Journal of the House

Friday, May 23, 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. Conor Casey of Montpelier.

Message from the Senate No. 63

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 considered a bill originating in the House of the following title:

H. 479. An act relating to housing.

And has passed the same in concurrence with proposal of amendment in the adoption of which the concurrence of the House is requested.

Message from the Senate No. 64

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 considered House proposal of amendment to Senate bill of the following title:

S. 125. An act relating to collective bargaining

And has concurred therein.

The Senate has considered a bill originating in the House of the following title:

H. 238. An act relating to the phaseout of consumer products containing added perfluoroalkyl and polyfluoroalkyl substances.

And has passed the same in concurrence with proposal of amendment in the adoption of which the concurrence of the House is requested.

The Senate has considered a bill originating in the House of the following title:

H. 504. An act relating to approval of amendments to the charter of the City of Rutland.

And has passed the same in concurrence.

The Senate has considered joint resolution originating in the House of the following title:

J.R.H. 5. Joint resolution authorizing limited remote joint committee voting through the remainder of calendar year 2025 .

And has adopted the same in concurrence.

The Senate has considered House proposal of amendment to Senate bill entitled:

S. 126. An act relating to health care payment and delivery system reform.

And has refused to concur therein and asks for a Committee of Conference upon the disagreeing votes of the two Houses;

The President announced the appointment as members of such Committee on the part of the Senate:

Senator Lyons
Senator Gulick
Senator Douglass

The Governor has informed the Senate that on the 21st day of May, he approved and signed bills originating in the Senate of the following titles:

S. 44. An act relating to authorization to enter into certain immigration agreements.

S. 56. An act relating to creating an Office of New Americans.

Bill Referred to Committee on Ways and Means

S. 122

Senate bill, entitled

An act relating to economic and workforce development

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

Committee of Conference Appointed

S. 126

Pursuant to the request of the Senate for a Committee of Conference on the disagreeing votes of the two Houses on Senate bill, entitled

An act relating to health care payment and delivery system reform

The Speaker appointed as members of the Committee of Conference on the part of the House:

Rep. Black of Essex
Rep. McFaun of Barre Town
Rep. Berbeco of Winooski

Ceremonial Readings

H.C.R. 130

Offered by Representative Casey of Montpelier

House concurrent resolution commemorating the bicentennial of the 1824–1825 Farewell American tour of the Marquis de Lafayette

Whereas, Marie-Joseph Paul Yves Roch Gilbert du Motier de La Fayette, best known as the Marquis de Lafayette, was a French aristocrat who, audaciously, at 19 years of age, set sail for America and amazingly persuaded Congress to commission him as a major general in the Continental Army, and

Whereas, Lafayette fought bravely in the Battles of Brandywine, where he was wounded, and Rhode Island, before returning to France to lobby the French government to increase support for the American cause, and

Whereas, upon his return to the United States, Lafayette, leading a contingent of American troops, blocked British General Lord Cornwallis's early action during the decisive Battle of Yorktown, and

Whereas, Lafayette long aspired someday to return to the nation whose independence he helped secure, and in 1824, President James Monroe and Congress invited Lafayette to tour the country, in celebration of the Revolutionary War's 50th anniversary, which became a 24-state sojourn beginning in New York on August 15, 1824 and concluding in Burlington on June 29, 1825, and

Whereas, Lafayette arrived in Vermont on June 28, 1825, was welcomed at an early morning ceremony in Windsor, journeyed through Hartland to an event in Woodstock, traveled via East Barnard on his way to Royalton, where more official greetings awaited, and continued through Tunbridge to Barre, from where a more elaborate entourage accompanied him to Montpelier, and

from the first State House's balcony he observed a military procession, delivered a speech in the Assembly's chamber, and attended a grand banquet in his honor, and a historic marker now commemorates Lafayette's Montpelier visit, and

Whereas, on June 29, 1825, Lafayette's American tour, after passing through Williston, concluded in Burlington, where the festivities consisted of large receptions, laying the cornerstone of the University of Vermont's Old Mill building, greetings from Governor Van Ness, and the delivery of the English-fluent Frenchman's carefully written farewell America speech of appreciation and reflection, and

Whereas, the American Friends of Lafayette has organized a bicentennial recreation of the 19th-century tour, following the original route to the day, including all the Vermont stops on June 28–29, 2025, *now therefore be it*

Resolved by the Senate and House of Representatives:

That the General Assembly commemorates the bicentennial of the 1824–1825 Farewell American tour of the Marquis de Lafayette, *and be it further*

Resolved: That the Secretary of State be directed to send a copy of this resolution to the American Friends of Lafayette.

Having been adopted in concurrence on Friday, May 9, 2025 in accord with Joint Rule 16b, was read.

H.C.R. 132

Offered by Representatives Bosch of Clarendon and Burditt of West Rutland

Offered by Senators Collamore, Weeks, and Williams

House concurrent resolution congratulating the West Rutland High School Golden Horde girls' basketball team on winning a fourth consecutive Division IV championship

Whereas, over the last four seasons, the on-court expertise and precision of the Golden Horde has greatly impressed the team's opponents, and

Whereas, as the Division IV titleholder in 2022, 2023, and 2024, West Rutland, with a roster featuring the all-time scorer in Vermont girls' high school basketball, was eager to extend this championship streak in 2025, and

Whereas, in the 2025 championship game, played at the Barre Auditorium, the top-seeded Golden Horde were matched against the second-ranked Long Trail School Mountain Lions, and

Whereas, the game's only mystery was the exact final score, as West Rutland commanded the scoreboard throughout, expanding a 21–6 halftime lead into a 46–21 victory, and

Whereas, the truly extraordinary Golden Horde basketball mavens were Peyton Guay, Isabella Coombs, Kennah Wright-Chapman, Aubrey Beaulieu, Camryn Williams, Maggie Therrien, Hayley Raiche, Bradee Traverse, Isabella Griffith, Myra Rocke, Brianna Gallipo, and Emma Haley, and

Whereas, Head Coach Carl Serrani; Assistant Coach Matt Serrani; student managers Kylie Duel, Jaquira Earley, and Sadie McGee; and Athletic Trainer Zach Royer each contributed to the great 2024–2025 Golden Horde season, *now therefore be it*

Resolved by the Senate and House of Representatives:

That the General Assembly congratulates the West Rutland High School Golden Horde girls' basketball team on winning a fourth consecutive Division IV championship, *and be it further*

Resolved: That the Secretary of State be directed to send a copy of this resolution to West Rutland High School.

Having been adopted in concurrence on Friday, May 9, 2025 in accord with Joint Rule 16b, was read.

H.C.R. 133

Offered by Representatives Burditt of West Rutland and Bosch of Clarendon

Offered by Senators Collamore, Weeks, and Williams

House concurrent resolution congratulating West Rutland High School girls' basketball standout Peyton Guay and extending to her best wishes for every future success

Whereas, the prolific basketball career of Peyton Guay has always been focused on her team, the West Rutland High School Golden Horde, and

Whereas, despite her modesty and team focus, were it not for the presence of this outstanding player, the Golden Horde would never have compiled its amazing four-year consecutive string of Division IV crowns (2022–2025), and

Whereas, there is no doubt Peyton Guay has written a new page of achievements in the history of Vermont girls' high school basketball that will not easily be surpassed, and

Whereas, from the day Peyton Guay first walked onto the hardwood court as a ninth grader, her coaches and teammates knew she possessed an extraordinary talent for playing the game, as she demonstrated a keen ability to score from the field and at the foul line, and

Whereas, her unique leadership, combining exemplary talent with a genuine desire to share the ball with her teammates, contributed to West Rutland's astounding 86–8 win-loss record over the past four seasons, and

Whereas, Peyton Guay's personal statistics, averaging 21.3 points per game and scoring 2,279 points, the most ever of any Vermont girls' high school basketball player, are outstanding, and her contribution of assists is equally impressive, and

Whereas, the conclusion of her time as a Golden Horde player hardly ends her basketball playing days, as Peyton Guay eagerly anticipates embarking on an exciting new path as a college basketball player in Florida, *now therefore be it*

Resolved by the Senate and House of Representatives:

That the General Assembly congratulates West Rutland High School girls' basketball standout Peyton Guay and extends to her best wishes for every future success, *and be it further*

Resolved: That the Secretary of State be directed to send a copy of this resolution to Peyton Guay.

Having been adopted in concurrence on Friday, May 9, 2025 in accord with Joint Rule 16b, was read.

H.C.R. 141

Offered by Representatives Holcombe of Norwich and Masland of Thetford

House concurrent resolution in memory of U.S. Environmental Protection Agency (EPA) engineer Edward M. Hathaway

Whereas, Ed Hathaway graduated from the Xaverian Brothers High School in Westwood, Massachusetts, and Suffolk University in Boston, Massachusetts, as a business major, and

Whereas, business proved a temporary detour on Ed Hathaway's life path, as he discovered upon moving to the Southwest a deep love of nature, prompting him to return to school and earn a degree in environmental science from Northern Arizona University, and

Whereas, this second degree opened the door for a brilliant 36-year career at the EPA, initially as a manager in the Superfund Division, and

Whereas, Ed Hathaway's solid scientific knowledge was only one aspect of his superb public service, as he was an extraordinary facilitator who could bring conflicting parties, be they community groups, state, or other federal agencies, to viable solutions when addressing environmental problems, and

Whereas, the EPA valued Ed Hathaway's professional achievements, and he was repeatedly honored with agency awards, most recently "Mentor of the Year," and

Whereas, in Vermont, his enduring legacy was as the supervising EPA engineer for two Vermont Superfund cleanup projects: at the Ely Copper Mine in Vershire and the Elizabeth Mine in Strafford, the latter for which he enabled over $100 million to be directed to this challenging project, even arranging the replacement of roads that heavy truck traffic had damaged, and

Whereas, this truly kind and highly respected official's EPA role was cut short due to his contracting pancreatic cancer, which he fought valiantly until his death on March 7, 2025 at 63 years of age, and his survivors include his wife, Ann-Marie Burke; his sons; and his parents, *now therefore be it*

Resolved by the Senate and House of Representatives:

That the General Assembly extends its sincere condolences to the family of Edward M. Hathaway, *and be it further*

Resolved: That the Secretary of State be directed to send a copy of this resolution to the members of Ed Hathaway's family.

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

Remarks Journalized

On motion of **Rep. Harvey of Castleton**, the following remarks by **Rep. Morgan, M. of Milton** were ordered printed in the Journal:

"Madam Speaker

While in the throes of the Battle of Britain during WWII, Winston Churchill paid tribute to his Royal Airforce pilots with these words: 'Never in the field of human conflict has so much been given by so many, to so few.'

Madam Speaker, we are usually not here this late in the month of May, but since we are I find it important to recognize this particular 3-day weekend; more specifically, Monday of this coming week, Memorial Day.

This day is more than "just a day off." Abraham Lincoln said during the Civil War, we are honoring 'those that have given the last full measure of devotion.' In other words, given their life in conflict for our great country. I

think it important to remember those that paid the supreme sacrifice so the rest of us can continue to sleep peacefully in our beds at night.

In our own body we have in our midst two members who have lost family as a result of service to our country during conflict. Tristan Southworth perished in the Afghanistan theater of war and is the son of the member from Walden. Danny Pinsonault lost his battle with indirect wounds from battle and was the husband of the member from Dorset. If there are other family members from members of our body that have perished in combat, I apologize for not knowing that.

Madam Speaker, I'd ask if we could take a moment and recognize the supreme sacrifice made by not only Tristan and Danny, but all of those that have given their lives in our nation's conflicts."

Senate Proposal of Amendment Concurred in with Further Proposal of Amendment Thereto

H. 266

The Senate proposed to the House to amend House bill, entitled

An act relating to the 340B prescription drug pricing program

The Senate proposed to the House to amend the bill 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

(a) 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, in a form and manner prescribed by the 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)(A) For prescription drugs that the hospital or any entity acting on behalf of the hospital obtained through the 340B program and dispensed or administered to patients during the previous calendar year:

(i) the aggregated acquisition cost for all such prescription drugs; and

(ii) the aggregated payment amount that the hospital received for all such prescription drugs, with information reported separately for each of the following distribution channels:

(I) dispensed drugs from an in-house pharmacy;

(II) dispensed drugs from a contract pharmacy;

(III) administered drugs paid separately; and

(IV) administered drugs paid by bundled payments.

(B) For administered drugs for which payment was bundled with payment for other services, as set forth in subdivision (A)(ii)(IV) of this subdivision (1), the hospital shall estimate the payment amount by comparing the actual acquisition cost for a drug to the wholesale acquisition cost for that drug.

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

(5) 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.

(b) In addition to the vendor information required pursuant to subdivision (a)(3) of this section, each hospital shall also provide to the Board a list of the names of all vendors that managed, administered, or facilitated any aspect of the hospital's 340B program during the previous calendar year, along with a brief description of the work performed by each vendor. The vendor information reported pursuant to this subsection shall be exempt from public inspection and copying under the Public Records Act and shall be kept confidential, except that the Board shall provide the information to the Office of the Health Care Advocate, which shall not further disclose this confidential information.

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. 8 V.S.A. § 4089j is amended to read:

§ 4089j. RETAIL PHARMACIES; FILLING OF PRESCRIPTIONS

* * *

(d)(1) A health insurer or pharmacy benefit manager shall permit a participating network pharmacy to perform all pharmacy services within the lawful scope of the profession of pharmacy as set forth in 26 V.S.A. chapter 36.

* * *

(4) ~~A health insurer or pharmacy benefit manager shall not, by contract, written policy, or written procedure, require that a pharmacy designated by the health insurer or pharmacy benefit manager dispense a medication directly to a health care setting for a health care professional to administer to a patient.~~ [Repealed.]

* * *

Sec. 5. 8 V.S.A. § 4089j is amended to read:

§ 4089j. RETAIL PHARMACIES; FILLING OF PRESCRIPTIONS

* * *

(d)(1) A health insurer or pharmacy benefit manager shall permit a participating network pharmacy to perform all pharmacy services within the lawful scope of the profession of pharmacy as set forth in 26 V.S.A. chapter 36.

* * *

(4) ~~[Repealed.]~~ A health insurer or pharmacy benefit manager shall not, by contract, written policy, or written procedure, require that a pharmacy designated by the health insurer or pharmacy benefit manager dispense a medication directly to a health care setting for a health care professional to administer to a patient.

* * *

Sec. 6. GREEN MOUNTAIN CARE BOARD; WHITE BAGGING; REPORT

On or before January 15, 2029, the Green Mountain Care Board, in consultation with the Department of Financial Regulation, shall report to the House Committee on Health Care and the Senate Committee on Health and Welfare regarding the impact of the repeal of 8 V.S.A. § 4089j(d)(4) on hospital budgets, on health insurance premiums, and on health insurer solvency.

Sec. 7. EFFECTIVE DATES

(a) Sec. 5 (restoring language in 8 V.S.A. § 4089j(d)(4)) shall take effect on January 1, 2030.

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

Pending the question, Shall the House concur in the Senate proposal of amendment?, **Reps. Berbeco of Winooski, Black of Essex, Cina of Burlington, Cordes of Bristol, Critchlow of Colchester, Demar of Enosburgh, Goldman of Rockingham, Houghton of Essex Junction, McFaun of Barre Town, Page of Newport City, and Powers of Waterford** moved to concur in the Senate proposal of amendment with further proposal of amendment thereto by striking out Secs. 4–7 in their entireties and inserting in lieu thereof the following:

Sec. 4. 18 V.S.A. § 9407 is added to read:

§ 9407. OUTPATIENT PRESCRIPTION DRUGS; LIMITATIONS ON HOSPITAL CHARGES

(a)(1) A hospital shall not submit a claim to a health insurer for reimbursement of a prescription drug administered in an outpatient or office setting in an amount that exceeds 120 percent of the average sales price (ASP), as calculated by the Centers for Medicare and Medicaid Services, for any drug for which the hospital charged any health insurer more than 120 percent of the ASP in effect as of April 1, 2025.

(2) For any prescription drug administered in an outpatient or office setting for which a hospital charged a health insurer 120 percent or less of the ASP in effect as of April 1, 2025, the hospital shall not charge the health insurer a greater percentage of the ASP, as calculated by the Centers for Medicare and Medicaid, for that drug than the percentage of the ASP that the hospital charged the health insurer as of April 1, 2025.

(3) A hospital shall update the ASP for each drug annually on January 1 and July 1 based on the Centers for Medicare and Medicaid Services' ASP calculations for the most recent calendar quarter.

(b)(1) The purpose of this section is to reduce health care costs. A hospital shall not charge or collect from the patient or health insurer any amount for a prescription drug administered in an outpatient or office setting that exceeds the amounts set forth in subsection (a) of this section or increase the amounts the hospital charges for other prescription drugs, procedures, tests, imaging, or other health care goods or services in an effort to offset revenue reduced as a result of implementing this section.

(2) If a hospital demonstrates to the Green Mountain Care Board in its budget submissions pursuant to subchapter 7 of this chapter that the price cap set forth in subsection (a) of this section is having a negative impact on access to care, the quality of care, or the sustainability of rural health care services, or a combination of these, the hospital may propose to increase the commercial reimbursement rates for one or more of its service lines, such as primary care,

and the Board shall consider both the demonstrated impact and the proposed increase to reimbursement rates.

(c) The provisions of this section shall remain in effect unless and until the Green Mountain Care Board establishes a different reference-based price pursuant to section 9376 of this title that applies to prescription drugs administered in an outpatient or office setting.

(d) This section shall not apply to an independent hospital that is designated as a critical access hospital and that is not affiliated with another hospital or hospital network based in or outside of Vermont.

Sec. 5. OUTPATIENT PRESCRIPTION DRUGS; LIMITATIONS ON HOSPITAL CHARGES FOR 2025

(a)(1) A hospital shall not submit a claim to a health insurer for reimbursement of a prescription drug administered in an outpatient or office setting between July 1, 2025 and December 31, 2025 in an amount that exceeds 130 percent of the average sales price (ASP), as calculated by the Centers for Medicare and Medicaid Services for the most recent calendar quarter, for any drug for which the hospital charged any health insurer more than 120 percent of the ASP in effect as of April 1, 2025.

(2) For any prescription drug administered in an outpatient or office setting for which a hospital charged a health insurer 120 percent or less of the ASP in effect as of April 1, 2025, the hospital shall not charge the health insurer a greater percentage of the ASP, as calculated by the Centers for Medicare and Medicaid Services for the most recent calendar quarter, for that drug between July 1, 2025 and December 31, 2025 than the percentage of the ASP that the hospital charged the health insurer as of April 1, 2025.

(b)(1) The purpose of this section is to reduce health care costs. A hospital shall not charge or collect from the patient or health insurer any amount for a prescription drug administered in an outpatient or office setting that exceeds the amounts set forth in subsection (a) of this section or increase the amounts the hospital charges for other prescription drugs, procedures, tests, imaging, or other health care goods or services in an effort to offset revenue reduced as a result of implementing this section.

(2) If a hospital demonstrates to the Green Mountain Care Board in its budget submissions pursuant to subchapter 7 of this chapter that the price cap set forth in subsection (a) of this section is having a negative impact on access to care, the quality of care, or the sustainability of rural health care services, or a combination of these, the hospital may propose to increase the commercial reimbursement rates for one or more of its service lines, such as primary care,

and the Board shall consider both the demonstrated impact and the proposed increase to reimbursement rates.

(c) This section shall not apply to an independent hospital that is designated as a critical access hospital and that is not affiliated with another hospital or hospital network based in or outside of Vermont.

Sec. 6. EFFECTIVE DATES

(a) Sec. 4 (18 V.S.A. § 9407; outpatient prescription drugs; limitations on hospital charges) shall take effect on January 1, 2026.

(b) Sec. 5 (outpatient prescription drugs; limitations on hospital charges for 2025) shall take effect on July 1, 2025.

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

Which was agreed to.

Second Reading; Bill Amended; Third Reading Ordered

S. 69

Rep. Micklus of Milton, for the Committee on Commerce and Economic Development, to which had been referred Senate bill, entitled

An act relating to an age-appropriate design code

Reported in favor of its passage in concurrence with proposal of amendment by striking out all after the enacting clause and inserting in lieu thereof the following:

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

Subchapter 6. Vermont Age-Appropriate Design Code Act

§ 2449a. DEFINITIONS

As used in this subchapter:

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

(B) As used in subdivision (A) of this subdivision (1), "control" or "controlled" means:

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

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

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

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

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

(4) "Algorithmic recommendation system" means a system that uses an algorithm to select, filter, and arrange media on a covered business's website for the purpose of selecting, recommending, or prioritizing media for a user.

(5)(A) "Biometric data" means data generated from the technological processing of an individual's unique biological, physical, or physiological characteristics that allow or confirm the unique identification of the consumer, including:

(i) iris or retina scans;

(ii) fingerprints;

(iii) facial or hand mapping, geometry, or templates;

(iv) vein patterns;

(v) voice prints or vocal biomarkers; and

(vi) gait or personally identifying physical movement or patterns.

(B) "Biometric data" does not include:

(i) a digital or physical photograph;

(ii) an audio or video recording; or

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

(6) "Business associate" has the same meaning as in the Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191 (HIPAA).

(7) "Collect" means buying, renting, gathering, obtaining, receiving, or accessing any personal data by any means. This includes receiving data from the consumer, either actively or passively, or by observing the consumer's behavior.

(8) "Compulsive use" means the repetitive use of a covered business's service that materially disrupts one or more major life activities of a minor, including sleeping, eating, learning, reading, concentrating, communicating, or working.

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

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

(10) "Covered business" means a sole proprietorship, partnership, limited liability company, corporation, association, other legal entity, or an affiliate thereof:

(A) that conducts business in this State;

(B) that generates a majority of its annual revenue from online services;

(C) whose online products, services, or features are reasonably likely to be accessed by a minor;

(D) that collects consumers' personal data or has consumers' personal data collected on its behalf by a processor; and

(E) that alone or jointly with others determines the purposes and means of the processing of consumers personal data.

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

(12) "Covered minor" is a consumer who a covered business actually knows is a minor or labels as a minor pursuant to age assurance methods in rules adopted by the Attorney General.

(13) "Default" means a preselected option adopted by the covered business for the online service, product, or feature.

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

(A)(i) takes reasonable measures to ensure that the data cannot be used to reidentify an identified or identifiable individual or be associated with an individual or device that identifies or is linked or reasonably linkable to an individual or household; and

(ii) for purposes of this subdivision (A), "reasonable measures" includes the de-identification requirements set forth under 45 C.F.R. § 164.514 (other requirements relating to uses and disclosures of protected health information);

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

(C) contractually obligates any recipients of the data to comply with all provisions of this subchapter.

(15) "Derived data" means data that is created by the derivation of information, data, assumptions, correlations, inferences, predictions, or conclusions from facts, evidence, or another source of information or data about a minor or a minor's device.

(16) "Genetic data" means any data, regardless of its format, that results from the analysis of a biological sample of an individual, or from another source enabling equivalent information to be obtained, and concerns genetic material, including deoxyribonucleic acids (DNA), ribonucleic acids (RNA), genes, chromosomes, alleles, genomes, alterations or modifications to DNA or RNA, single nucleotide polymorphisms (SNPs), epigenetic markers, uninterpreted data that results from analysis of the biological sample or other source, and any information extrapolated, derived, or inferred therefrom.

(17) "Identified or identifiable individual" means an individual who can be readily identified, directly or indirectly, including by reference to an identifier such as a name, an identification number, specific geolocation data, or an online identifier.

(18) "Known adult" is a consumer who a covered business actually knows is an adult or labels as an adult pursuant to age assurance methods in rules adopted by the Attorney General.

(19) "Minor" means an individual under 18 years of age.

(20) "Online service, product, or feature" means a digital product that is accessible to the public via the internet, including a website or application, and does not mean any of the following:

(A) telecommunications service, as defined in 47 U.S.C. § 153;

(B) a broadband internet access service as defined in 47 C.F.R. § 54.400; or

(C) the sale, delivery, or use of a physical product.

(21)(A) "Personal data" means any information, including derived data and unique identifiers, that is linked or reasonably linkable, alone or in combination with other information, to an identified or identifiable individual or to a device that identifies, is linked to, or is reasonably linkable to one or more identified or identifiable individuals in a household.

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

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

(23) "Processor" means a person who processes personal data on behalf of:

(A) a covered business;

(B) another processor; or

(C) a federal, state, tribal, or local government entity.

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

(25)(A) "Publicly available information" means information that:

(i) is made available through federal, state, or local government records or to the general public from widely distributed media; or

(ii) a covered business has a reasonable basis to believe that the consumer has lawfully made available to the general public.

(B) "Publicly available information" does not include:

(i) biometric data collected by a business about a consumer without the consumer's knowledge;

(ii) information that is collated and combined to create a consumer profile that is made available to a user of a publicly available website either in exchange for payment or free of charge;

(iii) information that is made available for sale;

(iv) an inference that is generated from the information described in subdivision (ii) or (iii) of this subdivision (25)(B);

(v) any obscene visual depiction, as defined in 18 U.S.C. § 1460;

(vi) personal data that is created through the combination of personal data with publicly available information;

(vii) genetic data, unless otherwise made publicly available by the consumer to whom the information pertains;

(viii) information provided by a consumer on a website or online service made available to all members of the public, for free or for a fee, where the consumer has maintained a reasonable expectation of privacy in the information, such as by restricting the information to a specific audience; or

(ix) intimate images, authentic or computer-generated, known to be nonconsensual.

(26) "Reasonably likely to be accessed" means an online service, product, or feature that is reasonably likely to be accessed by a covered minor based on any of the following indicators:

(A) the online service, product, or feature is directed to children, as defined by the Children's Online Privacy Protection Act, 15 U.S.C. §§ 6501–6506 and the Federal Trade Commission rules implementing that Act;

(B) the online service, product, or feature is determined, based on competent and reliable evidence regarding audience composition, to be routinely accessed by an audience that is composed of at least two percent minors two through 17 years of age;

(C) the audience of the online service, product, or feature is determined, based on internal company research, to be composed of at least two percent minors two through 17 years of age; or

(D) the covered business knew or should have known that at least two percent of the audience of the online service, product, or feature includes minors two through 17 years of age, provided that, in making this assessment, the business shall not collect or process any personal data that is not reasonably necessary to provide an online service, product, or feature with which a minor is actively and knowingly engaged.

(27)(A) "Social media platform" means a public or semipublic internet-based service or application that is primarily intended to connect and allow a user to socially interact within such service or application and enables a user to:

(i) construct a public or semipublic profile for the purposes of signing into and using such service or application;

(ii) populate a public list of other users with whom the user shares a social connection within such service or application; or

(iii) create or post content that is viewable by other users, including content on message boards and in chat rooms, and that presents the user with content generated by other users.

(B) "Social media platform" does not mean a public or semipublic internet-based service or application that:

(i) exclusively provides email or direct messaging services; or

(ii) is used by and under the direction of an educational entity, including a learning management system or a student engagement program.

(28) "Third party" means a natural or legal person, public authority, agency, or body other than the covered minor or the covered business.

§ 2449b. EXCLUSIONS

This subchapter does not apply to:

(1) a federal, state, tribal, or local government entity in the ordinary course of its operation;

(2) protected health information that a covered entity or business associate processes in accordance with, or documents that a covered entity or business associate creates for the purpose of complying with, HIPAA;

(3) information used only for public health activities and purposes described in 45 C.F.R. § 164.512;

(4) information that identifies a consumer in connection with:

(A) activities that are subject to the Federal Policy for the Protection of Human Subjects as set forth in 45 C.F.R. Part 46;

(B) research on human subjects undertaken in accordance with good clinical practice guidelines issued by the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use;

(C) activities that are subject to the protections provided in 21 C.F.R. Part 50 and 21 C.F.R. Part 56; or

(D) research conducted in accordance with the requirements set forth in subdivisions (A)–(C) of this subdivision (4) or otherwise in accordance with State or federal law;

(5) an entity whose primary purpose is journalism as defined in 12 V.S.A. § 1615(a)(2) and that has a majority of its workforce consisting of individuals engaging in journalism; and

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

§ 2449c. MINIMUM DUTY OF CARE

(a) A covered business that processes a covered minor's data in any capacity owes a minimum duty of care to the covered minor.

(b) As used in this subchapter, "a minimum duty of care" means the use of the personal data of a covered minor and the design of an online service, product, or feature will not result in:

(1) reasonably foreseeable emotional distress as defined in 13 V.S.A. § 1061(2) to a covered minor;

(2) reasonably foreseeable compulsive use of the online service, product, or feature by a covered minor; or

(3) discrimination against a covered minor based upon race, ethnicity, sex, disability, sexual orientation, gender identity, gender expression, religion, or national origin.

(c) The content of the media viewed by a covered minor shall not establish emotional distress, compulsive use, or discrimination, as those terms are used in subsection (b) of this section.

(d) Nothing in this section shall be construed to require a covered business to prevent or preclude a covered minor from accessing or viewing any piece of media or category of media.

§ 2449d. REQUIRED DEFAULT PRIVACY SETTINGS AND TOOLS

(a) Default privacy settings.

(1) A covered business shall configure all default privacy settings provided to a covered minor through the online service, product, or feature to the highest level of privacy, including the following default settings:

(A) not displaying the existence of the covered minor's account on a social media platform to any known adult user unless the covered minor has expressly and unambiguously allowed a specific known adult user to view their account or has expressly and unambiguously chosen to make their account's existence public;

(B) not displaying media created or posted by the covered minor on a social media platform to any known adult user unless the covered minor has expressly and unambiguously allowed a specific known adult user to view their media or has expressly and unambiguously chosen to make their media publicly available;

(C) not permitting any known adult users to like, comment on, or otherwise provide feedback on the covered minor's media on a social media platform unless the covered minor has expressly and unambiguously allowed a specific known adult user to do so;

(D) not permitting direct messaging on a social media platform between the covered minor and any known adult user unless the covered minor has expressly and unambiguously decided to allow direct messaging with a specific known adult user;

(E) not displaying the covered minor's location to other users, unless the covered minor expressly and unambiguously shares their location with a specific user;

(F) not displaying the users connected to the covered minor on a social media platform unless the covered minor expressly and unambiguously chooses to share the information with a specific user;

(G) disabling search engine indexing of the covered minor's account profile; and

(H) not sending push notifications to the covered minors.

(2) A covered business shall not:

(A) provide a covered minor with a single setting that makes all of the default privacy settings less protective at once; or

(B) request or prompt a covered minor to make their privacy settings less protective, unless the change is strictly necessary for the covered minor to access a service or feature they have expressly and unambiguously requested.

(b) Timely deletion of account. A covered business shall:

(1) provide a prominent, accessible, and responsive tool to allow a covered minor to request the covered minor's account on a social media platform be unpublished or deleted; and

(2) honor that request not later than 15 days after a covered business receives the request.

§ 2449e. TRANSPARENCY

(a) A covered business shall prominently and clearly provide on their website or mobile application:

(1) the covered business' privacy information, terms of service, policies, and community standards;

(2) the purpose of each algorithmic recommendation system in use by the covered business;

(3) inputs used by the algorithmic recommendation system and how each input:

(A) is measured or determined;

(B) uses the personal data of covered minors;

(C) influences the recommendation issued by the system; and

(D) is weighed relative to the other inputs reported in this subdivision (3); and

(4) descriptions, for every feature of the service that uses the personal data of covered minors, of:

(A) the purpose of the service feature;

(B) the personal data collected by the service feature;

(C) the personal data used by the service feature;

(D) how the personal data is used by the service feature;

(E) any personal data transferred to or shared with a processor or third party by the service feature, the identity of the processor or third party, and the purpose of the transfer or sharing; and

(F) how long the personal data is retained.

§ 2449f. PROHIBITED DATA AND DESIGN PRACTICES

(a) Data privacy. A covered business shall not:

(1) collect, sell, share, or retain any personal data of a covered minor that is not necessary to provide an online service, product, or feature with which the covered minor is actively and knowingly engaged;

(2) use previously collected personal data of a covered minor for any purpose other than a purpose for which the personal data was collected, unless necessary to comply with any obligation under this chapter;

(3) permit any individual, including a parent or guardian of a covered minor, to monitor the online activity of a covered minor or to track the location of the covered minor without providing a conspicuous signal to the covered minor when the covered minor is being monitored or tracked;

(4) use the personal data of a covered minor to select, recommend, or prioritize media for the covered minor, unless the personal data is:

(A) the covered minor's express and unambiguous request to receive:

(i) media from a specific account, feed, or user, or to receive more or less media from that account, feed, or user;

(ii) a specific category of media, such as "cat videos" or "breaking news," or to see more or less of that category of media; or

(iii) more or less media with similar characteristics as the media they are currently viewing;

(B) user-selected privacy or accessibility settings; or

(C) a search query, provided the search query is only used to select and prioritize media in response to the search; or

(5) send push notifications to a covered minor between 12:00 midnight and 6:00 a.m.

(b) Rulemaking. The Attorney General shall, on or before January 1, 2027, adopt rules pursuant to this subchapter that prohibits data processing or design practices of a covered business that, in the opinion of the Attorney General, lead to compulsive use or subvert or impair user autonomy, decision making, or choice during the use of an online service, product, or feature of the covered business. The Attorney General shall, at least once every two years, review and update these rules as necessary to keep pace with emerging technology.

§ 2449g. AGE ASSURANCE PRIVACY

(a) Privacy protections for age assurance data. During the process of conducting age assurance, covered businesses and processors shall:

(1) only collect personal data of a user that is strictly necessary for age assurance;

(2) immediately upon determining whether a user is a covered minor, delete any personal data collected of that user for age assurance, except the determination of the user's age range;

(3) not use any personal data of a user collected for age assurance for any other purpose;

(4) not combine personal data of a user collected for age assurance, except the determination of the user's age range, with any other personal data of the user;

(5) not disclose personal data of a user collected for age assurance to a third party that is not a processor; and

(6) implement a review process to allow users to appeal their age determination.

(b) Rulemaking.

(1) Subject to subdivision (2) of this subsection, the Attorney General shall, on or before January 1, 2027, adopt rules identifying commercially reasonable and technically feasible methods for covered businesses and processors to determine if a user is a covered minor, describing appropriate review processes for users appealing their age designations, and providing any additional privacy protections for age assurance data. The Attorney General shall periodically review and update these rules as necessary to keep pace with emerging technology.

(2) In adopting these rules, the Attorney General shall:

(A) prioritize user privacy and accessibility over the accuracy of age assurance methods; and

(B) consider:

(i) the size, financial resources, and technical capabilities of covered businesses and processors;

(ii) the costs and effectiveness of available age assurance methods;

(iii) the impact of age assurance methods on users' safety, utility, and experience;

(iv) whether and to what extent transparency measures would increase consumer trust in an age assurance method; and

(v) the efficacy of requiring covered businesses and processors to:

(I) use previously collected data to determine user age;

(II) adopt interoperable age assurance methods; and

(III) provide users with multiple options for age assurance.

§ 2449h. ENFORCEMENT

(a) A covered business or processor that violates this subchapter or rules adopted pursuant to this subchapter commits an unfair and deceptive act in commerce in violation of section 2453 of this title.

(b) The Attorney General shall have the same authority under this subchapter to make rules, conduct civil investigations, bring civil actions, and enter into assurances of discontinuance as provided under chapter 63 of this title.

§ 2449i. LIMITATIONS

Nothing in this subchapter shall be interpreted or construed to:

(1) impose liability in a manner that is inconsistent with 47 U.S.C. § 230; or

(2) prevent or preclude any covered minor from deliberately or independently searching for, or specifically requesting, any media.

§ 2449j. RIGHTS AND FREEDOMS OF COVERED MINORS

It is the intent of the General Assembly that nothing in this subchapter may be construed to infringe on the existing rights and freedoms of covered minors or be construed to discriminate against the covered minors based on race, ethnicity, sex, disability, sexual orientation, gender identity, gender expression, religion, or national origin.

Sec. 2. EFFECTIVE DATES

This act shall take effect on January 1, 2027, except that 9 V.S.A. § 2449f(b) and 9 V.S.A. § 2449g(b) shall each take effect on July 1, 2025.

The bill, having appeared on the Notice Calendar, was taken up and read the second time.

Pending the question, Shall the House propose to the Senate to amend the bill as recommended by the Committee on Commerce and Economic Development?, **Rep. Harvey of Castleton** demanded the Yeas and Nays, which demand was sustained by the Constitutional number. The Clerk proceeded to call the roll and the question, Shall the House propose to the Senate to amend the bill as recommended by the Committee on Commerce and Economic Development?, was decided in the affirmative. Yeas, 133. Nays, 9.

Those who voted in the affirmative are:

Arsenault of Williston *	Eastes of Guilford	Micklus of Milton
Austin of Colchester	Emmons of Springfield	Mihaly of Calais
Bailey of Hyde Park	Feltus of Lyndon	Minier of South Burlington
Bartholomew of Hartland	Galfetti of Barre Town	Morgan, L. of Milton
Bartley of Fairfax	Garofano of Essex	Morgan, M. of Milton
Berbeco of Winooski *	Goldman of Rockingham	Morris of Springfield
Birong of Vergennes	Goodnow of Brattleboro	Morrissey of Bennington
Bishop of Colchester	Goslant of Northfield	Morrow of Weston
Black of Essex	Graning of Jericho *	Mrowicki of Putney
Bluemle of Burlington	Greer of Bennington	Nelson of Derby

Bosch of Clarendon
Bos-Lun of Westminster
Boutin of Barre City
Boyden of Cambridge
Brady of Williston *
Branagan of Georgia
Brown of Richmond
Burditt of West Rutland
Burke of Brattleboro
Burkhardt of South Burlington
Burrows of West Windsor
Burtt of Cabot
Carris-Duncan of Whitingham
Casey of Montpelier
Casey of Hubbardton
Chapin of East Montpelier*
Charlton of Chester
Christie of Hartford
Cina of Burlington
Coffin of Cavendish
Cole of Hartford
Conlon of Cornwall
Cooper of Pownal
Corcoran of Bennington
Cordes of Bristol
Critchlow of Colchester
Demar of Enosburgh
Dickinson of St. Albans Town
Dodge of Essex
Dolan of Essex Junction
Dolgin of St. Johnsbury
Duke of Burlington
Durfee of Shaftsbury
Gregoire of Fairfield
Hango of Berkshire
Harple of Glover
Harrison of Chittenden
Headrick of Burlington
Higley of Lowell
Holcombe of Norwich
Hooper of Randolph
Hooper of Burlington
Houghton of Essex Junction
Howard of Rutland City
Howland of Rutland Town
James of Manchester
Kascenska of Burke
Keyser of Rutland City
Kimbell of Woodstock
Kleppner of Burlington
Kornheiser of Brattleboro
Krasnow of South Burlington
Labor of Morgan
Lalley of Shelburne
LaLonde of South Burlington
LaMont of Morristown
Laroche of Franklin
Lipsky of Stowe
Logan of Burlington
Long of Newfane
Luneau of St. Albans City
Maguire of Rutland City
Malay of Pittsford
Marcotte of Coventry
Masland of Thetford
McCann of Montpelier
McFaun of Barre Town
McGill of Bridport
North of Ferrisburgh
Noyes of Wolcott
Nugent of South Burlington
O'Brien of Tunbridge
Ode of Burlington
Olson of Starksboro
Page of Newport City
Pezzo of Colchester
Pouech of Hinesburg
Powers of Waterford
Priestley of Bradford *
Pritchard of Pawlet
Quimby of Lyndon
Rachelson of Burlington
Satcowitz of Randolph
Scheu of Middlebury
Sheldon of Middlebury
Sibilia of Dover
Southworth of Walden
Squirrell of Underhill
Steady of Milton
Stevens of Waterbury
Stone of Burlington
Surprenant of Barnard
Sweeney of Shelburne
Taylor of Milton
Tomlinson of Winooski
Toof of St. Albans Town
Torre of Moretown
Waszazak of Barre City
Waters Evans of Charlotte
Wells of Brownington
White of Waitsfield
Wood of Waterbury
Yacovone of Morristown

Those who voted in the negative are:

Canfield of Fair Haven
Harvey of Castleton
McCoy of Poultney *
Nielsen of Brandon
Oliver of Sheldon
Parsons of Newbury
Pinsonault of Dorset
Tagliavia of Corinth
Walker of Swanton

Those members absent with leave of the House and not voting are:

Campbell of St. Johnsbury
Dobrovich of Williamstown
Donahue of Northfield
Hunter of Manchester
Nigro of Bennington
White of Bethel
Winter of Ludlow

Rep. Arsenault of Williston provided the following vote explanation:

"Madam Speaker:

S.69 is a first step toward life-changing and life-saving legislation of products that are harmful by design. I dedicate my vote to the hundreds of children who have died as a result of this irresponsible product design and to the thousands who may be spared harm as a result of this bill."

Rep. Berbeco of Winooski provided the following vote explanation:

"Madam Speaker:

I'm voting yes because this is one of the single most important things we can do to address the youth mental health crisis."

Rep. Brady of Williston provided the following vote explanation:

"Madam Speaker:

I voted for this bill because I will always vote for kids and families over big business. Through unregulated screens, social media, and now rapidly developing AI, we have been running a massive, uncontrolled experiment with our kids as the guinea pigs. Parents, teachers, and medical professionals know the results. Morally, this bill is the right thing to do. But it is also economically the right thing to do. The only economic interest that I know would be harmed, if we fail to act, is the Vermont property taxpayer as we continue to pay for dramatically increased mental health costs in our school budgets, conservatively at least $50 million just last year."

Rep. Chapin of East Montpelier provided the following vote explanation:

"Madam Speaker:

Protection of our children from the intentionally addictive designs of social media companies and lack of federal regulation are long overdue. I dedicate my vote to all the children and parents who struggle with this every day."

Rep. Graning of Jericho provided the following vote explanation:

"Madam Speaker:

S.69 will protect Vermont's children from the harmful features that are prevalent in today's social media platforms, that cause distress and anxiety and are damaging a generation of kids. We needed this law years ago. These protections will change the lives of future generations."

Rep. McCoy of Poultney provided the following vote explanation:

"Madam Speaker:

I would have supported the Senate version of the bill; however, with a Private Right of Action included, and lawsuits in other states still pending, I cannot support this bill."

Rep. Priestley of Bradford provided the following vote explanation:

"Madam Speaker:

S.69 is not a speech law. It's a safety law. And it's carefully designed to ensure our kids have stronger protections without compromising constitutional rights. If Big Tech wants to litigate against kids' safety, let them. But let's be clear: Vermont stands on the right side of the Constitution — and of history."

Thereupon, third reading was ordered.

Senate Proposal of Amendment Concurred in with Further Proposal of Amendment Thereto

H. 209

The Senate proposed to the House to amend House bill, entitled

An act relating to intranasal epinephrine in schools

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

Sec. 1. 16 V.S.A. § 1388 is amended to read:

§ 1388. STOCK SUPPLY AND EMERGENCY ADMINISTRATION OF EPINEPHRINE ~~AUTO-INJECTORS~~

(a) As used in this section:

(1) "Designated personnel" means a school employee, agent, or volunteer who has completed training required by State Board policy and who has been authorized by the school administrator or delegated by the school nurse to ~~provide and~~ administer epinephrine ~~auto-injectors under~~ in accordance with a provider's standing order or protocol pursuant to this section ~~and who has completed the training required by State Board policy~~.

(2) "Epinephrine ~~auto-injector~~" means a U.S. Food and Drug Administration-approved single-use ~~device that delivers a~~ epinephrine delivery system containing a premeasured single dose of epinephrine.

(3) "Health care professional" means a physician licensed pursuant to 26 V.S.A. chapter 23 or 33, an advanced practice registered nurse licensed to prescribe drugs and medical devices pursuant to 26 V.S.A. chapter 28, or a physician assistant licensed to prescribe drugs and medical devices pursuant to 26 V.S.A. chapter 31.

(4) "School" means a public or approved independent school and extends to school grounds, school-sponsored activities, school-provided transportation, and school-related programs.

(5) "School administrator" means a school's principal or headmaster.

(6) "School nurse" means a school nurse or associate school nurse endorsed by the Agency of Education pursuant to the Licensing of Educators and the Preparation of Educational Professionals rule (CVR 22-000-010).

(b)(1) A health care professional may prescribe ~~an~~ epinephrine ~~auto-injector~~ in a school's name, which may be maintained by the school for use as described in subsection (d) of this section. The health care professional shall issue to the school a standing order for the use of ~~an~~ epinephrine ~~auto-injector~~ prescribed under this section, including protocols for:

(A) ~~assessing~~ recognizing whether an individual is experiencing a potentially life-threatening allergic reaction;

(B) administering ~~an~~ epinephrine ~~auto-injector~~ to an individual experiencing a potentially life-threatening allergic reaction;

(C) caring for an individual after administering ~~an~~ epinephrine ~~auto-injector to him or her~~, including contacting emergency services personnel and documenting the incident; and

(D) disposing of used or expired epinephrine ~~auto-injectors~~.

(2) A pharmacist licensed pursuant to 26 V.S.A. chapter 36 or a health care professional may dispense epinephrine ~~auto-injectors~~ prescribed to a school.

(c) A school may maintain a stock supply of epinephrine ~~auto-injectors~~. A school may enter into arrangements with epinephrine ~~auto-injector~~ manufacturers or suppliers to acquire ~~epinephrine auto-injectors~~ these products for free or at reduced or fair market prices.

(d) The school administrator may authorize a school nurse or appropriately trained designated personnel, ~~or both,~~ to:

(1) provide ~~an~~ epinephrine ~~auto-injector~~ to a student for self-administration according to a plan of action for managing the student's life-threatening allergy maintained in the student's school health records pursuant to section 1387 of this title;

(2) administer ~~a~~ prescribed epinephrine ~~auto-injector~~ to a student according to a plan of action maintained in the student's school health records; and

(3) administer ~~an~~ epinephrine ~~auto-injector~~, in accordance with the protocol issued under subsection (b) of this section, to a student or other individual at a school if the school nurse or designated personnel believe in good faith that the student or individual is experiencing anaphylaxis, regardless of whether the student or individual has a prescription for ~~an~~ epinephrine ~~auto-injector~~.

(e) Designated personnel, a school, a school nurse, and a health care professional prescribing ~~an~~ epinephrine ~~auto-injector~~ to a school shall be immune from any civil or criminal liability arising from the administration or self-administration of ~~an~~ epinephrine ~~auto-injector~~ under this section, unless the person's conduct constituted intentional misconduct. Providing or administering ~~an~~ epinephrine ~~auto-injector~~ under this section does not constitute the practice of medicine.

(f) ~~On or before January 1, 2014, the~~ The State Board, in consultation with the Department of Health, shall adopt policies for managing students with life-threatening allergies and other individuals with life-threatening allergies who may be present at a school. The policies shall:

(1) establish protocols to prevent exposure to allergens in schools;

(2) establish procedures for responding to life-threatening allergic reactions in schools, including postemergency procedures;

(3) implement a process for schools and the parents or guardians of students with a life-threatening allergy to jointly develop a written individualized allergy management plan of action that:

(A) incorporates instructions from a student's ~~physician~~ health care professional regarding the student's life-threatening allergy and prescribed treatment;

(B) includes the requirements of section 1387 of this title~~,~~ if a student is authorized to possess and self-administer emergency medication at school;

(C) becomes part of the student's health records maintained by the school; and

(D) is updated each school year;

(4) require education and training for school nurses and designated personnel, including training related to storing and administering ~~an~~ epinephrine ~~auto-injector~~ and recognizing and responding to a life-threatening allergic reaction; and

(5) require each school to make publicly available protocols and procedures developed in accordance with the policies adopted by the State Board under this section.

Sec. 2. EFFECTIVE DATE

This act shall take effect on July 1, 2025.

Pending the question, Shall the House concur in the Senate proposal of amendment?, **Reps. Harple of Glover, Brady of Williston, Brown of Richmond, Conlon of Cornwall, Dobrovich of Williamstown, Long of Newfane, McCann of Montpelier, Quimby of Lyndon, Taylor of Milton, and Toof of St. Albans Town** moved to concur in the Senate proposal of amendment with a further proposal of amendment thereto in Sec. 1, 16 V.S.A. § 1388, in subdivision (a)(6), by inserting "or registered nurses certified through the Office of Professional Regulation and contracted to perform the duties of a school nurse" before the period

Which was agreed to.

Senate Proposal of Amendment Concurred in

H. 222

The Senate proposed to the House to amend House bill, entitled

An act relating to civil orders of protection

The Senate proposed to the House to amend the bill in Sec. 2, 15 V.S.A. § 1103, in subdivision (c)(2)(J), in the second sentence, after "civil contempt proceedings" by inserting "pursuant to Rule 16 of the Vermont Rules of Family Proceedings"

Which proposal of amendment was considered and concurred in.

Recess

At twelve o'clock and twelve minutes in the afternoon, the Speaker declared a recess until the fall of the gavel.

At one o'clock and eighteen minutes in the afternoon, the Speaker called the House to order.

Message from the Senate No. 65

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 considered a bill originating in the House of the following title:

H. 231. An act relating to technical corrections to fish and wildlife statutes.

And has passed the same in concurrence with proposal of amendment in the adoption of which the concurrence of the House is requested.

The Senate has considered House proposal of amendment to Senate bill entitled:

S. 12. An act relating to sealing criminal history records.

And has refused to concur therein and asks for a Committee of Conference upon the disagreeing votes of the two Houses;

The President announced the appointment as members of such Committee on the part of the Senate:

Senator Hashim
Senator Norris
Senator Mattos

Rules Suspended, Immediate Reconsideration; Senate Proposal of Amendment Concurred in with Further Proposal of Amendment Thereto

H. 209

House bill, entitled

An act relating to intranasal epinephrine in schools

Assuring the Chair that he voted with the prevailing side to concur in the Senate proposal of amendment with further proposal of amendment thereto as offered by Rep. Harple of Glover and others, which occurred prior to the recess earlier today. **Rep. Conlon of Cornwall** moved to permit suspend rules to immediate reconsideration of the Senate proposal of amendment and the proposed further amendment thereto, which was agreed to.

Thereupon, the House concurred in the Senate proposal of amendment with further proposal of amendment thereto as offered by Rep. Harple of Glover and others.

Second Reading; Amendment Offered; Point of Order; Proposal of Amendment Agreed to; Third Reading Ordered

S. 127

Rep. Mihaly of Calais, for the Committee on General and Housing, to which had been referred Senate bill, entitled

An act relating to housing and housing development

Reported in favor of its passage in concurrence with proposal of amendment by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Vermont Rental Housing Improvement Program * * *

Sec. 1. 10 V.S.A. § 699 is amended to read:

§ 699. VERMONT RENTAL HOUSING IMPROVEMENT PROGRAM

(a) Creation of Program.

* * *

(5)(A) The Department may cooperate with and subgrant funds to State agencies and governmental subdivisions and public and private organizations in order to carry out the purposes of this ~~subsection~~ section.

(B) Solely with regards to actions undertaken pursuant to this subdivision (5), entities carrying out the provisions of this section, including grantees, subgrantees, and contractors of the State, shall be exempt from the provisions of 8 V.S.A. chapter 73 (licensed lenders, mortgage brokers, mortgage loan originators, sales finance companies, and loan solicitation companies).

* * *

(d) Program requirements applicable to grants and forgivable loans.

(1)(A) A grant or loan shall not exceed~~:~~

~~(i) $70,000.00 per unit, for rehabilitation or creation of an eligible rental housing unit meeting the applicable building accessibility requirements under the Vermont Access Rules; or~~

~~(ii)~~ $50,000.00 per unit, for rehabilitation or creation of any other eligible rental housing unit. Up to an additional $20,000.00 per unit may be made available for specific elements that collectively bring the unit to the visitable standard outlined in the rules adopted by the Vermont Access Board.

* * *

(e) Program requirements applicable to grants and five-year forgivable loans. For a grant or five-year forgivable loan awarded through the Program, the following requirements apply for a minimum period of five years:

(1) A landlord shall coordinate with nonprofit housing partners and local ~~coordinated entry~~ homelessness service organizations approved by the Department to identify potential tenants.

(2)(A) Except as provided in subdivision ~~(2)~~(B) of this ~~subsection~~ subdivision (e)(2), a landlord shall lease the unit to a household that is:

(i) exiting homelessness, including any individual under 25 years of age who secures housing through a master lease held by a youth service provider on behalf of individuals under 25 years of age;

(ii) actively working with an immigrant or refugee resettlement program; ~~or~~

(iii) composed of at least one individual with a disability who receives or is ~~eligible~~ approved to receive Medicaid-funded ~~home and community based~~ home- and community-based services or Social Security Disability Insurance;

(iv) displaced due to a natural disaster; or

(v) with approval from the Department in writing, an organization that will hold a master lease that explicitly states the unit will be used in service of the populations described in this subsection (e).

* * *

(4)(A) A landlord may convert a grant to a forgivable loan upon approval of the Department and the housing organization that approved the grant.

(B) A landlord who converts a grant to a forgivable loan shall receive a ~~10-percent~~ prorated credit for loan forgiveness for each year in which the landlord participates in the Program.

(f) Requirements applicable to 10-year forgivable loans. For a 10-year forgivable loan awarded through the Program, the following requirements apply for a minimum period of 10 years:

(1) ~~A landlord shall coordinate with nonprofit housing partners and local coordinated entry organizations to identify potential tenants~~ The total cost of rent for the unit, including utilities not covered by rent payments, shall not exceed the applicable fair market rent established by the Department of Housing and Urban Development, except that a landlord may accept a housing voucher that exceeds fair market rent, if available.

~~(2)(A) Except as provided in subdivision (2)(B) of this subsection (f), a landlord shall lease the unit to a household that is:~~

~~(i) exiting homelessness, including any individual under 25 years of age who secures housing through a master lease held by a youth service provider on behalf of individuals under 25 years of age;~~

~~(ii) actively working with an immigrant or refugee resettlement program; or~~

~~(iii) composed of at least one individual with a disability who is eligible to receive Medicaid-funded home and community based services.~~

~~(B) If, upon petition of the landlord, the Department or the housing organization that issued the grant determines that a household under subdivision (2)(A) of this subsection (f) is not available to lease the unit, then the landlord shall lease the unit:~~

~~(i) to a household with an income equal to or less than 80 percent of area median income; or~~

~~(ii) if such a household is unavailable, to another household with the approval of the Department or housing organization.~~

~~(3)(A)~~ A landlord shall accept any housing vouchers that are available to pay all, or a portion of, the tenant's rent and utilities.

~~(B) If no housing voucher or federal or State subsidy is available, the cost of rent for the unit, including utilities not covered by rent payments, shall not exceed the applicable fair market rent established by the Department of Housing and Urban Development.~~

~~(4)~~(3) The Department shall forgive ~~10 percent of the~~ a prorated amount of a forgivable loan for each year a landlord participates in the loan program.

(g) Minimum funding for grants and five-year forgivable loans.

(1) Annually, the Department shall establish a minimum allocation of funding set aside to be used for five-year grants or forgivable loans to serve eligible households pursuant to subsection (e) of this section. Remaining funds may be used for either five-year grants or forgivable loans or 10-year forgivable loans pursuant to subsection (f) of this section. The set aside shall be a minimum of 30 percent of funds disbursed annually.

(2) The Department shall consult with the Agency of Human Services to evaluate factors in establishing the amount of the set aside, including:

(A) the availability of housing vouchers;

(B) the current need for housing for eligible households;

(C) the ability and desire of landlords to house eligible households;

(D) the support services available for landlords; and

(E) the prior uptake and success rates for participating landlords.

(3) The Department shall coordinate with the local Coordinated Entry Lead Agencies and Homeownership Centers to direct referrals for those individuals or families prioritized to be housed pursuant to the five-year grants or forgivable loans.

(4) Funds from the set aside not utilized after nine months shall become available for 10-year forgivable loans.

(5) The Department shall annually publish the amount of the set aside on its website.

* * *

(i) Creation of the Vermont Rental Housing Improvement Program Revolving Fund. Funds repaid or returned to the Department from forgivable loans or grants funded by the Program shall return to the Vermont Rental Housing Improvement Revolving Fund to be used for Program expenditures and administrative costs at the discretion of the Department.

(j) Annual report. Annually, the Department shall submit a report to the House Committees on Human Services and on General and Housing and the Senate Committee on Economic Development, Housing and General Affairs regarding the following:

(1) separately, the number of units funded and the number of units rehabilitated through grants, through a five-year forgivable loan, and through a 10-year forgivable loan;

(2) for grants and five-year forgivable loans, for the first year after the expiration of the lease requirements outlined in subdivision (e)(2)(A) of this section, whether the unit is still occupied by a tenant who meets the qualifications of that subdivision;

(3) for each program, for the first year after the expiration of the applicable lease requirements outlined in this section, the amount of rent charged by the landlord and how that rent compares to fair market rent established by the Department of Housing and Urban Development; and

(4) the rate of turnover for tenants housed utilizing grants or five-year forgivable loans and 10-year forgivable loans separately.

* * * MHIR * * *

Sec. 2. 10 V.S.A. § 700 is added to read:

§ 700. VERMONT MANUFACTURED HOME IMPROVEMENT AND REPAIR PROGRAM

(a) There is created within the Department of Housing and Community Development the Manufactured Home Improvement and Repair Program. The Department shall design and implement the Program to award funding to statewide or regional nonprofit housing organizations, or both, to provide financial assistance or awards to manufactured homeowners and manufactured home park owners to improve existing homes, incentivize new slab placement for prospective homeowners, and incentivize park improvements for infill of more homes.

(b) The following projects are eligible for funding through the Program:

(1) The Department may award up to $20,000.00 to owners of manufactured housing communities to complete small-scale capital needs to help infill vacant lots with homes, including disposal of abandoned homes, lot grading and preparation, the siting and upgrading of electrical boxes, enhancing E-911 safety issues, transporting homes out of flood zones, and improving individual septic systems. Costs awarded under this subdivision may also cover legal fees and marketing to help make it easier for home-seekers to find vacant lots around the State.

(2) The Department may award funding to manufactured homeowners for which the home is their primary residence to address habitability and accessibility issues to bring the home into compliance with safe living conditions.

(3) The Department may award up to $15,000.00 per grant to a homeowner to pay for a foundation or federal Department of Housing and Urban Development-approved slab, site preparation, skirting, tie-downs, and utility connections on vacant lots within a manufactured home community.

(c) The Department may adopt rules, policies, and guidelines to aid in enacting the Program.

* * * Vermont Infrastructure Sustainability Fund * * *

Sec. 3. 24 V.S.A. chapter 119, subchapter 6 is amended to read:

Subchapter 6. Special Funds

* * *

§ 4686. VERMONT INFRASTRUCTURE SUSTAINABILITY FUND

(a) Creation. There is created the Vermont Infrastructure Sustainability Fund within the Vermont Bond Bank.

(b) Purpose. The purpose of the Fund is to provide capital to extend and increase capacity of water and sewer service and other public infrastructure in municipalities where lack of extension or capacity is a barrier to housing development.

(c) Administration. The Vermont Bond Bank may administer the Fund in coordination with and support from other State agencies, government component parts, and quasi-governmental agencies.

(d) Program parameters.

(1) The Vermont Bond Bank, in consultation with the Department of Housing and Community Development, shall develop program guidelines to effectively implement the Fund.

(2) The program shall provide low-interest loans or purchase bonds from municipalities to expand infrastructure capacity. Eligible activities include:

(A) preliminary engineering and planning;

(B) engineering design and bid specifications;

(C) construction for municipal water and wastewater systems;

(D) transportation investments, including those required by municipal regulation, the municipality's official map, designation requirements, or other planning or engineering identifying complete streets and transportation and transit related improvements, including improvements to existing streets; and

(E) other eligible activities as determined by the guidelines produced by the Vermont Bond Bank in consultation with the Department of Housing and Community Development.

(e) Application requirements. Eligible project applications shall demonstrate:

(1) the project will create reserve capacity necessary for new housing unit development;

(2) the project has a direct link to housing unit production; and

(3) the municipality has a commitment to own and operate the project throughout its useful life.

(f) Application criteria. In addition to any criteria developed in the program guidelines, project applications shall be evaluated using the following criteria:

(1) whether there is a direct connection to proposed or in-progress housing development with demonstrable progress toward regional housing targets;

(2) whether the project is an expansion of an existing system;

(3) the proximity to a designated area;

(4) the project readiness and estimated time until the need for financing;

(5) the demonstration of financing for project completion or completion of a project component; and

(6) the relative need and capacity of the community.

(g) Award terms. The Vermont Bond Bank, in consultation with the Department of Housing and Community Development, shall establish award terms that may include:

(1) the maximum loan or bond amount;

(2) the maximum term of the loan or bond amount;

(3) the time by which amortization shall commence;

(4) the maximum interest rate;

(5) whether the loan is eligible for forgiveness and to what percentage or amount;

(6) the necessary security for the loan or bond; and

(7) any additional covenants required to further secure the loan or bond.

(h) Revolving fund.

(1) Any funds repaid or returned from the Infrastructure Sustainability Fund shall be deposited into the Fund and used to continue the program established in this section.

(2) The Bank may use the funds in conjunction with other Bank programs to accomplish the policy objectives outlined in this section.

* * * VHFA Rental Housing Revolving Loan Program * * *

Sec. 4. 2023 Acts and Resolves No. 47, Sec. 38 is amended to read:

Sec. 38. RENTAL HOUSING REVOLVING LOAN PROGRAM

(a) Creation; administration. The Vermont Housing Finance Agency shall design and implement a Rental Housing Revolving Loan Program and shall create and administer a revolving loan fund to provide subsidized loans for rental housing developments that serve middle-income households.

(b) Loans; eligibility; criteria.

* * *

(7) The Agency shall use one or more legal mechanisms to ensure that:

(A) a subsidized unit remains affordable to a household earning the applicable percent of area median income for the longer of:

(i) seven years; or

(ii) full repayment of the loan plus three years; and

(B) during the affordability period determined pursuant to subdivision (A) of this subdivision (7), the annual increase in rent for a subsidized unit does not exceed three percent or an amount otherwise authorized by the Agency.

* * *

* * * Universal Design Study Committee * * *

Sec. 5. RESIDENTIAL UNIVERSAL DESIGN STANDARDS; STUDY COMMITTEE; REPORT

(a) Creation. There is created the Residential Universal Design Study Committee to explore implementation of statewide universal design standards for all residential buildings.

(b) Membership. The Committee shall be composed of the following members with preference for appointment of members with lived experience:

(1) one member of the House of Representatives, who shall be appointed by the Speaker of the House;

(2) one member of the Senate, who shall be appointed by the Committee on Committees;

(3) one member, appointed by the Vermont Builders and Remodelers Association;

(4) one member, appointed by the Vermont Chapter of the American Institute of Architects;

(5) the Director of Fire Safety or designee;

(6) one member of the Vermont Access Board, appointed by the Chair;

(7) one member, appointed by the Vermont Housing Finance Agency;

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

(9) one member, appointed by the Vermont Center for Independent Living;

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

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

(12) one member, appointed by the Vermont Leagues of Cities and Towns;

(13) one member, appointed by the Vermont Assessors and Listers Association;

(14) one member, appointed by the Vermont Association of Realtors;

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

(16) one member, appointed by ADA Inspections Nationwide, LLC; and

(17) one member, appointed by the Associated General Contractors of Vermont.

(c) Powers and duties. The Committee shall study the development and implementation of statewide universal design standards for residential buildings, including identification and analysis of the following issues:

(1) existing federal and state laws regarding the Americans with Disabilities Act, 42 U.S.C. §§ 12101–12213, standards and building codes;

(2) existing federal, state, and international best practices and standards addressing accessibility and adaptability characteristics of single-family and multiunit buildings;

(3) opportunities and challenges for supporting the residential building industry in meeting universal design standards, including considerations of workforce education and training;

(4) cost benefits and impacts of adopting a universal design standard for residential buildings;

(5) opportunities and challenges with enforcement of identified standards; and

(6) impacts to the valuation and financing of impacted buildings.

(d) Assistance. The Committee shall have the administrative, technical, and legal assistance of the Department of Housing and Community Development.

(e) Report. On or before November 1, 2025, the Committee shall submit a written report to the House Committee on General and Housing and the Senate Committee on Economic Development, Housing and General Affairs with its findings and any recommendations for legislative action.

(f) Meetings.

(1) The member of the House of Representatives shall call the first meeting of the Committee to occur on or before June 1, 2025.

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

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

(4) The Committee shall cease to exist on December 1, 2025.

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

(2) Members of the Committee who are not otherwise compensated for their time shall be entitled to per diem compensation as permitted under 32 V.S.A. § 1010 for not more than six meetings. These payments shall be made from monies appropriated to the Department of Housing and Community Development for that purpose.

(h) Intent to appropriate. Notwithstanding subdivision (g)(2) of this section, per diems for the cost of attending meetings shall only be available in the event an appropriation is made in fiscal year 2026 from the General Fund to the Department of Housing and Community Development for that purpose.

* * * Housing and Residential Services Planning Committee * * *

Sec. 6. STATE HOUSING AND RESIDENTIAL SERVICES PLANNING COMMITTEE; REPORT

(a) Creation. There is created the State Housing and Residential Services Planning Committee to generate a State plan to develop housing for individuals with developmental disabilities.

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

(1) one current member of the House of Representatives, who shall be appointed by the Speaker of the House;

(2) one current member of the Senate, who shall be appointed by the Committee on Committees;

(3) the Secretary of Human Services or designee;

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

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

(6) the State Treasurer or designee;

(7) one member, appointed by the Developmental Disabilities Housing Initiative;

(8) the Executive Director of the Vermont Developmental Disabilities Council;

(9) one member, appointed by Green Mountain Self-Advocates;

(10) one member, appointed by Vermont Care Partners;

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

(12) one member, appointed by the Associated General Contractors of Vermont.

(c) Powers and duties. The Committee shall create an actionable plan to develop housing for individuals with developmental disabilities that reflects the diversity of needs expressed by those individuals and their families, including individuals with high-support needs who require 24-hour care and those with specific communication needs. The plan shall include:

(1) a schedule for the creation of at least 600 additional units of service-supported housing;

(2) the number and description of the support needs of individuals with developmental disabilities anticipated to be served annually;

(3) anticipated funding needs; and

(4) recommendations for changes in State laws or policies that are obstacles to the development of housing needed by individuals with Medicaid-funded home-and community-based services.

(d) Assistance.

(1) The Committee shall have the administrative, technical, and legal assistance of the Department of Housing and Community Development.

(2) Upon request of the Committee, the Department of Disabilities, Aging, and Independent Living shall provide an analysis of the current state of housing in Vermont for individuals with development disabilities and, to the extent available, an analysis of the level of community support needed for these individuals.

(e) Report. On or before November 15, 2025, the Committee shall submit a written report to the House Committees on General and Housing and on Human Services and the Senate Committees on Economic Development, Housing and General Affairs and on Health and Welfare with its findings and any recommendations for legislative action.

(f) Meetings.

(1) The Secretary of Human Services shall call the first meeting of the Committee to occur on or before July 15, 2025.

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

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

(4) The Committee shall cease to exist on November 30, 2025.

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

(2) Members of the Committee who are not otherwise compensated for their time shall be entitled to per diem compensation as permitted under 32 V.S.A. § 1010 for not more than six meetings. These payments shall be made from monies appropriated to the Department of Housing and Community Development for that purpose.

(h) Intent to appropriate. Notwithstanding subsection (g)(2) of this section, per diems for the cost of attending meetings shall only be available in the event an appropriation is made in fiscal year 2026 from the General Fund to the Department of Housing and Community Development for that purpose.

* * * Tax Department Housing Data Access * * *

Sec. 7. 32 V.S.A. § 5404 is amended to read:

§ 5404. DETERMINATION OF EDUCATION PROPERTY TAX GRAND LIST

* * *

(b) Annually, on or before August 15, the clerk of a municipality, or the supervisor of an unorganized town or gore, shall transmit to the Director in an electronic or other format as prescribed by the Director~~:~~ education and municipal grand list data, including exemption information and grand list abstracts; tax rates; an extract of the assessor database also referred to as a Computer Assisted Mass Appraisal (CAMA) system or Computer Assisted Mass Appraisal database; and the total amount of taxes assessed in the town or unorganized town or gore. The data transmitted shall identify each parcel by a parcel identification number assigned under a numbering system prescribed by the Director. Municipalities may continue to use existing numbering systems in addition to, but not in substitution for, the parcel identification system prescribed by the Director. If changes or additions to the grand list are made by the listers or other officials authorized to do so after such abstract has been so transmitted, such clerks shall forthwith certify the same to the Director.

* * *

* * * Landlord Certificate * * *

Sec. 8. REPEAL; ACT 181 PROSPECTIVE LANDLORD CERTIFICATE CHANGES

2024 Acts and Resolves No. 181, Secs. 98 (landlord certificate amendments) and 114(5) (effective date of landlord certificate amendments) are repealed.

Sec. 9. 32 V.S.A. § 6069 is amended to read:

§ 6069. LANDLORD CERTIFICATE

* * *

(b) The owner of each rental property shall, on or before January 31 of each year, furnish a certificate of rent to the Department of Taxes.

(c) A certificate under this section shall be in a form prescribed by the Commissioner and shall include the following:

(1) the name of ~~the~~ each renter~~,~~;

(2) the address and ~~any property tax parcel identification number of the homestead, the information required under subsection (f) of this section,~~ the School Property Account Number of the rental property;

(3) the name of the owner or landlord of the rental property;

(4) the phone number, email address, and mailing address of the owner or landlord of the rental property, as available;

(5) the type or types of rental units on the rental property;

(6) the number of rental units on the rental property;

(7) the number of ADA-accessible units on the rental property; and

(8) any additional information that the Commissioner determines is appropriate.

* * *

(f) ~~Annually on or before October 31, the Department shall prepare and make available to a member of the public upon request a database in the form of a sortable spreadsheet that contains the following information for each rental unit for which the Department received a certificate pursuant to this section:~~

~~(1) name of owner or landlord;~~

~~(2) mailing address of landlord;~~

~~(3) location of rental unit;~~

~~(4) type of rental unit;~~

~~(5) number of units in building; and~~

~~(6) School Property Account Number.~~ Annually on or before December 15, the Department shall submit a report on the aggregated data collected under this section to the House Committee on General and Housing and the Senate Committee on Economic Development, Housing and General Affairs.

* * * Land Bank Report * * *

Sec. 10. DHCD LAND BANK REPORT

(a) On or before November 1, 2025, the Department of Housing and Community Development shall issue a report to the House Committee on General and Housing and the Senate Committee on Economic Development, Housing and General Affairs outlining a legal framework for implementation of a State land bank. The report shall include proposed legislative language specific to:

(1) the creation of a statewide land bank;

(2) the authorization of regional or municipal land banks; and

(3) the identification of funding proposals to support the sustainability of each separate model.

(b) The report shall include an analysis on which option, the creation of a statewide land bank or the authorization of regional or municipal land banks, best serves the interest of Vermont communities, including rural communities.

* * * Housing and Public Accommodations Protections * * *

Sec. 11. 9 V.S.A. § 4456a is amended to read:

§ 4456a. RESIDENTIAL RENTAL APPLICATION ~~FEES; PROHIBITED~~

(a) A landlord or a landlord's agent shall not charge an application fee to any individual in order to apply to enter into a rental agreement for a residential dwelling unit. This ~~section~~ subsection shall not be construed to prohibit a person from charging a fee to a person in order to apply to rent commercial or nonresidential property.

(b)(1) In order to conduct a background or credit check, a landlord shall accept any of the following:

(A) an original or a copy of any unexpired form of government-issued identification;

(B) an Individual Taxpayer Identification Number; or

(C) a Social Security number.

(2) A residential rental application shall inform an applicant that the applicant may provide any of the above forms of identification in order to conduct a background or credit check.

Sec. 12. 9 V.S.A. § 4501 is amended to read:

§ 4501. DEFINITIONS

As used in this chapter:

* * *

(12)(A) "Harass" means to engage in unwelcome conduct that detracts from, undermines, or interferes with a person's:

(i) use of a place of public accommodation or any of the accommodations, advantages, facilities, or privileges of a place of public accommodation because of the person's race, creed, color, national origin, citizenship, immigration status, marital status, sex, sexual orientation, gender identity, or disability; or

(ii) terms, conditions, privileges, or protections in the sale or rental of a dwelling or other real estate, or in the provision of services or facilities in connection with a dwelling or other real estate, because of the person's race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability, or because the person intends to occupy a dwelling with one or more minor children, or because the person is a recipient of public assistance, or because the person is a victim of abuse, sexual assault, or stalking.

* * *

Sec. 13. 9 V.S.A. § 4502 is amended to read:

§ 4502. PUBLIC ACCOMMODATIONS

(a) An owner or operator of a place of public accommodation or an agent or employee of such owner or operator shall not, because of the race, creed, color, national origin, citizenship, immigration status, marital status, sex, sexual orientation, or gender identity of any person, refuse, withhold from, or deny to that person any of the accommodations, advantages, facilities, and privileges of the place of public accommodation.

* * *

Sec. 14. 9 V.S.A. § 4503 is amended to read:

§ 4503. UNFAIR HOUSING PRACTICES

(a) It shall be unlawful for any person:

(1) To refuse to sell or rent, or refuse to negotiate for the sale or rental of, or otherwise make unavailable or deny, a dwelling or other real estate to any person because of the race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person intends to occupy a dwelling with one or more minor children, or because a person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking.

(2) To discriminate against, or to harass, any person in the terms, conditions, privileges, and protections of the sale or rental of a dwelling or other real estate, or in the provision of services or facilities in connection with a dwelling or other real estate, because of the race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person intends to occupy a dwelling with one or more minor children, or because a person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking.

(3) To make, print, or publish, or cause to be made, printed, or published any notice, statement, or advertisement, with respect to the sale or rental of a dwelling or other real estate that indicates any preference, limitation, or discrimination based on race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person intends to occupy a dwelling with one or more minor children, or because a person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking.

(4) To represent to any person because of the race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person intends to occupy a dwelling with one or more minor children, or because a person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking, that any dwelling or other real estate is not available for inspection, sale, or rental when the dwelling or real estate is in fact so available.

* * *

(6) To discriminate against any person in the making or purchasing of loans or providing other financial assistance for real-estate-related transactions or in the selling, brokering, or appraising of residential real property, because of the race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or

disability of a person, or because a person intends to occupy a dwelling with one or more minor children, or because a person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking.

(7) To engage in blockbusting practices, for profit, which may include inducing or attempting to induce a person to sell or rent a dwelling by representations regarding the entry into the neighborhood of a person or persons of a particular race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person intends to occupy a dwelling with one or more minor children, or because a person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking.

(8) To deny any person access to or membership or participation in any multiple listing service, real estate brokers' organization, or other service, organization, or facility relating to the business of selling or renting dwellings, or to discriminate against any person in the terms or conditions of such access, membership, or participation, on account of race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking.

* * *

(12) To discriminate in land use decisions or in the permitting of housing because of race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, disability, the presence of one or more minor children, income, or because of the receipt of public assistance, or because a person is a victim of abuse, sexual assault, or stalking, except as otherwise provided by law.

* * *

(d) If required by federal law, the verification of immigration status or differential treatment on the basis of citizenship or immigration status shall not constitute a violation of subsection (a) of this section with respect to the sale and rental of dwellings.

(e) For purposes of subdivision (a)(6) of this section, it shall not constitute unlawful discrimination for a lender to consider a credit applicant's immigration status to the extent such status has bearing on the lender's rights and remedies regarding loan repayment and further provided such consideration is consistent with any applicable federal law or regulation.

* * * Housing Appeals * * *

Sec. 15. 10 V.S.A. § 8502 is amended to read:

§ 8502. DEFINITIONS

As used in this chapter:

* * *

(7) "Person aggrieved" means a person who alleges an injury to a particularized interest protected by the provisions of law listed in section 8503 of this title, attributable to an act or decision by a district coordinator, District Commission, the Secretary, an appropriate municipal panel, or the Environmental Division that can be redressed by the Environmental Division or the Supreme Court.

* * *

Sec. 16. 10 V.S.A. § 8504 is amended to read:

§ 8504. APPEALS TO THE ENVIRONMENTAL DIVISION

* * *

(b) Planning and zoning chapter appeals.

(1) Within 30 days of the date of the act or decision, an interested person, as defined in 24 V.S.A. § 4465, or a person aggrieved, who has participated as defined in 24 V.S.A. § 4471 in the municipal regulatory proceeding under that chapter may appeal to the Environmental Division an act or decision made under that chapter by a board of adjustment, a planning commission, or a development review board; provided, however, that decisions of a development review board under 24 V.S.A. § 4420 with respect to local Act 250 review of municipal impacts are not subject to appeal but shall serve as presumptions under chapter 151 of this title.

* * *

(h) De novo hearing. The Environmental Division, applying the substantive standards that were applicable before the tribunal appealed from, shall hold a de novo hearing on those issues that have been appealed~~, except~~. For a municipal land use permit application for a housing development, if the appeal is of a denial, the Environmental Division shall determine if the application is consistent with the municipal bylaw or land use regulation that directly affects the property or if the appeal is of an approval, if the application is inconsistent with the municipal bylaw or land use regulation that directly affects the property. It shall not be de novo in the case of:

(1) a decision being appealed on the record pursuant to 24 V.S.A. chapter 117; or

(2) a decision of the Commissioner of Forests, Parks and Recreation under section 2625 of this title being appealed on the record, in which case the court shall affirm the decision, unless it finds that the Commissioner did not have reasonable grounds on which to base the decision.

* * *

(k) Limitations on appeals. Notwithstanding any other provision of this section:

(1) there shall be no appeal from a District Commission decision when the Commission has issued a permit and no hearing was requested or held, or no motion to alter was filed following the issuance of an administrative amendment;

(2) a municipal decision regarding whether a particular application qualifies for a recorded hearing under 24 V.S.A. § 4471(b) shall not be subject to appeal;

(3) if a District Commission issues a partial decision under subsection 6086(b) of this title, any appeal of that decision must be taken within 30 days following the date of that decision; ~~and~~

(4) it shall be the goal of the Environmental Division to issue a decision on a case regarding an appeal of an appropriate municipal panel decision under 24 V.S.A. chapter 117 within 90 days following the close of the hearing; and

(5) except for cases the court considers of greater importance, appeals of an appropriate municipal panel decision under 24 V.S.A. chapter 117 involving housing development take precedence on the docket over other cases and shall be assigned for hearing and trial or for argument accordingly.

* * *

Sec. 17. 24 V.S.A. § 4465 is amended to read:

§ 4465. APPEALS OF DECISIONS OF THE ADMINISTRATIVE OFFICER

* * *

(b) As used in this chapter, an "interested person" means any one of the following:

(1) A person owning title to property, or a municipality or solid waste management district empowered to condemn it or an interest in it, affected by a bylaw, who alleges that the bylaw imposes on the property unreasonable or

inappropriate restrictions of present or potential use under the particular circumstances of the case.

(2) The municipality that has a plan or a bylaw at issue in an appeal brought under this chapter or any municipality that adjoins that municipality.

(3) ~~A person owning or occupying property in the immediate neighborhood of a property that is the subject of any decision or act taken under this chapter, who can demonstrate a physical or environmental impact on the person's interest under the criteria reviewed, and who alleges that the decision or act, if confirmed, will not be in accord with the policies, purposes, or terms of the plan or bylaw of that municipality~~.

~~(4) Any 20 persons who may be any combination of voters, residents, or real property owners within a municipality listed in subdivision (2) of this subsection who, by signed petition to the appropriate municipal panel of a municipality, the plan or a bylaw of which is at issue in any appeal brought under this title, allege that any relief requested by a person under this title, if granted, will not be in accord with the policies, purposes, or terms of the plan or bylaw of that municipality. This petition to the appropriate municipal panel must designate one person to serve as the representative of the petitioners regarding all matters related to the appeal. For purposes of this subdivision, an appeal shall not include the character of the area affected if the project has a residential component that includes affordable housing.~~

~~(5)~~ Any department and administrative subdivision of this State owning property or any interest in property within a municipality listed in subdivision (2) of this subsection, and the Agency of Commerce and Community Development of this State.

* * *

Sec. 18. 24 V.S.A. § 4441 is amended to read:

§ 4441. PREPARATION OF BYLAWS AND REGULATORY TOOLS; AMENDMENT OR REPEAL

* * *

(i) Notwithstanding this section and any other law to the contrary, for bylaw amendments that are required to comply with amendments to this chapter, no hearings are required to be held on the bylaw amendments.

* * * LURB Study * * *

Sec. 19. 2024 Acts and Resolves No. 181, Sec. 11a is amended to read:

Sec. 11a. ACT 250 APPEALS STUDY

(a) On or before ~~January 15, 2026~~ November 15, 2025, the Land Use Review Board shall issue a report evaluating whether to transfer appeals of permit decisions and jurisdictional opinions issued pursuant to 10 V.S.A. chapter 151 to the Land Use Review Board or whether they should remain at the Environmental Division of the Superior Court. The Board shall convene a stakeholder group that at a minimum shall be composed of a representative of environmental interests, attorneys that practice environmental and development law in Vermont, the Vermont League of Cities and Towns, the Vermont Association of Planning and Development Agencies, the Vermont Chamber of Commerce, the Land Access and Opportunity Board, the Office of Racial Equity, the Vermont Association of Realtors, a representative of ~~non-profit~~ nonprofit housing development interests, a representative of for-profit housing development interests, a representative of commercial development interests, an engineer with experience in development, the Agency of Commerce and Community Development, and the Agency of Natural Resources in preparing the report. The Board shall provide notice of the stakeholder meetings on its website and each meeting shall provide time for public comment.

(b) The report shall at minimum recommend:

(1) whether to allow consolidation of appeals at the Board, or with the Environmental Division of the Superior Court, and how, including what resources the Board would need, if transferred to the Board, appeals of permit decisions issued under 24 V.S.A. chapter 117 and the Agency of Natural Resources can be consolidated with Act 250 appeals;

(2) how to prioritize and expedite the adjudication of appeals related to housing projects, including the use of hearing officers to expedite appeals and the setting of timelines for processing of housing appeals;

(3) procedural rules to govern the Board's administration of Act 250 and the adjudication of appeals of Act 250 decisions. These rules shall include procedures to create a firewall and eliminate any potential for conflicts with the Board managing appeals and issuing permit decisions and jurisdictional opinions; and

(4) other actions the Board should take to promote the efficient and effective adjudication of appeals, including any procedural improvements to the Act 250 permitting process and jurisdictional opinion appeals.

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

* * * Brownfields * * *

Sec. 20. 10 V.S.A. § 6604c is amended to read:

§ 6604c. MANAGEMENT OF DEVELOPMENT SOILS

(a) Management of development soils. Notwithstanding any other requirements of this chapter to the contrary, development soils may be managed at a location permitted pursuant to an insignificant waste event approval authorization issued pursuant to the Solid Waste Management Rules that contains, at a minimum, the following:

(1) the development soils are generated from a hazardous materials site managed pursuant to a corrective action plan or a soil management plan approved by the Secretary;

(2) the development soils have been tested for arsenic, lead, and polyaromatic hydrocarbons pursuant to a monitoring plan approved by the Secretary that ensures that the soils do not leach above groundwater enforcement standards;

(3) the location where the soils are managed is appropriate for the amount and type of material being managed;

(4) the soils are capped in a manner approved by the Secretary;

(5) any activity that may disturb the development soils at the permitted location shall be conducted pursuant to a soil management plan approved by the Secretary; and

(6) the permittee files a record notice of where the soils are managed in the land records.

* * *

Sec. 21. REPORT ON THE STATUS OF MANAGEMENT OF DEVELOPMENT SOILS

(a) As part of the biennial report to the House Committee on Environment and the Senate Committee on Natural Resources and Energy under 10 V.S.A. § 6604(c), the Secretary of Natural Resources shall report on the status of the management of development soils in the State under 10 V.S.A. § 6604c. The report shall include:

(1) the number of insignificant waste event approval authorizations issued by the Secretary in the previous two years for the management of development soils;

(2) the number of certified categorical solid waste facilities operating in the State for the management of development soils;

(3) a summary of how the majority of development soils in the State are being managed;

(4) an estimate of the cost to manage development soils, depending on management method; and

(5) any additional information the Secretary determines relevant to the management of development soils in the State.

(b) As used in this section, "development soil" has the same meaning as in 10 V.S.A. § 6602(39).

Sec. 22. 10 V.S.A. § 6641 is amended to read:

§ 6641. BROWNFIELD PROPERTY CLEANUP PROGRAM; CREATION; POWERS

(a) There is created the Brownfield Property Cleanup Program to enable certain interested parties to request the assistance of the Secretary to review and oversee work plans for investigating, abating, removing, remediating, and monitoring a property in exchange for protection from certain liabilities under section 6615 of this title. The Program shall be administered by the Secretary who shall:

* * *

(c) When conducting any review required by this subchapter, the Secretary shall prioritize the review of remediation at a site that contains housing or that is planned for the construction or rehabilitation of single-family or multi-family housing.

Sec. 23. BROWNFIELDS PROCESS IMPROVEMENT; REPORT

On or before November 1, 2025, the Secretary of Natural Resources shall report to the House Committees on Environment and on General and Housing and the Senate Committees on Economic Development, Housing and General Affairs and on Natural Resources and Energy with proposals to make the Program established pursuant to 10 V.S.A. chapter 159, subchapter 3 (brownfields reuse and liability limitation) substantially more efficient. At a minimum, the report shall include both of the following:

(1) A survey of stakeholders in the brownfields program to identify areas that present challenges to the redevelopment of contaminated properties, with a focus on redevelopment for housing. The Secretary shall provide recommendations to resolve these challenges.

(2) An analysis of strengths and weaknesses of implementing a licensed site professional program within the State. The Secretary shall make a recommendation on whether such a program should be implemented. If the Secretary recommends implementation, the report shall include any changes to statute or budget needed to implement this program.

Sec. 24. 2023 Acts and Resolves No. 78, Sec. B.1103, as amended by 2024 Acts and Resolves No. 87, Sec. 43, is further amended to read:

Sec. B.1103 CLIMATE AND ENVIRONMENT – FISCAL YEAR 2024

ONE-TIME APPROPRIATIONS

* * *

(h) In fiscal year 2024, the amount of $2,500,000 General Fund is appropriated to the ~~Department of Environmental Conservation~~ Environmental Contingency Fund established pursuant to 10 V.S.A. § 1283 for the Brownfields Reuse and Environmental Liability Limitation Act as codified in 10 V.S.A. chapter 159. Funds shall be used for the assessment ~~and cleanup~~, planning, and cleanup of brownfields sites.

* * *

* * * Tax Increment Financing * * *

Sec. 25. 24 V.S.A. chapter 53, subchapter 7 is added to read:

Subchapter 7. Community and Housing Infrastructure Program

§ 1906. DEFINITIONS

As used in this subchapter:

(1) "Brownfield" means a property on which the presence or potential presence of a hazardous material, pollutant, or contaminant complicates the expansion, development, redevelopment, or reuse of the property.

(2) "Committed" means pledged and appropriated for the purpose of the current and future payment of financing and related costs.

(3) "Developer" means the person undertaking to construct a housing development.

(4) "Financing" means debt, including principal, interest, and any fees or charges directly related to that debt, incurred by a sponsor, or other instruments or borrowing used by a sponsor, to pay for a housing infrastructure project and, in the case of a sponsor that is a municipality, authorized by the municipality pursuant to section 1910a of this subchapter.

(5) "Household of low income" means a household earning up to 80 percent of area median income, as defined by the U.S. Department of Housing and Urban Development.

(6) "Household of moderate income" means a household earning up to 120 percent of area median income, as defined by the U.S. Department of Housing and Urban Development.

(7) "Housing development" means the construction, rehabilitation, or renovation of any building on a housing development site approved under this subchapter.

(8) "Housing development site" means the parcel or parcels encompassing a housing development as authorized by a municipality pursuant to section 1908 of this subchapter.

(9) "Housing infrastructure agreement" means a legally binding agreement to finance and develop a housing infrastructure project and to construct a housing development among a municipality, a developer, and, if applicable, a third-party sponsor.

(10) "Housing infrastructure project" means one or more improvements authorized by a municipality pursuant to section 1908 of this subchapter.

(11) "Improvements" means:

(A) the installation, construction, or rehabilitation of infrastructure that will serve a public good and fulfill the purpose of housing infrastructure tax increment financing as stated in section 1907 of this subchapter, including utilities, digital infrastructure, roads, bridges, sidewalks, parking, public facilities and amenities, public recreation, land and property acquisition and demolition, brownfield remediation, site preparation, and flood remediation and mitigation; and

(B) the funding of debt service interest payments for a period of up to four years, beginning on the date on which the debt is first incurred.

(12) "Legislative body" means the mayor and alderboard, the city council, the selectboard, and the president and trustees of an incorporated village, as appropriate.

(13) "Low or moderate income housing" means housing for which the total annual cost of renting or ownership, as applicable, does not exceed 30 percent of the gross annual income of a household of low income or a household of moderate income.

(14) "Low or moderate income housing development" means a housing development of which at least 20 percent of the units are low or moderate income housing units. Low or moderate income housing units shall be subject to covenants or restrictions that preserve their affordability until all indebtedness for the housing infrastructure project of which the housing development is part has been retired.

(15) "Municipality" means a city, town, or incorporated village.

(16) "Original taxable value" means the total valuation as determined in accordance with 32 V.S.A. chapter 129 of all taxable real property located within a housing development site as of its creation date, provided that no parcel within the housing development site shall be divided or bisected.

(17) "Related costs" means expenses incurred and paid by a municipality, exclusive of the actual cost of constructing and financing improvements, that are directly related to the creation and implementation of the municipality's housing infrastructure project, including reimbursement of sums previously advanced by the municipality for those purposes. Related costs may include direct municipal expenses such as departmental or personnel costs related to creating or administering the housing infrastructure project to the extent they are paid from the tax increment realized from municipal and not education taxes and using only that portion of the municipal increment above the percentage required for serving debt as determined in accordance with subsection 1910c(c) of this subchapter.

(18) "Sponsor" means the person undertaking to finance a housing infrastructure project. Any of a municipality, a developer, or an independent agency that meets State lending standards may serve as a sponsor for a housing infrastructure project.

§ 1907. PURPOSE

The purpose of housing infrastructure tax increment financing is to provide revenues for improvements and related costs to encourage the development of primary residences for households of low or moderate income.

§ 1908. CREATION OF HOUSING INFRASTRUCTURE PROJECT AND HOUSING DEVELOPMENT SITE

(a) The legislative body of a municipality may create within its jurisdiction a housing infrastructure project, which shall consist of improvements that

stimulate the development of housing, and a housing development site, which shall consist of the parcel or parcels on which a housing development is installed or constructed and any immediately contiguous parcels.

(b) To create a housing infrastructure project and housing development site, a municipality, in coordination with stakeholders, shall:

(1) develop a housing development plan, including:

(A) a description of the proposed housing infrastructure project, the proposed housing development, and the proposed housing development site;

(B) identification of a sponsor;

(C) a tax increment financing plan meeting the standards of subsection 1910(f) of this subchapter;

(D) a pro forma projection of expected costs of the proposed housing infrastructure project;

(E) a projection of the tax increment to be generated by the proposed housing development;

(F) a development schedule that includes a list, a cost estimate, and a schedule for the proposed housing infrastructure project and the proposed housing development; and

(G) a determination that the proposed housing development furthers the purposes of section 1907 of this subchapter;

(2) develop a plan describing the housing development site by its boundaries and the properties therein, entitled "Proposed Housing Development Site (municipal name), Vermont";

(3) hold one or more public hearings, after public notice, on the proposed housing infrastructure project, including the plans developed pursuant to this subsection; and

(4) adopt by act of the legislative body of the municipality the plan developed under subdivision (2) of this subsection, which shall be recorded with the municipal clerk and lister or assessor.

(c) The creation of a housing development site shall occur at 12:01 a.m. on April 1 of the calendar year in which the Vermont Economic Progress Council approves the use of tax increment financing for the housing infrastructure project pursuant to section 1910 of this subchapter.

§ 1909. HOUSING INFRASTRUCTURE AGREEMENT

(a) The housing infrastructure agreement for a housing infrastructure project shall:

(1) clearly identify the sponsor for the housing infrastructure project;

(2) clearly identify the developer and the housing development for the housing development site;

(3) obligate the tax increments retained pursuant to section 1910c of this subchapter for not more than the financing and related costs for the housing infrastructure project;

(4) provide terms and sufficient remedies or, if the municipality so elects, an ordinance to ensure that any housing unit within the housing development be initially offered exclusively as a bona fide domicile; and

(5) provide for performance assurances to reasonably secure the obligations of all parties under the housing infrastructure agreement.

(b) A municipality shall provide notice of the terms of the housing infrastructure agreement for the municipality's housing infrastructure project to the legal voters of the municipality and shall provide the same information as set forth in subsection 1910a(e) of this subchapter.

§ 1910. HOUSING INFRASTRUCTURE PROJECT APPLICATION; VERMONT ECONOMIC PROGRESS COUNCIL

(a) Application. A municipality, upon approval of its legislative body, may apply to the Vermont Economic Progress Council to use tax increment financing for a housing infrastructure project.

(b) Review. The Vermont Economic Progress Council may approve only applications that:

(1) meet the process requirements, either of the project criteria, and either of the location criteria of this section; and

(2) are submitted on or before December 31, 2035.

(c) Process requirements. The Vermont Economic Progress Council shall review a municipality's housing infrastructure project application to determine whether the municipality has:

(1) created a housing infrastructure project and housing development site pursuant to section 1908 of this subchapter;

(2) executed a housing infrastructure agreement for the housing infrastructure project adhering to the standards of section 1909 of this subchapter with a developer and, if the municipality is not financing the housing infrastructure project itself, a sponsor; and

(3) approved or pledged to use incremental municipal tax revenues for the housing infrastructure project in the proportion provided for municipal tax revenues in section 1910c of this subchapter.

(d) Project criteria.

(1) The Vermont Economic Progress Council shall review a municipality's housing infrastructure project application to determine whether:

(A) at least 70 percent of the gross floor area of the projected housing development is dedicated to housing; and

(B) the proposed housing development furthers the purposes of section 1907 of this title.

(2) If the Vermont Economic Progress Council determines that a municipality's housing infrastructure project application satisfies the process requirements and either of the location criteria of this section but does not satisfy the project criterion under subdivision (1) of this subsection, the Council shall request the Community and Housing Infrastructure Program Board to determine whether the projected housing development will meaningfully address the purposes in section 1907 of this subchapter and the housing needs of the community, and the Board's affirmative determination will satisfy this project criterion.

(e) Location criteria. The Vermont Economic Progress Council shall review a municipality's housing infrastructure project application to determine whether the housing development site is located within one of the following areas, provided that a housing development for which all permits required pursuant to 10 V.S.A. chapter 151 (State land use and development plans) have been secured as of the time of application shall be deemed to have satisfied the location criteria of this subsection:

(1) an area designated Tier 1A or Tier 1B pursuant to 10 V.S.A. chapter 151 (State land use and development plans) or an area exempt from the provisions of that chapter pursuant to 10 V.S.A. § 6081(dd) (interim housing exemptions);

(2) an existing settlement or an area within one-half mile of an existing settlement, as that term is defined in 10 V.S.A. § 6001(16); or

(3) an area located in Tier 2 pursuant to 10 V.S.A chapter 151 (State land use and development plans) that has permanent zoning and subdivision bylaws and where the project site would be eligible to become Tier 1 when the improvements funded in the housing infrastructure project are complete.

(f) Low or moderate affordability criterion. The Vermont Economic Progress Council shall review a municipality's housing infrastructure project application to determine whether the projected housing development is a low or moderate income housing development.

(g) Tax increment financing plan. The Vermont Economic Progress Council shall approve a municipality's tax increment financing plan prior to a sponsor's incurrence of debt for the housing infrastructure project, including, if the sponsor is a municipality, prior to a public vote to pledge the credit of the municipality under section 1910a of this subchapter. The tax increment financing plan shall include:

(1) a statement of costs and sources of revenue;

(2) estimates of assessed values within the housing development site;

(3) the portion of those assessed values to be applied to the housing infrastructure project;

(4) the resulting tax increments in each year of the financial plan;

(5) the amount of bonded indebtedness or other financing to be incurred;

(6) other sources of financing and anticipated revenues; and

(7) the duration of the financial plan.

§ 1910a. INDEBTEDNESS

(a) A municipality approved for tax increment financing under section 1910 of this subchapter may incur indebtedness against revenues of the housing development site at any time during a period of up to five years following the creation of the housing development site. The Vermont Economic Progress Council may extend this debt incursion period by up to three years. If no debt is incurred for the housing infrastructure project during the debt incursion period, whether by the municipality or sponsor, the housing development site shall terminate.

(b) Notwithstanding any provision of any municipal charter, each instance of borrowing by a municipality to finance or otherwise pay for a housing infrastructure project shall occur only after the legal voters of the municipality, by a majority vote of all voters present and voting on the question at a special or annual municipal meeting duly warned for the purpose, authorize the legislative body to pledge the credit of the municipality, borrow, or otherwise secure the debt for the specific purposes so warned.

(c) Any indebtedness incurred under this section may be retired over any period authorized by the legislative body of the municipality.

(d) The housing development site shall continue until the date and hour the indebtedness is retired or, if no debt is incurred, five years following the creation of the housing development site.

(e) A municipal legislative body shall provide information to the public prior to the public vote required under subsection (b) of this section. This information shall include the amount and types of debt and related costs to be incurred, including principal, interest, and fees; terms of the debt; the housing infrastructure project to be financed; the housing development projected to occur because of the housing infrastructure project; and notice to the voters that if the tax increment received by the municipality from any property tax source is insufficient to pay the principal and interest on the debt in any year, the municipality shall remain liable for the full payment of the principal and interest for the term of the indebtedness. If interfund loans within the municipality are used, the information must also include documentation of the terms and conditions of the loan.

(f) If interfund loans within the municipality are used as the method of financing, no interest shall be charged.

(g) The use of a bond anticipation note shall not be considered a first incurrence of debt pursuant to subsection (a) of this section.

§ 1910b. ORIGINAL TAXABLE VALUE; TAX INCREMENT

(a) As of the date the housing development site is created, the lister or assessor for the municipality shall certify the original taxable value and shall certify to the legislative body in each year thereafter during the life of the housing development site the amount by which the total valuation as determined in accordance with 32 V.S.A. chapter 129 of all taxable real property within the housing development site has increased or decreased relative to the original taxable value.

(b) Annually throughout the life of the housing development site, the lister or assessor shall include not more than the original taxable value of the real property in the assessed valuation upon which the treasurer computes the rates of all taxes levied by the municipality and every other taxing district in which the housing development site is situated, but the treasurer shall extend all rates so determined against the entire assessed valuation of real property for that year.

(c) Annually throughout the life of the housing development site, a municipality shall remit not less than the aggregate education property tax due on the original taxable value to the Education Fund.

(d) Annually throughout the life of the housing development site, the municipality shall hold apart, rather than remit to the taxing districts, that

proportion of all taxes paid that year on the real property within the housing development site that the excess valuation bears to the total assessed valuation. The amount held apart each year is the "tax increment" for that year. The tax increment shall only be used for financing and related costs.

(e) Not more than the percentages established pursuant to section 1910c of this subchapter of the municipal and State education tax increments received with respect to the housing development site and committed for the payment for financing for improvements and related costs shall be segregated by the municipality in a special tax increment financing account and in its official books and records until all capital indebtedness incurred for the housing infrastructure project has been fully paid. The final payment shall be reported to the treasurer, who shall thereafter include the entire assessed valuation of the housing development site in the assessed valuations upon which the municipal and other tax rates are computed and extended, and thereafter no taxes from the housing development site shall be deposited in the special tax increment financing account.

(f) Notwithstanding any charter provision or other provision, all property taxes assessed within a housing development site shall be subject to the provisions of this section. Special assessments levied under chapter 76A or 87 of this title or under a municipal charter shall not be considered property taxes for the purpose of this section if the proceeds are used exclusively for operating expenses related to properties within the housing development site and not for improvements within the housing development site.

§ 1910c. USE OF TAX INCREMENT; RETENTION PERIOD

(a) Uses of tax increments. A municipality may apply tax increments retained pursuant to this subchapter to debt incurred within the period permitted under section 1910a of this subchapter, to related costs, and to the direct payment of the cost of a housing infrastructure project. A municipality may provide tax increment to a sponsor only upon receipt of an invoice for payment of the financing, and the sponsor shall confirm to the municipality once the tax increment has been applied to the financing. Any direct payment shall be subject to the same public vote provisions of section 1910a of this subchapter as apply to debt.

(b) Education property tax increment.

(1) For a housing infrastructure project that does not satisfy the low or moderate affordability criterion of section 1910 of this subchapter, up to 70 percent of the education property tax increment may be retained for up to 20 years, beginning the first year in which debt is incurred for the housing infrastructure project.

(2) For a housing infrastructure project that satisfies the low or moderate affordability criterion of section 1910 of this subchapter, up to 80 percent of the education property tax increment may be retained for up to 20 years, beginning the first year in which debt is incurred for the housing infrastructure project.

(3) Upon incurring the first debt, a municipality shall notify the Department of Taxes and the Vermont Economic Progress Council of the beginning of the retention period of the education property tax increment.

(c) Municipal property tax increment. Not less than 85 percent of the municipal property tax increment may be retained, beginning the first year in which debt is incurred for the housing infrastructure project.

(d) Excess tax increment.

(1) Of the municipal and education property tax increments received in any tax year that exceed the amounts committed for the payment of the financing and related costs for a housing infrastructure project, equal portions of each increment may be retained for the following purposes:

(A) to prepay principal and interest on the financing;

(B) to place in a special tax increment financing account required pursuant to subsection 1910b(e) of this subchapter and use for future financing payments; or

(C) to use for defeasance of the financing.

(2) Any remaining portion of the excess education property tax increment shall be distributed to the Education Fund. Any remaining portion of the excess municipal property tax increment shall be distributed to the city, town, or village budget in the proportion that each budget bears to the combined total of the budgets unless otherwise negotiated by the city, town, or village.

(e) Adjustment of percentage. During the 10th year following the creation of a housing development site, the municipality shall submit an updated tax increment financing plan to the Vermont Economic Progress Council that shall include adjustments and updates of appropriate data and information sufficient for the Vermont Economic Progress Council to determine, based on tax increment financing debt actually incurred and the history of increment generated during the first 10 years, whether the percentages approved under this section should be continued or adjusted to a lower percentage to be retained for the remaining duration of the retention period and still provide sufficient municipal and education increment to service the remaining debt.

§ 1910d. INFORMATION REPORTING

(a) A municipality with an active housing infrastructure project shall:

(1) develop a system, segregated for the housing infrastructure project, to identify, collect, and maintain all data and information necessary to fulfill the reporting requirements of this section;

(2) provide timely notification to the Department of Taxes and the Vermont Economic Progress Council of any housing infrastructure project debt, public vote, or vote by the municipal legislative body immediately following the debt incurrence or public vote on a form prescribed by the Council, including copies of public notices, agendas, minutes, vote tally, and a copy of the information provided to the public pursuant to subsection 1910a(e) of this subchapter;

(3) annually on or before February 15, submit on a form prescribed by the Vermont Economic Progress Council an annual report to the Council and the Department of Taxes, including the information required by subdivision (2) of this subsection if not previously submitted, the information required for annual audit under section 1910e of this subchapter, and any information required by the Council or the Department of Taxes for the report required pursuant to subsection (b) of this section.

(b) Annually on or before April 1, the Vermont Economic Progress Council and the Department of Taxes shall submit a report to the Senate Committees on Economic Development, Housing and General Affairs and on Finance and the House Committees on Commerce and Economic Development, on General and Housing, and on Ways and Means on housing infrastructure projects approved pursuant to this subchapter, including for each:

(1) the date of approval;

(2) a description of the housing infrastructure project;

(3) the original taxable value of the housing development site;

(4) the scope and value of projected and actual improvements and developments in the housing development site, including the number of housing units created;

(5) the expected or actual sale and rental prices of any housing units;

(6) the number of housing units known to be occupied on a basis other than as primary residences;

(7) the number and types of housing units for which a permit is being pursued under 10 V.S.A. chapter 151 (State land use and development plans) and, for each applicable housing development, the current stage of the permitting process;

(8) projected and actual incremental revenue amounts;

(9) the allocation of incremental revenue, including the amount allocated to related costs; and

(10) projected and actual financing.

(c) On or before January 15, 2030, the Vermont Economic Progress Council shall submit a report to the Senate Committees on Economic Development, Housing and General Affairs and on Finance and the House Committees on Commerce and Economic Development, on General and Housing, and on Ways and Means that:

(1) describes for each housing development site the change in assessed valuation and the municipal grand list across the life of the housing infrastructure project;

(2) describes barriers municipalities, developers, and sponsors encounter in using the Community and Housing Infrastructure Program; and

(3) provides considerations for updating the Community and Housing Infrastructure Program to address any barriers identified under subdivision (2) of this subsection.

(d) On or before January 15, 2035, the Vermont Economic Progress Council shall submit a report to the Senate Committees on Economic Development, Housing and General Affairs and on Finance and the House Committees on Commerce and Economic Development and on Ways and Means evaluating the success of the Community and Housing Infrastructure Program in achieving its purpose, as stated in section 1907 of this chapter, including by identifying the amount and kinds of housing produced through the Program and by determining whether housing development pursued through the Program meets the project criterion and location criteria of section 1910 of this chapter.

§ 1910e. AUDITING

Annually on or before April 1 until the year following the end of the period for retention of education property tax increment, a municipality with a housing infrastructure project approved under this subchapter shall ensure that the special tax increment financing account required by section 1910b of this subchapter is subject to the annual audit prescribed in section 1681 or 1690 of this title and submit a copy to the Vermont Economic Progress Council. If an

account is subject only to the audit under section 1681 of this title, the Council shall ensure a process is in place to subject the account to an independent audit. Procedures for the audit must include verification of the original taxable value and annual and total municipal and education property tax increments generated, expenditures for financing and related costs, and current balance.

§ 1910f. GUIDANCE

(a) The Secretary of Commerce and Community Development, after reasonable notice to a municipality and an opportunity for a hearing, may issue decisions to a municipality on questions and inquiries concerning the administration of housing infrastructure projects, statutes, rules, noncompliance with this subchapter, and any instances of noncompliance identified in audit reports conducted pursuant to section 1910e of this subchapter.

(b) The Vermont Economic Progress Council shall prepare recommendations for the Secretary of Commerce and Community Development prior to any decision issued pursuant to subsection (a) of this section. The Council may prepare recommendations in consultation with the Commissioner of Taxes, the Attorney General, and the State Treasurer. In preparing recommendations, the Council shall provide a municipality with a reasonable opportunity to submit written information in support of its position.

(c) The Secretary of Commerce and Community Development shall review the recommendations of the Council and issue a final written decision on each matter within 60 days following receipt of the recommendations. The Secretary may permit an appeal to be taken by any party to a Superior Court for determination of questions of law in the same manner as the Supreme Court may by rule provide for appeals before final judgment from a Superior Court before issuing a final decision.

(d) The Vermont Economic Progress Council may adopt rules that are reasonably necessary to implement this subchapter.

§ 1910g. COMMUNITY AND HOUSING INFRASTRUCTURE PROGRAM BOARD

(a) Creation. There is created the Community and Housing Infrastructure Program Board to assist the Vermont Economic Progress Council with evaluating a municipality's housing infrastructure project application pursuant to subsection 1910(d) of this subchapter.

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

(1) the State Treasurer, who shall serve as chair of the Board;

(2) the Executive Director of the Vermont Housing Finance Agency;

(3) the Chief Executive Officer of the Vermont Economic Development Authority;

(4) the Executive Director of the Vermont Bond Bank; and

(5) the Executive Director of the Vermont League of Cities and Towns.

(c) Duties. Upon request of the Vermont Economic Progress Council, the Board shall evaluate the housing development plan component of a municipality's housing infrastructure project application to determine whether the proposed housing development will meaningfully serve the housing needs of the community. The Board shall respond with its determination not later than 30 days following receipt of the request from the Vermont Economic Progress Council.

(d) Assistance. The Board shall have the administrative and technical assistance of the Office of the State Treasurer.

(e) Meetings. The Board shall meet upon request of the Vermont Economic Progress Council.

(f) Compensation and reimbursement. Members of the Board shall be entitled to per diem compensation and reimbursement of expenses as permitted under section 1010 of this title.

(g) Decisions not subject to review. A decision of the Board under subsection (c) of this section is an administrative decision that is not subject to the contested case hearing requirements under 3 V.S.A. chapter 25 and is not subject to judicial review.

Sec. 26. 24 V.S.A. § 1910(e) is amended to read:

(e) Location criteria. The Vermont Economic Progress Council shall review a municipality's housing infrastructure project application to determine whether the housing development site is located within one of the following areas, provided that a housing development for which all permits required pursuant to 10 V.S.A. chapter 151 (State land use and development plans) have been secured as of the time of application shall be deemed to have satisfied the location criteria of this subsection:

(1) an area designated Tier 1A or Tier 1B pursuant to 10 V.S.A. chapter 151 (State land use and development plans) or an area exempt from the provisions of that chapter pursuant to 10 V.S.A. § 6081(dd) (interim housing exemptions); ~~or~~

(2) an existing settlement or an area within one-half mile of an existing settlement, as that term is defined in 10 V.S.A. § 6001(16); ~~or~~

(3) an area located in Tier 2 pursuant to 10 V.S.A chapter 151 (State land use and development plans) that has permanent zoning and subdivision bylaws and where the project site would be eligible to become Tier 1 when the improvements funded in the housing infrastructure project are complete; or

(4) an area located in Tier 2 pursuant to 10 V.S.A chapter 151 (State and use and development plans) that has permanent zoning and subdivision bylaws and has been delineated as a Transition or Infill area on the regional plan future land use map pursuant to 24 V.S.A. § 4348.

* * * Smoke and Carbon Monoxide Alarms * * *

Sec. 27. 9 V.S.A. chapter 77 is amended to read:

CHAPTER 77. SMOKE ~~DETECTORS~~ ALARMS AND CARBON MONOXIDE ~~DETECTORS~~ ALARMS

§ 2881. DEFINITIONS

As used in this chapter:

* * *

(2) "Smoke ~~detector~~ alarm" means a device that detects visible or invisible particles of combustion and sounds a warning alarm, is operated from a power supply within the unit or wired to it from an outside source, and is approved or listed for the purpose by Underwriters Laboratory or by another nationally recognized independent testing laboratory.

(3) "Carbon monoxide ~~detector~~ alarm" means a device with an assembly that incorporates a sensor control component and an alarm notification that detects elevations in carbon monoxide levels and sounds a warning alarm, is operated from a power supply within the unit or wired to it from an outside source, and is approved or listed for the purpose by Underwriters Laboratory or by another nationally recognized independent testing laboratory.

§ 2882. INSTALLATION

(a) A person who constructs a single-family dwelling shall install ~~photoelectric-only-type~~ photoelectric-type or UL 217 compliant smoke ~~detectors~~ alarms in the vicinity of any bedrooms and on each level of the dwelling, and one or more carbon monoxide ~~detectors~~ alarms in the vicinity of any bedrooms in the dwelling in accordance with the manufacturer's instructions. In a dwelling provided with electrical power, ~~detectors~~ alarms shall be powered by the electrical service in the building and by battery.

(b) Any single-family dwelling when transferred by sale or exchange shall contain ~~photoelectric-only-type~~ photoelectric-type or UL 217 compliant smoke ~~detectors~~ alarms in the vicinity of any bedrooms and on each level of the

dwelling installed in accordance with the manufacturer's instructions and one or more carbon monoxide ~~detectors~~ alarms installed in accordance with the manufacturer's instructions. A single-family dwelling constructed before January 1, 1994 may contain smoke ~~detectors~~ alarms powered by the electrical service in the building or by battery, or by a combination of both. In a single-family dwelling newly constructed after January 1, 1994 that is provided with electrical power, smoke ~~detectors~~ alarms shall be powered by the electrical service in the building and by battery. In a single-family dwelling newly constructed after July 1, 2005 that is provided with electrical power, carbon monoxide ~~detectors~~ alarms shall be powered by the electrical service in the building and by battery.

(c) Nothing in this section shall require an owner or occupant of a single-family dwelling to maintain or use a smoke ~~detector~~ alarm or a carbon monoxide ~~detector~~ alarm after installation.

§ 2883. REQUIREMENTS FOR TRANSFER OF DWELLING

(a) The seller of a single-family dwelling, including one constructed for first occupancy, whether the transfer is by sale or exchange, shall certify to the buyer at the closing of the transaction that the dwelling is provided with ~~photoelectric-only-type~~ photoelectric-type or UL 217 compliant smoke ~~detectors~~ alarms and carbon monoxide ~~detectors~~ alarms in accordance with this chapter. This certification shall be signed and dated by the seller.

(b) If the buyer notifies the seller within 10 days by certified mail from the date of conveyance of the dwelling that the dwelling lacks any ~~photoelectric-only-type~~ photoelectric-type or UL 217 compliant smoke ~~detectors~~ alarms, or any carbon monoxide ~~detectors~~ alarms, or that any ~~detector~~ alarm is not operable, the seller shall comply with this chapter within 10 days after notification.

* * *

Sec. 28. 20 V.S.A. § 2731 is amended to read:

§ 2731. RULES; INSPECTIONS; VARIANCES

* * *

(j) ~~Detectors~~ Alarms. Rules adopted under this section shall require that information written, approved, and distributed by the Commissioner on the type, placement, and installation of ~~photoelectric~~ photoelectric-type or UL 217 compliant smoke ~~detectors~~ alarms and carbon monoxide ~~detectors~~ alarms be conspicuously posted in the retail sales area where the ~~detectors~~ alarms are sold.

* * *

* * * VHFA Off-Site Construction * * *

Sec. 29. VHFA OFF-SITE CONSTRUCTION REPORT

Provided there are sufficient resources, the Vermont Housing Finance Agency shall issue a report by December 15, 2026 that, at a minimum:

(1) identifies and recommends a set of State policy objectives and priorities related to off-site housing construction;

(2) defines the structure and relevant actors for using bulk purchases of single- and multi-family homes produced through off-site construction to achieve lower construction costs;

(3) gathers input from potential manufacturers about how to best achieve cost savings through a bulk purchase program;

(4) determines any business planning support needed for existing Vermont businesses seeking to develop or expand off-site construction;

(5) explores creating a working group of neighboring states that considers a regional market and shared approach; and

(6) prepares an analysis of the funding and structure needed to support greater development of off-site homes.

* * * Effective Dates * * *

Sec. 30. EFFECTIVE DATES

This act shall take effect on July 1, 2025, except that:

(1) Secs. 4 (Rental Housing Revolving Loan Program), Sec. 5 (Universal Design Study Committee), and Sec. 8 (repeal, Act 181 prospective landlord certificate changes) and this section shall take effect on passage; and

(2) Sec. 26 (24 V.S.A. § 1910(e)) shall take effect on January 1, 2028.

Rep. Kimbell of Woodstock, for the Committee on Ways and Means, recommended that the report of the Committee on General and Housing be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Vermont Rental Housing Improvement Program * * *

Sec. 1. 10 V.S.A. § 699 is amended to read:

§ 699. VERMONT RENTAL HOUSING IMPROVEMENT PROGRAM

(a) Creation of Program.

* * *

(5)(A) The Department may cooperate with and subgrant funds to State agencies and governmental subdivisions and public and private organizations in order to carry out the purposes of this ~~subsection~~ section.

(B) Solely with regards to actions undertaken pursuant to this subdivision (5), entities carrying out the provisions of this section, including grantees, subgrantees, and contractors of the State, shall be exempt from the provisions of 8 V.S.A. chapter 73 (licensed lenders, mortgage brokers, mortgage loan originators, sales finance companies, and loan solicitation companies).

* * *

(d) Program requirements applicable to grants and forgivable loans.

(1)(A) A grant or loan shall not exceed~~:~~

~~(i) $70,000.00 per unit, for rehabilitation or creation of an eligible rental housing unit meeting the applicable building accessibility requirements under the Vermont Access Rules; or~~

~~(ii)~~ $50,000.00 per unit, for rehabilitation or creation of any other eligible rental housing unit. Up to an additional $20,000.00 per unit may be made available for specific elements that collectively bring the unit to the visitable standard outlined in the rules adopted by the Vermont Access Board.

* * *

(e) Program requirements applicable to grants and five-year forgivable loans. For a grant or five-year forgivable loan awarded through the Program, the following requirements apply for a minimum period of five years:

(1) A landlord shall coordinate with nonprofit housing partners and local ~~coordinated entry~~ homelessness service organizations approved by the Department to identify potential tenants.

(2)(A) Except as provided in subdivision ~~(2)~~(B) of this ~~subsection~~ subdivision (e)(2), a landlord shall lease the unit to a household that is:

(i) exiting homelessness, including any individual under 25 years of age who secures housing through a master lease held by a youth service provider on behalf of individuals under 25 years of age;

(ii) actively working with an immigrant or refugee resettlement program; ~~or~~

(iii) composed of at least one individual with a disability who receives or is ~~eligible~~ approved to receive Medicaid-funded ~~home and community based~~ home- and community-based services or Social Security Disability Insurance;

(iv) displaced due to a natural disaster; or

(v) with approval from the Department in writing, an organization that will hold a master lease that explicitly states the unit will be used in service of the populations described in this subsection (e).

* * *

(4)(A) A landlord may convert a grant to a forgivable loan upon approval of the Department and the housing organization that approved the grant.

(B) A landlord who converts a grant to a forgivable loan shall receive a ~~10-percent~~ prorated credit for loan forgiveness for each year in which the landlord participates in the Program.

(f) Requirements applicable to 10-year forgivable loans. For a 10-year forgivable loan awarded through the Program, the following requirements apply for a minimum period of 10 years:

(1) ~~A landlord shall coordinate with nonprofit housing partners and local coordinated entry organizations to identify potential tenants~~ The total cost of rent for the unit, including utilities not covered by rent payments, shall not exceed the applicable fair market rent established by the Department of Housing and Urban Development, except that a landlord may accept a housing voucher that exceeds fair market rent, if available.

~~(2)(A) Except as provided in subdivision (2)(B) of this subsection (f), a landlord shall lease the unit to a household that is:~~

~~(i) exiting homelessness, including any individual under 25 years of age who secures housing through a master lease held by a youth service provider on behalf of individuals under 25 years of age;~~

~~(ii) actively working with an immigrant or refugee resettlement program; or~~

~~(iii) composed of at least one individual with a disability who is eligible to receive Medicaid-funded home and community based services.~~

~~(B) If, upon petition of the landlord, the Department or the housing organization that issued the grant determines that a household under subdivision (2)(A) of this subsection (f) is not available to lease the unit, then the landlord shall lease the unit:~~

~~(i) to a household with an income equal to or less than 80 percent of area median income; or~~

~~(ii) if such a household is unavailable, to another household with the approval of the Department or housing organization.~~

~~(3)(A)~~ A landlord shall accept any housing vouchers that are available to pay all, or a portion of, the tenant's rent and utilities.

~~(B) If no housing voucher or federal or State subsidy is available, the cost of rent for the unit, including utilities not covered by rent payments, shall not exceed the applicable fair market rent established by the Department of Housing and Urban Development.~~

~~(4)~~(3) The Department shall forgive ~~10 percent of the~~ a prorated amount of a forgivable loan for each year a landlord participates in the loan program.

(g) Minimum funding for grants and five-year forgivable loans.

(1) Annually, the Department shall establish a minimum allocation of funding set aside to be used for five-year grants or forgivable loans to serve eligible households pursuant to subsection (e) of this section. Remaining funds may be used for either five-year grants or forgivable loans or 10-year forgivable loans pursuant to subsection (f) of this section. The set aside shall be a minimum of 30 percent of funds disbursed annually.

(2) The Department shall consult with the Agency of Human Services to evaluate factors in establishing the amount of the set aside, including:

(A) the availability of housing vouchers;

(B) the current need for housing for eligible households;

(C) the ability and desire of landlords to house eligible households;

(D) the support services available for landlords; and

(E) the prior uptake and success rates for participating landlords.

(3) The Department shall coordinate with the local Coordinated Entry Lead Agencies and Homeownership Centers to direct referrals for those individuals or families prioritized to be housed pursuant to the five-year grants or forgivable loans.

(4) Funds from the set aside not utilized after nine months shall become available for 10-year forgivable loans.

(5) The Department shall annually publish the amount of the set aside on its website.

* * *

(i) Creation of the Vermont Rental Housing Improvement Program Revolving Fund. Funds repaid or returned to the Department from forgivable loans or grants funded by the Program shall return to the Vermont Rental Housing Improvement Revolving Fund to be used for Program expenditures and administrative costs at the discretion of the Department.

(j) Annual report. Annually, the Department shall submit a report to the House Committees on Human Services and on General and Housing and the Senate Committee on Economic Development, Housing and General Affairs regarding the following:

(1) separately, the number of units funded and the number of units rehabilitated through grants, through a five-year forgivable loan, and through a 10-year forgivable loan;

(2) for grants and five-year forgivable loans, for the first year after the expiration of the lease requirements outlined in subdivision (e)(2)(A) of this section, whether the unit is still occupied by a tenant who meets the qualifications of that subdivision;

(3) for each program, for the first year after the expiration of the applicable lease requirements outlined in this section, the amount of rent charged by the landlord and how that rent compares to fair market rent established by the Department of Housing and Urban Development; and

(4) the rate of turnover for tenants housed utilizing grants or five-year forgivable loans and 10-year forgivable loans separately.

* * * MHIR * * *

Sec. 2. 10 V.S.A. § 700 is added to read:

§ 700. VERMONT MANUFACTURED HOME IMPROVEMENT AND REPAIR PROGRAM

(a) There is created within the Department of Housing and Community Development the Manufactured Home Improvement and Repair Program. The Department shall design and implement the Program to award funding to statewide or regional nonprofit housing organizations, or both, to provide financial assistance or awards to manufactured homeowners and manufactured home park owners to improve existing homes, incentivize new slab placement for prospective homeowners, and incentivize park improvements for infill of more homes.

(b) The following projects are eligible for funding through the Program:

(1) The Department may award up to $20,000.00 to owners of manufactured housing communities to complete small-scale capital needs to

help infill vacant lots with homes, including disposal of abandoned homes, lot grading and preparation, the siting and upgrading of electrical boxes, enhancing E-911 safety issues, transporting homes out of flood zones, and improving individual septic systems. Costs awarded under this subdivision may also cover legal fees and marketing to help make it easier for home-seekers to find vacant lots around the State.

(2) The Department may award funding to manufactured homeowners for which the home is their primary residence to address habitability and accessibility issues to bring the home into compliance with safe living conditions.

(3) The Department may award up to $15,000.00 per grant to a homeowner to pay for a foundation or federal Department of Housing and Urban Development-approved slab, site preparation, skirting, tie-downs, and utility connections on vacant lots within a manufactured home community.

(c) The Department may adopt rules, policies, and guidelines to aid in enacting the Program.

* * * Vermont Infrastructure Sustainability Fund * * *

Sec. 3. 24 V.S.A. chapter 119, subchapter 6 is amended to read:

Subchapter 6. Special Funds

* * *

§ 4686. VERMONT INFRASTRUCTURE SUSTAINABILITY FUND

(a) Creation. There is created the Vermont Infrastructure Sustainability Fund within the Vermont Bond Bank.

(b) Purpose. The purpose of the Fund is to provide capital to extend and increase capacity of water and sewer service and other public infrastructure in municipalities where lack of extension or capacity is a barrier to housing development.

(c) Administration. The Vermont Bond Bank may administer the Fund in coordination with and support from other State agencies, government component parts, and quasi-governmental agencies.

(d) Program parameters.

(1) The Vermont Bond Bank, in consultation with the Department of Housing and Community Development, shall develop program guidelines to effectively implement the Fund.

(2) The program shall provide low-interest loans or purchase bonds from municipalities to expand infrastructure capacity. Eligible activities include:

(A) preliminary engineering and planning;

(B) engineering design and bid specifications;

(C) construction for municipal water and wastewater systems;

(D) transportation investments, including those required by municipal regulation, the municipality's official map, designation requirements, or other planning or engineering identifying complete streets and transportation and transit related improvements, including improvements to existing streets; and

(E) other eligible activities as determined by the guidelines produced by the Vermont Bond Bank in consultation with the Department of Housing and Community Development.

(e) Application requirements. Eligible project applications shall demonstrate:

(1) the project will create reserve capacity necessary for new housing unit development;

(2) the project has a direct link to housing unit production; and

(3) the municipality has a commitment to own and operate the project throughout its useful life.

(f) Application criteria. In addition to any criteria developed in the program guidelines, project applications shall be evaluated using the following criteria:

(1) whether there is a direct connection to proposed or in-progress housing development with demonstrable progress toward regional housing targets;

(2) whether the project is an expansion of an existing system;

(3) the proximity to a designated area;

(4) the project readiness and estimated time until the need for financing;

(5) the demonstration of financing for project completion or completion of a project component; and

(6) the relative need and capacity of the community.

(g) Award terms. The Vermont Bond Bank, in consultation with the Department of Housing and Community Development, shall establish award terms that may include:

(1) the maximum loan or bond amount;

(2) the maximum term of the loan or bond amount;

(3) the time by which amortization shall commence;

(4) the maximum interest rate;

(5) whether the loan is eligible for forgiveness and to what percentage or amount;

(6) the necessary security for the loan or bond; and

(7) any additional covenants required to further secure the loan or bond.

(h) Revolving fund.

(1) Any funds repaid or returned from the Infrastructure Sustainability Fund shall be deposited into the Fund and used to continue the program established in this section.

(2) The Bank may use the funds in conjunction with other Bank programs to accomplish the policy objectives outlined in this section.

* * * VHFA Rental Housing Revolving Loan Program * * *

Sec. 4. 2023 Acts and Resolves No. 47, Sec. 38 is amended to read:

Sec. 38. RENTAL HOUSING REVOLVING LOAN PROGRAM

(a) Creation; administration. The Vermont Housing Finance Agency shall design and implement a Rental Housing Revolving Loan Program and shall create and administer a revolving loan fund to provide subsidized loans for rental housing developments that serve middle-income households.

(b) Loans; eligibility; criteria.

* * *

(7) The Agency shall use one or more legal mechanisms to ensure that:

(A) a subsidized unit remains affordable to a household earning the applicable percent of area median income for the longer of:

(i) seven years; or

(ii) full repayment of the loan plus three years; and

(B) during the affordability period determined pursuant to subdivision (A) of this subdivision (7), the annual increase in rent for a subsidized unit does not exceed three percent or an amount otherwise authorized by the Agency.

* * *

* * * Universal Design Study Committee * * *

Sec. 5. RESIDENTIAL UNIVERSAL DESIGN STANDARDS; STUDY COMMITTEE; REPORT

(a) Creation. There is created the Residential Universal Design Study Committee to explore implementation of statewide universal design standards for all residential buildings.

(b) Membership. The Committee shall be composed of the following members with preference for appointment of members with lived experience:

(1) one member of the House of Representatives, who shall be appointed by the Speaker of the House;

(2) one member of the Senate, who shall be appointed by the Committee on Committees;

(3) one member, appointed by the Vermont Builders and Remodelers Association;

(4) one member, appointed by the Vermont Chapter of the American Institute of Architects;

(5) the Director of Fire Safety or designee;

(6) one member of the Vermont Access Board, appointed by the Chair;

(7) one member, appointed by the Vermont Housing Finance Agency;

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

(9) one member, appointed by the Vermont Center for Independent Living;

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

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

(12) one member, appointed by the Vermont Leagues of Cities and Towns;

(13) one member, appointed by the Vermont Assessors and Listers Association;

(14) one member, appointed by the Vermont Association of Realtors;

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

(16) one member, appointed by ADA Inspections Nationwide, LLC; and

(17) one member, appointed by the Associated General Contractors of Vermont.

(c) Powers and duties. The Committee shall study the development and implementation of statewide universal design standards for residential buildings, including identification and analysis of the following issues:

(1) existing federal and state laws regarding the Americans with Disabilities Act, 42 U.S.C. §§ 12101–12213, standards and building codes;

(2) existing federal, state, and international best practices and standards addressing accessibility and adaptability characteristics of single-family and multiunit buildings;

(3) opportunities and challenges for supporting the residential building industry in meeting universal design standards, including considerations of workforce education and training;

(4) cost benefits and impacts of adopting a universal design standard for residential buildings;

(5) opportunities and challenges with enforcement of identified standards; and

(6) impacts to the valuation and financing of impacted buildings.

(d) Assistance. The Committee shall have the administrative, technical, and legal assistance of the Department of Housing and Community Development.

(e) Report. On or before November 1, 2025, the Committee shall submit a written report to the House Committee on General and Housing and the Senate Committee on Economic Development, Housing and General Affairs with its findings and any recommendations for legislative action.

(f) Meetings.

(1) The member of the House of Representatives shall call the first meeting of the Committee to occur on or before June 1, 2025.

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

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

(4) The Committee shall cease to exist on December 1, 2025.

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

(2) Members of the Committee who are not otherwise compensated for their time shall be entitled to per diem compensation as permitted under 32 V.S.A. § 1010 for not more than six meetings. These payments shall be made from monies appropriated to the Department of Housing and Community Development for that purpose.

(h) Intent to appropriate. Notwithstanding subdivision (g)(2) of this section, per diems for the cost of attending meetings shall only be available in the event an appropriation is made in fiscal year 2026 from the General Fund to the Department of Housing and Community Development for that purpose.

* * * Housing and Residential Services Planning Committee * * *

Sec. 6. STATE HOUSING AND RESIDENTIAL SERVICES PLANNING COMMITTEE; REPORT

(a) Creation. There is created the State Housing and Residential Services Planning Committee to generate a State plan to develop housing for individuals with developmental disabilities.

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

(1) one current member of the House of Representatives, who shall be appointed by the Speaker of the House;

(2) one current member of the Senate, who shall be appointed by the Committee on Committees;

(3) the Secretary of Human Services or designee;

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

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

(6) the State Treasurer or designee;

(7) one member, appointed by the Developmental Disabilities Housing Initiative;

(8) the Executive Director of the Vermont Developmental Disabilities Council;

(9) one member, appointed by Green Mountain Self-Advocates;

(10) one member, appointed by Vermont Care Partners;

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

(12) one member, appointed by the Associated General Contractors of Vermont.

(c) Powers and duties. The Committee shall create an actionable plan to develop housing for individuals with developmental disabilities that reflects the diversity of needs expressed by those individuals and their families, including individuals with high-support needs who require 24-hour care and those with specific communication needs. The plan shall include:

(1) a schedule for the creation of at least 600 additional units of service-supported housing;

(2) the number and description of the support needs of individuals with developmental disabilities anticipated to be served annually;

(3) anticipated funding needs; and

(4) recommendations for changes in State laws or policies that are obstacles to the development of housing needed by individuals with Medicaid-funded home-and community-based services.

(d) Assistance.

(1) The Committee shall have the administrative, technical, and legal assistance of the Department of Housing and Community Development.

(2) Upon request of the Committee, the Department of Disabilities, Aging, and Independent Living shall provide an analysis of the current state of housing in Vermont for individuals with development disabilities and, to the extent available, an analysis of the level of community support needed for these individuals.

(e) Report. On or before November 15, 2025, the Committee shall submit a written report to the House Committees on General and Housing and on Human Services and the Senate Committees on Economic Development,

Housing and General Affairs and on Health and Welfare with its findings and any recommendations for legislative action.

(f) Meetings.

(1) The Secretary of Human Services shall call the first meeting of the Committee to occur on or before July 15, 2025.

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

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

(4) The Committee shall cease to exist on November 30, 2025.

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

(2) Members of the Committee who are not otherwise compensated for their time shall be entitled to per diem compensation as permitted under 32 V.S.A. § 1010 for not more than six meetings. These payments shall be made from monies appropriated to the Department of Housing and Community Development for that purpose.

(h) Intent to appropriate. Notwithstanding subsection (g)(2) of this section, per diems for the cost of attending meetings shall only be available in the event an appropriation is made in fiscal year 2026 from the General Fund to the Department of Housing and Community Development for that purpose.

* * * Tax Department Housing Data Access * * *

Sec. 7. 32 V.S.A. § 5404 is amended to read:

§ 5404. DETERMINATION OF EDUCATION PROPERTY TAX GRAND LIST

* * *

(b) Annually, on or before August 15, the clerk of a municipality, or the supervisor of an unorganized town or gore, shall transmit to the Director in an electronic or other format as prescribed by the Director~~:~~ education and municipal grand list data, including exemption information and grand list abstracts; tax rates; an extract of the assessor database also referred to as a Computer Assisted Mass Appraisal (CAMA) system or Computer Assisted Mass Appraisal database; and the total amount of taxes assessed in the town or

unorganized town or gore. The data transmitted shall identify each parcel by a parcel identification number assigned under a numbering system prescribed by the Director. Municipalities may continue to use existing numbering systems in addition to, but not in substitution for, the parcel identification system prescribed by the Director. If changes or additions to the grand list are made by the listers or other officials authorized to do so after such abstract has been so transmitted, such clerks shall forthwith certify the same to the Director.

* * *

* * * Landlord Certificate * * *

Sec. 8. REPEAL; ACT 181 PROSPECTIVE LANDLORD CERTIFICATE CHANGES

2024 Acts and Resolves No. 181, Secs. 98 (landlord certificate amendments) and 114(5) (effective date of landlord certificate amendments) are repealed.

Sec. 9. 32 V.S.A. § 6069 is amended to read:

§ 6069. LANDLORD CERTIFICATE

* * *

(b) The owner of each rental property shall, on or before January 31 of each year, furnish a certificate of rent to the Department of Taxes.

(c) A certificate under this section shall be in a form prescribed by the Commissioner and shall include the following:

(1) the name of ~~the~~ each renter~~,~~;

(2) the address and ~~any property tax parcel identification number of the homestead, the information required under subsection (f) of this section,~~ the School Property Account Number of the rental property;

(3) the name of the owner or landlord of the rental property;

(4) the phone number, email address, and mailing address of the owner or landlord of the rental property, as available;

(5) the type or types of rental units on the rental property;

(6) the number of rental units on the rental property;

(7) the number of ADA-accessible units on the rental property; and

(8) any additional information that the Commissioner determines is appropriate.

* * *

(f) ~~Annually on or before October 31, the Department shall prepare and make available to a member of the public upon request a database in the form of a sortable spreadsheet that contains the following information for each rental unit for which the Department received a certificate pursuant to this section:~~

~~(1) name of owner or landlord;~~

~~(2) mailing address of landlord;~~

~~(3) location of rental unit;~~

~~(4) type of rental unit;~~

~~(5) number of units in building; and~~

~~(6) School Property Account Number.~~ Annually on or before December 15, the Department shall submit a report on the aggregated data collected under this section to the House Committee on General and Housing and the Senate Committee on Economic Development, Housing and General Affairs.

* * * Land Bank Report * * *

Sec. 10. DHCD LAND BANK REPORT

(a) On or before November 1, 2025, the Department of Housing and Community Development shall issue a report to the House Committee on General and Housing and the Senate Committee on Economic Development, Housing and General Affairs outlining a legal framework for implementation of a State land bank. The report shall include proposed legislative language specific to:

(1) the creation of a statewide land bank;

(2) the authorization of regional or municipal land banks; and

(3) the identification of funding proposals to support the sustainability of each separate model.

(b) The report shall include an analysis on which option, the creation of a statewide land bank or the authorization of regional or municipal land banks, best serves the interest of Vermont communities, including rural communities.

* * * Housing and Public Accommodations Protections * * *

Sec. 11. 9 V.S.A. § 4456a is amended to read:

§ 4456a. RESIDENTIAL RENTAL APPLICATION ~~FEES; PROHIBITED~~

(a) A landlord or a landlord's agent shall not charge an application fee to any individual in order to apply to enter into a rental agreement for a residential dwelling unit. This ~~section~~ subsection shall not be construed to

prohibit a person from charging a fee to a person in order to apply to rent commercial or nonresidential property.

(b)(1) In order to conduct a background or credit check, a landlord shall accept any of the following:

(A) an original or a copy of any unexpired form of government-issued identification;

(B) an Individual Taxpayer Identification Number; or

(C) a Social Security number.

(2) A residential rental application shall inform an applicant that the applicant may provide any of the above forms of identification in order to conduct a background or credit check.

Sec. 12. 9 V.S.A. § 4501 is amended to read:

§ 4501. DEFINITIONS

As used in this chapter:

* * *

(12)(A) "Harass" means to engage in unwelcome conduct that detracts from, undermines, or interferes with a person's:

(i) use of a place of public accommodation or any of the accommodations, advantages, facilities, or privileges of a place of public accommodation because of the person's race, creed, color, national origin, citizenship, immigration status, marital status, sex, sexual orientation, gender identity, or disability; or

(ii) terms, conditions, privileges, or protections in the sale or rental of a dwelling or other real estate, or in the provision of services or facilities in connection with a dwelling or other real estate, because of the person's race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability, or because the person intends to occupy a dwelling with one or more minor children, or because the person is a recipient of public assistance, or because the person is a victim of abuse, sexual assault, or stalking.

* * *

Sec. 13. 9 V.S.A. § 4502 is amended to read:

§ 4502. PUBLIC ACCOMMODATIONS

(a) An owner or operator of a place of public accommodation or an agent or employee of such owner or operator shall not, because of the race, creed,

color, national origin, citizenship, immigration status, marital status, sex, sexual orientation, or gender identity of any person, refuse, withhold from, or deny to that person any of the accommodations, advantages, facilities, and privileges of the place of public accommodation.

* * *

Sec. 14. 9 V.S.A. § 4503 is amended to read:

§ 4503. UNFAIR HOUSING PRACTICES

(a) It shall be unlawful for any person:

(1) To refuse to sell or rent, or refuse to negotiate for the sale or rental of, or otherwise make unavailable or deny, a dwelling or other real estate to any person because of the race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person intends to occupy a dwelling with one or more minor children, or because a person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking.

(2) To discriminate against, or to harass, any person in the terms, conditions, privileges, and protections of the sale or rental of a dwelling or other real estate, or in the provision of services or facilities in connection with a dwelling or other real estate, because of the race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person intends to occupy a dwelling with one or more minor children, or because a person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking.

(3) To make, print, or publish, or cause to be made, printed, or published any notice, statement, or advertisement, with respect to the sale or rental of a dwelling or other real estate that indicates any preference, limitation, or discrimination based on race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person intends to occupy a dwelling with one or more minor children, or because a person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking.

(4) To represent to any person because of the race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person intends to occupy a dwelling with one or more minor children, or because a person is a recipient of public assistance, or because a person is a

victim of abuse, sexual assault, or stalking, that any dwelling or other real estate is not available for inspection, sale, or rental when the dwelling or real estate is in fact so available.

* * *

(6) To discriminate against any person in the making or purchasing of loans or providing other financial assistance for real-estate-related transactions or in the selling, brokering, or appraising of residential real property, because of the race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person intends to occupy a dwelling with one or more minor children, or because a person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking.

(7) To engage in blockbusting practices, for profit, which may include inducing or attempting to induce a person to sell or rent a dwelling by representations regarding the entry into the neighborhood of a person or persons of a particular race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person intends to occupy a dwelling with one or more minor children, or because a person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking.

(8) To deny any person access to or membership or participation in any multiple listing service, real estate brokers' organization, or other service, organization, or facility relating to the business of selling or renting dwellings, or to discriminate against any person in the terms or conditions of such access, membership, or participation, on account of race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking.

* * *

(12) To discriminate in land use decisions or in the permitting of housing because of race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, disability, the presence of one or more minor children, income, or because of the receipt of public assistance, or because a person is a victim of abuse, sexual assault, or stalking, except as otherwise provided by law.

* * *

(d) If required by federal law, the verification of immigration status or differential treatment on the basis of citizenship or immigration status shall not constitute a violation of subsection (a) of this section with respect to the sale and rental of dwellings.

(e) For purposes of subdivision (a)(6) of this section, it shall not constitute unlawful discrimination for a lender to consider a credit applicant's immigration status to the extent such status has bearing on the lender's rights and remedies regarding loan repayment and further provided such consideration is consistent with any applicable federal law or regulation.

* * * Housing Appeals * * *

Sec. 15. 10 V.S.A. § 8502 is amended to read:

§ 8502. DEFINITIONS

As used in this chapter:

* * *

(7) "Person aggrieved" means a person who alleges an injury to a particularized interest protected by the provisions of law listed in section 8503 of this title, attributable to an act or decision by a district coordinator, District Commission, the Secretary, an appropriate municipal panel, or the Environmental Division that can be redressed by the Environmental Division or the Supreme Court.

* * *

Sec. 16. 10 V.S.A. § 8504 is amended to read:

§ 8504. APPEALS TO THE ENVIRONMENTAL DIVISION

* * *

(b) Planning and zoning chapter appeals.

(1) Within 30 days of the date of the act or decision, an interested person, as defined in 24 V.S.A. § 4465, or a person aggrieved, who has participated as defined in 24 V.S.A. § 4471 in the municipal regulatory proceeding under that chapter may appeal to the Environmental Division an act or decision made under that chapter by a board of adjustment, a planning commission, or a development review board; provided, however, that decisions of a development review board under 24 V.S.A. § 4420 with respect to local Act 250 review of municipal impacts are not subject to appeal but shall serve as presumptions under chapter 151 of this title.

* * *

(h) De novo hearing. The Environmental Division, applying the substantive standards that were applicable before the tribunal appealed from, shall hold a de novo hearing on those issues that have been appealed~~, except~~. For a municipal land use permit application for a housing development, if the appeal is of a denial, the Environmental Division shall determine if the application is consistent with the municipal bylaw or land use regulation that directly affects the property or if the appeal is of an approval, if the application is inconsistent with the municipal bylaw or land use regulation that directly affects the property. It shall not be de novo in the case of:

(1) a decision being appealed on the record pursuant to 24 V.S.A. chapter 117; or

(2) a decision of the Commissioner of Forests, Parks and Recreation under section 2625 of this title being appealed on the record, in which case the court shall affirm the decision, unless it finds that the Commissioner did not have reasonable grounds on which to base the decision.

* * *

(k) Limitations on appeals. Notwithstanding any other provision of this section:

(1) there shall be no appeal from a District Commission decision when the Commission has issued a permit and no hearing was requested or held, or no motion to alter was filed following the issuance of an administrative amendment;

(2) a municipal decision regarding whether a particular application qualifies for a recorded hearing under 24 V.S.A. § 4471(b) shall not be subject to appeal;

(3) if a District Commission issues a partial decision under subsection 6086(b) of this title, any appeal of that decision must be taken within 30 days following the date of that decision; ~~and~~

(4) it shall be the goal of the Environmental Division to issue a decision on a case regarding an appeal of an appropriate municipal panel decision under 24 V.S.A. chapter 117 within 90 days following the close of the hearing; and

(5) except for cases the court considers of greater importance, appeals of an appropriate municipal panel decision under 24 V.S.A. chapter 117 involving housing development take precedence on the docket over other cases and shall be assigned for hearing and trial or for argument accordingly.

* * *

Sec. 17. 24 V.S.A. § 4465 is amended to read:

§ 4465. APPEALS OF DECISIONS OF THE ADMINISTRATIVE OFFICER

* * *

(b) As used in this chapter, an "interested person" means any one of the following:

(1) A person owning title to property, or a municipality or solid waste management district empowered to condemn it or an interest in it, affected by a bylaw, who alleges that the bylaw imposes on the property unreasonable or inappropriate restrictions of present or potential use under the particular circumstances of the case.

(2) The municipality that has a plan or a bylaw at issue in an appeal brought under this chapter or any municipality that adjoins that municipality.

(3) ~~A person owning or occupying property in the immediate neighborhood of a property that is the subject of any decision or act taken under this chapter, who can demonstrate a physical or environmental impact on the person's interest under the criteria reviewed, and who alleges that the decision or act, if confirmed, will not be in accord with the policies, purposes, or terms of the plan or bylaw of that municipality~~.

~~(4) Any 20 persons who may be any combination of voters, residents, or real property owners within a municipality listed in subdivision (2) of this subsection who, by signed petition to the appropriate municipal panel of a municipality, the plan or a bylaw of which is at issue in any appeal brought under this title, allege that any relief requested by a person under this title, if granted, will not be in accord with the policies, purposes, or terms of the plan or bylaw of that municipality. This petition to the appropriate municipal panel must designate one person to serve as the representative of the petitioners regarding all matters related to the appeal. For purposes of this subdivision, an appeal shall not include the character of the area affected if the project has a residential component that includes affordable housing.~~

~~(5)~~ Any department and administrative subdivision of this State owning property or any interest in property within a municipality listed in subdivision (2) of this subsection, and the Agency of Commerce and Community Development of this State.

* * *

Sec. 18. 24 V.S.A. § 4441 is amended to read:

§ 4441. PREPARATION OF BYLAWS AND REGULATORY TOOLS; AMENDMENT OR REPEAL

* * *

(i) Notwithstanding this section and any other law to the contrary, for bylaw amendments that are required to comply with amendments to this chapter, no hearings are required to be held on the bylaw amendments.

* * * LURB Study * * *

Sec. 19. 2024 Acts and Resolves No. 181, Sec. 11a is amended to read:

Sec. 11a. ACT 250 APPEALS STUDY

(a) On or before ~~January 15, 2026~~ November 15, 2025, the Land Use Review Board shall issue a report evaluating whether to transfer appeals of permit decisions and jurisdictional opinions issued pursuant to 10 V.S.A. chapter 151 to the Land Use Review Board or whether they should remain at the Environmental Division of the Superior Court. The Board shall convene a stakeholder group that at a minimum shall be composed of a representative of environmental interests, attorneys that practice environmental and development law in Vermont, the Vermont League of Cities and Towns, the Vermont Association of Planning and Development Agencies, the Vermont Chamber of Commerce, the Land Access and Opportunity Board, the Office of Racial Equity, the Vermont Association of Realtors, a representative of ~~non-profit~~ nonprofit housing development interests, a representative of for-profit housing development interests, a representative of commercial development interests, an engineer with experience in development, the Agency of Commerce and Community Development, and the Agency of Natural Resources in preparing the report. The Board shall provide notice of the stakeholder meetings on its website and each meeting shall provide time for public comment.

(b) The report shall at minimum recommend:

(1) whether to allow consolidation of appeals at the Board, or with the Environmental Division of the Superior Court, and how, including what resources the Board would need, if transferred to the Board, appeals of permit decisions issued under 24 V.S.A. chapter 117 and the Agency of Natural Resources can be consolidated with Act 250 appeals;

(2) how to prioritize and expedite the adjudication of appeals related to housing projects, including the use of hearing officers to expedite appeals and the setting of timelines for processing of housing appeals;

(3) procedural rules to govern the Board's administration of Act 250 and the adjudication of appeals of Act 250 decisions. These rules shall include procedures to create a firewall and eliminate any potential for conflicts with the Board managing appeals and issuing permit decisions and jurisdictional opinions; and

(4) other actions the Board should take to promote the efficient and effective adjudication of appeals, including any procedural improvements to the Act 250 permitting process and jurisdictional opinion appeals.

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

* * * Brownfields * * *

Sec. 20. 10 V.S.A. § 6604c is amended to read:

§ 6604c. MANAGEMENT OF DEVELOPMENT SOILS

(a) Management of development soils. Notwithstanding any other requirements of this chapter to the contrary, development soils may be managed at a location permitted pursuant to an insignificant waste event approval authorization issued pursuant to the Solid Waste Management Rules that contains, at a minimum, the following:

(1) the development soils are generated from a hazardous materials site managed pursuant to a corrective action plan or a soil management plan approved by the Secretary;

(2) the development soils have been tested for arsenic, lead, and polyaromatic hydrocarbons pursuant to a monitoring plan approved by the Secretary that ensures that the soils do not leach above groundwater enforcement standards;

(3) the location where the soils are managed is appropriate for the amount and type of material being managed;

(4) the soils are capped in a manner approved by the Secretary;

(5) any activity that may disturb the development soils at the permitted location shall be conducted pursuant to a soil management plan approved by the Secretary; and

(6) the permittee files a record notice of where the soils are managed in the land records.

* * *

Sec. 21. REPORT ON THE STATUS OF MANAGEMENT OF DEVELOPMENT SOILS

(a) As part of the biennial report to the House Committee on Environment and the Senate Committee on Natural Resources and Energy under 10 V.S.A. § 6604(c), the Secretary of Natural Resources shall report on the status of the management of development soils in the State under 10 V.S.A. § 6604c. The report shall include:

(1) the number of insignificant waste event approval authorizations issued by the Secretary in the previous two years for the management of development soils;

(2) the number of certified categorical solid waste facilities operating in the State for the management of development soils;

(3) a summary of how the majority of development soils in the State are being managed;

(4) an estimate of the cost to manage development soils, depending on management method; and

(5) any additional information the Secretary determines relevant to the management of development soils in the State.

(b) As used in this section, "development soil" has the same meaning as in 10 V.S.A. § 6602(39).

Sec. 22. 10 V.S.A. § 6641 is amended to read:

§ 6641. BROWNFIELD PROPERTY CLEANUP PROGRAM; CREATION; POWERS

(a) There is created the Brownfield Property Cleanup Program to enable certain interested parties to request the assistance of the Secretary to review and oversee work plans for investigating, abating, removing, remediating, and monitoring a property in exchange for protection from certain liabilities under section 6615 of this title. The Program shall be administered by the Secretary who shall:

* * *

(c) When conducting any review required by this subchapter, the Secretary shall prioritize the review of remediation at a site that contains housing or that is planned for the construction or rehabilitation of single-family or multi-family housing.

Sec. 23. BROWNFIELDS PROCESS IMPROVEMENT; REPORT

On or before November 1, 2025, the Secretary of Natural Resources shall report to the House Committees on Environment and on General and Housing and the Senate Committees on Economic Development, Housing and General Affairs and on Natural Resources and Energy with proposals to make the Program established pursuant to 10 V.S.A. chapter 159, subchapter 3 (brownfields reuse and liability limitation) substantially more efficient. At a minimum, the report shall include both of the following:

(1) A survey of stakeholders in the brownfields program to identify areas that present challenges to the redevelopment of contaminated properties, with a focus on redevelopment for housing. The Secretary shall provide recommendations to resolve these challenges.

(2) An analysis of strengths and weaknesses of implementing a licensed site professional program within the State. The Secretary shall make a recommendation on whether such a program should be implemented. If the Secretary recommends implementation, the report shall include any changes to statute or budget needed to implement this program.

Sec. 24. FISCAL YEAR 2026 ENVIRONMENTAL CONTINGENCY FUND DISBURSEMENT FOR BROWNFIELDS

In fiscal year 2026, the Secretary of Natural Resources is authorized to disburse up to $2,000,000.00 from the Environmental Contingency Fund for the assessment, planning, and cleanup of brownfields sites.

* * * Tax Increment Financing * * *

Sec. 25. 24 V.S.A. chapter 53, subchapter 7 is added to read:

Subchapter 7. Community and Housing Infrastructure Program

§ 1906. DEFINITIONS

As used in this subchapter:

(1) "Brownfield" means a property on which the presence or potential presence of a hazardous material, pollutant, or contaminant complicates the expansion, development, redevelopment, or reuse of the property.

(2) "Committed" means pledged and appropriated for the purpose of the current and future payment of financing and related costs.

(3) "Developer" means the person undertaking to construct a housing development.

(4) "Financing" means debt, including principal, interest, and any fees or charges directly related to that debt, incurred by a sponsor, or other instruments or borrowing used by a sponsor, to pay for a housing infrastructure project and, in the case of a sponsor that is a municipality, authorized by the municipality pursuant to section 1910a of this subchapter.

(5) "Housing development" means the construction, rehabilitation, or renovation of any building on a housing development site approved under this subchapter.

(6) "Housing development site" means the parcel or parcels encompassing a housing development as authorized by a municipality pursuant to section 1908 of this subchapter.

(7) "Housing infrastructure agreement" means a legally binding agreement to finance and develop a housing infrastructure project and to construct a housing development among a municipality, a developer, and, if applicable, a third-party sponsor.

(8) "Housing infrastructure project" means one or more improvements authorized by a municipality pursuant to section 1908 of this subchapter.

(9) "Improvements" means:

(A) any of the following that will serve a public good and fulfill the purpose of section 1907 of this subchapter:

(i) the installation or construction of:

(I) wastewater, storm water, water dispersal, water collection, water treatment facilities and equipment, or related wastewater, storm water, or water equipment;

(II) public roads, streets, bridges, multimodal facilities, public transit stop equipment and amenities, street and sidewalk lighting, sidewalks, streetscapes, way-finding signs and kiosks, traffic signals, medians, or turn lanes; or

(III) digital or telecommunications infrastructure;

(ii) site preparation for development or redevelopment, including land and property acquisition, demolition, brownfield remediation, or flood remediation and mitigation; and

(B) the funding of debt service interest payments for a period of up to four years, beginning on the date on which the debt is first incurred.

(10) "Legislative body" means the mayor and alderboard, the city council, the selectboard, and the president and trustees of an incorporated village, as appropriate.

(11) "Lifetime education property tax increment retention" means the total education property tax increment to be retained for a housing infrastructure project across its lifetime.

(12) "Middle-income housing" means housing that is subject to a housing subsidy covenant, as defined in 27 V.S.A. § 610, of perpetual duration.

(13) "Middle-income housing development" means a housing development of which at least 20 percent of the units are middle-income housing units.

(14) "Municipality" means a city, town, or incorporated village.

(15) "Original taxable value" means the total valuation as determined in accordance with 32 V.S.A. chapter 129 of all taxable real property located within a housing development site as of its creation date, provided that no parcel within the housing development site shall be divided or bisected.

(16) "Related costs" means expenses incurred and paid by a municipality, exclusive of the actual cost of constructing and financing improvements, that are directly related to the creation and implementation of the municipality's housing infrastructure project, including reimbursement of sums previously advanced by the municipality for those purposes. Related costs may include direct municipal expenses such as departmental or personnel costs related to creating or administering the housing infrastructure project to the extent they are paid from the tax increment realized from municipal and not education taxes and using only that portion of the municipal increment above the percentage required for servicing debt as determined in accordance with subsection 1910c of this subchapter.

(17) "Sponsor" means the person undertaking to finance a housing infrastructure project. Any of a municipality, a developer, or an independent agency that meets State lending standards may serve as a sponsor for a housing infrastructure project.

§ 1907. PURPOSE

The purpose of the pilot Community and Housing Infrastructure Program is to encourage the development of new primary residences for households of low or moderate income that would not be created but for the infrastructure improvements funded by the Program.

§ 1908. CREATION OF HOUSING INFRASTRUCTURE PROJECT AND HOUSING DEVELOPMENT SITE

(a) The legislative body of a municipality may create within its jurisdiction a housing infrastructure project, which shall consist of improvements that stimulate the development of housing, and a housing development site, which shall consist of the parcel or parcels on which a housing development is installed or constructed.

(b) To create a housing infrastructure project and housing development site, a municipality, in coordination with stakeholders, shall:

(1) develop a housing development plan, including:

(A) a description of the proposed housing infrastructure project, the proposed housing development, and the proposed housing development site;

(B) identification of a sponsor;

(C) a tax increment financing plan meeting the standards of subsection 1910(h) of this subchapter;

(D) a pro forma projection of expected costs of the proposed housing infrastructure project;

(E) a projection of the tax increment to be generated by the proposed housing development;

(F) a development schedule that includes a list, a cost estimate, and a schedule for the proposed housing infrastructure project and the proposed housing development; and

(G) a determination that the proposed housing development furthers the purpose of section 1907 of this subchapter;

(2) develop a plan describing the housing development site by its boundaries and the properties therein, entitled "Proposed Housing Development Site (municipal name), Vermont";

(3) hold one or more public hearings, after public notice, on the proposed housing infrastructure project, including the plans developed pursuant to this subsection; and

(4) adopt by act of the legislative body of the municipality the plan developed under subdivision (2) of this subsection, which shall be recorded with the municipal clerk and lister or assessor.

(c) The creation of a housing development site shall occur at 12:01 a.m. on April 1 of the calendar year in which the Vermont Economic Progress Council approves the use of tax increment financing for the housing infrastructure project pursuant to section 1910 of this subchapter.

§ 1909. HOUSING INFRASTRUCTURE AGREEMENT

(a) The housing infrastructure agreement for a housing infrastructure project shall:

(1) clearly identify the sponsor for the housing infrastructure project;

(2) clearly identify the developer and the housing development for the housing development site;

(3) obligate the tax increments retained pursuant to section 1910c of this subchapter for not more than the financing and related costs for the housing infrastructure project;

(4) provide terms and sufficient remedies or, if the municipality so elects, an ordinance to ensure that any housing unit within the housing development be offered exclusively as a bona fide domicile in perpetuity; and

(5) provide for performance assurances to reasonably secure the obligations of all parties under the housing infrastructure agreement.

(b) A municipality shall provide notice of the terms of the housing infrastructure agreement for the municipality's housing infrastructure project to the legal voters of the municipality and shall provide the same information as set forth in subsection 1910a(e) of this subchapter.

§ 1910. HOUSING INFRASTRUCTURE PROJECT APPLICATION;

VERMONT ECONOMIC PROGRESS COUNCIL

(a) Application. A municipality, upon approval of its legislative body, may apply to the Vermont Economic Progress Council to use tax increment financing for a housing infrastructure project.

(b) Review. The Vermont Economic Progress Council may recommend for approval by the Community and Housing Infrastructure Program Board only applications:

(1) that meet the but-for test, the process requirements, the project criterion, and either of the location criteria of this section;

(2) for which the Council has approved the tax increment financing plan; and

(3) that are submitted on or before December 31, 2031.

(c) But-for test. The Vermont Economic Progress Council shall review each application to determine whether the infrastructure improvements proposed to serve the housing development site and the proposed housing development would not have occurred as proposed in the application or would have occurred in a significantly different and less desirable manner than as proposed in the application but for the proposed utilization of the incremental tax revenues. The review shall take into account:

(1) the amount of additional time, if any, needed to complete the proposed housing development and the amount of additional cost that might be incurred if the project were to proceed without education property tax increment financing;

(2) how the proposed housing development components and size would differ, if at all, including, if applicable to the housing development, in the number of units of middle-income housing, without education property tax increment financing; and

(3)(A) the amount of additional revenue expected to be generated as a result of the proposed housing development;

(B) the percentage of that revenue that shall be paid to the Education Fund;

(C) the percentage that shall be paid to the municipality; and

(D) the percentage of the revenue paid to the municipality that shall be used to pay financing incurred for the infrastructure improvements.

(d) Process requirements. The Vermont Economic Progress Council shall review a municipality's housing infrastructure project application to determine whether the municipality has:

(1) created a housing infrastructure project and housing development site pursuant to section 1908 of this subchapter;

(2) executed a housing infrastructure agreement for the housing infrastructure project that adheres to the standards of section 1909 of this subchapter with a developer and, if the municipality is not financing the housing infrastructure project itself, a sponsor; and

(3) approved or pledged to use incremental municipal tax revenues for the housing infrastructure project in the proportion provided for municipal tax revenues in section 1910c of this subchapter.

(e) Project criterion. The Vermont Economic Progress Council shall review a municipality's housing infrastructure project application to determine whether at least 65 percent of the floor area of the projected housing development is dedicated to housing.

(f) Location criteria. The Vermont Economic Progress Council shall review a municipality's housing infrastructure project application to determine whether the housing development site is located within one of the following areas:

(1) an area exempt from the provisions of 10 V.S.A. chapter 151 (State land use and development plans) pursuant to 10 V.S.A. § 6081(dd) (interim housing exemptions); or

(2) an existing settlement or an area within one-half mile of an existing settlement, as that term is defined in 10 V.S.A. § 6001(16).

(g) Middle-income criterion. The Vermont Economic Progress Council shall review a municipality's housing infrastructure project application to determine whether the projected housing development is a middle-income housing development for purposes of the increased education property tax increment retention percentage under section 1910c of this subchapter.

(h) Tax increment financing plan. The Vermont Economic Progress Council shall approve a municipality's tax increment financing plan prior to a sponsor's incurrence of debt for the housing infrastructure project, including, if the sponsor is a municipality, prior to a public vote to pledge the credit of the municipality under section 1910a of this subchapter. The tax increment financing plan shall include:

(1) a statement of costs and sources of revenue;

(2) estimates of assessed values within the housing development site;

(3) the portion of those assessed values to be applied to the housing infrastructure project;

(4) the resulting tax increments in each year of the financial plan and the lifetime education property tax increment retention;

(5) the amount of bonded indebtedness or other financing to be incurred;

(6) other sources of financing and anticipated revenues; and

(7) the duration of the financial plan.

(i) Board approval. The Vermont Economic Progress Council shall recommend to the Community and Housing Infrastructure Program Board for approval any application that meets the standards of subsection (b) of this section. The Board shall review the Council's recommendation and approve the application unless the Board determines that the application fails to satisfy the purpose of section 1907 of this subchapter or fails to meet the standards of subsection (b) of this section.

(j) Tax increment financing approval; limit. The Vermont Economic Progress Council may only approve pursuant to this subchapter tax increment financing for applications that have received Board approval pursuant to subsection (i) of this section. The Vermont Economic Progress Council shall not annually approve more than $40,000,000.00 in aggregate lifetime education property tax increment retention.

§ 1910a. INDEBTEDNESS

(a) A municipality approved for tax increment financing under section 1910 of this subchapter may incur indebtedness against revenues of the housing development site at any time during a period of up to five years following the creation of the housing development site. The Vermont Economic Progress Council may extend this debt incursion period by up to three years. If no debt is incurred for the housing infrastructure project during the debt incursion period, whether by the municipality or sponsor, the housing development site shall terminate.

(b) Notwithstanding any provision of any municipal charter, each instance of borrowing by a municipality to finance or otherwise pay for a housing infrastructure project shall occur only after the legal voters of the municipality, by a majority vote of all voters present and voting on the question at a special or annual municipal meeting duly warned for the purpose, authorize the legislative body to pledge the credit of the municipality, borrow, or otherwise secure the debt for the specific purposes so warned.

(c) Any indebtedness incurred under this section may be retired over any period authorized by the legislative body of the municipality.

(d) The housing development site shall continue until the date and hour the indebtedness is retired or, if no debt is incurred, five years following the creation of the housing development site.

(e) A municipal legislative body shall provide information to the public prior to the public vote required under subsection (b) of this section. This information shall include the amount and types of debt and related costs to be incurred, including principal, interest, and fees; terms of the debt; the housing infrastructure project to be financed; the housing development projected to

occur because of the housing infrastructure project; and notice to the voters that if the tax increment received by the municipality from any property tax source is insufficient to pay the principal and interest on the debt in any year, the municipality shall remain liable for the full payment of the principal and interest for the term of the indebtedness. If interfund loans within the municipality are used, the information must also include documentation of the terms and conditions of the loan.

(f) If interfund loans within the municipality are used as the method of financing, no interest shall be charged.

(g) The use of a bond anticipation note shall not be considered a first incurrence of debt pursuant to subsection (a) of this section.

§ 1910b. ORIGINAL TAXABLE VALUE; TAX INCREMENT

(a) As of the date the housing development site is created, the lister or assessor for the municipality shall certify the original taxable value and shall certify to the legislative body in each year thereafter during the life of the housing development site the amount by which the total valuation as determined in accordance with 32 V.S.A. chapter 129 of all taxable real property within the housing development site has increased or decreased relative to the original taxable value.

(b) Annually throughout the life of the housing development site, the lister or assessor shall include not more than the original taxable value of the real property in the assessed valuation upon which the treasurer computes the rates of all taxes levied by the municipality and every other taxing district in which the housing development site is situated, but the treasurer shall extend all rates so determined against the entire assessed valuation of real property for that year.

(c) Annually throughout the life of the housing development site, a municipality shall remit not less than the aggregate education property tax due on the original taxable value to the Education Fund.

(d) Annually throughout the life of the housing development site, the municipality shall hold apart, rather than remit to the taxing districts, that proportion of all taxes paid that year on the real property within the housing development site that the excess valuation bears to the total assessed valuation. The amount held apart each year is the "tax increment" for that year. The tax increment shall only be used for financing and related costs.

(e) Not more than the percentages established pursuant to section 1910c of this subchapter of the municipal and State education tax increments received with respect to the housing development site and committed for the payment for financing for improvements and related costs shall be segregated by the

municipality in a special tax increment financing account and in its official books and records until all capital indebtedness incurred for the housing infrastructure project has been fully paid. The final payment shall be reported to the treasurer, who shall thereafter include the entire assessed valuation of the housing development site in the assessed valuations upon which the municipal and other tax rates are computed and extended, and thereafter no taxes from the housing development site shall be deposited in the special tax increment financing account.

(f) Notwithstanding any charter provision or other provision, all property taxes assessed within a housing development site shall be subject to the provisions of this section. Special assessments levied under chapter 76A or 87 of this title or under a municipal charter shall not be considered property taxes for the purpose of this section if the proceeds are used exclusively for operating expenses related to properties within the housing development site and not for improvements within the housing development site.

§ 1910c. USE OF TAX INCREMENT; RETENTION PERIOD

(a) Uses of tax increments. A municipality may apply tax increments retained pursuant to this subchapter to debt incurred within the period permitted under section 1910a of this subchapter, to related costs, and to the direct payment of the cost of a housing infrastructure project. A municipality may provide tax increment to a sponsor only upon receipt of an invoice for payment of the financing, and the sponsor shall confirm to the municipality once the tax increment has been applied to the financing. Any direct payment shall be subject to the same public vote provisions of section 1910a of this subchapter as apply to debt.

(b) Education property tax increment.

(1) For a housing infrastructure project that does not satisfy the middle-income criterion of section 1910 of this subchapter, up to 60 percent of the education property tax increment may be retained for up to 20 years, beginning the first year in which debt is incurred for the housing infrastructure project.

(2) For a housing infrastructure project that satisfies the middle-income criterion of section 1910 of this subchapter, up to 80 percent of the education property tax increment may be retained for up to 20 years, beginning the first year in which debt is incurred for the housing infrastructure project.

(3) Upon incurring the first debt, a municipality shall notify the Department of Taxes and the Vermont Economic Progress Council of the beginning of the retention period of the education property tax increment.

(c) Municipal property tax increment. Not less than 85 percent of the municipal property tax increment may be retained, beginning the first year in which debt is incurred for the housing infrastructure project.

(d) Excess tax increment.

(1) Of the municipal and education property tax increments received in any tax year that exceed the amounts committed for the payment of the financing and related costs for a housing infrastructure project, equal portions of each increment may be retained for the following purposes:

(A) to prepay principal and interest on the financing;

(B) to place in a special tax increment financing account required pursuant to subsection 1910b(e) of this subchapter and use for future financing payments; or

(C) to use for defeasance of the financing.

(2) Any remaining portion of the excess education property tax increment shall be distributed to the Education Fund. Any remaining portion of the excess municipal property tax increment shall be distributed to the city, town, or village budget in the proportion that each budget bears to the combined total of the budgets unless otherwise negotiated by the city, town, or village.

(e) Adjustment of percentage. During the fifth year following the creation of a housing development site, the municipality shall submit an updated tax increment financing plan to the Vermont Economic Progress Council that shall include adjustments and updates of appropriate data and information sufficient for the Vermont Economic Progress Council to determine, based on tax increment financing debt actually incurred and the history of increment generated during the first five years, whether the percentages approved under this section should be continued or adjusted to a lower percentage to be retained for the remaining duration of the retention period and still provide sufficient municipal and education increment to service the remaining debt.

§ 1910d. INFORMATION REPORTING

(a) A municipality with an active housing infrastructure project shall:

(1) develop a system, segregated for the housing infrastructure project, to identify, collect, and maintain all data and information necessary to fulfill the reporting requirements of this section;

(2) provide timely notification to the Department of Taxes and the Vermont Economic Progress Council of any housing infrastructure project debt, public vote, or vote by the municipal legislative body immediately

following the debt incurrence or public vote on a form prescribed by the Council, including copies of public notices, agendas, minutes, vote tally, and a copy of the information provided to the public pursuant to subsection 1910a(e) of this subchapter; and

(3) annually on or before February 15, submit on a form prescribed by the Vermont Economic Progress Council an annual report to the Council and the Department of Taxes, including the information required by subdivision (2) of this subsection if not previously submitted, the information required for annual audit under section 1910e of this subchapter, and any information required by the Council or the Department of Taxes for the report required pursuant to subsection (b) of this section.

(b) Annually on or before April 1, the Vermont Economic Progress Council and the Department of Taxes shall submit a report to the Senate Committees on Economic Development, Housing and General Affairs and on Finance and the House Committees on Commerce and Economic Development, on General and Housing, and on Ways and Means on housing infrastructure projects approved pursuant to this subchapter, including for each:

(1) the date of approval;

(2) a description of the housing infrastructure project;

(3) the original taxable value of the housing development site;

(4) the scope and value of projected and actual improvements and developments in the housing development site, including the number of housing units created;

(5) the expected or actual sale and rental prices of any housing units;

(6) the number of housing units known to be occupied on a basis other than as primary residences;

(7) the number and types of housing units for which a permit is being pursued under 10 V.S.A. chapter 151 (State land use and development plans) and, for each applicable housing development, the current stage of the permitting process;

(8) projected and actual incremental revenue amounts;

(9) the allocation of incremental revenue, including the amount allocated to related costs;

(10) projected and actual financing; and

(11) an evaluation of the amount of public funds flowing to private ownership or usage.

(c) On or before January 15, 2030, the Vermont Economic Progress Council shall submit a report to the Senate Committees on Economic Development, Housing and General Affairs and on Finance and the House Committees on Commerce and Economic Development, on General and Housing, and on Ways and Means evaluating the success of the Community and Housing Infrastructure Program in achieving its purpose, as stated in section 1907 of this chapter, including by identifying the amount and kinds of housing produced through the Program and by determining whether housing development pursued through the Program meets the project criterion and location criteria of section 1910 of this chapter.

§ 1910e. AUDITING

Annually on or before April 1 until the year following the end of the period for retention of education property tax increment, a municipality with a housing infrastructure project approved under this subchapter shall ensure that the special tax increment financing account required by section 1910b of this subchapter is subject to the annual audit prescribed in section 1681 or 1690 of this title and submit a copy to the Vermont Economic Progress Council. If an account is subject only to the audit under section 1681 of this title, the Council shall ensure a process is in place to subject the account to an independent audit. Procedures for the audit must include verification of the original taxable value and annual and total municipal and education property tax increments generated, expenditures for financing and related costs, and current balance.

§ 1910f. RULEMAKING

(a) The Vermont Economic Progress Council may adopt rules that are reasonably necessary to implement this subchapter. The Council shall specifically adopt rules to:

(1) govern the prioritization of applications submitted for approval of tax increment financing under this subchapter that take into consideration the purpose of section 1907 of this subchapter, blight, regional equity and verifiable housing shortages, and labor sheds; and

(2) determine the appropriate floor area measure for purposes of the project criterion under subsection 1910(e) of this subchapter.

(b) At least 45 days prior to prefiling a rule authorized under this section with the Interagency Committee on Administrative Rules under 3 V.S.A. § 837, the Vermont Economic Progress Council shall submit a copy of the draft rule to the Joint Fiscal Committee for review.

§ 1910g. GUIDANCE

(a) The Secretary of Commerce and Community Development, after reasonable notice to a municipality and an opportunity for a hearing, may issue decisions to a municipality on questions and inquiries concerning the administration of housing infrastructure projects, statutes, rules, noncompliance with this subchapter, and any instances of noncompliance identified in audit reports conducted pursuant to section 1910e of this subchapter.

(b) The Vermont Economic Progress Council shall prepare recommendations for the Secretary of Commerce and Community Development prior to any decision issued pursuant to subsection (a) of this section. The Council may prepare recommendations in consultation with the Commissioner of Taxes, the Attorney General, and the State Treasurer. In preparing recommendations, the Council shall provide a municipality with a reasonable opportunity to submit written information in support of its position.

(c) The Secretary of Commerce and Community Development shall review the recommendations of the Council and issue a final written decision on each matter within 60 days following receipt of the recommendations. The Secretary may permit an appeal to be taken by any party to a Superior Court for determination of questions of law in the same manner as the Supreme Court may by rule provide for appeals before final judgment from a Superior Court before issuing a final decision.

§ 1910h. COMMUNITY AND HOUSING INFRASTRUCTURE PROGRAM BOARD

(a) Creation. There is created the Community and Housing Infrastructure Program Board to review applications for tax increment financing recommended by the Vermont Economic Progress Council pursuant to section 1910 of this subchapter.

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

(1) the chair of the Vermont Economic Progress Council, who shall serve as chair of the Board;

(2) the State Treasurer or designee;

(3) the Executive Director of the Vermont Housing Finance Agency or designee;

(4) the Executive Director of the Vermont Housing and Conservation Board or designee;

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

(6) the Executive Director of the Vermont Bond Bank or designee;

(7) the Executive Director of the Vermont Council on Rural Development or designee;

(8) a representative of the Regional Planning Commissions; and

(9) the Executive Director of the Vermont School Boards Association or designee.

(c) Duties. The Board shall review applications for tax increment financing recommended by the Vermont Economic Progress Council pursuant to section 1910 of this subchapter. The Board shall respond with its approval or denial not later than 45 days following receipt of the recommendation from the Vermont Economic Progress Council.

(d) Assistance. The Board shall receive administrative support from the Agency of Commerce and Community Development and the Department of Taxes.

(e) Compensation and reimbursement. Members of the Board shall be entitled to per diem compensation and reimbursement of expenses as permitted under 32 V.S.A. § 1010.

(f) Decisions not subject to review. A decision of the Board under subsection (c) of this section is an administrative decision that is not subject to the contested case hearing requirements under 3 V.S.A. chapter 25 and is not subject to judicial review.

(g) Report. On or before December 15, 2025, the Board shall submit to the Senate Committees on Economic Development, Housing and General Affairs and on Finance and the House Committees on Commerce and Economic Development, on General and Housing, and on Ways and Means a report describing the Board's recommended process and membership for reviewing housing infrastructure project applications.

Sec. 26. 32 V.S.A. § 3325 is amended to read:

§ 3325. VERMONT ECONOMIC PROGRESS COUNCIL

(a) Creation. The Vermont Economic Progress Council is created to exercise the authority and perform the duties assigned to it, including its authority and duties relating to:

(1) the Vermont Employment Growth Incentive Program pursuant to subchapter 2 of this chapter; ~~and~~

(2) tax increment financing districts pursuant to 24 V.S.A. chapter 53, subchapter 5 and section 5404a of this title; and

(3) the Community and Housing Infrastructure Program pursuant to 24 V.S.A. chapter 53, subchapter 7.

* * *

(g) Decisions not subject to review. A decision of the Council to approve or deny an application under subchapter 2 of this chapter, ~~or~~ to approve or deny a tax increment financing district pursuant to 24 V.S.A. chapter 53, subchapter 5 and section 5404a of this title, or to approve or deny a housing infrastructure project pursuant to 24 V.S.A. chapter 53, subchapter 7 is an administrative decision that is not subject to the contested case hearing requirements under 3 V.S.A. chapter 25 and is not subject to judicial review.

Sec. 27. 32 V.S.A. § 5404a(f) is amended to read:

(f) A municipality that establishes a tax increment financing district under 24 V.S.A. chapter 53, subchapter 5 shall collect all property taxes on properties contained within the district and apply not more than 70 percent of the State education property tax increment, and not less than 85 percent of the municipal property tax increment, to repayment of financing of the improvements and related costs for up to 20 years pursuant to 24 V.S.A. § 1894, if approved by the Vermont Economic Progress Council pursuant to this section, subject to the following:

(1) In a municipality with one or more approved districts, the Council shall not approve an additional district until the municipality retires the debt incurred for all of the districts in the municipality.

(2) The Council shall not approve more than six districts in the State, and not more than two per county, provided:

(A) The districts listed in 24 V.S.A. § 1892(d) shall not be counted against the limits imposed in this subdivision (2).

(B) The Council shall consider complete applications in the order they are submitted, except that if during any calendar month the Council receives applications for more districts than are actually available in a county, the Council shall evaluate each application and shall approve the application that, in the Council's discretion, best meets the economic development needs of the county.

(3)(A) A municipality shall immediately notify the Council if it resolves not to incur debt for an approved district within five years of approval or a five-year extension period as required in 24 V.S.A. § 1894.

(B) Upon receiving notification pursuant to subdivision (A) of this subdivision (3), the Council shall terminate the district and may approve a new district, subject to the provisions of this section and 24 V.S.A. chapter 53, subchapter 5.

(4) The Council shall only approve under this section applications for tax increment financing submitted prior to July 1, 2028.

* * * Smoke and Carbon Monoxide Alarms * * *

Sec. 28. 9 V.S.A. chapter 77 is amended to read:

CHAPTER 77. SMOKE ~~DETECTORS~~ ALARMS AND CARBON MONOXIDE ~~DETECTORS~~ ALARMS

§ 2881. DEFINITIONS

As used in this chapter:

* * *

(2) "Smoke ~~detector~~ alarm" means a device that detects visible or invisible particles of combustion and sounds a warning alarm, is operated from a power supply within the unit or wired to it from an outside source, and is approved or listed for the purpose by Underwriters Laboratory or by another nationally recognized independent testing laboratory.

(3) "Carbon monoxide ~~detector~~ alarm" means a device with an assembly that incorporates a sensor control component and an alarm notification that detects elevations in carbon monoxide levels and sounds a warning alarm, is operated from a power supply within the unit or wired to it from an outside source, and is approved or listed for the purpose by Underwriters Laboratory or by another nationally recognized independent testing laboratory.

§ 2882. INSTALLATION

(a) A person who constructs a single-family dwelling shall install ~~photoelectric-only-type~~ photoelectric-type or UL 217 compliant smoke ~~detectors~~ alarms in the vicinity of any bedrooms and on each level of the dwelling, and one or more carbon monoxide ~~detectors~~ alarms in the vicinity of any bedrooms in the dwelling in accordance with the manufacturer's instructions. In a dwelling provided with electrical power, ~~detectors~~ alarms shall be powered by the electrical service in the building and by battery.

(b) Any single-family dwelling when transferred by sale or exchange shall contain ~~photoelectric-only-type~~ photoelectric-type or UL 217 compliant smoke ~~detectors~~ alarms in the vicinity of any bedrooms and on each level of the dwelling installed in accordance with the manufacturer's instructions and one or more carbon monoxide ~~detectors~~ alarms installed in accordance with the

manufacturer's instructions. A single-family dwelling constructed before January 1, 1994 may contain smoke ~~detectors~~ alarms powered by the electrical service in the building or by battery, or by a combination of both. In a single-family dwelling newly constructed after January 1, 1994 that is provided with electrical power, smoke ~~detectors~~ alarms shall be powered by the electrical service in the building and by battery. In a single-family dwelling newly constructed after July 1, 2005 that is provided with electrical power, carbon monoxide ~~detectors~~ alarms shall be powered by the electrical service in the building and by battery.

(c) Nothing in this section shall require an owner or occupant of a single-family dwelling to maintain or use a smoke ~~detector~~ alarm or a carbon monoxide ~~detector~~ alarm after installation.

§ 2883. REQUIREMENTS FOR TRANSFER OF DWELLING

(a) The seller of a single-family dwelling, including one constructed for first occupancy, whether the transfer is by sale or exchange, shall certify to the buyer at the closing of the transaction that the dwelling is provided with ~~photoelectric-only-type~~ photoelectric-type or UL 217 compliant smoke ~~detectors~~ alarms and carbon monoxide ~~detectors~~ alarms in accordance with this chapter. This certification shall be signed and dated by the seller.

(b) If the buyer notifies the seller within 10 days by certified mail from the date of conveyance of the dwelling that the dwelling lacks any ~~photoelectric-only-type~~ photoelectric-type or UL 217 compliant smoke ~~detectors~~ alarms, or any carbon monoxide ~~detectors~~ alarms, or that any ~~detector~~ alarm is not operable, the seller shall comply with this chapter within 10 days after notification.

* * *

Sec. 29. 20 V.S.A. § 2731 is amended to read:

§ 2731. RULES; INSPECTIONS; VARIANCES

* * *

(j) ~~Detectors~~ Alarms. Rules adopted under this section shall require that information written, approved, and distributed by the Commissioner on the type, placement, and installation of ~~photoelectric~~ photoelectric-type or UL 217 compliant smoke ~~detectors~~ alarms and carbon monoxide ~~detectors~~ alarms be conspicuously posted in the retail sales area where the ~~detectors~~ alarms are sold.

* * *

* * * VHFA Off-Site Construction * * *

Sec. 30. VHFA OFF-SITE CONSTRUCTION REPORT

Provided there are sufficient resources, the Vermont Housing Finance Agency shall issue a report by December 15, 2026 that, at a minimum:

(1) identifies and recommends a set of State policy objectives and priorities related to off-site housing construction;

(2) defines the structure and relevant actors for using bulk purchases of single- and multi-family homes produced through off-site construction to achieve lower construction costs;

(3) gathers input from potential manufacturers about how to best achieve cost savings through a bulk purchase program;

(4) determines any business planning support needed for existing Vermont businesses seeking to develop or expand off-site construction;

(5) explores creating a working group of neighboring states that considers a regional market and shared approach; and

(6) prepares an analysis of the funding and structure needed to support greater development of off-site homes.

* * * Effective Dates * * *

Sec. 31. EFFECTIVE DATES

This act shall take effect on July 1, 2025, except that Sec. 4 (Rental Housing Revolving Loan Program), Sec. 5 (Residential Universal Design Study Committee), Sec. 8 (repeal; Act 181 prospective landlord certificate changes), and this section shall take effect on passage.

Rep. Scheu of Middlebury, for the Committee on Appropriations, recommended that the bill pass in concurrence with the proposal of amendment recommended by the Committee on General and Housing, when further amended as recommended by the Committee on Ways and Means.

The bill, having appeared on the Notice Calendar was taken up and read the second time.

Pending the question, Shall the report of the Committee on General and Housing be amended as recommended by the Committee on Ways and Means?, **Rep. North of Ferrisburgh** moved that the report of the Committee on Ways and Means be amended by adding two new sections to be Sec. 19a and Sec. 19b to read as follows:

Sec. 19a. 10 V.S.A. § 6001(3)(D)(viii)(III) is amended to read:

(III) Notwithstanding any other provision of law to the contrary, until ~~January 1, 2027~~ December 31, 2031, the last date by which applications for the Community Housing and Infrastructure Program established in 24 V.S.A. chapter 53, subchapter 7 may be submitted, the construction of a priority housing project located entirely within areas of a designated downtown development district, designated neighborhood development area, or a designated growth center or within one-half mile around such designated center with permanent zoning and subdivision bylaws served by public sewer or water services or soils that are adequate for wastewater disposal. For purposes of this subdivision (III), in order for a parcel to qualify for the exemption, at least 51 percent of the parcel shall be located within one-half mile of the designated center boundary. If the one-half mile around the designated center extends into an adjacent municipality, the legislative body of the adjacent municipal may inform the Board that it does not want the exemption to extend into that area.

Sec. 19b. 10 V.S.A. § 6081(dd) is amended to read:

(dd) Interim housing exemptions.

(1) Notwithstanding any other provision of law to the contrary, until ~~January 1, 2027~~ December 31, 2031, the last date by which applications for the Community Housing and Infrastructure Program established in 24 V.S.A. chapter 53, subchapter 7 may be submitted, no permit or permit amendment is required for the construction of housing projects such as cooperatives, condominiums, dwellings, or mobile homes, with 75 units or fewer, constructed or maintained on a tract or tracts of land, located entirely within the areas of a designated new town center, a designated growth center, or a designated neighborhood development area served by public sewer or water services or soils that are adequate for wastewater disposal. Housing units constructed pursuant to this subdivision shall not count towards the total units constructed in other areas. This exemption shall not apply to areas within mapped river corridors and floodplains except those areas containing preexisting development in areas suitable for infill development as defined in 29-201 of the Vermont Flood Hazard Area and River Corridor Rule.

(2)(A) Notwithstanding any other provision of law to the contrary, until ~~July 1, 2027~~ December 31, 2031, the last date by which applications for the Community Housing and Infrastructure Program established in 24 V.S.A. chapter 53, subchapter 7 may be submitted, no permit or permit amendment is required for the construction of housing projects such as cooperatives, condominiums, dwellings, or mobile homes, with 50 or fewer units,

constructed or maintained on a tract or tracts of land of 10 acres or less, located entirely within:

* * *

(3) Notwithstanding any other provision of law to the contrary, until ~~January 1, 2027~~ December 31, 2031, the last date by which applications for the Community Housing and Infrastructure Program established in 24 V.S.A. chapter 53, subchapter 7 may be submitted, no permit or permit amendment is required for the construction of housing projects such as cooperatives, condominiums, dwellings, or mobile homes, constructed or maintained on a tract or tracts of land, located entirely within a designated downtown development district with permanent zoning and subdivision bylaws served by public sewer or water services or soils that are adequate for wastewater disposal. Housing units constructed pursuant to this subdivision shall not count towards the total units constructed in other areas. This exemption shall not apply to areas within mapped river corridors and floodplains except those areas containing preexisting development in areas suitable for infill development as defined in 29-201 of the Vermont Flood Hazard Area and River Corridor Rule.

Rep. Bartholomew of Hartland raised a Point of Order in that the amendment expands the scope of the bill and is not germane, which the Speaker ruled well-taken because none of the provisions of the bill propose amendments to land use regulations, whereas the amendment would amend provisions of Act 250 to extend the sunset of current-law exemptions from Act 250 review for specified housing projects – from January 1, 2027 to December 31, 2031 – to align with the sunset of the Community and Housing Infrastructure Program (CHIP). None of the CHIP provisions would allow building in areas not permissible under current law. Therefore, the Speaker found that the amendment was not germane and could not be considered because it deals with a separate topic of land use regulations, and introduces the independent question of amending Act 250 exemptions.

Pending the question, Shall the report of the Committee on General and Housing be amended as recommended by the Committee on Ways and Means?, **Reps. Kimbell of Woodstock, Graning of Jericho, Kornheiser of Brattleboro, Marcotte of Coventry, and Mihaly of Calais** moved that the report of the Committee on Ways and Means be amended by striking out Secs. 25–27 and their reader assistance heading in their entireties and inserting in lieu thereof a new reader assistance heading and three new sections to be Secs. 25–27 to read as follows:

* * * Tax Increment Financing * * *

Sec. 25. 24 V.S.A. chapter 53, subchapter 7 is added to read:

Subchapter 7. Community and Housing Infrastructure Program

§ 1906. DEFINITIONS

As used in this subchapter:

(1) "Brownfield" means a property on which the presence or potential presence of a hazardous material, pollutant, or contaminant complicates the expansion, development, redevelopment, or reuse of the property.

(2) "Committed" means pledged and appropriated for the purpose of the current and future payment of financing and related costs.

(3) "Developer" means the person undertaking to construct a housing development.

(4) "Financing" means debt, including principal, interest, and any fees or charges directly related to that debt, incurred by a sponsor, or other instruments or borrowing used by a sponsor, to pay for a housing infrastructure project and, in the case of a sponsor that is a municipality, authorized by the municipality pursuant to section 1910a of this subchapter.

(5) "Housing development" means the construction, rehabilitation, or renovation of any building on a housing development site approved under this subchapter.

(6) "Housing development site" means the parcel or parcels encompassing a housing development as authorized by a municipality pursuant to section 1908 of this subchapter.

(7) "Housing infrastructure agreement" means a legally binding agreement to finance and develop a housing infrastructure project and to construct a housing development among a municipality, a developer, and, if applicable, a third-party sponsor.

(8) "Housing infrastructure project" means one or more improvements authorized by a municipality pursuant to section 1908 of this subchapter.

(9) "Improvements" means:

(A) any of the following that will serve a public good and fulfill the purpose of section 1907 of this subchapter:

(i) the installation or construction of:

(I) wastewater, storm water, water dispersal, water collection, water treatment facilities and equipment, or related wastewater, storm water, or water equipment;

(II) public roads, streets, bridges, multimodal facilities, public transit stop equipment and amenities, street and sidewalk lighting, sidewalks, streetscapes, way-finding signs and kiosks, traffic signals, medians, or turn lanes; or

(III) digital or telecommunications infrastructure;

(ii) site preparation for development or redevelopment, including land and property acquisition, demolition, brownfield remediation, or flood remediation and mitigation; and

(B) the funding of debt service interest payments for a period of up to four years, beginning on the date on which the debt is first incurred.

(10) "Legislative body" means the mayor and alderboard, the city council, the selectboard, and the president and trustees of an incorporated village, as appropriate.

(11) "Lifetime education property tax increment retention" means the total education property tax increment to be retained for a housing infrastructure project across its lifetime.

(12) "Mixed-income housing" means housing that is subject to a housing subsidy covenant, as defined in 27 V.S.A. § 610, of perpetual duration.

(13) "Mixed-income housing development" means a housing development of which at least 20 percent of the units are mixed-income housing units.

(14) "Municipality" means a city, town, or incorporated village.

(15) "Original taxable value" means the total valuation as determined in accordance with 32 V.S.A. chapter 129 of all taxable real property located within a housing development site as of its creation date, provided that no parcel within the housing development site shall be divided or bisected.

(16) "Related costs" means expenses incurred and paid by a municipality, exclusive of the actual cost of constructing and financing improvements, that are directly related to the creation and implementation of the municipality's housing infrastructure project, including reimbursement of sums previously advanced by the municipality for those purposes. Related costs may include direct municipal expenses such as departmental or personnel costs related to creating or administering the housing infrastructure project to

the extent they are paid from the tax increment realized from municipal and not education taxes and using only that portion of the municipal increment above the percentage required for servicing debt as determined in accordance with subsection 1910c of this subchapter.

(17) "Sponsor" means the person undertaking to finance a housing infrastructure project. Any of a municipality, a developer, or an independent agency that meets State lending standards may serve as a sponsor for a housing infrastructure project.

§ 1907. PURPOSE

The purpose of the pilot Community and Housing Infrastructure Program is to encourage the development of new primary residences for households of low and moderate income across both rural and urban areas of all Vermont counties that would not be created but for the infrastructure improvements funded by the Program.

§ 1908. CREATION OF HOUSING INFRASTRUCTURE PROJECT AND HOUSING DEVELOPMENT SITE

(a) The legislative body of a municipality may create within its jurisdiction a housing infrastructure project, which shall consist of improvements that stimulate the development of housing, and a housing development site, which shall consist of the parcel or parcels on which a housing development is installed or constructed.

(b) To create a housing infrastructure project and housing development site, a municipality, in coordination with stakeholders, shall:

(1) develop a housing development plan, including:

(A) a description of the proposed housing infrastructure project, the proposed housing development, and the proposed housing development site;

(B) identification of a sponsor;

(C) a tax increment financing plan meeting the standards of subsection 1910(h) of this subchapter;

(D) a pro forma projection of expected costs of the proposed housing infrastructure project;

(E) a projection of the tax increment to be generated by the proposed housing development;

(F) a development schedule that includes a list, a cost estimate, and a schedule for the proposed housing infrastructure project and the proposed housing development; and

(G) a determination that the proposed housing development furthers the purpose of section 1907 of this subchapter;

(2) develop a plan describing the housing development site by its boundaries and the properties therein, entitled "Proposed Housing Development Site (municipal name), Vermont";

(3) hold one or more public hearings, after public notice, on the proposed housing infrastructure project, including the plans developed pursuant to this subsection; and

(4) adopt by act of the legislative body of the municipality the plan developed under subdivision (2) of this subsection, which shall be recorded with the municipal clerk and lister or assessor.

(c) The creation of a housing development site shall occur at 12:01 a.m. on April 1 of the calendar year in which the Vermont Economic Progress Council approves the use of tax increment financing for the housing infrastructure project pursuant to section 1910 of this subchapter.

§ 1909. HOUSING INFRASTRUCTURE AGREEMENT

(a) The housing infrastructure agreement for a housing infrastructure project shall:

(1) clearly identify the sponsor for the housing infrastructure project;

(2) clearly identify the developer and the housing development for the housing development site;

(3) obligate the tax increments retained pursuant to section 1910c of this subchapter for not more than the financing and related costs for the housing infrastructure project;

(4) provide terms and sufficient remedies or, if the municipality so elects, an ordinance to ensure that any housing unit within the housing development be offered exclusively as a bona fide domicile in perpetuity; and

(5) provide for performance assurances to reasonably secure the obligations of all parties under the housing infrastructure agreement.

(b) A municipality shall provide notice of the terms of the housing infrastructure agreement for the municipality's housing infrastructure project to the legal voters of the municipality and shall provide the same information as set forth in subsection 1910a(e) of this subchapter.

§ 1910. HOUSING INFRASTRUCTURE PROJECT APPLICATION; VERMONT ECONOMIC PROGRESS COUNCIL

(a) Application. A municipality, upon approval of its legislative body, may apply to the Vermont Economic Progress Council to use tax increment financing for a housing infrastructure project.

(b) But-for test. The Vermont Economic Progress Council shall review each application to determine whether the infrastructure improvements proposed to serve the housing development site and the proposed housing development would not have occurred as proposed in the application or would have occurred in a significantly different and less desirable manner than as proposed in the application but for the proposed utilization of the incremental tax revenues. The review shall take into account:

(1) the amount of additional time, if any, needed to complete the proposed housing development and the amount of additional cost that might be incurred if the project were to proceed without education property tax increment financing;

(2) how the proposed housing development components and size would differ, if at all, including, if applicable to the housing development, in the number of units of mixed-income housing, without education property tax increment financing; and

(3)(A) the amount of additional revenue expected to be generated as a result of the proposed housing development;

(B) the percentage of that revenue that shall be paid to the Education Fund;

(C) the percentage that shall be paid to the municipality; and

(D) the percentage of the revenue paid to the municipality that shall be used to pay financing incurred for the infrastructure improvements.

(c) Process requirements. The Vermont Economic Progress Council shall review a municipality's housing infrastructure project application to determine whether the municipality has:

(1) created a housing infrastructure project and housing development site pursuant to section 1908 of this subchapter;

(2) executed a housing infrastructure agreement for the housing infrastructure project that adheres to the standards of section 1909 of this subchapter with a developer and, if the municipality is not financing the housing infrastructure project itself, a sponsor; and

(3) approved or pledged to use incremental municipal tax revenues for the housing infrastructure project in the proportion provided for municipal tax revenues in section 1910c of this subchapter.

(d) Project criterion. The Vermont Economic Progress Council shall review a municipality's housing infrastructure project application to determine whether at least 65 percent of the floor area of the projected housing development is dedicated to housing.

(e) Mixed-income criterion. The Vermont Economic Progress Council shall review a municipality's housing infrastructure project application to determine whether the projected housing development is a mixed-income housing development for purposes of the increased education property tax increment retention percentage under section 1910c of this subchapter.

(f) Tax increment financing plan. The Vermont Economic Progress Council shall approve a municipality's tax increment financing plan prior to a sponsor's incurrence of debt for the housing infrastructure project, including, if the sponsor is a municipality, prior to a public vote to pledge the credit of the municipality under section 1910a of this subchapter. The tax increment financing plan shall include:

(1) a statement of costs and sources of revenue;

(2) estimates of assessed values within the housing development site;

(3) the portion of those assessed values to be applied to the housing infrastructure project;

(4) the resulting tax increments in each year of the financial plan and the lifetime education property tax increment retention;

(5) the amount of bonded indebtedness or other financing to be incurred;

(6) other sources of financing and anticipated revenues; and

(7) the duration of the financial plan.

(g) Approval. The Vermont Economic Progress Council shall approve or deny an application submitted pursuant to this section not later than 45 days following receipt of the completed application. The Vermont Economic Progress Council shall only approve tax increment financing for applications:

(1) that meet the but-for test, the process requirements, and the project criterion of this section;

(2) for which the Council has approved the tax increment financing plan; and

(3) that are submitted on or before December 31, 2031.

(h) Limit. The Vermont Economic Progress Council shall not annually approve more than $40,000,000.00 in aggregate lifetime education property tax increment retention. The Vermont Economic Progress Council may increase this limit by not more than $5,000,000.00 upon application by the Governor to, and approval of, the Joint Fiscal Committee. In evaluating the Governor's request, the Joint Fiscal Committee shall consider the economic and fiscal condition of the State, including recent revenue forecasts and budget projections. The Vermont Economic Progress Council shall provide the Joint Fiscal Committee with testimony, documentation, housing infrastructure project application data, and any other information the Committee requests to demonstrate that increasing the cap will create an opportunity for the creation of additional housing to meet the needs of a municipality or municipalities and the State.

§ 1910a. INDEBTEDNESS

(a) A municipality approved for tax increment financing under section 1910 of this subchapter may incur indebtedness against revenues of the housing development site at any time during a period of up to five years following the creation of the housing development site. The Vermont Economic Progress Council may extend this debt incursion period by up to three years.

(b) Notwithstanding any provision of any municipal charter, each instance of borrowing by a municipality to finance or otherwise pay for a housing infrastructure project shall occur only after the legal voters of the municipality, by a majority vote of all voters present and voting on the question at a special or annual municipal meeting duly warned for the purpose, authorize the legislative body to pledge the credit of the municipality, borrow, or otherwise secure the debt for the specific purposes so warned.

(c) Any indebtedness incurred under this section may be retired over any period authorized by the legislative body of the municipality.

(d) The housing development site shall continue until the date and hour the indebtedness is retired or, if no debt is incurred, the debt incursion period ends.

(e) A municipal legislative body shall provide information to the public prior to the public vote required under subsection (b) of this section. This information shall include the amount and types of debt and related costs to be incurred, including principal, interest, and fees; terms of the debt; the housing infrastructure project to be financed; the housing development projected to occur because of the housing infrastructure project; and notice to the voters that if the tax increment received by the municipality from any property tax

source is insufficient to pay the principal and interest on the debt in any year, the municipality shall remain liable for the full payment of the principal and interest for the term of the indebtedness. If interfund loans within the municipality are used, the information must also include documentation of the terms and conditions of the loan.

(f) If interfund loans within the municipality are used as the method of financing, no interest shall be charged.

(g) The use of a bond anticipation note shall not be considered a first incurrence of debt pursuant to subsection (a) of this section.

§ 1910b. ORIGINAL TAXABLE VALUE; TAX INCREMENT

(a) As of the date the housing development site is created, the lister or assessor for the municipality shall certify the original taxable value and shall certify to the legislative body in each year thereafter during the life of the housing development site the amount by which the total valuation as determined in accordance with 32 V.S.A. chapter 129 of all taxable real property within the housing development site has increased or decreased relative to the original taxable value.

(b) Annually throughout the life of the housing development site, the lister or assessor shall include not more than the original taxable value of the real property in the assessed valuation upon which the treasurer computes the rates of all taxes levied by the municipality and every other taxing district in which the housing development site is situated, but the treasurer shall extend all rates so determined against the entire assessed valuation of real property for that year.

(c) Annually throughout the life of the housing development site, a municipality shall remit not less than the aggregate education property tax due on the original taxable value to the Education Fund.

(d) Annually throughout the life of the housing development site, the municipality shall hold apart, rather than remit to the taxing districts, that proportion of all taxes paid that year on the real property within the housing development site that the excess valuation bears to the total assessed valuation. The amount held apart each year is the "tax increment" for that year. The tax increment shall only be used for financing and related costs.

(e) Not more than the percentages established pursuant to section 1910c of this subchapter of the municipal and State education tax increments received with respect to the housing development site and committed for the payment for financing for improvements and related costs shall be segregated by the municipality in a special tax increment financing account and in its official books and records until all capital indebtedness incurred for the housing

infrastructure project has been fully paid. The final payment shall be reported to the treasurer, who shall thereafter include the entire assessed valuation of the housing development site in the assessed valuations upon which the municipal and other tax rates are computed and extended, and thereafter no taxes from the housing development site shall be deposited in the special tax increment financing account.

(f) Notwithstanding any charter provision or other provision, all property taxes assessed within a housing development site shall be subject to the provisions of this section. Special assessments levied under chapter 76A or 87 of this title or under a municipal charter shall not be considered property taxes for the purpose of this section if the proceeds are used exclusively for operating expenses related to properties within the housing development site and not for improvements within the housing development site.

§ 1910c. USE OF TAX INCREMENT; RETENTION PERIOD

(a) Uses of tax increments. A municipality may apply tax increments retained pursuant to this subchapter to debt incurred within the period permitted under section 1910a of this subchapter, to related costs, and to the direct payment of the cost of a housing infrastructure project. A municipality may provide tax increment to a sponsor only upon receipt of an invoice for payment of the financing, and the sponsor shall confirm to the municipality once the tax increment has been applied to the financing. Any direct payment shall be subject to the same public vote provisions of section 1910a of this subchapter as apply to debt.

(b) Education property tax increment.

(1) For a housing infrastructure project that does not satisfy the mixed-income criterion of section 1910 of this subchapter, up to 60 percent of the education property tax increment may be retained for up to 20 years, beginning the first year in which debt is incurred for the housing infrastructure project.

(2) For a housing infrastructure project that satisfies the mixed-income criterion of section 1910 of this subchapter, up to 80 percent of the education property tax increment may be retained for up to 20 years, beginning the first year in which debt is incurred for the housing infrastructure project.

(3) Upon incurring the first debt, a municipality shall notify the Department of Taxes and the Vermont Economic Progress Council of the beginning of the retention period of the education property tax increment.

(c) Municipal property tax increment. Not less than 85 percent of the municipal property tax increment may be retained, beginning the first year in which debt is incurred for the housing infrastructure project.

(d) Excess tax increment.

(1) Of the municipal and education property tax increments received in any tax year that exceed the amounts committed for the payment of the financing and related costs for a housing infrastructure project, equal portions of each increment may be retained for the following purposes:

(A) to prepay principal and interest on the financing;

(B) to place in a special tax increment financing account required pursuant to subsection 1910b(e) of this subchapter and use for future financing payments; or

(C) to use for defeasance of the financing.

(2) Any remaining portion of the excess education property tax increment shall be distributed to the Education Fund. Any remaining portion of the excess municipal property tax increment shall be distributed to the city, town, or village budget in the proportion that each budget bears to the combined total of the budgets unless otherwise negotiated by the city, town, or village.

(e) Adjustment of percentage. During the fifth year following the creation of a housing development site, the municipality shall submit an updated tax increment financing plan to the Vermont Economic Progress Council that shall include adjustments and updates of appropriate data and information sufficient for the Vermont Economic Progress Council to determine, based on tax increment financing debt actually incurred and the history of increment generated during the first five years, whether the percentages approved under this section should be continued or adjusted to a lower percentage to be retained for the remaining duration of the retention period and still provide sufficient municipal and education increment to service the remaining debt.

§ 1910d. INFORMATION REPORTING

(a) A municipality with an active housing infrastructure project shall:

(1) develop a system, segregated for the housing infrastructure project, to identify, collect, and maintain all data and information necessary to fulfill the reporting requirements of this section;

(2) provide timely notification to the Department of Taxes and the Vermont Economic Progress Council of any housing infrastructure project debt, public vote, or vote by the municipal legislative body immediately following the debt incurrence or public vote on a form prescribed by the Council, including copies of public notices, agendas, minutes, vote tally, and a copy of the information provided to the public pursuant to subsection 1910a(e) of this subchapter; and

(3) annually on or before February 15, submit on a form prescribed by the Vermont Economic Progress Council an annual report to the Council and the Department of Taxes, including the information required by subdivision (2) of this subsection if not previously submitted, the information required for annual audit under section 1910e of this subchapter, and any information required by the Council or the Department of Taxes for the report required pursuant to subsection (b) of this section.

(b) Annually on or before April 1, the Vermont Economic Progress Council and the Department of Taxes shall submit a report to the Senate Committees on Economic Development, Housing and General Affairs and on Finance and the House Committees on Commerce and Economic Development, on General and Housing, and on Ways and Means on housing infrastructure projects approved pursuant to this subchapter, including for each:

(1) the date of approval;

(2) a description of the housing infrastructure project;

(3) the original taxable value of the housing development site;

(4) the scope and value of projected and actual improvements and developments in the housing development site, including the number of housing units created;

(5) the expected or actual sale and rental prices of any housing units;

(6) the number of housing units known to be occupied on a basis other than as primary residences;

(7) the number and types of housing units for which a permit is being pursued under 10 V.S.A. chapter 151 (State land use and development plans) and, for each applicable housing development, the current stage of the permitting process;

(8) projected and actual incremental revenue amounts;

(9) the allocation of incremental revenue, including the amount allocated to related costs;

(10) projected and actual financing; and

(11) an evaluation of the amount of public funds flowing to private ownership or usage.

(c) On or before January 15, 2030, the Vermont Economic Progress Council shall submit a report to the Senate Committees on Economic Development, Housing and General Affairs and on Finance and the House

Committees on Commerce and Economic Development, on General and Housing, and on Ways and Means evaluating the success of the Community and Housing Infrastructure Program in achieving its purpose, as stated in section 1907 of this chapter, including by identifying the amount and kinds of housing produced through the Program and by determining whether housing development pursued through the Program meets the project criterion of section 1910 of this chapter.

§ 1910e. AUDITING

Annually on or before April 1 until the year following the end of the period for retention of education property tax increment, a municipality with a housing infrastructure project approved under this subchapter shall ensure that the special tax increment financing account required by section 1910b of this subchapter is subject to the annual audit prescribed in section 1681 or 1690 of this title and submit a copy to the Vermont Economic Progress Council. If an account is subject only to the audit under section 1681 of this title, the Council shall ensure a process is in place to subject the account to an independent audit. Procedures for the audit must include verification of the original taxable value and annual and total municipal and education property tax increments generated, expenditures for financing and related costs, and current balance.

§ 1910f. RULEMAKING

The Vermont Economic Progress Council may adopt rules that are reasonably necessary to implement this subchapter. The Council shall specifically adopt rules to:

(1) govern the prioritization of applications submitted for approval of tax increment financing under this subchapter that take into consideration the purpose of section 1907 of this subchapter, vacancy or dilapidation, regional equity and verifiable housing shortages, and labor sheds;

(2) determine the appropriate floor area measure for purposes of the project criterion under subsection 1910(e) of this subchapter; and

(3) supplement the but-for test under subsection 1910(c) of this subchapter giving due consideration to any rulemaking undertaken to supplement the but-for test under 32 V.S.A. § 5404a(h)(1)(A).

§ 1910g. GUIDANCE

(a) The Secretary of Commerce and Community Development, after reasonable notice to a municipality and an opportunity for a hearing, may issue decisions to a municipality on questions and inquiries concerning the administration of housing infrastructure projects, statutes, rules, noncompliance with this subchapter, and any instances of noncompliance

identified in audit reports conducted pursuant to section 1910e of this subchapter.

(b) The Vermont Economic Progress Council shall prepare recommendations for the Secretary of Commerce and Community Development prior to any decision issued pursuant to subsection (a) of this section. The Council may prepare recommendations in consultation with the Commissioner of Taxes, the Attorney General, and the State Treasurer. In preparing recommendations, the Council shall provide a municipality with a reasonable opportunity to submit written information in support of its position.

(c) The Secretary of Commerce and Community Development shall review the recommendations of the Council and issue a final written decision on each matter within 60 days following receipt of the recommendations. The Secretary may permit an appeal to be taken by any party to a Superior Court for determination of questions of law in the same manner as the Supreme Court may by rule provide for appeals before final judgment from a Superior Court before issuing a final decision.

Sec. 26. 32 V.S.A. § 3325 is amended to read:

§ 3325. VERMONT ECONOMIC PROGRESS COUNCIL

(a) Creation. The Vermont Economic Progress Council is created to exercise the authority and perform the duties assigned to it, including its authority and duties relating to:

(1) the Vermont Employment Growth Incentive Program pursuant to subchapter 2 of this chapter; ~~and~~

(2) tax increment financing districts pursuant to 24 V.S.A. chapter 53, subchapter 5 and section 5404a of this title; and

(3) the Community and Housing Infrastructure Program pursuant to 24 V.S.A. chapter 53, subchapter 7.

(b) Membership.

(1) The Council shall have 11 voting members:

(A) nine residents of the State appointed by the Governor with the advice and consent of the Senate who are knowledgeable and experienced in the subjects of community development and planning, education funding requirements, economic development, State fiscal affairs, property taxation, or entrepreneurial ventures and represent diverse geographical areas of the State and municipalities of various sizes;

(B) one member of the Vermont House of Representatives appointed by the Speaker of the House; and

(C) one member of the Vermont Senate appointed by the Senate Committee on Committees.

(2)(A) The Council shall have two regional members from each region of the State, one appointed by the regional development corporation of the region and one appointed by the regional planning commission of the region.

(B) A regional member shall be a nonvoting member and shall serve during consideration by the Council of an application from ~~his or her~~ the member's region.

(3) Exclusively for purposes of reviewing and approving housing infrastructure project applications under the Community and Housing Infrastructure Program, the Council shall additionally have:

(A) two voting members as follows:

(i) the Executive Director of the Vermont Housing Finance Agency or designee; and

(ii) the Executive Director of the Vermont Housing and Conservation Board or designee; and

(B) as a nonvoting member, the Commissioner of Housing and Community Development or designee.

* * *

(g) Decisions not subject to review. A decision of the Council to approve or deny an application under subchapter 2 of this chapter, ~~or~~ to approve or deny a tax increment financing district pursuant to 24 V.S.A. chapter 53, subchapter 5 and section 5404a of this title, or to approve or deny a housing infrastructure project pursuant to 24 V.S.A. chapter 53, subchapter 7 is an administrative decision that is not subject to the contested case hearing requirements under 3 V.S.A. chapter 25 and is not subject to judicial review.

Sec. 27. 32 V.S.A. § 5404a(f) is amended to read:

(f) A municipality that establishes a tax increment financing district under 24 V.S.A. chapter 53, subchapter 5 shall collect all property taxes on properties contained within the district and apply not more than 70 percent of the State education property tax increment, and not less than 85 percent of the municipal property tax increment, to repayment of financing of the improvements and related costs for up to 20 years pursuant to 24 V.S.A. § 1894, if approved by the Vermont Economic Progress Council pursuant to this section, subject to the following:

(1) In a municipality with one or more approved districts, the Council shall not approve an additional district until the municipality retires the debt incurred for all of the districts in the municipality.

(2) The Council shall not approve more than six districts in the State, and not more than two per county, provided:

(A) The districts listed in 24 V.S.A. § 1892(d) shall not be counted against the limits imposed in this subdivision (2).

(B) The Council shall consider complete applications in the order they are submitted, except that if during any calendar month the Council receives applications for more districts than are actually available in a county, the Council shall evaluate each application and shall approve the application that, in the Council's discretion, best meets the economic development needs of the county.

(3)(A) A municipality shall immediately notify the Council if it resolves not to incur debt for an approved district within five years of approval or a five-year extension period as required in 24 V.S.A. § 1894.

(B) Upon receiving notification pursuant to subdivision (A) of this subdivision (3), the Council shall terminate the district and may approve a new district, subject to the provisions of this section and 24 V.S.A. chapter 53, subchapter 5.

(4) The Council shall only approve under this section applications for tax increment financing submitted prior to December 31, 2031.

Pending the question, Shall report of the Committee on Ways and Means be amended as offered by Rep. Kimbell of Woodstock, and others?, **Reps. Sibilia of Dover, Hango of Berkshire, Priestley of Bradford, Boyden of Cambridge, Bartley of Fairfax, Greer of Bennington, Gregoire of Fairfield, Harrison of Chittenden, Higley of Lowell, Kleppner of Burlington, Lipsky of Stowe, Morris of Springfield, O'Brien of Tunbridge, Parsons of Newbury, and Sweeney of Shelburne** moved to amend the amendment offered by Rep. Kimbell of Woodstock and others as follows:

First: In Sec. 25, 24 V.S.A. chapter 53, subchapter 7, in section 1906, by striking out subdivision (9) in its entirety and inserting in lieu thereof a new subdivision (9) to read as follows:

(9) "Improvements" means:

(A) any of the following that will serve a public good and fulfill the purpose of section 1907 of this subchapter:

(i) the installation or construction of:

(I) wastewater, storm water, water dispersal, water collection, water treatment facilities and equipment, or related wastewater, storm water, or water equipment;

(II) public roads, streets, bridges, multimodal facilities, public transit stop equipment and amenities, street and sidewalk lighting, sidewalks, streetscapes, way-finding signs and kiosks, traffic signals, medians, or turn lanes;

(III) digital or telecommunications infrastructure; or

(IV) electricity infrastructure;

(ii) site preparation for development or redevelopment, including land and property acquisition, demolition, brownfield remediation, or flood remediation and mitigation; and

(B) the funding of debt service interest payments for a period of up to four years, beginning on the date on which the debt is first incurred.

Second: In Sec. 25, 24 V.S.A. chapter 53, subchapter 7, in section 1910, by striking out subsection (d) in its entirety and inserting in lieu thereof a new subsection (d) to read as follows:

(d) Project criterion. The Vermont Economic Progress Council shall review a municipality's housing infrastructure project application to determine whether at least 51 percent of the floor area of the projected housing development is dedicated to housing.

Third: In Sec. 25, 24 V.S.A. chapter 53, subchapter 7, by striking out section 1907 in its entirety and inserting in lieu thereof a new section 1907 to read as follows:

§ 1907. PURPOSE

The purpose of the pilot Community and Housing Infrastructure Program is to encourage the development of new primary residences for households of low and moderate income across both rural and urban areas of all Vermont counties.

Fourth: In Sec. 25, 24 V.S.A. chapter 53, subchapter 7, in section 1910, in subsection (g), by striking out subdivision (1) in its entirety and inserting in lieu thereof a new subdivision (1) to read as follows:

(1) that meet the process requirements and the project criterion of this section;

Fifth: In Sec. 25, 24 V.S.A. chapter 53, subchapter 7, in section 1910, by striking out subsection (b) in its entirety and relettering the remaining subdivisions to be alphabetically correct

Sixth: In Sec. 25, 24 V.S.A. chapter 53, subchapter 7, by striking out section 1910f in its entirety and inserting in lieu thereof a new section 1910f to read as follows:

§ 1910f. RULEMAKING

The Vermont Economic Progress Council may adopt rules that are reasonably necessary to implement this subchapter. The Council shall specifically adopt rules to:

(1) govern the prioritization of applications submitted for approval of tax increment financing under this subchapter that take into consideration the purpose of section 1907 of this subchapter, vacancy or dilapidation, regional equity and verifiable housing shortages, and labor sheds; and

(2) determine the appropriate floor area measure for purposes of the project criterion under subsection 1910(e) of this subchapter.

Pending the question, Shall the amendment offered by Rep. Kimbell of Woodstock and others, be amended as offered by Rep. Sibilia of Dover and others?, **Rep. Harrison of Chittenden** demanded the Yeas and Nays, which demand was sustained by the Constitutional number. The Clerk proceeded to call the roll and the question, Shall the amendment offered by Rep. Kimbell of Woodstock and others, be amended as offered by Rep. Sibilia of Dover and others?, was decided in the negative. Yeas, 53. Nays, 86.

Those who voted in the affirmative are:

Bailey of Hyde Park
Bartley of Fairfax *
Bosch of Clarendon
Boutin of Barre City
Boyden of Cambridge
Burditt of West Rutland
Burtt of Cabot
Canfield of Fair Haven
Casey of Hubbardton
Charlton of Chester
Coffin of Cavendish
Demar of Enosburgh
Dickinson of St. Albans Town
Dolgin of St. Johnsbury
Galfetti of Barre Town
Goslant of Northfield
Gregoire of Fairfield *
Hango of Berkshire *
Harrison of Chittenden
Hooper of Randolph
Howland of Rutland Town
Kascenska of Burke
Labor of Morgan
Laroche of Franklin
Lipsky of Stowe
Luneau of St. Albans City
Maguire of Rutland City
Malay of Pittsford
McCoy of Poultney
McFaun of Barre Town
Micklus of Milton
Morgan, L. of Milton
Morgan, M. of Milton
Morrissey of Bennington
Nelson of Derby
Nielsen of Brandon
North of Ferrisburgh
O'Brien of Tunbridge
Oliver of Sheldon
Page of Newport City
Parsons of Newbury
Pinsonault of Dorset
Powers of Waterford
Priestley of Bradford *
Pritchard of Pawlet
Quimby of Lyndon
Sibilia of Dover
Southworth of Walden
Steady of Milton
Tagliavia of Corinth
Taylor of Milton
Toof of St. Albans Town
Walker of Swanton

Those who voted in the negative are:

Arsenault of Williston
Austin of Colchester
Bartholomew of Hartland
Berbeco of Winooski
Birong of Vergennes
Bishop of Colchester
Black of Essex
Bluemle of Burlington
Bos-Lun of Westminster
Brady of Williston
Branagan of Georgia
Brown of Richmond
Burke of Brattleboro
Burkhardt of South Burlington
Burrows of West Windsor
Carris-Duncan of Whitingham
Casey of Montpelier
Chapin of East Montpelier
Christie of Hartford
Cina of Burlington
Cole of Hartford
Conlon of Cornwall
Cooper of Pownal
Corcoran of Bennington
Cordes of Bristol
Critchlow of Colchester
Dodge of Essex
Dolan of Essex Junction
Duke of Burlington
Durfee of Shaftsbury
Eastes of Guilford
Emmons of Springfield
Feltus of Lyndon
Garofano of Essex
Goldman of Rockingham
Goodnow of Brattleboro
Graning of Jericho
Greer of Bennington
Harple of Glover
Harvey of Castleton
Headrick of Burlington
Holcombe of Norwich
Hooper of Burlington
Houghton of Essex Junction
Howard of Rutland City
James of Manchester
Keyser of Rutland City
Kimbell of Woodstock
Kleppner of Burlington
Kornheiser of Brattleboro
Krasnow of South Burlington
Lalley of Shelburne
LaLonde of South Burlington
LaMont of Morristown
Logan of Burlington
Long of Newfane
Marcotte of Coventry
Masland of Thetford
McGill of Bridport
Mihaly of Calais
Minier of South Burlington
Morris of Springfield
Morrow of Weston
Mrowicki of Putney
Noyes of Wolcott
Nugent of South Burlington
Ode of Burlington
Olson of Starksboro *
Pezzo of Colchester
Pouech of Hinesburg
Rachelson of Burlington
Satcowitz of Randolph
Scheu of Middlebury
Sheldon of Middlebury
Squirrell of Underhill
Stevens of Waterbury
Stone of Burlington
Surprenant of Barnard *
Sweeney of Shelburne
Tomlinson of Winooski
Torre of Moretown
Waszazak of Barre City
Waters Evans of Charlotte
Wells of Brownington
Wood of Waterbury
Yacovone of Morristown *

Those members absent with leave of the House and not voting are:

Campbell of St. Johnsbury
Dobrovich of Williamstown
Donahue of Northfield
Higley of Lowell
Hunter of Manchester
McCann of Montpelier
Nigro of Bennington
White of Waitsfield
White of Bethel
Winter of Ludlow

Rep. Bartley of Fairfax provided the following vote explanation:

"Madam Speaker:

Today I vote yes, not only as an individual but as a representative for my community. Our constituents' voices are integral to our democratic process. I will ensure they are heard and not stifled."

Rep. Gregoire of Fairfield provided the following vote explanation:

"Madam Speaker:

I vote yes on this amendment because at some point the concerns of rural Vermont have to be taken seriously and today seems like a good day to do that."

Rep. Hango of Berkshire provided the following vote explanation:

"Madam Speaker:

But…For…if infrastructure were going to be built without public dollars, it would have been built long ago, and we would not be in a housing crisis."

Rep. Olson of Starksboro provided the following vote explanation:

"Madam Speaker:

I voted no on these amendments, but I expect a Committee of Conference to come back with an improved bill that rises to the challenge of Vermont's housing crisis."

Rep. Priestley of Bradford provided the following vote explanation:

"Madam Speaker:

I vote yes because the need for housing is self-evident. The tax increment being used is public revenue to fund public infrastructure. Let's show the people of Vermont that we are listening — and that we are serious about building homes, not building hurdles."

Rep. Yacovone of Morristown provided the following vote explanation:

"Madam Speaker:

This amendment is supposed to show support for rural Vermont. I am not sure what 'but for,' utilities, or square footage have to do with rurality. Location surely does, and that has been addressed. I vote no."

Thereupon, the report of the Committee on Ways and Means was amended as offered by Rep. Kimbell of Woodstock and others, and the report of the Committee on General and Housing was amended as recommended by the Committee on Ways and Means, as amended.

Pending the question, Shall the House propose to the Senate to amend the bill as recommended by the Committee on General and Housing, as amended?, **Rep. McCoy of Poultney** demanded the Yeas and Nays, which demand was sustained by the Constitutional number. The Clerk proceeded to call the roll and the question, Shall the House propose to the Senate to amend the bill as recommended by the Committee on General and Housing, as amended?, was decided in the affirmative. Yeas, 100. Nays, 36.

Those who voted in the affirmative are:

Arsenault of Williston
Austin of Colchester
Bartholomew of Hartland
Bartley of Fairfax
Berbeco of Winooski
Birong of Vergennes
Bishop of Colchester
Black of Essex
Bluemle of Burlington
Bosch of Clarendon
Bos-Lun of Westminster
Boutin of Barre City
Boyden of Cambridge
Brady of Williston
Brown of Richmond
Burke of Brattleboro
Burkhardt of South Burlington *
Burrows of West Windsor
Burtt of Cabot
Canfield of Fair Haven
Carris-Duncan of Whitingham
Casey of Montpelier
Chapin of East Montpelier
Charlton of Chester
Christie of Hartford
Cole of Hartford
Conlon of Cornwall
Cooper of Pownal *
Corcoran of Bennington
Cordes of Bristol
Critchlow of Colchester
Demar of Enosburgh
Dodge of Essex *
Dolan of Essex Junction
Dolgin of St. Johnsbury *
Duke of Burlington
Durfee of Shaftsbury
Eastes of Guilford
Emmons of Springfield
Feltus of Lyndon
Galfetti of Barre Town
Garofano of Essex
Goldman of Rockingham
Goodnow of Brattleboro
Graning of Jericho *
Greer of Bennington
Harple of Glover
Headrick of Burlington
Holcombe of Norwich
Hooper of Burlington
Houghton of Essex Junction
Howard of Rutland City
James of Manchester
Keyser of Rutland City
Kimbell of Woodstock
Kleppner of Burlington
Kornheiser of Brattleboro
Krasnow of South Burlington *
Lalley of Shelburne
LaLonde of South Burlington
LaMont of Morristown
Logan of Burlington
Long of Newfane
Maguire of Rutland City
Marcotte of Coventry
Masland of Thetford
McFaun of Barre Town
McGill of Bridport
Micklus of Milton *
Mihaly of Calais
Minier of South Burlington
Morris of Springfield
Morrow of Weston
Mrowicki of Putney
Nelson of Derby
Noyes of Wolcott
Nugent of South Burlington
O'Brien of Tunbridge
Ode of Burlington
Olson of Starksboro *
Pezzo of Colchester
Pouech of Hinesburg
Priestley of Bradford
Quimby of Lyndon
Rachelson of Burlington
Satcowitz of Randolph
Scheu of Middlebury
Sheldon of Middlebury
Squirrell of Underhill
Stevens of Waterbury
Stone of Burlington
Surprenant of Barnard
Sweeney of Shelburne
Tomlinson of Winooski
Torre of Moretown
Waszazak of Barre City
Waters Evans of Charlotte
Wells of Brownington
Wood of Waterbury *
Yacovone of Morristown

Those who voted in the negative are:

Bailey of Hyde Park
Branagan of Georgia
Kascenska of Burke
Labor of Morgan
Page of Newport City
Pinsonault of Dorset

Burditt of West Rutland
Casey of Hubbardton
Coffin of Cavendish
Dickinson of St. Albans Town
Goslant of Northfield
Gregoire of Fairfield
Hango of Berkshire
Harrison of Chittenden
Harvey of Castleton
Howland of Rutland Town
Laroche of Franklin
Lipsky of Stowe
Luneau of St. Albans City
Malay of Pittsford
McCoy of Poultney
Morgan, L. of Milton
Morgan, M. of Milton
Morrissey of Bennington
Nielsen of Brandon
North of Ferrisburgh *
Oliver of Sheldon
Powers of Waterford
Pritchard of Pawlet
Sibilia of Dover
Southworth of Walden
Steady of Milton *
Tagliavia of Corinth
Taylor of Milton
Toof of St. Albans Town
Walker of Swanton

Those members absent with leave of the House and not voting are:

Campbell of St. Johnsbury
Cina of Burlington
Dobrovich of Williamstown
Donahue of Northfield
Higley of Lowell
Hooper of Randolph
Hunter of Manchester
McCann of Montpelier
Nigro of Bennington
Parsons of Newbury
White of Waitsfield
White of Bethel
Winter of Ludlow

Rep. Burkhardt of South Burlington provided the following vote explanation:

"Madam Speaker:

Addressing market failure is where there is a role for government subsidy. The guardrails on CHIP are meant to target precious taxpayer dollars toward the part of the market that has failed most spectacularly – houses for low-, moderate-, and middle-income Vermonters. My hope for CHIP is that the 'but for' test helps ensure that incentives are directed to smaller developers, doing smaller scale projects in parts of the State that have not attracted private capital."

Rep. Cooper of Pownal provided the following vote explanation:

"Madam Speaker:

I voted yes because the bill allows the State of Vermont to invest in its own middle class. Today, the middle class must rely more on luck than anything to find a home. If the American Dream is not accessible in Vermont, Americans will continue to pursue that dream beyond our borders. Worse still, Vermonters will be forced to do the same. I am sorry to say that they are doing so now. I do believe that we could have done more here, as do many on the third, fourth, and fifth floors. But it is my expectation that this legislation will demonstrate how much more we need, in a concrete way. This lifts us out of the hypothetical realm that has stifled us for too long."

Rep. Dodge of Essex provided the following vote explanation:

"Madam Speaker:

I enthusiastically support S.127 because it removes permitting hurdles and makes powerful investments for those seeking and for those developing our much-needed housing. But as we heard from contractors, these investments won't expand housing if we cannot expand our labor force. So, to that end, this bill protects Vermont's growing immigrant population's right to rent housing without facing discrimination. The very people who will help us build our way out of our housing crisis should have fair housing access."

Rep. Dolgin of St. Johnsbury provided the following vote explanation:

"Madam Speaker:

I voted yes because Vermont needs housing. I was pushing for a housing bill that would use the Vermont landlords as a partner in the landscape of this housing crisis. S.127 does not do that."

Rep. Graning of Jericho provided the following vote explanation:

"Madam Speaker:

We currently need many programs to build housing and the infrastructure that is required to support that housing. S.127 gives all of Vermont more resources to do both. It will take all of these tools and more to reach our goals, but this sets us on the path to build the affordable primary residences we so desperately need."

Rep. Krasnow of South Burlington provided the following vote explanation:

"Madam Speaker:

Across our State, more Vermonters are struggling to find housing. This crisis disproportionately impacts low- to- moderate income families, individuals with disabilities, seniors, and those transitioning out of homelessness. The need for action is urgent."

Rep. Micklus of Milton provided the following vote explanation:

"Madam Speaker:

This bill is still too restrictive to be of practical use solving the housing crisis. Nevertheless, I voted yes because I would rather have 50% of something than 100% of nothing."

Rep. North of Ferrisburgh provided the following vote explanation:

"Madam Speaker:

I voted no on S.127. This bill falls short of what we need to support rural housing development. I'm holding out for H.479 as passed back to us by the Senate."

Rep. Olson of Starksboro provided the following vote explanation:

"Madam Speaker:

I voted yes on this bill and amendment. I expect a Committee of Conference will come back with an improved bill that rises to the challenge of Vermont's housing crisis in all areas of the State."

Rep. Steady of Milton provided the following vote explanation:

"Madam Speaker:

While I understand the need for affordable housing, I voted 'no' due to the 'what ifs.' I was voted as a Representative to make well-informed votes and not a 'what if' bill. I believe we can do better."

Rep. Wood of Waterbury provided the following vote explanation:

"Madam Speaker:

I vote yes because I represent two of the most rural towns in Chittenden County – Bolton and Huntington. S.127 is more likely to incentivize housing development rather than penalize those parts of the State, which currently have less development activity."

Thereupon, third reading was ordered.

Senate Proposal of Amendment Concurred in

H. 482

The Senate proposed to the House to amend House bill, entitled

An act relating to Green Mountain Care Board authority to adjust a hospital's reimbursement rates and to appoint a hospital observer

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

Sec. 1. 18 V.S.A. § 9384 is added to read:

§ 9384. REDUCTION OR REALLOCATION OF REIMBURSEMENT RATES; RISKS TO HEALTH INSURER SOLVENCY

(a) As used in this section:

(1) "Hospital" has the same meaning as in section 9451 of this title.

(2) "Hospital network" means a system comprising two or more affiliated hospitals, and may include other health care professionals and facilities, that derives 50 percent or more of its operating revenue, at the consolidated network level, from Vermont hospitals and in which the affiliated hospitals deliver health care services in a coordinated manner using an integrated financial and governance structure.

(b) If the Green Mountain Care Board determines, after consultation with the Commissioner of Financial Regulation, that a domestic health insurer faces an acute and immediate threat to its solvency because its risk-based capital level has triggered a regulatory action level event pursuant to 8 V.S.A. § 8304, the Board may order a reduction of the insurer's reimbursement rates to one or more Vermont hospitals as set forth in subsection (c) of this section until such time as the amount of the insurer's risk-based capital exceeds the company action level risk-based capital threshold defined in 8 V.S.A. § 8301. Notwithstanding any provision of 3 V.S.A. chapter 25 to the contrary, the Board's activities under this section shall not be construed to be a contested case. Any person aggrieved by a final Board action, order, or determination under this section may appeal as set forth in section 9381 of this title.

(c)(1) The Board shall only order a reduction in the reimbursement rates to a hospital that meets one or both of the following criteria:

(A) the hospital has more than 135 days' cash on hand and had a positive operating margin in the previous fiscal year; or

(B) the hospital is a member of a hospital network that, at the consolidated network level, has more than 135 days' cash on hand or had a positive operating margin in the previous fiscal year, or both.

(2) The Board shall order a reduction in reimbursement rates to a hospital pursuant to this section only to the extent necessary to remediate the threat to the domestic health insurer's solvency. In determining whether and to what extent to reduce a hospital's reimbursement rates pursuant to this section, the Board shall consider the competing financial obligations of the hospital and of the domestic health insurer.

(3) The Board shall provide a hospital with the opportunity to request relief from a rate reduction ordered pursuant to this section.

(4) In no event shall a reduction ordered by the Board pursuant to this section result in a decrease to a hospital's or hospital network's projected days' cash on hand to below 125 days.

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

§ 9456. BUDGET REVIEW

* * *

(c) Individual hospital budgets established under this section shall:

* * *

(4) reflect budget performances for prior years and, if not already addressed pursuant to subsection (h) of this section, account for any significant deviation in revenue during the most recently completed fiscal year in excess of the budget established for the hospital pursuant to this section;

* * *

(f)(1) The Board may, upon application, adjust a budget established under this section upon a showing of need based upon exceptional or unforeseen circumstances in accordance with the criteria and processes established under section 9405 of this title.

(2) The Board may, on its own initiative, adjust the commercial health insurance reimbursement rates payable to a hospital at any time during the hospital's fiscal year in order to ensure that the hospital operates within the budget established under this section.

(g)(1) The Board may request, and a hospital shall provide, information determined by the Board to be necessary to determine whether the hospital is operating within a budget established under this section. For purposes of this subsection, subsection (h) of this section, and subdivision 9454(a)(7) of this title, the Board's authority shall extend to an affiliated corporation or other person in the control of or controlled by the hospital to the extent that such authority is necessary to carry out the purposes of this subsection, subsection (h) of this section, or subdivision 9454(a)(7) of this title. As used in this subsection, a rebuttable presumption of "control" is created if the entity, hospital, or other person, directly or indirectly, owns, controls, holds with the power to vote, or holds proxies representing 20 percent or more of the voting securities or membership interest or other governing interest of the hospital or other controlled entity.

(2)(A) The Board may, upon finding that a hospital has made a material misrepresentation in information or documents provided to the Board or that a hospital is materially noncompliant with the budget established by the Board pursuant to this section, appoint an independent observer with respect to any matter related to the Board's review or enforcement under this section if the Board believes that doing so is in the public interest. The independent observer shall be a person with experience and expertise relevant to the

specific circumstances. At the direction of the Board, the independent observer may monitor the hospital's operations, obtain information from the hospital, and report findings and recommendations to the Board.

(B) An independent observer appointed pursuant to this subdivision (2) shall have the right to receive copies of all materials related to the Board's review under this section and the hospital shall provide any information requested by the independent observer, including any information regarding the hospital's participation in a hospital network. The independent observer shall share information provided by the hospital with the Board and with the Office of the Health Care Advocate in accordance with subdivision (d)(3) of this section but shall not otherwise disclose any confidential or proprietary information that the independent observer obtained from the hospital.

(C) The Board may order a hospital to pay for all or a portion of the costs of an independent observer appointed for the hospital pursuant to this subdivision (2).

* * *

Sec. 3. INDEPENDENT HOSPITAL OBSERVER AUTHORITY; PROSPECTIVE REPEAL

18 V.S.A. § 9456(g)(2) (authority to appoint independent hospital observer) is repealed on January 1, 2030.

Sec. 4. EFFECTIVE DATE

This act shall take effect on passage.

Which proposal of amendment was considered and concurred in.

Committee of Conference Appointed

S. 12

Pursuant to the request of the Senate for a Committee of Conference on the disagreeing votes of the two Houses on Senate bill, entitled

An act relating to sealing criminal history records

The Speaker appointed as members of the Committee of Conference on the part of the House:

Rep. LaLonde of South Burlington
Rep. Burditt of West Rutland
Rep. Dolan of Essex Junction

Pending Entry on the Notice Calendar
Bill Referred to the Committee on Appropriations

S. 122

Senate bill, entitled

An act relating to economic and workforce development

Pending entry on the Notice Calendar, and pursuant to House Rule 35(a), carrying an appropriation, was referred to the Committee on Appropriations.

Adjournment

At four o'clock and three minutes in the afternoon, on motion of **Rep. McCoy of Poultney**, the House adjourned until Tuesday, May 27, 2025, at ten o'clock in the forenoon, pursuant to the provisions of J.R.S. 27.

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. 151

House concurrent resolution congratulating Casella Waste Systems, Inc. on the company's 50th anniversary

H.C.R. 152

House concurrent resolution honoring Silas R. Loomis for his more than half century of extraordinary municipal public service as the esteemed Castleton First Constable

H.C.R. 153

House concurrent resolution congratulating Ronald Loomis on his receipt of the 2025 Shaftsbury Ordinary Hero Award

H.C.R. 154

House concurrent resolution recognizing May 2025 as Mental Health Awareness Month in Vermont

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