be bound thereby~~. This subchapter shall apply to every owner of the land adjoining any stream ~~so~~ that is used for the purpose of driving or floating lumber, unless, within 60 days after an alleged injury, the owner notifies, in writing, the ~~Public Utility Commission~~ Agency of Natural Resources that the provisions of this subchapter are not intended to apply.

Sec. 51. 25 V.S.A. § 242 is amended to read:

§ 242. PETITION TO ~~PUBLIC UTILITY COMMISSION~~ AGENCY OF NATURAL RESOURCES

When damage is done to ~~such~~ the owner by ~~such~~ the lumber in the driving or floating of the ~~same~~ lumber and ~~such~~ the owner and the owner of the lumber do not agree upon the damages, either party may prefer a petition to the ~~Public Utility Commission~~ Agency of Natural Resources setting forth the injury alleged to be sustained and ~~praying for the~~ seeking redress ~~provided for by~~ pursuant to the provisions of this subchapter.

Sec. 52. 25 V.S.A. § 243 is amended to read:

§ 243. NOTICE AND HEARING; DECISION

Upon due notice to all parties in interest, the ~~Public Utility Commission~~ Agency of Natural Resources shall hear and determine the cause of ~~such~~ the injury to the land or other property adjoining ~~such~~ the stream. When the ~~Commission~~ Agency determines that ~~such~~ the injury was caused by the driving or floating of lumber, it shall fix the compensation to be paid ~~therefor~~, including expense for witnesses and ~~a~~ reasonable ~~attorney fee~~ attorney's fees, and render a decision accordingly, which decision shall be final and a bar to any other action brought for such damages.

Sec. 53. 25 V.S.A. § 244 is amended to read:

§ 244. JUDGMENT ON DECISION

A party in interest may file in the Superior Court for the county in which the inquiry was held a certified copy of the decision of the ~~Commission~~ Agency awarding compensation, whereupon ~~such~~ the court shall render judgment in accordance ~~therewith~~ with the decision and notify the parties ~~thereof~~ of the judgment. ~~Such~~ The judgment shall have the same effect, and all proceedings in relation ~~thereto~~ to the judgment shall ~~thereafter~~ be the same as though ~~such~~ the judgment had been rendered in an action duly heard and determined by ~~such~~ the court, and there shall be no appeal ~~therefrom~~ from the judgment.

Sec. 54. 25 V.S.A. § 245 is amended to read:

§ 245. BOND OF FOREIGN CORPORATION

A foreign corporation, before driving or floating any logs, lumber, or other timber in any stream in this State, shall file in the Office of the Secretary of State for the benefit of the owners of land adjoining any stream used by ~~such~~ the corporation, a good and sufficient bond to be approved by the Secretary and in ~~such~~ a sum ~~as he or she directs~~ the Secretary determines is appropriate. ~~Such~~ The bond shall be given to the Secretary as trustee of the corporation, for each and all of the riparian owners, and shall be conditioned for the payment of all damages and compensation awarded by the ~~Commission~~ Agency and any judgment rendered by any court from which an appeal has not been taken.

Upon breach of the condition of ~~such~~ the bond, the Secretary, upon application by a riparian owner whose award by the ~~Commission~~ Agency or judgment remains unpaid for more than 30 days, shall institute proceedings thereon in ~~his or her~~ the Secretary's name as trustee for the benefit of all landowners to whom ~~such~~ the corporation may be indebted~~, as hereinbefore provided,~~ pursuant to the provisions of this section at the time ~~such~~ the proceedings shall be instituted.

Sec. 55. 32 V.S.A. § 8394 is amended to read:

§ 8394. PETITION AND HEARING FOR RELIEF FROM TAXES

Upon the written petition of any railroad corporation operating a railroad located in whole or in part within this State, setting forth that the financial condition of ~~such~~ the corporation is such that the payment of any taxes assessed against it under the provisions of this chapter would imperil the continued operation of ~~such~~ the railroad and would be detrimental to the general good of the State, the ~~Public Utility Commission~~ Commissioner of Taxes shall fix a time and place for a hearing ~~thereon~~ on the petition and give

Sec. 56. VEHICLE HISTORY INFORMATION; REPORT

(a) The Commissioner of Motor Vehicles, in consultation with the Attorney General, the Vermont Vehicle and Automotive Distributors Association, the Alliance for Automotive Innovation, and other interested stakeholders, shall examine the use and reliability of vehicle history reports utilized in relation to the purchase and sale of used motor vehicles in Vermont. The report shall address:

(1) how information provided in vehicle history reports is gathered and disseminated;

(2) the accuracy of vehicle history information provided in vehicle history reports;

(3) the frequency with which complaints regarding the accuracy of vehicle history reports are submitted to the State;

(4) the frequency and potential causes of inaccurate or incomplete vehicle history information being provided in vehicle history reports;

(5) potential causes for inaccurate or incomplete vehicle history information being included in vehicle history reports; and

(6) potential legislative or regulatory actions that could reduce the occurrence of inaccurate or incomplete vehicle history information appearing in vehicle history reports.

(b) On or before December 15, 2026, the Commissioner shall submit a written report to the House and Senate Committees on Transportation regarding their findings pursuant to subsection (a) of this section and any recommendations for legislative action.

(c) As used in this section:

(1) "Vehicle history information" includes the following related to a motor vehicle:

(A) accident or damage information;

(B) the number of previous owners;

(C) information regarding service or maintenance history, including diagnostic information generated while performing service or maintenance;

(D) odometer readings; and

(E) title information.

(2) "Vehicle history report" means any written or electronic communication of vehicle history information made by a vehicle history report provider that is made available to consumers.

(3) "Vehicle history report provider" means an entity that generates vehicle history reports from a vehicle history database that are provided directly to consumers. "Vehicle history report provider" does not include a dealer that obtains a vehicle history report from a third party that is not an affiliate of the dealer and that then communicates the vehicle history report without altering the vehicle history information in the report.

* * * Effective Dates * * *

Sec. 57. EFFECTIVE DATES

(a) Sec. 11 (purchase and use tax payments to Education Fund) shall take effect on July 1, 2027.

(b) Sec. 12 (repeal of purchase and use tax payments to Education Fund) shall take effect on July 1, 2031.

(c) Secs. 16 (mileage-based user fee), 17 (infrastructure fee for PHEVs), and 18 (transition to mileage-based user fee) shall take effect on January 1, 2027.

(d) Sec. 21 (expansion of mileage-based user fee to fuel-efficient vehicles) shall take effect on January 1, 2029.

(e) Sec. 22 (expansion of mileage-based user fee to all light-duty vehicles) shall take effect on January 1, 2031.

(f) Sec. 23 shall take effect on the sooner of January 1, 2031, or when the mileage-based user fee created pursuant to 23 V.S.A. chapter 43 becomes applicable to all motor vehicles with a gross vehicle weight rating of less than 10,000 pounds.

(g) The remaining sections shall take effect on July 1, 2026.

(Committee vote: 5-0-0)

(For House amendments, see House Journal of March 26, 2026, pages 3610-3619)

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

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

First: By striking out Secs. 11 and 12, 16 V.S.A. § 4025, (Education Fund) and their reader assistance heading in their entireties and inserting in lieu thereof two new Secs. 11 and 12 to read as follows:

Sec. 11. [Deleted.]

Sec. 12. [Deleted.]

Second: By striking out Sec. 21, 23 V.S.A. § 4301, Sec. 22, 23 V.S.A. § 4301, and Sec. 23, 23 V.S.A. § 4302(e), and their reader assistance headings in their entireties and inserting in lieu thereof three new Secs. 21, 22, and 23 to read as follows:

Sec. 21. [Deleted.]

Sec. 22. [Deleted.]

Sec. 23. [Deleted.]

Third: By striking out Sec. 44, 32 V.S.A. § 9784, and Sec. 45, 19 V.S.A. § 11, and their reader assistance heading in their entireties and inserting in lieu thereof two new Secs. 44 and 45 to read as follows:

Sec. 44. [Deleted.]

(Committee vote: 5-2-0)

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

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

First: By striking out Sec. 6, 32 V.S.A. § 3709, Sec. 7, 19 V.S.A. § 306b, Sec. 8, 19 V.S.A. § 306, Sec. 9, general State aid for town highways; additional appropriation, and Sec. 10, transfer, and their reader assistance headings in their entireties and inserting in lieu thereof five new Secs. 6–10 to read as follows:

Sec. 6. [Deleted.]

Sec. 7. [Deleted.]

Sec. 8. [Deleted.]

Sec. 9. [Deleted.]

Sec. 10. [Deleted.]

Second: By striking out Sec. 39, public transit demand response medical transports; volunteer drivers; mobility management; grants; appropriation, in its entirety and inserting in lieu thereof a new Sec. 39 to read as follows:

Sec. 39. PUBLIC TRANSIT DEMAND RESPONSE MEDICAL TRANSPORTS; VOLUNTEER DRIVERS; MOBILITY MANAGEMENT; GRANTS

The Agency of Transportation is authorized to utilize amounts appropriated for supplemental nonemergency medical transportation funding in fiscal year 2027 for the purpose of providing grants to public transit agencies to support the recruitment and retention of volunteer drivers and mobility management activities related to nonemergency medical transports.

(Committee vote: 7-0-0)

House Proposal of Amendment

S. 327.

An act relating to economic development.

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

Sec. 1. [Deleted.]

Sec. 2. [Deleted.]

Sec. 3. [Deleted.]

Sec. 4. [Deleted.]

Sec. 5. [Deleted.]

Sec. 6. [Deleted.]

* * * Business Resources and Growth Study * * *

Sec. 7. BUSINESS RESOURCES AND GROWTH; INVENTORY; STUDY; REPORT

(a) Business growth and development study. The Commissioner of Economic Development, in consultation with the stakeholders set forth in subsection (b) of this section, for the purpose of determining how the State can better enable and support the growth of Vermont businesses, shall:

(1) clearly define each stage of business development in order to provide business leaders, investors, and the General Assembly with an understanding of the resources businesses need at each stage of development;

(2) identify the public and private resources available to businesses and determine how the resources are currently communicated to businesses;

(3) create an inventory of resources, pursuant to subdivision (2) of this subsection, that are poised to serve businesses for each stage of development;

(4) determine how best to communicate the inventory of resources created pursuant to subdivision (3) of this subsection to Vermonters and the business community;

(5) determine how to better communicate succession planning options for businesses;

(6) identify what resources are available to businesses to access capital;

(7) determine the state of capital access opportunities, including the:

(A) investment environment in Vermont and the New England region;

(B) availability of tax credits to leverage private capital; and

(C) requirements to maintain Vermont's Tech Hub designation; and

(8) identify investor education opportunities for high net worth individuals interested in investing in Vermont businesses.

(b) Stakeholders. The Commissioner shall consult and convene with stakeholders to assist in the Commissioner's work pursuant to subsection (a) of this section that have relevant experience in business growth and access to capital, including representation from the U.S. Small Business Administration, the Vermont Small Business Development Center, the U.S. Department of Agriculture, regional development corporations, regional planning commissions, the Vermont Housing and Conservation Board, the Vermont Professionals of Color Network, the Vermont Small Business Law Center, the Vermont Sustainable Jobs Fund, the Vermont Employee Ownership Center, a regional community action agency, postsecondary institutions, and local and regional chambers of commerce.

(c) Report. On or before December 15, 2026, the Commissioner shall submit a written report to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs with the Commissioner's findings pursuant to the business resources and growth study set forth in this section along with any recommendations for legislative action and a list of the stakeholders consulted pursuant to subsection (b) of this section.

* * * Convention Center Task Force * * *

Sec. 8. 2025 Acts and Resolves No. 65, Sec. 3 is amended to read:

Sec. 3. TASK FORCE TO EXPLORE DEVELOPMENT OF CONVENTION CENTER AND PERFORMANCE VENUE

* * *

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

(1) one current member of the House of Representatives, who shall be appointed by the Speaker of the House;

(2) one current member of the Senate, who shall be appointed by the Committee on Committees;

(3) the Commissioner of the Department of Economic Development or designee;

(4) the President of the Vermont Chamber of Commerce or designee;

(5) the Chief Executive Officer of the Lake Champlain Chamber of Commerce or designee;

(6) the President of the Vermont Regional Development Corporations or designee; ~~and~~

(7) the Chair of the Vermont Association of Planning and Development Agencies or designee; and

(8) the President of the University of Vermont or designee.

* * *

(e) Reports. On or before November 1, 2025, the Task Force shall submit an interim report to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs with an update on its work pursuant to subsection (c) of this section. On or before ~~November~~ December 1, 2026, the Task Force shall submit a final written report to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs with its findings and any recommendations for legislative action.

(f) Meetings.

* * *

(4) The Task Force shall cease to exist on ~~December 1, 2026~~ July 1, 2027.

~~(5) The Task Force shall meet not more than six times.~~

(g) Reimbursement.

(1) For attendance at meetings during adjournment of the General Assembly, a legislative member of the Task Force serving in the member's capacity as a legislator shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 23 for not more than ~~six~~ 14 meetings. These payments shall be made from monies appropriated to the General Assembly.

(2) Other members of the Task Force shall be entitled to reimbursement of expenses as permitted under 32 V.S.A. § 1010 for not more than ~~six~~ 14 meetings. These payments shall be made from monies appropriated to the Agency of Commerce and Community Development.

* * *

* * * Repeal of VEGI Prospective Repeal * * *

Sec. 9. 2016 Acts and Resolves No. 157, Sec. H.12, as amended by 2022 Acts and Resolves No. 164, Sec. 5, 2023 Acts and Resolves No. 72, Sec. 39, and 2024 Acts and Resolves No. 176, Sec. 1, is further amended to read:

Sec. H.12. ~~VEGI; REPEAL OF AUTHORITY TO AWARD INCENTIVES~~

~~Notwithstanding any provision of law to the contrary, the Vermont Economic Progress Council shall not accept or approve an application for a Vermont Employment Growth Incentive under 32 V.S.A. chapter 105, subchapter 2 on or after January 1, 2027.~~ [Repealed.]

* * * VEGI Annual Cap * * *

Sec. 9a. 32 V.S.A. § 3342 is amended to read:

§ 3342. ANNUAL PROGRAM CAP

(a) In each calendar year the Vermont Economic Progress Council may approve one or more incentives under this subchapter, the total value of which shall not exceed:

(1) ~~$15,000,000.00~~ $10,000,000.00 for one or more initial approvals; and

(2) ~~$10,000,000.00~~ $5,000,000.00 for one or more final approvals.

(b) The Council may increase the cap imposed in subdivision (a)(2) of this section by not more than $5,000,000.00 upon application by the Governor to, and approval of, the Joint Fiscal Committee.

(c) In evaluating the Governor's request, the Committee shall consider the economic and fiscal condition of the State, including recent revenue forecasts and budget projections.

(d) The Council shall provide the Committee with testimony, documentation, company-specific data, and any other information the Committee requests to demonstrate that increasing the cap will create an opportunity for return on investment to the State.

Sec. 10. [Deleted.]

* * * Study of Culinary and Hospitality Education * * *

Sec. 10a. CULINARY AND HOSPITALITY EDUCATION; STUDY; REPORT

(a) Purpose and findings. The State of Vermont lost a significant contributor to its culinary and hospitality workforce pipeline when the New England Culinary Institute closed during the COVID-19 pandemic. The General Assembly finds that the establishment of postsecondary educational programs in the fields of culinary arts and hospitality is critical for the long-term workforce needs in those sectors and for the economic health of the State.

(b) Task. The Department of Labor, in collaboration with the Vermont Chamber of Commerce, shall engage with the stakeholders set forth in subsection (c) of this section to determine how best to develop postsecondary educational programs in the fields of culinary arts and hospitality by:

(1) investigating suitable locations that could host the programs;

(2) researching and identifying possible educational and business models;

(3) identifying organizations that could stand up, administer, or operate the programs;

(4) gauging the interest from private investors to determine whether there is interest in private funding for the programs;

(5) establishing relationships with culinary and hospitality businesses in Vermont that have or will have workforce needs;

(6) cataloging opportunities currently available for culinary and hospitality training and certification;

(7) determining whether there are gaps in the availability of culinary and hospitality training and certification programs; and

(8) conducting any additional research or outreach that would promote the development of the programs.

(c) Stakeholders. The Department shall consult and convene with stakeholders to assist in its work pursuant to subsection (b) of this section that have relevant experience in the food and hospitality sectors, including representation from the State Workforce Development Board, Office of Workforce Strategy and Development, Vermont Association of Career and Technical Directors, Vermont Professionals of Color, Vermont Independent Restaurants, Vermont Specialty Foods Association, Vermont Lodging Association, University of Vermont, Vermont State Colleges System, Vermont Sustainable Jobs Fund, Vermont Employee Ownership Center, and an institutional food and beverage provider.

(d) Report. On or before December 1, 2026, the Department shall submit a written report to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs with its findings and information gathered pursuant to subsection (b) of this section along with any recommendations concerning the development of postsecondary educational programs for culinary arts and hospitality. The report shall also list the stakeholders consulted pursuant to subsection (c) of this section.

* * * Culinary Apprenticeship Pilot Program * * *

Sec. 10b. HOSPITALITY AND CULINARY APPRENTICESHIP PILOT; REPORT

(a) Creation and purpose; coordination.

(1) The Department of Labor, through the Vermont Registered Apprenticeship Program, shall establish and maintain a two-year hospitality and culinary apprenticeship pilot that develops and evaluates a new registered apprenticeship training program specific to accommodation and food services. The pilot shall be structured as a regional, multi-employer model, with the goal of the program being to strengthen workforce pathways and improve job quality in the hospitality and culinary services, which have been identified as priority sectors by the State Workforce Development Board.

(2) The Department shall coordinate its work on the pilot with the Department of Tourism and Marketing, Department of Economic Development, Office of Workforce Strategy and Development, and Vermont Chamber of Commerce.

(b) Pilot details.

(1) The Department shall:

(A) implement the pilot in a hospitality-based regional economy and include multiple employers, including at least one large employer, located within the same regional economy;

(B) incorporate an intermediary or coordinating entity;

(C) include structured work-based learning across more than one employer;

(D) align with education and training providers, including secondary and adult career technical education programs;

(E) be structured to rely on existing resources, including the physical assets of schools, technical centers, and restaurants;

(F) be built around not more than two apprenticeable occupations, as that term is defined in 21 V.S.A. § 1111(4); and

(G) establish specific numeric targets and track outcomes including completion, retention, and wage progression.

(2) The pilot shall be designed to achieve, at minimum:

(A) participation of multiple employers;

(B) enrollment of at least one apprentice cohort; and

(C) measurable completion outcomes.

(c) Funding. The Department shall implement the pilot using existing State and federal funds to the extent practicable and may seek additional grants or funding as such funds become available.

(d) Report. The Department shall, based on its work on the hospitality and culinary apprenticeship pilot set forth in this section, submit to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs:

(1) on or before December 15, 2026, an interim written report on the progress of the pilot program that includes the design, participation, and preliminary results of the pilot; and

(2) on or before December 15, 2028, a final written report on the pilot program, including outcomes, evaluation of effectiveness, and recommendations for future legislative action.

Sec. 11. [Deleted.]

Sec. 12. [Deleted.]

* * * Rural Industry Development Grant Program * * *

Sec. 12a. 2023 Acts and Resolves No. 78, Sec. F.8 is amended to read:

Sec. F.8 ~~RURAL INDUSTRY DEVELOPMENT GRANT PROGRAM~~

~~(a) Creation; purpose.~~

~~(1) A Rural Industry Development Grant Program is created within the Agency of Commerce and Community Development to provide grant funding through local development corporations for business relocation and expansion efforts, including the purchase, demolition, and renovation of property for industrial use.~~

~~(2)(A) To the extent funding is appropriated, the Agency shall make grants through the Program to assist local development corporations with business relocation and expansion efforts throughout Vermont.~~

~~(B) The Agency shall ensure an accounting of the respective State and Grantee shares of investment in any property be maintained to refund to the State an appropriate share of any net proceeds resulting from future sale or transfer of such property acquired or improved through a grant awarded under this program.~~

(b) Grant considerations. In making grant awards, the Agency shall consider:

(1) the real estate needs of growing and relocating businesses, including nonprofit organizations, in the applicant's region;

(2) the ability of the proposed project to meet the site-specific needs of businesses considering whether to expand or locate in this State;

(3) the funding that the applicant has identified, or secured, to leverage a grant award; and

(4) the readiness of an applicant to move a project forward.

(c) Eligible applicants; priority.

(1) To be eligible for a grant, an applicant must be a local development corporation, as defined in subdivision 212(10) of this title, located within this State.

(2) The Secretary of Commerce and Community Development may designate projects and agreements as first priority based on rural communities that continue to experience insufficient economic and grand list growth.

(d) Eligible activities. A grant recipient may use funding for the following:

(1) to purchase land for potential industrial use;

(2) for the costs of site development, permitting, or providing infrastructure for property the recipient owns;

(3) for the equity investment required for a loan transaction through the Vermont Economic Development Authority under 10 V.S.A. chapter 12, subchapter 3; or

(4) for the matching requirement of another State or federal grant consistent with this section.

(e) Application; market assessment.

(1) An applicant shall include in its application a local and regional market assessment that demonstrates reasonable need for the proposed development and identifies imminent, potential, or existing business growth opportunities.

(2) An applicant shall submit the following to demonstrate a readiness to begin and complete the proposed project:

(A) community and regional support for the project;

(B) that grant funding is needed to complete the proposed project;

~~(C) an ability to manage the project, with requisite experience and a plan for fiscal viability; and~~

~~(D) a description of the permitting required to proceed with the project and a plan for obtaining the permits.~~

~~(f) Awards; amount.~~

~~(1) An award shall not exceed the lesser of $1,000,000 or 20 percent of the total project cost.~~

~~(2) A recipient may combine grant funds with funding from other sources.~~

~~(3) The Agency shall release grant funds upon determining that the applicant has met all application conditions and requirements.~~

~~(4) A grant recipient may apply for additional grant funds if future amounts are appropriated for the Program and the funds are for a separate but eligible use.~~

~~(g) Deed restrictions; property sales. The Agency shall include deed restrictions that require the return of the principal amount to the state and may require the payment of a percentage of the sales profit.~~ [Repealed.]

Sec. 12b. 10 V.S.A. § 6 is added to read:

§ 6. RURAL INDUSTRY DEVELOPMENT GRANT PROGRAM

(a) Creation; purpose.

(1) The Rural Industry Development Grant Program is created within the Agency of Commerce and Community Development to provide grant funding through local development corporations for the purpose of business relocation and expansion activities set forth in subsection (d) of this section.

(2) To the extent funding is appropriated, the Agency shall make grants through the Program fund to assist local development corporations with business relocation and expansion efforts throughout Vermont.

(3) As used in this section, "federally impacted property" means real property that is:

(A) owned by the United States or by any federal agency or an instrumentality thereof; or

(B) under the custody or control of a federally appointed receiver, trustee, or conservator, and includes property subject to federal court jurisdiction.

(b) Grant considerations. In making grant awards, the Agency shall consider:

(1) the real estate needs of growing and relocating businesses, including nonprofit organizations, in the applicant's region;

(2) the ability of the proposed project to meet the site-specific needs of businesses considering whether to expand or locate in this State;

(3) the funding that the applicant has identified, or secured, to leverage a grant award; and

(4) the readiness of an applicant to move a project forward.

(c) Eligible applicants; priority.

(1) To be eligible for a grant, an applicant must be a local development corporation, as defined in subdivision 212(10) of this title, located within this State.

(2) The Secretary of Commerce and Community Development may designate projects and agreements as first priority based on rural communities that continue to experience insufficient economic and grand list growth.

(d) Eligible activities. A grant recipient shall use any funding provided through this section only for the following:

(1) to purchase real property for potential industrial, commercial, or, in the case of a federally impacted property, residential use;

(2) for the costs of site development, permitting, or providing infrastructure for property the recipient owns;

(3) for a project that supports future commercial or industrial development as outlined in a development agreement;

(4) for the equity investment required for a loan transaction through the Vermont Economic Development Authority under 10 V.S.A. chapter 12, subchapter 3;

(5) for the matching requirement of another State or federal grant consistent with this section; or

(6) for the purchasing, holding, and renovation of property for the repurposing or redevelopment of a federally impacted property.

(e) Application; market assessment.

(1) An applicant shall include in its application a local and regional market assessment that demonstrates reasonable need for the proposed

development and identifies imminent, potential, or existing business growth opportunities.

(2) An applicant shall submit the following to demonstrate a readiness to begin and complete the proposed project:

(A) community and regional support for the project;

(B) that grant funding is needed to complete the proposed project;

(C) an ability to manage the project, with requisite experience and a plan for fiscal viability; and

(D) a description of the permitting required to proceed with the project and a plan for obtaining the permits.

(f) Awards; amount.

(1)(A) An award shall not exceed the lesser of $1,000,000.00 or 50 percent of the total project cost, subject to the exception in subdivision (B) of this subdivision (1).

(B) An award may exceed $1,000,000.00 but shall not exceed $2,000,000.00 if the property is classified as a federally impacted property and the Secretary certifies that the project is located in:

(i) a designated downtown development district; and

(ii) a rural economic area partnership program (REAP Zone); or

(iii) a federally declared natural disaster area, provided the declaration was made not more than five years from the application date.

(2) A recipient may combine grant funds with funding from other sources.

(3) The Agency shall release grant funds upon determining that the applicant has met all application conditions and requirements.

(4) A grant recipient may apply for additional grant funds if future amounts are appropriated for the Program and the funds are for a separate but eligible use.

(g) Deed restrictions. Any deed restriction requiring a Rural Industry Development Grant Program award recipient to return to the State the principal amount of the grant or a percentage of the sales profit is void and shall not be enforced.

Sec. 12c. INTENT AND RETROACTIVITY

The intent of Secs. 12a and 12b of this act is to move the Rural Industry Development Grant Program from its original placement in 2023 Acts and Resolves No. 78, Sec. F.8 to Title 10 of the Vermont Statutes Annotated. The move is intended to increase the visibility of the Program. Any person that was awarded a grant through the Program before the effective date of this act shall:

(1) not have its award rescinded solely due to the Program language being moved to Title 10;

(2) if the award has not been fully paid out, be eligible to have the applicant's invoices that are submitted on or after the effective date of this act to the Agency reimbursed at a rate of 50 percent; and

(3) not be eligible for an increased total award amount.

Sec. 13. [Deleted.]

* * * Nickel Rounding * * *

Sec. 13a. PURPOSE

The purpose of Sec. 13b of this act is to authorize the rounding of cash transactions to the nearest five cents where one-cent coins are unavailable or impractical, while ensuring legal clarity and consumer fairness.

Sec. 13b. 9 V.S.A. chapter 1 is amended to read:

CHAPTER 1. MONEY OF ACCOUNT

§ 1. DOLLAR, CENT, AND MILL

The money of account in the State shall be the dollar, cent, and mill; and accounts in public offices and proceedings in court shall be in conformity herewith; but this section shall not affect an account, charge, or entry originally made or a contract expressed in other money of account, but the same shall be reduced to dollars and parts of a dollar in an action thereon.

§ 2. NICKEL ROUNDING; AUTHORIZED

(a) Definitions. As used in this section:

(1) "Cash" means coins or paper currency of the United States offered in physical form.

(2) "Cash transaction" means a sale of goods or services where payment is made entirely or partially in cash.

(3) "Rounding" means adjusting the final total amount due, after taxes and fees, to the nearest five-cent increment.

(b) Rounding authorization.

(1) A person engaged in a cash transaction may round the final amount due to the nearest $0.05 as follows:

(A) If the final digit of the amount due is $0.01, $0.02, $0.06, or $0.07, rounded down to the nearest amount divisible by five.

(B) If the final digit of the amount due is $0.03, $0.04, $0.08, or $0.09, rounded up to the nearest amount divisible by five.

(2) If a person rounds a cash transaction under this section, any cash refund of the amount paid shall be issued to the purchaser in the exact amount initially paid for the goods or service.

(c) Exclusions. This section shall not apply to:

(1) electronic and other noncash payments;

(2) payment of wages as that term is defined in 21 V.S.A. § 341;

(3) rebates or cash disbursements; and

(4) transactions governed by federal law that prohibits rounding.

(d) Application. Notwithstanding any law to the contrary, rounding under this section shall not constitute an unlawful price increase, surcharge, unfair or deceptive act or practice in commerce, or discrimination.

(e) Notice requirements.

(1) On or before July 1, 2026, the Commissioner of Liquor and Lottery shall prepare and provide individuals and businesses with a model notice pursuant to this section that shall also include a reference to the Vermont Consumer Assistance Program.

(2) A person rounding transactions under this section shall post the model notice developed pursuant to subdivision (1) of this subsection in a clear and conspicuous manner at the point of sale or at the entrance to the business.

(3) The Secretary of Agriculture, Food and Markets may issue a penalty for the failure to provide the notice required under this subsection in accordance with 6 V.S.A. § 687.

(f) Taxes and fees. All taxes and fees shall be calculated and remitted based on the prerounding amount.

Sec. 14. [Deleted.]

* * * C-PACE Program * * *

Sec. 14a. 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) 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.

(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 of commercial or industrial buildings within the boundaries of the municipality for renewable energy projects as defined in 30 V.S.A. § 8002(17), energy efficiency projects as defined by section 3267 of this title, water conservation projects, and resiliency improvement projects.

(c) As used in this subchapter:

(1) "Commercial or industrial building" means any building other than a residential dwelling with fewer than five units.

(2) "District" means a commercial property-assessed clean energy district which includes the entire municipality.

(3) "Resilience" means the ability of interconnected ecological, social, physical, and economic systems to anticipate, adapt, withstand, respond, and thrive in the face of current and future conditions and disasters.

(4) "Resiliency improvement" means improvements that increase the resilience of a property, including air quality and stormwater infrastructure improvements, snow and flood mitigation, energy storage and microgrids, alternative vehicle charging infrastructure, and fire and wind resistance.

(5) "Water conservation improvement" means measures, equipment, or devices that decrease the consumption of or demand for water, address safe drinking water, or eliminate lead from water used for drinking or cooking.

§ 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.

(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 result in either 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 resiliency improvements are proposed, certification by a licensed professional engineer stating that the qualified improvements will result in improved resilience; 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 meet or exceed the energy efficiency or water efficiency or renewable energy or water usage requirements of the current building code and the Commercial Building Energy Standards established under 30 V.S.A. § 53.

(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 improvement. In instances where multiple improvements have been installed, the length of time shall not exceed the average lifetime of all improvements, 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 lienholder, 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 appraised real property value of that property, as stabilized or as complete.

(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 subject to the private agreement for the 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.

(j) This section shall not be construed to affect a taxpayer's liability, or municipality's responsibility for payment, under 32 V.S.A. § 5402.

§ 3277. PROGRAM ADMINISTRATORS

(a) 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.

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

(1) 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

(2) 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.

(c) 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.

(d) 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 resiliency improvements financed under a C-PACE Program.

Sec. 14b. 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. 14c. 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), relating to resiliency improvements as defined in section 3275 of this title, or relating to energy efficiency as defined in section 3267 of this title.

Sec. 14d. 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 shall pledge the full faith and credit of the municipality.

Sec. 14e. 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. 14f. 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~~ in 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 in the land records.

Sec. 14g. 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.

* * * Effective Date * * *

Sec. 15. EFFECTIVE DATE

This act shall take effect on passage.

CONFIRMATIONS

The following appointments will be considered by the Senate, as a group, under suspension of the Rules, as moved by the President *pro tempore,* for confirmation together and without debate, by consent thereby given by the Senate. However, upon request of any senator, any appointment may be singled out and acted upon separately by the Senate, with consideration given to the report of the Committee to which the appointment was referred, and with full debate; and further, all appointments for the positions of Secretaries of Agencies, Commissioners of Departments, Judges, Magistrates, and members of the Public Utility Commission and the Cannabis Control Board, underlined below, shall be fully and separately acted upon.

Dani Delaini of Brattleboro, VT – Public Member of the State Infrastructure Bank Board – By Senator Hardy for the Committee on Finance (April 28, 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 #3277: $36,000.00 to the Vermont Legislature, Sergeant at Arms office from the National Conference of State Legislatures. The grant will extend up to $500.00 to each member of the General Assembly to secure their homes. Funds would be available once as a reimbursement during the lawmaker's service for expenses incurred after June 1, 2026.
[Received April 14, 2026]

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).