Journal of the House

Friday, March 14, 2025

At nine o'clock and thirty minutes in the forenoon, the Speaker called the House to order.

Devotional Exercises

Devotional exercises were conducted by Rep. Bram Kleppner of Burlington.

Memorial Service

House members rose as the Speaker placed before the House the following name of the member of a past session of the Vermont General Assembly who had passed away recently:

Rep. Kathleen "Kathy" Hoyt of Norwich	Member of the House, Session of 2014

Thereupon, the members of the House held a moment of silence in memory of the deceased member.

House Bills Introduced

House bills of the following titles were severally introduced, read the first time, and referred to committee or placed on the Notice Calendar as follows:

H. 474

By the Committee on Government Operations and Military Affairs,

House bill, entitled

An act relating to miscellaneous changes to election law

Pursuant to House Rule 48, placed on the Notice Calendar.

H. 475

By Rep. O'Brien of Tunbridge,

House bill, entitled

An act relating to establishing an equitable pricing system for the milk production

To the Committee on Agriculture, Food Resiliency, and Forestry.

H. 476

By Rep. O'Brien of Tunbridge,

House bill, entitled

An act relating to establishing a Mechanized Logging and Trucking Training Program

To the Committee on Commerce and Economic Development.

H. 477

By Rep. O'Brien of Tunbridge,

House bill, entitled

An act relating to forest management harvests on State Forest lands

To the Committee on Agriculture, Food Resiliency, and Forestry.

H. 478

By Rep. O'Brien of Tunbridge,

House bill, entitled

An act relating to requiring price look-up stickers on produce be compostable

To the Committee on Agriculture, Food Resiliency, and Forestry.

H. 479

By the Committee on General and Housing,

House bill, entitled

An act relating to housing

Pursuant to House Rule 35(a), affecting the revenue of the State, was referred to the Committee on Ways and Means.

Ceremonial Reading

H.C.R. 31

Offered by Representatives Graning of Jericho and Squirrell of Underhill

House concurrent resolution in memory of former University of Vermont associate professor, poet, and community leader Mary Jane Dickerson

Whereas, Mary Jane Dickerson graduated from the former Woman's College at the University of North Carolina at Greensboro and earned a master's degree in English from the University of North Carolina, Chapel Hill,

where she met her future husband, the late A. Inskip Dickerson Jr., both destined to become University of Vermont (UVM) English professors, and

Whereas, her UVM career roles were director of freshman English, associate director of writing, and ultimately associate professor of English; and she developed a course in women's autobiography and UVM's first class in African American literature, and

Whereas, Mary Jane Dickerson was the recipient of UVM's George V. Kidder Outstanding Faculty Award; in 2007, established the Mary Jane Dickerson Scholarship Fund to support English majors; was delighted to teach as a visiting scholar in Japan and South Africa; and in 2016, was honored with induction into the distinguished society of the American Academy of Arts and Sciences, and

Whereas, she applied her literary expertise to teaching classes in reading and writing at local libraries; serving on the faculty of the New England Young Writers' Conference at Middlebury College's Bread Loaf School of English; and publishing two volumes of poetry, *Water Journeys in Art and Poetry* and *Tapping the Center of Things: Poems*, and her community service consisted of serving on the boards of UVM's Fleming Museum and the Deborah Rawson Memorial Library in Jericho, on the Jericho Zoning Board of Adjustment and Board of Civil Authority, and as the Jericho Center Preservation Association Treasurer; and she was active in local Democratic politics, and

Whereas, Mary Jane Dickerson, a cherished friend to many, who took great pride in cofounding Sundog Poetry, an organization that supports Vermont poets, and whose passion for North Carolina's Sandhills endured, died on October 3, 2024 at 87 years of age, and is survived by her children and grandchildren, *now therefore be it*

Resolved by the Senate and House of Representatives:

That the General Assembly extends its sincere condolences to the family of Mary Jane Dickerson, *and be it further*

Resolved: That the Secretary of State be directed to send a copy of this resolution to the family of Mary Jane Dickerson and the Jericho Town Clerk.

Having been adopted in concurrence on Friday, February 14, 2025 in accord with Joint Rule 16b, was read.

Third Reading; Bills Passed

House bills of the following titles were severally taken up, read the third time, and passed:

H. 1

House bill, entitled

An act relating to accepting and referring complaints by the State Ethics Commission

H. 206

House bill, entitled

An act relating to the Uniform Commercial Code

H. 238

House bill, entitled

An act relating to the phaseout of consumer products containing added perfluoroalkyl and polyfluoroalkyl substances

H. 458

House bill, entitled

An act relating to the Agency of Digital Services

Committee Bill; Second Reading; Third Reading Ordered

H. 463

Rep. Hooper of Burlington spoke for the Committee on Government Operations and Military Affairs.

House bill, entitled

An act relating to technical corrections for the 2025 legislative session

Having appeared on the Notice Calendar and appearing on the Action Calendar, was taken up, read the second time, and third reading ordered.

Second Reading; Bill Amended; Third Reading Ordered

H. 137

Rep. White of Bethel, for the Committee on Commerce and Economic Development, to which had been referred House bill, entitled

An act relating to the regulation of insurance products and services

Reported in favor of its passage when amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 8 V.S.A. § 23 is amended to read:

§ 23. CONFIDENTIALITY OF INVESTIGATION AND EXAMINATION REPORTS

(a) This section shall apply to all persons licensed, authorized, or registered, or required to be licensed, authorized, or registered~~, under this title or under 9 V.S.A. chapter 150~~ by the Commissioner.

(b) Regardless of source, all records of investigations, including information pertaining to a complaint by or for a consumer, and all records and reports of examinations by the Commissioner, whether in the possession of a supervisory agency or another person, shall be confidential and privileged, shall not be made public, and shall not be subject to discovery or introduction into evidence in any private civil action. No person who participated on behalf of the Commissioner in an investigation or examination shall be permitted or required to testify in any such civil action as to any findings, recommendations, opinions, results, or other actions relating to the investigation or examination.

(c) The Commissioner may, in ~~his or her~~ the Commissioner's discretion, disclose or publish or authorize the disclosure or publication of any such record or report or any part thereof in the furtherance of legal or regulatory proceedings brought as a part of the Commissioner's official duties. The Commissioner may, in ~~his or her~~ the Commissioner's discretion, disclose or publish or authorize the disclosure or publication of any such record or report or any part thereof, to civil or criminal law enforcement authorities for use in the exercise of such authority's duties, in such manner as the Commissioner may deem proper.

(d) For the purposes of this section, records of investigations and records and reports of examinations shall include joint examinations by the Commissioner and any other supervisory agency. Records of investigations and reports of examinations shall also include records of examinations and investigations conducted by:

(1) any agency with supervisory jurisdiction over the person; and

(2) any agency of any foreign government with supervisory jurisdiction over any person subject to the jurisdiction of the Department, when such records are considered confidential by such agency or foreign government and the records are in the possession of the Commissioner.

Sec. 2. 8 V.S.A. § 3303 is amended to read:

§ 3303. MUTUAL COMPANIES; DIRECTORS, CHARTER PROVISIONS AS TO

The articles of association or bylaws of a mutual insurer shall set forth the manner in which its board of directors or other governing body shall be elected, and in which meetings of policyholders shall be called, held, and conducted, subject to such procedures as may be required by the Commissioner under ~~section 75~~ subsection 15(a) of this title.

Sec. 3. 8 V.S.A. § 4688(a) is amended to read:

(a) Filings as to competitive markets. Except with respect to filings submitted pursuant to section 4687 of this title, in a competitive market, every insurer shall file with the Commissioner all rates and supplementary rate information, and supporting information that are to be used in this State, provided that such rates and information need not be filed for specifically rated inland marine risks or such other risks that are designated by regulation of the Commissioner as not requiring a filing. Such rates, supplementary rate information, and supporting information shall be provided to the Commissioner not later than ~~15 days after~~ 30 days prior to the effective date. An insurer may adopt by reference, with or without deviation or modification, provided that said deviation or modification is readily identifiable, the rates, supplementary rate information, and supporting information filed by another insurer or an advisory or service organization with which it is affiliated; provided, however, such an adoption shall not relieve an insurer from any other requirements of this chapter.

Sec. 4. 8 V.S.A. § 4724 is amended to read:

§ 4724. UNFAIR METHODS OF COMPETITION OR UNFAIR OR DECEPTIVE ACTS OR PRACTICES DEFINED

* * *

(23) Affordable housing; unfair discrimination.

(A) An insurer that issues or delivers in this State a policy of insurance covering loss of or damage to real property containing units for residential purposes or legal liability of an owner or renter of such real property shall not cancel, refuse to issue, refuse to renew, or increase the premium of a policy, or exclude, limit, restrict, or reduce coverage under a policy, based on the following:

(i) whether the residential building contains dwelling units that are required to be affordable to residents at a specific income level pursuant to a

statute, regulation, restrictive declaration, or regulatory agreement with a local, State, or federal government entity;

(ii) whether the real property owner or tenants of such residential building or the shareholders of a cooperative housing corporation receive rental assistance provided by a local, State, or federal government entity, including the receipt of federal vouchers issued under Section 8 of the U.S. Housing Act of 1937, 42 U.S.C. § 1437f;

(iii) the level or source of income of the tenants of the residential building or the shareholders of a cooperative housing corporation; or

(iv) whether the residential building is owned by a limited-equity cooperative, public housing agency, or cooperative housing corporation.

(B) Nothing in this section shall prohibit an insurer from cancelling, refusing to issue, refusing to renew, or increasing the premium of an insurance policy, or excluding, limiting, restricting, or reducing coverage under a policy, due to other factors that are permitted or not prohibited by any other section of this chapter.

Sec. 5. 8 V.S.A. § 6002(a) is amended to read:

(a) Any captive insurance company, when permitted by its articles of association, charter, or other organizational document, may apply to the Commissioner for a license to ~~do any and all~~ conduct insurance business comprised in ~~subdivisions 3301(a)(1), (2), (3)(A)-(C), (E)-(Q), and (4)-(9)~~ section 3301 of this title and may grant annuity contracts as defined in section 3717 of this title and may accept or transfer risk by means of a parametric contract; provided, however, that:

(1) No pure captive insurance company may insure any risks other than those of its parent and affiliated companies or controlled unaffiliated business.

(2) No agency captive insurance company may do any insurance business in this State unless:

(A) an insurance agency or brokerage that owns or controls the agency captive insurance company remains in regulatory good standing in all states in which it is licensed;

(B) it insures only the risks of the commercial policies that are placed by or through an insurance agency or brokerage that owns or directly or indirectly controls the agency captive insurance company and, if required by the Commissioner in ~~his or her~~ the Commissioner's discretion, it provides the Commissioner the form of such commercial policies;

(C) it discloses to the original policyholder or policyholders, in a form or manner approved by the Commissioner, that the agency captive insurance company as a result of its affiliation with an insurance agency or brokerage may enter into a reinsurance or other risk-sharing agreement with the agency or brokerage; and

(D) if required by the Commissioner in ~~his or her~~ the Commissioner's discretion, the business written by an agency captive insurance company is:

(i) Fronted by an insurance company licensed under the laws of any state.

(ii) Reinsured by a reinsurer authorized or approved by the State of Vermont.

(iii) Secured by a trust fund in the United States for the benefit of policyholders and claimants or funded by an irrevocable letter of credit or other arrangement that is acceptable to the Commissioner. The Commissioner may require the agency captive insurance company to increase the funding of any security arrangement established under this subdivision. If the form of security is a letter of credit, the letter of credit shall be issued or confirmed by a bank approved by the Commissioner. A trust maintained pursuant to this subdivision shall be established in a form and upon terms approved by the Commissioner.

(3) No association captive insurance company may insure any risks other than those of its association, those of the member organizations of its association, and those of a member organization's affiliated companies.

(4) No industrial insured captive insurance company may insure any risks other than those of the industrial insureds that comprise the industrial insured group, those of their affiliated companies, and those of the controlled unaffiliated business of an industrial insured or its affiliated companies.

(5) No risk retention group may insure any risks other than those of its members and owners.

(6) No captive insurance company may provide personal motor vehicle or homeowner's insurance coverage or any component thereof.

(7) No captive insurance company may accept or cede reinsurance except as provided in section 6011 of this title.

(8) Any captive insurance company may provide excess workers' compensation insurance to its parent and affiliated companies, unless prohibited by the federal law or laws of the state having jurisdiction over the transaction. Any captive insurance company, unless prohibited by federal law,

may reinsure workers' compensation of a qualified self-insured plan of its parent and affiliated companies.

(9) Any captive insurance company that insures risks described in subdivisions 3301(a)(1) and (2) of this title shall comply with all applicable State and federal laws.

(10) Any captive insurance company that transfers risk by means of a parametric contract shall comply with all applicable State and federal laws and regulations.

Sec. 6. 8 V.S.A. § 6004(d) is amended to read:

(d) Within 30 days after commencing business, each captive insurance company shall file with the Commissioner a statement under oath of its president and secretary or, in the case of a captive insurance company formed as a limited liability company or as a reciprocal insurer, of two individuals authorized by the governing board certifying that the captive insurance company possessed the requisite unimpaired, paid-in capital and surplus prior to commencing business.

Sec. 7. 8 V.S.A. § 6006 is amended to read:

§ 6006. FORMATION OF CAPTIVE INSURANCE COMPANIES IN THIS STATE

* * *

(h) Other than captive insurance companies formed as limited liability companies under 11 V.S.A. ~~chapter 21~~ chapter 25 or as nonprofit corporations under Title 11B, captive insurance companies formed as corporations under the provisions of this chapter shall have the privileges and be subject to the provisions of Title 11A as well as the applicable provisions contained in this chapter. In the event of conflict between the provisions of said general corporation law and the provisions of this chapter, the latter shall control.

(i) Captive insurance companies formed under the provisions of this chapter:

(1) As limited liability companies shall have the privileges and be subject to the provisions of 11 V.S.A. ~~chapter 21~~ chapter 25 as well as the applicable provisions contained in this chapter. In the event of a conflict between the provisions of 11 V.S.A. ~~chapter 21~~ chapter 25 and the provisions of this chapter, the latter shall control.

(2) As nonprofit corporations shall have the privileges and be subject to the provisions of Title 11B as well as the applicable provisions contained in this chapter. In the event of conflict between the provisions of Title 11B and the provisions of this chapter, the latter shall control.

(3) As mutual insurers shall have the privileges and be subject to the provisions of sections 3303 and 3311 of this title as well as the applicable provisions contained in this chapter. In the event of a conflict between the provisions of sections 3303 and 3311 of this title and the provisions of this chapter, the latter shall control.

* * *

Sec. 8. 8 V.S.A. § 6006a(a) is amended to read:

(a) Any captive insurance company meeting the qualifications set forth in subdivision 6006(j)(1) of this title may merge with any other insurer, whether licensed in this State or elsewhere, in the following manner:

(1) The board of directors of each insurer shall, by a resolution adopted by a majority vote of the members of such board, approve a joint agreement of merger setting forth:

(A) the names of the insurers proposed to merge, and the name of the insurer into which they propose to merge, which is hereafter designated as the surviving company;

(B) the terms and conditions of the proposed merger and the mode of carrying the same into effect;

(C) the manner and basis of converting the ownership interests, if applicable, in other than the surviving insurer into ownership interests or other consideration, securities, or obligations of the surviving insurer;

(D) a restatement of such provisions of the articles of incorporation of the surviving insurer as may be deemed necessary or advisable to give effect to the proposed merger; and

(E) any other provisions with respect to the proposed merger as are deemed necessary or desirable.

(2) The resolution of the board of directors of each insurer approving the agreement shall direct that the agreement be submitted to a vote of the shareholders, members, or policyholders, as the case may be, of each insurer entitled to vote in respect thereof at a designated meeting thereof, or via unanimous written consent of such shareholders, members, or policyholders in lieu of a meeting. Notice of the meeting shall be given as provided in the bylaws, charter, or articles of association, or other governance document, as

the case may be, of each insurer and shall specifically reflect the agreement as a matter to be considered at the meeting.

(3) The agreement of merger so approved shall be submitted to a vote of the shareholders, members, or policyholders, as the case may be, of each insurer entitled to vote in respect thereof at the meeting directed by the resolution of the board of directors of such company approving the agreement, and the agreement shall be unanimously adopted by the shareholders, members, or policyholders, as the case may be.

(4) Following the adoption of the agreement by any insurer, articles of merger shall be adopted in the following manner:

(A) Upon the execution of the agreement of merger by all of the insurers parties thereto, there shall be executed and filed, in the manner hereafter provided, articles of merger setting forth the agreement of merger, the signatures of the several insurers parties thereto, the manner of its adoption, and the vote by which adopted by each insurer.

(B) The articles of merger shall be signed on behalf of each insurer by a duly authorized officer or, in the case of an insurer formed as a limited liability company or as a reciprocal insurer, by an individual authorized by the governing board, in such multiple copies as shall be required to enable the insurers to comply with the provisions of this subchapter with respect to filing and recording the articles of merger, and shall then be presented to the Commissioner.

(C) The Commissioner shall approve the articles of merger if ~~he or she~~ the Commissioner finds that the merger will promote the general good of the State in conformity with those standards set forth in section 3305 of this title. If ~~he or she~~ the Commissioner approves the articles of merger, ~~he or she~~ the Commissioner shall issue a certificate of approval of merger.

(5) The insurer shall file the articles of merger, accompanied by the agreement of merger and the certificate of approval of merger, with the Secretary of State and pay all fees as required by law. If the Secretary of State finds that they conform to law, ~~he or she~~ the Secretary shall issue a certificate of merger and return it to the surviving insurer or its representatives. The merger shall take effect upon the filing of articles of merger with the Secretary of State, unless a later effective date is specified therein.

(6) The surviving insurer shall file a copy of the certificate of merger from the Secretary of State with the Commissioner.

Sec. 9. 8 V.S.A. § 6007(b) is amended to read:

(b) Prior to March 1 of each year, and prior to March 15 of each year in the case of pure captive insurance companies, association captive insurance companies, sponsored captive insurance companies, industrial insured captive insurance companies, or agency captive insurance companies, each captive insurance company shall submit to the Commissioner a report of its financial condition, verified by oath of two of its executive officers or, in the case of a captive insurance company formed as a limited liability company or as a reciprocal insurer, of two individuals authorized by the governing board. Each captive insurance company shall report using generally accepted accounting principles, statutory accounting principles, or international financial reporting standards unless the Commissioner requires, approves, or accepts the use of any other comprehensive basis of accounting, in each case with any appropriate or necessary modifications or adaptations thereof required or approved or accepted by the Commissioner for the type of insurance and kinds of insurers to be reported upon, and as supplemented by additional information required by the Commissioner. As used in this section, statutory accounting principles shall mean the accounting principles codified in the NAIC Accounting Practices and Procedures Manual. Upon application for admission, a captive insurance company shall select, with explanation, an accounting method for reporting. Any change in a captive insurance company's accounting method shall require prior approval. Except as otherwise provided, each risk retention group shall file its report in the form required by subsection 3561(a) of this title, and each risk retention group shall comply with the requirements set forth in section 3569 of this title. The Commissioner shall by rule propose the forms in which pure captive insurance companies, association captive insurance companies, sponsored captive insurance companies, and industrial insured captive insurance companies shall report. Subdivision 6002(c)(3) of this title shall apply to each report filed pursuant to this section, except that such subdivision shall not apply to reports filed by risk retention groups.

Sec. 10. 8 V.S.A. § 6011(a) is amended to read:

(a) Any captive insurance company may provide reinsurance~~,~~ of policies approved by the Commissioner comprised in ~~subsection 3301(a)~~ section 3301 of this title, on risks of its parent, affiliated companies, and controlled unaffiliated business ceded by any other insurer, and may provide reinsurance of annuity contracts as defined in section 3717 of this title that are granted by any other insurer.

Sec. 11. 8 V.S.A. § 6024(c) is amended to read:

(c) A dormant captive insurance company that has been issued a certificate of dormancy shall:

(1) possess and thereafter maintain unimpaired, paid-in capital and surplus of not less than $25,000.00; provided, however, that if the dormant captive insurance company had never capitalized, it shall not be required to add capital upon entering dormancy;

(2) prior to March 15 of each year, submit to the Commissioner a report of its financial condition, verified by oath of two of its executive officers or, in the case of a captive insurance company formed as a limited liability company or as a reciprocal insurer, of two individuals authorized by its governing board, in a form as may be prescribed by the Commissioner; and

(3) pay a license renewal fee of $500.00.

Sec. 12. 8 V.S.A. § 6045 is amended to read:

§ 6045. BRANCH CAPTIVE REPORTS

Prior to March 15 of each year, or with the approval of the Commissioner within 75 days after its fiscal year-end, a branch captive insurance company shall file with the Commissioner a copy of all reports and statements required to be filed under the laws of the jurisdiction in which the alien captive insurance company is formed, verified by oath of two of its executive officers or, in the case of a branch captive insurance company formed as a limited liability company or as a reciprocal insurer, of two individuals authorized by the governing board. If the Commissioner is satisfied that the annual report filed by the alien captive insurance company in its domiciliary jurisdiction provides adequate information concerning the financial condition of the alien captive insurance company, the Commissioner may waive the requirement for completion of the captive annual statement for business written in the alien jurisdiction.

Sec. 13. 8 V.S.A. § 6048d(c)(2) is amended to read:

(2) The special purpose financial insurance company shall submit an affidavit of its president, a vice president, the treasurer, or the chief financial officer or, in the case of a special purpose financial insurance company formed as a limited liability company or as a reciprocal insurer, of an individual authorized by the governing board that includes the following statements, to the best of such person's knowledge and belief after reasonable inquiry:

(A) the proposed organization and operation of the special purpose financial insurance company comply with all applicable provisions of this chapter;

(B) the special purpose financial insurance company's investment policy reflects and takes into account the liquidity of assets and the reasonable preservation, administration, and management of such assets with respect to the risks associated with the reinsurance contract and the insurance securitization transaction; and

(C) the reinsurance contract and any arrangement for securing the special purpose financial insurance company's obligations under such reinsurance contract, including any agreements or other documentation to implement such arrangement, comply with the provisions of this subchapter.

Sec. 14. 8 V.S.A. § 6052(g) is amended to read:

(g) This subsection establishes governance standards for a risk retention group.

(1) As used in this subsection:

(A) "Board of directors" or "board" means the governing body of a risk retention group elected by risk retention group members to establish policy, elect or appoint officers and committees, and make other governing decisions.

(B) "Director" means a natural person designated in the articles of the risk retention group or designated, elected, or appointed by any other manner, name, or title to act as a member of the governing body of the risk retention group.

(C)~~(i)~~ "Independent director" means a director who does not have a material relationship with the risk retention group. A director has a material relationship with a risk retention group if ~~he or she~~ the director, or a member of ~~his or her~~ the director's immediate family:

~~(I)~~(i) In any 12-month period, receives from the risk retention group, or from a consultant or service provider to the risk retention group, compensation or other item or items of value in an amount equal to or greater than five percent of the risk retention group's gross written premium or two percent of the risk retention group's surplus, as measured at the end of any fiscal quarter falling in such 12-month period, whichever is greater. This provision also applies to compensation or items of value received by any business with which the director is affiliated. Such material relationship shall continue for one year after receipt of the item or items of value or the compensation falls below the threshold established in this subdivision.

~~(II)~~(ii) Has a relationship with an auditor as follows: Is affiliated with or employed in a professional capacity by a current or former internal or external auditor of the risk retention group. Such material relationship shall continue for one year after the affiliation or employment ends.

~~(aa)~~(iii) Is employed as an executive officer of another business entity that is affiliated with the risk retention group by virtue of common ownership and control, if such entity meets all of the following criteria:

~~(AA)~~(I) the entity is not an insured of the risk retention group;

~~(BB)~~(II) the entity has a contractual relationship with the risk retention group; and

~~(CC)~~(III) the governing board of the entity includes executive officers of the risk retention group, unless a majority of the membership of such entity's governing board is composed of individuals who are members of the governing board of the risk retention group.

~~(bb)~~(IV) Such material relationship shall continue until the employment or service ends.

~~(ii)~~(iv) Notwithstanding ~~subdivision (i)~~ subdivisions (i)–(iii) of this subdivision (g)(1)(C), a director who is a direct or indirect owner of the risk retention group is deemed to be independent; and an officer, director, or employee of an insured of the risk retention group is deemed to be independent, unless some other relationship of such officer, director, or employee qualifies as a material relationship.

(D) "Material service provider" includes a captive manager, auditor, accountant, actuary, investment advisor, attorney, managing general underwriter, or other person responsible for underwriting, determination of rates, premium collection, claims adjustment or settlement, or preparation of financial statements, whose aggregate annual contract fees are equal to or greater than five percent of the risk retention group's annual gross written premium or two percent of its surplus, whichever is greater. It does not mean defense counsel retained by a risk retention group, unless ~~his or her~~ the defense counsel's annual fees have been equal to or greater than five percent of a risk retention group's annual gross premium or two percent of its surplus, whichever is greater, during three or more of the previous five years.

* * *

(9) The president or chief executive officer or, in the case of a risk retention group formed as a limited liability company or as a reciprocal insurer, an individual authorized by the board of directors of a risk retention group shall promptly notify the Commissioner in writing of any known

material noncompliance with the governance standards established in this subsection.

Sec. 15. 8 V.S.A. § 2504 is amended to read:

§ 2504. EXEMPTIONS

This chapter does not apply to:

* * *

(18) A person that performs payroll calculations, prepares payroll instructions, prepares and files State or federal income withholding tax reports and unemployment insurance compensation reports, or provides other payroll-related services, but that does not engage in the business of payroll processing services or otherwise engage in the business of money transmission in this State or other acts requiring a license under this chapter.

(19) A person that does not provide payroll processing services to any employer that has its principal place of business in this State and that does not otherwise engage in the business of money transmission in this State or other acts requiring a license under this chapter.

(20) A person that:

(A) provides payroll processing services to 25 or fewer employers that have their principal place of business in this State;

(B) provides payroll processing services to 500 or fewer employers, regardless of where the principal place of business of each employer is located;

(C) provides payroll processing services involving transmission to less than 300 Vermont resident employees, regardless of where the principal place of business of their employer is located;

(D) has not been convicted of, or pled guilty or nolo contendere to, a felony in a domestic, foreign, or military court, and no key individual or person in control of such person has been convicted of, or pled guilty or nolo contendere to, a felony in a domestic, foreign, or military court;

(E) has never had a financial services license or professional license revoked in any jurisdiction and no key individual or person in control of such person has ever had a financial services license or professional license revoked in any jurisdiction, except that a subsequent formal vacation of such revocation shall not be deemed a revocation;

(F) does not otherwise engage in the business of money transmission in this State or other acts requiring a license under this chapter; and

(G) receives and holds all money or monetary value received for transmission exclusively in:

(i) segregated trust accounts with federally insured financial institutions or credit unions for the benefit of its employer customers or applicable governmental authorities, such that the funds in such accounts are not subject to claims or liens of its creditors; or

(ii) deposit accounts at federally insured financial institutions or credit unions that are both titled in the name and tax identification number of the financial institution or credit union and for the benefit of the person's customers.

Sec. 16. 9 V.S.A. § 42 is amended to read:

§ 42. PERMITTED CHARGES

(a) Except for interest as provided in this chapter, a lender shall make no charges against a borrower for the use or forbearance of money other than:

* * *

(7) the reasonable cost of private mortgage guaranty insurance subject to such limitation as the Commissioner of Financial Regulation has approved; ~~and~~

(8) the reasonable fees associated with a credit card, agreed upon by the lender and borrower, including late charges and over-limit charges; and

(9) discount points, at the request of the borrower for the purpose of reducing, and which in fact result in a bona fide reduction of, the interest rate or time-price differential applicable to the loan.

(b) A borrower may procure an opinion and abstract of title from an attorney of ~~his or her~~ the borrower's choice acceptable to the lender, or hazard insurance in a company or in companies of ~~his or her~~ the borrower's choice acceptable to the lender, and in such cases the lender's acceptance shall not be unreasonably withheld.

Sec. 17. STUDY; BANKS; SUSPICIOUS ACTIVITY; TRANSACTION HOLD

(a) The Commissioner of Financial Regulation or designee shall study regulatory models that would allow a financial institution to take measures to protect account holders from fraudulent transactions and shall recommend a model for legislative consideration. The study shall include a review of regulatory models enacted or proposed in other jurisdictions.

(b) In conducting the study required by this section, the Commissioner shall consult with a representative from the Vermont Bankers Association, the Association of Vermont Credit Unions, AARP Vermont, the Office of the

Attorney General, Vermont Legal Aid, and any other person deemed appropriate by the Commissioner.

(c) Among other things, the study shall include recommendations regarding the following:

(1) the financial institutions subject to the proposed model;

(2) whether specific account holders, such as seniors or vulnerable populations, should receive heightened protection;

(3) notification and consultation requirements available to an account holder suspected to be the victim of fraudulent activity;

(4) a reasonable time period for imposing a transaction hold pending the outcome of an internal investigation;

(5) notification to the Department of Financial Regulation and, if appropriate, law enforcement or other third parties if fraudulent activity is suspected;

(6) continued account holder access to funds for transactions not suspected of being associated with fraudulent activity;

(7) immunity from civil liability for any financial institution that acts in good faith for the purpose of protecting account holders from fraudulent activity and that otherwise complies with applicable legal requirements; and

(8) any other provision deemed appropriate by the Commissioner.

(d) On or before November 15, 2025, the Commissioner shall provide a status report on the Commissioner's preliminary findings and recommendations to the Chair of the House Committee on Commerce and Economic Development and the Chair of the Senate Committee on Finance and, on or before January 15, 2026, shall submit a final report in draft form to the House Committee on Commerce and Economic Development and the Senate Committee on Finance.

Sec. 18. STUDY; PROTECTIONS FOR VICTIMS OF COERCED DEBT

(a) The Commissioner of Financial Regulation or designee shall study regulatory models for providing protections and remedies for victims of coerced debt and shall recommend a model appropriate for Vermont. In particular, the Commissioner shall review the Model State Coerced Debt Law prepared by the National Consumer Law Center in May of 2024, as well as laws enacted or proposed in other jurisdictions.

(b) In conducting the study required by this section, the Commissioner shall consult with a representative from the Vermont Network, the Vermont Bankers Association, the Association of Vermont Credit Unions, the Office of the Attorney General, Vermont Legal Aid, and any other person deemed appropriate by the Commissioner.

(c) Among other things, the study shall include recommendations regarding the following:

(1) a definition of coerced debt;

(2) whether coerced debt should include both secured and unsecured debt;

(3) the requisite information a debtor must provide a creditor when alleging coerced debt;

(4) procedures a creditor must follow regarding the investigation of an allegation of coerced debt, including ceasing collection efforts and notifying the Department of Financial Regulation, the Office of the Attorney General, and other law enforcement personnel, if appropriate;

(5) whether a credit reporting agency should remove coerced debt from a credit report and, if so, the process for doing so;

(6) whether Vermont's identity theft law, 13 V.S.A. § 2030, should be expanded to more specifically reference instances of coerced debt; and

(7) any other provision deemed appropriate by the Commissioner.

(d) On or before January 15, 2026, the Commissioner shall report the Commissioner's findings and recommendations in draft form to the House Committee on Commerce and Economic Development and the Senate Committee on Finance.

Sec. 19. RECOMMENDATION REGARDING INSURANCE AND GENETIC PRIVACY

On or before November 15, 2025, and for the purpose of preventing unfair genetic discrimination and safeguarding an individual's genetic privacy, the Commissioner of Financial Regulation shall provide a recommendation to the House Committee on Commerce and Economic Development and the Senate Committee on Finance on whether Vermont should enact a law prohibiting or limiting an insurance company's access to a consumer's personalized genetic report that is not part of the consumer's medical record. Among other things, the Commissioner shall consider whether to require that an insurance company obtain consumer consent prior to the disclosure of genetic information

obtained from a direct-to-consumer entity to an insurance company, including any company that offers health, long-term care, life, or disability insurance.

Sec. 20. 8 V.S.A. § 4062b is amended to read:

§ 4062b. MEDICARE ~~SUPPLEMENTAL HEALTH~~ SUPPLEMENT INSURANCE RATE REVIEW

(a) Within five business days after receiving any request to increase the premium rate for a Medicare supplement insurance policy from the health insurance company, hospital or medical service organization, or health maintenance organization issuing the policy, the Department shall post information about the rate filing on the Department's website, including:

(1) the name of the health insurance company, hospital or medical service organization, or health maintenance organization requesting the rate increase;

(2) the overall composite average rate increase requested;

(3) the increase requested by plan type;

(4) the date on which the proposed increase would take effect;

(5) the System for Electronic Rate and Form Filing (SERFF) tracking number associated with the filing and a web address for accessing the filing electronically; and

(6) instructions for submitting public comments and the deadline for doing so.

(b) Within five business days ~~of~~ after receiving a request for approval of any composite average rate increase in excess of ~~three~~ 10 percent, or any other coverage changes ~~which~~ that the Commissioner determines will have a comparable impact on cost or availability of coverage for a Medicare ~~supplemental~~ supplement insurance policy issued by any ~~group or nongroup~~ health insurance company, hospital or medical service organization, or health maintenance organization, with 5,000 or more total lives in the Vermont Medicare supplement insurance market, the Commissioner shall notify the Department of Disabilities, Aging, and Independent Living and the Office of the Health Care Advocate of the proposed premium increase. A composite average rate is the enrollment-weighted average rate increase of all plans offered by a carrier.

~~(b)~~(c) Within five business days after receiving notification pursuant to subsection ~~(a)~~(b) of this section, the Department of Disabilities, Aging, and Independent Living shall inform the members of the Advisory Board established pursuant to 33 V.S.A. § 505 of the proposed premium increase.

~~(c)~~(d)(1) The Commissioner shall not approve any request to increase Medicare ~~supplemental~~ supplement insurance premium rates unless the amount of the rate increase complies with the statutory standards for approval under sections 4062, 4513, 4584, and 5104 of this title. Any approved rate increase shall not be based on an unreasonable change in loss ratio from the previous year, unless the Commissioner makes written findings that such change is necessary to prevent a substantial adverse impact on the financial condition of the insurer. In acting on such rate increase requests, the Commissioner may deny the request, approve the rate increase as requested, or approve a rate increase in an amount different from the increase requested. A decision by the Commissioner other than an approval of the rate requested may be appealed by the insurer, provided that the burden of proof shall be on the insurer to show that the approved rate does not meet the statutory standards established under this subsection.

(2) Before acting on the rate increase requested, the Commissioner may make such examination or investigation as ~~he or she~~ the Commissioner deems necessary~~, including where applicable the review process set forth in subdivision (3) of this subsection~~.

(3) ~~In reviewing any Medicare supplement rate increase for which an independent analysis has been performed pursuant to 33 V.S.A. § 6706 and wherein the carrier's requested composite average increase, the independent expert's recommended composite average rate increase, or the Department actuary's recommended composite average rate increase differ by two percentage points or more, the Commissioner shall hold a public hearing where the insurer, the Department's actuary, the independent expert, any intervenor, and the public will have the opportunity to present written and oral testimony and will be available to answer questions of the Commissioner and those present. The hearing shall be noticed and held at a time and place so as to facilitate public participation, and shall be recorded and become part of the record before the Commissioner. In the Commissioner's discretion, the hearing may be conducted through interactive. If the carrier's requested composite average increase, the independent expert's recommended composite average increase, or the Department actuary's recommended composite average increase differs by less than two percentage points, the Department and the parties shall confer by conference call, or by any other available media, to review the rate requests and recommendations. However, a public hearing may be held at the Commissioner's discretion for good cause shown.~~

(A) For any filing by a health insurance company, hospital or medical service organization, or health maintenance organization with 5,000 or more total lives in the Vermont Medicare supplement insurance market in

which the requested composite average rate increase exceeds 10 percent, the Commissioner shall:

(i) solicit public comment; and

(ii) hold a public hearing in accordance with the Department of Financial Regulation's applicable rules regarding administrative procedures if, not later than 30 days after the rate filing information is posted on the Department's website pursuant to subsection (a) of this section, a hearing is requested by the Department of Disabilities, Aging, and Independent Living; by the Office of the Health Care Advocate; or by not fewer than 25 policyholders whose premium rates would be affected by the requested rate increase.

(B) For any filing that does not meet the criteria specified in subdivision (A) of this subdivision (3), a public hearing may be held in the Commissioner's discretion.

(C) In the Commissioner's discretion, a hearing held pursuant to this subdivision (3) may be conducted through a designated electronic meeting platform.

(4) ~~In any review held in accordance with this subsection, the Commissioner shall permit intervention by any person that the Commissioner determines will materially advance the interests of the insured individuals. The intervenor shall have access to, and may use the information of the independent expert appointed under 33 V.S.A. § 6706. The reasonable and necessary cost of intervention as determined by the Commissioner shall be paid by the affected policyholders or certificate holders. The maximum payment shall be $2,500.00 except when waived by the Commissioner for good cause shown. The $2,500.00 maximum amount may be adjusted to reflect, at the Commissioner's discretion, appropriate inflation factors.~~ In any review held in accordance with this section, the Commissioner shall permit intervention by any person whom the Commissioner determines will materially advance the interests of the individuals insured under the policy.

(5) Nonproprietary, relevant information in any Medicare supplement rate filing, including any analysis by the Department's actuary ~~and the independent expert~~, shall be made available to the public upon request.

(d) For a Medicare supplement insurance policy with an effective date of January 1, the insurer shall file its premium rate request pursuant to this section not later than July 1 of the preceding year. For a Medicare supplement insurance policy with an effective date other than January 1, the insurer shall file its rate request pursuant to this section not later than six months prior to the effective date of the policy.

Sec. 21. REPEAL

33 V.S.A. § 6706 (Medicare supplement insurance; independent analysis) is repealed.

Sec. 22. 8 V.S.A. § 2577(f) is amended to read:

(f) Moratorium. To protect the public safety and welfare and safeguard the rights of consumers, virtual-currency kiosks shall not be permitted to operate in Vermont prior to July 1, ~~2025~~ 2026. This moratorium shall not apply to a virtual-currency kiosk that was operational in Vermont on or before June 30, 2024.

Sec. 23. EFFECTIVE DATES

This act shall take effect on July 1, 2025, except that Secs. 20 and 21 (Medicare supplement insurance) shall take effect on January 1, 2026.

Rep. Burkhardt of South Burlington, for the Committee on Ways and Means, recommended the bill ought to pass when amended as recommended by the Committee on Commerce and Economic Development.

The bill, having appeared on the Notice Calendar, was taken up, read the second time, the report of the Committee on Commerce and Economic Development agreed to, and third reading ordered.

Second Reading; Bill Amended; Third Reading Ordered

H. 266

Rep. Berbeco of Winooski, for the Committee on Health Care, to which had been referred House bill, entitled

An act relating to protections for 340B covered entities and 340B contract pharmacies

Reported in favor of its passage when amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 18 V.S.A. chapter 91, subchapter 6 is added to read:

Subchapter 6. 340B Drug Pricing Program

§ 4681. DEFINITIONS

As used in this subchapter:

(1) "340B contract pharmacy" means a pharmacy that has a contract with a 340B covered entity to receive and dispense 340B drugs to the 340B covered entity's patients on the covered entity's behalf.

(2) "340B covered entity" means an entity participating or authorized to participate in the federal 340B drug pricing program, as described in 42 U.S.C. § 256b. The term includes a 340B covered entity's pharmacy.

(3) "340B drug" means a drug that has been subject to any offer for reduced prices by a manufacturer pursuant to 42 U.S.C. § 256b and is purchased by a 340B covered entity.

(4) "Discount" means a reduction in the amount a 340B covered entity is charged for a 340B drug at the time of purchase.

(5) "Manufacturer" has the same meaning as in 26 V.S.A. § 2022.

(6) "Pharmacy" means a place licensed by the Vermont Board of Pharmacy at which drugs, chemicals, medicines, prescriptions, and poisons are compounded, dispensed, or sold at retail.

(7) "Pharmacy benefit manager" has the same meaning as in section 3602 of this title.

(8) "Rebate" means a discount in which the terms are fixed and are disclosed in writing to a 340B covered entity at the time of the initial purchase of the 340B drug to which the discount applies, but which discount is not applied at the time of purchase.

§ 4682. DISCRIMINATION AGAINST 340B ENTITIES PROHIBITED

(a) A manufacturer or its agent shall not deny, restrict, prohibit, or otherwise interfere with, directly or indirectly, the acquisition of a 340B drug by or delivery of a 340B drug to a 340B contract pharmacy on behalf of a 340B covered entity unless receipt by the 340B contract pharmacy is prohibited by the U.S. Department of Health and Human Services.

(b) A manufacturer or its agent shall not directly or indirectly require a 340B covered entity to submit any claims, utilization, encounter, purchase, or other data as a condition for allowing the acquisition of a 340B drug by or delivery of a 340B drug to a 340B contract pharmacy unless the claims or utilization data-sharing is required by the U.S. Department of Health and Human Services.

(c) A manufacturer or its agent shall not interfere with the ability of a pharmacy contracted with a 340B covered entity to dispense 340B drugs to eligible patients of the 340B covered entity.

(d) A manufacturer or its agent shall offer or otherwise make available 340B drug pricing to a 340B covered entity or 340B contract pharmacy in the form of a discount at the time of purchase and shall not offer or otherwise make available 340B drug pricing in the form of a rebate.

§ 4683. MEDICAID UNAFFECTED

Nothing in this subchapter shall be deemed to apply to the Vermont Medicaid program as payor.

§ 4684. VIOLATIONS

(a) A 340B covered entity, 340B contract pharmacy, or other person injured by a manufacturer's or its agent's violation of this subchapter may bring an action in Superior Court for injunctive relief, compensatory and punitive damages, costs and reasonable attorney's fees, and other appropriate relief.

(b) A violation occurs each time a prohibited act is committed. For purposes of section 4682 of this subchapter, a prohibited act is defined as each package of 340B drugs that is subject to a discriminatory action by a manufacturer or its agent.

§ 4685. NO CONFLICT WITH FEDERAL LAW

Nothing in this subchapter shall be construed or applied to conflict with or to be less restrictive than federal law for a person regulated by this subchapter.

Sec. 2. 18 V.S.A. § 9406 is added to read:

§ 9406. REPORTING ON PARTICIPATION IN 340B DRUG PRICING PROGRAM

Annually on or before January 31, each hospital participating in the federal 340B drug pricing program established by 42 U.S.C. § 256b shall submit to the Green Mountain Care Board a report detailing the hospital's participation in the program during the previous hospital fiscal year, which report shall be posted on the Green Mountain Care Board's website and which shall contain at least the following information:

(1) The annual estimated savings to the hospital from participating in the 340B program, comparing the acquisition price of drugs under the 340B program to group purchasing organization pricing. If group purchasing organization pricing is not available for a specific drug, the hospital shall compare the acquisition price under the 340B program to the price from another generally accepted pricing source.

(2) The aggregated payment amount that the hospital made to pharmacies with which the hospital contracted to dispense drugs to its patients under the 340B program during the previous hospital fiscal year.

(3) The aggregated payment amount that the hospital made to any other outside vendor for managing, administering, or facilitating any aspect of the hospital's 340B drug program during the previous hospital fiscal year.

(4) The number of claims for all prescription drugs the hospital obtained through the 340B program during the previous hospital fiscal year.

(5) A description of the ways in which the hospital uses savings from its participation in the 340B program to benefit its community through programs and services funded in whole or in part by savings from the 340B program, including services that support community access to care that the hospital could not continue without these savings.

(6) A description of the hospital's internal review and oversight of its participation in the 340B program in compliance with the U.S. Department of Health and Human Services, Health Resources and Services Administration's 340B program rules and guidance.

Sec. 3. REPEAL

Sec. 2 (18 V.S.A. § 9406; reporting on participation in 340B drug pricing program) is repealed on January 1, 2031.

Sec. 4. EFFECTIVE DATE

This act shall take effect on passage, with the first report under Sec. 2 (18 V.S.A. § 9406) due on or before January 31, 2026.

and that after passage the title of the bill be amended to read: "An act relating to the 340B prescription drug pricing program"

The bill, having appeared on the Notice Calendar, was taken up, read the second time, the report of the Committee on Health Care agreed to, and third reading ordered.

Message from the Senate No. 25

A message was received from the Senate by Ms. Gradel, its Assistant Secretary, as follows:

Madam Speaker:

I am directed to inform the House that:

The Senate has on its part passed Senate bills of the following titles:

S. 28. An act relating to access to certain legally protected health care services.

S. 50. An act relating to increasing the size of solar net metering projects that qualify for expedited registration.

S. 69. An act relating to an age-appropriate design code.

In the passage of which the concurrence of the House is requested.

The Senate has on its part adopted Senate concurrent resolution of the following title:

S.C.R. 3. Senate concurrent resolution congratulating Liliane Gordon of Hinesburg on her receipt of the Girl Scout Gold Award.

The Senate has on its part adopted concurrent resolutions originating in the House of the following titles:

H.C.R. 49. House concurrent resolution recognizing March 21, 2025 as World Day for Glaciers in Vermont.

H.C.R. 50. House concurrent resolution recognizing the unique role of certified registered nurse anesthetists in the Vermont health care system.

H.C.R. 51. House concurrent resolution honoring Louis Lamphere on his receipt of the gubernatorial Rays of Kindness recognition.

H.C.R. 52. House concurrent resolution honoring Anthony P. Romeo on his 70th birthday.

Message from the Governor

A message was received from His Excellency, the Governor, by Ms. Jaye Pershing Johnson, Secretary of Civil and Military Affairs, as follows:

Madam Speaker:

I am directed by the Governor to inform the House of Representatives that on the 14th day of March 2025, he returned without signature and *vetoed* a bill originating in the House of Representatives of the following title:

H. 141 An act relating to fiscal year 2025 budget adjustments

Governor's Veto Letter

"March 14, 2025

The Honorable BetsyAnn Wrask
Clerk of the Vermont House of Representatives
State House
Montpelier, VT 05633

Dear Ms. Wrask:

Pursuant to Chapter II, Section 11 of the Vermont Constitution, I'm returning H.141, *An act relating to fiscal year 2025 budget adjustments,* without my signature.

For weeks, I have been clear that I do not support H.141 as passed by the House or the Senate for many reasons including:

1. Given growing uncertainty around federal funding and the potential for significant funding cuts to critical programs, spending additional general funds in the budget adjustment for expenses that are not time sensitive is irresponsible. These new spending proposals should be considered as part of the FY26 budget to be weighed against other initiatives that may have been reduced due to federal budget cuts.
2. Expanding the free "hotel/motel program," moves us backwards, reversing important progress made towards reforming this failed program, agreed upon by the Administration and Legislature just last year. After nearly five years of experience, we know this approach is far too expensive and fails our constituents, communities and taxpayers.

I proposed a compromise path to the Committee of Conference which would have moved these spending and policy decisions to the FY26 budget while providing $2.1 million in flexible grants to municipalities to address needs in their communities during April, May and June. My compromise proposal protects the most vulnerable, develops emergency shelter capacity, adheres to the agreement from the last session, and limits unnecessary appropriations while we monitor federal action.

This compromise proposal, or something similar, remains on the table.

For these reasons, I'm vetoing H.141 pursuant to Chapter II, Section 11 of the Vermont Constitution.

It's my hope the Legislature will reconsider and send me a budget adjustment I can agree to.

Sincerely,

Philip B. Scott
Governor"

Adjournment

At ten o'clock and fifty minutes in the forenoon, on motion of **Rep. McCoy of Poultney**, the House adjourned until Tuesday, March 18, 2025, at ten o'clock in the forenoon, pursuant to the provisions of J.R.S. 17.

Concurrent Resolutions Adopted

The following concurrent resolutions, having been placed on the Consent Calendar on the preceding legislative day, and no member having requested floor consideration as provided by Rule 16b of the Joint Rules of the Senate and House of Representatives, are hereby adopted on the part of the House:

H.C.R. 49

House concurrent resolution recognizing March 21, 2025 as World Day for Glaciers in Vermont

H.C.R. 50

House concurrent resolution recognizing the unique role of certified registered nurse anesthetists in the Vermont health care system

H.C.R. 51

House concurrent resolution honoring Louis Lamphere on his receipt of the gubernatorial Rays of Kindness recognition

H.C.R. 52

House concurrent resolution honoring Anthony P. Romeo on his 70th birthday

S.C.R. 3

Senate concurrent resolution congratulating Liliane Gordon of Hinesburg on her receipt of the Girl Scout Gold Award

[The full text of the concurrent resolutions appeared in the House and Senate Calendar Addendums on the preceding legislative day and will appear in the Public Acts and Resolves of the 2025 Biennial Session.]