

Journal of the House

Thursday, May 29, 2025

At ten o'clock in the forenoon, the Speaker called the House to order.

Devotional Exercises

A moment of silence was observed in lieu of a devotion.

Ceremonial Readings

H.C.R. 99

Offered by Representatives Graning of Jericho, Black of Essex, Squirrell of Underhill, Stevens of Waterbury, and Wood of Waterbury

Offered by Senators Chittenden, Lyons, and Ram Hinsdale

House concurrent resolution congratulating the 2025 Mount Mansfield Union High School Cougars boys' Division I championship Nordic ski team

Whereas, throughout the two days of the 2025 Nordic championships, in the Division I boys' competition, the Cougars were in command on the trails, both in the opening freestyle during the first day at the Craftsbury Outdoor Center and on the second day at the Prospect Mountain Nordic Ski Center in Woodford for the classic skiing, and

Whereas, in Craftsbury, an MMU boy placed second in the 5k race, and the team recorded the best overall score for the day, easily surpassing Champlain Valley Union High School (CVU) 34–85, and

Whereas, when the teams reassembled at Prospect Mountain, the Cougars placed third and fifth in the individual results and scored first in the relay, skiing past Mount Anthony (38:36.1–42:00.4), and MMU captured the team title, outscoring CVU (67–190), and

Whereas, the Cougars who won the Division I honors were Andres Miguez, Ben Witters, Brady Morigeau, Colin Hart, Crosby Waite, Derek Hefel, Devin Axelrod, Farmer Lindemuth, Finn Monahan, Hayden Gilbert, Henry Hoff, Isaiah Bowen, Jack Connell, Jacob Sayre, Levi McEntee, Liam Buswell, Liam Repp, Logan Axelrod, Luke Amidon, Matteo Dezon-Gaillard, Macs Wyatt, Roy Powers, Will Hess, and Zell Donovan, and

Whereas, coaches Wylie Picotte, Al Sartwell, and Eden Shullenberger were all proud of the Cougar boys, *now therefore be it*

Resolved by the Senate and House of Representatives:

That the General Assembly congratulates the 2025 Mount Mansfield Union High School Cougars boys' Division I championship Nordic ski team, *and be it further*

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

Having been adopted in concurrence on Friday, April 18, 2025 in accord with Joint Rule 16b, was read.

H.C.R. 100

Offered by Representatives Graning of Jericho, Black of Essex, Squirrell of Underhill, Stevens of Waterbury, and Wood of Waterbury

Offered by Senators Chittenden, Lyons, and Ram Hinsdale

House concurrent resolution congratulating the 2025 Mount Mansfield Union High School Cougars Division I championship girls' Nordic ski team

Whereas, the 2025 Mount Mansfield Union High School (MMU) Cougars girls' Nordic skiers' agility and athleticism represented both teamwork and individual talent that was showcased at both the Division I championship freestyle racing at the Craftsbury Outdoor Center and the classic events at Woodford's Prospect Mountain Nordic Ski Center, and

Whereas, in Craftsbury, the Cougars finished first, second, and fourth in the 5k race and departed for home with a commanding 23–62 lead over the second-place St. Johnsbury Hilltoppers, and

Whereas, at Prospect Mountain, the fastest three individual racers were Cougars, and at the competition's conclusion, MMU claimed a grand victory, outskiing the Hilltoppers 44–120 for Division I honors, and

Whereas, the talented Cougars Nordic skiers were Acadia Enman, Astrid Longstreth, Ava Smith, Aven Kelly, Avery Wood, Ella Compo, Ella McEntee, Kate Compo, Ginny Haggerty, Lena Haggerty, Mia Gorman, Mya Peters, Nia Tsvetanska, Rose Thompson, Ryley Morigeau, and Seven Bowen, and

Whereas, Cougars coaches Wylie Picotte, Al Sartwell, and Eden Shullenberger deserve credit for their leadership and inspiration, *now therefore be it*

Resolved by the Senate and House of Representatives:

That the General Assembly congratulates the 2025 Mount Mansfield Union High School Cougars Division I championship girls' Nordic ski team, *and be it further*

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

Having been adopted in concurrence on Friday, April 18, 2025 in accord with Joint Rule 16b, was read.

H.C.R. 106

Offered by Representatives Graning of Jericho, Black of Essex, Squirrell of Underhill, Stevens of Waterbury, and Wood of Waterbury

Offered by Senators Chittenden, Lyons, and Ram Hinsdale

House concurrent resolution congratulating the 2025 Mount Mansfield Union High School Cougars dance program on winning a 10th consecutive hip-hop State championship

Whereas, under Vermont Principals' Association guidelines, high school dance teams compete in three categories: jazz, hip-hop, and pom, and

Whereas, at the State championship held this year at Vergennes Union High School on February 15, 2025, each team was required to compete in two of the three categories, and each category was limited to a single round in which a team performed a routine consisting of three to 20 dancers, for a duration of two to two and a half minutes, with a recorded musical accompaniment, and a champion was designated for each of the three categories, and

Whereas, for the 10th consecutive year, the Cougars ranked supreme in the hip-hop category, and they celebrated the additional bonus of achieving first place overall in scoring, narrowly outdistancing second-place South Burlington 259–253, and

Whereas, the hip-hopping Cougars were Sophia Bellizia, Maddie Brown, Savannah Cohen, Gabby Cowan, Hazel Fashing, Haley Kaleita, Sarah Ketover, Annie Marek, Zoey Marek, Anya Muller, Liza Mundell, Munashe Pfende, Audrey Rogers, Arianna Stewart, and Zoey Van-Duyn, and

Whereas, coaches Rose Bedard, Lisa Russin, Addie Price, Ella Davis, and Edie Watson were superb guides for the dancing Cougars, *now therefore be it*

Resolved by the Senate and House of Representatives:

That the General Assembly congratulates the 2025 Mount Mansfield Union High School Cougars dance program on winning a 10th consecutive hip-hop State championship, *and be it further*

Resolved: That the Secretary of State be directed to send a copy of this resolution to Mount Mansfield Union High School.

Having been adopted in concurrence on Friday, April 18, 2025 in accord with Joint Rule 16b, was read.

H.C.R. 108

Offered by Representatives Graning of Jericho, Brown of Richmond, Squirrell of Underhill, Stevens of Waterbury, and Wood of Waterbury

Offered by Senators Chittenden, Lyons, and Ram Hinsdale

House concurrent resolution congratulating the remarkable four-time State high school individual girls' golf champion Namo Seibert

Whereas, each autumn, high school boys and girls who are golfing enthusiasts compete for individual and team State championship laurels, and

Whereas, occasionally, a student golfer may be the sole member of their gender on the varsity golf team, requiring them to compete on a solo basis, and, undoubtedly, the most notable of these individual golfers of late is Mount Mansfield Union High School (MMU) senior Namo Seibert, and

Whereas, beginning as a ninth grader, Namo Seibert has exhibited enormous confidence and skill, whether carefully putting to complete a hole or maximizing her drive for more distance on the course, and

Whereas, with the encouraging support of MMU Golf Coach Colin O'Brien, Namo Seibert has developed her own training routine to ensure she is physically and mentally prepared for the annual statewide competition, and

Whereas, her presence at the State championship has been truly remarkable, as Namo Seibert first shocked her competitors with a ninth-grade victory as the girls' individual State champion and has now reconfirmed her well-earned status as the premier high school girls' golfer in Vermont by winning this title for four consecutive years, *now therefore be it*

Resolved by the Senate and House of Representatives:

That the General Assembly congratulates the remarkable four-time State high school individual girls' golf champion Namo Seibert, *and be it further*

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

Having been adopted in concurrence on Friday, April 18, 2025 in accord with Joint Rule 16b, was read.

Second Reading; Consideration Interrupted; Proposal of Amendment Agreed to; Third Reading Ordered; Rules Suspended, All Remaining Stages of Passage; Third Reading; Bill Passed in Concurrence with Proposal of Amendment; Rules Suspended, Messaged to Senate Forthwith

S. 124

Rep. Durfee of Shaftsbury, for the Committee on Agriculture, Food Resiliency, and Forestry, to which had been referred Senate bill, entitled

An act relating to miscellaneous agricultural subjects

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:

* * * Agency of Agriculture, Food, and Markets Regulation of Agricultural Water Quality * * *

Sec. 1. 6 V.S.A. § 4810(d) is amended to read:

(d) Cooperation and coordination. The Secretary of Agriculture, Food and Markets shall coordinate with the Secretary of Natural Resources in implementing and enforcing programs, plans, and practices developed for reducing and eliminating agricultural nonpoint source pollutants and discharges from concentrated animal feeding operations. ~~On or before July 1, 2016, the farms. The Secretary of Agriculture, Food and Markets and the Secretary of Natural Resources shall revise the memorandum of understanding for cooperate with the Secretary of Natural Resources in the implementation of the federal Clean Water Act for Concentrated Animal Feeding Operations (CAFOs). The Secretary of Agriculture, Food and Markets shall implement the State's comprehensive, complimentary nonpoint source program describing. The Secretary of Agriculture, Food, and Markets and the Secretary of Natural Resources shall coordinate regarding program administration; grant negotiation; grant sharing, and how they will coordinate; implementation of the antidegradation policy including to new sources of agricultural nonpoint source pollutants, and watershed planning activities to comply with Pub. L. No. 92-500. The memorandum of understanding shall describe how the agencies will implement the antidegradation implementation policy, including how the agencies will apply the antidegradation implementation policy to new sources of agricultural nonpoint source pollutants. The Secretary of Agriculture, Food and Markets and the Secretary of Natural Resources shall also develop a memorandum of understanding according to the public notice and comment process of 10 V.S.A. § 1259(i) regarding the implementation of the federal Concentrated Animal Feeding Operation Program and the relationship between the requirements of the federal Program and the State~~

~~agricultural water quality requirements for large, medium, and small farms under this chapter. The memorandum of understanding shall describe Program administration, permit issuance, an appellate process, and enforcement authority and implementation. In accordance with 10 V.S.A. § 1259(i), the Secretary of Natural Resources, in consultation with the U.S. Environmental Protection Agency and the Secretary of Agriculture, Food and Markets, shall issue a document that sets forth the respective roles and responsibilities of the Agency of Natural Resources in implementing the federal Clean Water Act on farms and the Agency of Agriculture, Food and Markets' roles and responsibilities in implementing the State's complementary nonpoint source program on farms. The memorandum of understanding document shall be consistent with and equivalent with the federal National Pollutant Discharge Elimination System permit regulations for discharges from concentrated animal feeding operations CAFOs. The document will replace the memorandum of understanding between the agencies. The allocation of duties under this chapter between the Secretary of Agriculture, Food and Markets and the Secretary of Natural Resources shall be consistent with the Secretary's duties, established under the provisions of 10 V.S.A. § 1258(b), to comply with Pub. L. No. 92-500. The Secretary of Natural Resources shall be the State lead person in applying for federal funds under Pub. L. No. 92-500 but shall consult with the Secretary of Agriculture, Food and Markets during the process. The agricultural nonpoint source program may compete with other programs for competitive watershed projects funded from federal funds. The Secretary of Agriculture, Food and Markets shall be represented in reviewing these projects for funding. Actions by the Secretary of Agriculture, Food and Markets under this chapter concerning agricultural nonpoint source pollution shall be consistent with the water quality standards and water pollution control requirements of 10 V.S.A. chapter 47 and the federal Clean Water Act as amended. In addition, the Secretary of Agriculture, Food and Markets shall coordinate with the Secretary of Natural Resources in implementing and enforcing programs, plans, and practices developed for the proper management of composting facilities when those facilities are located on a farm. On or before January 15, 2016, the~~ The Secretary of Agriculture, Food and Markets and the Secretary of Natural Resources shall each develop three separate measures of the performance of the agencies under the memorandum of understanding required by this subsection. Beginning on January 15, 2017 federal Clean Water Act and State nonpoint source regulatory authority, and annually thereafter on or before January 15, the Secretary of Agriculture, Food and Markets and the Secretary of Natural Resources shall submit separate reports to the Senate Committee on Agriculture, the House Committee on Agriculture, Food Resiliency, and Forestry, the Senate Committee on Natural Resources and Energy, and the House Committee on Environment and Energy

regarding the success of each agency in meeting ~~the~~ its selected performance measures ~~for the memorandum of understanding.~~

Sec. 2. 6 V.S.A. § 4810a(a)(6) is amended to read:

(6)(A) Require a farm to comply with standards established by the Secretary for maintaining a vegetative buffer zone of perennial vegetation between annual croplands and the top of the bank of an adjoining water of the State. At a minimum the vegetative buffer standards established by the Secretary shall prohibit the application of manure on the farm within 25 feet of the top of the bank of an adjoining water of the State or within 10 feet of a ditch that is not a surface water under State law and that is not a water of the United States under federal law. The minimum vegetated buffer requirement required under this subdivision (A) shall not apply to a farm that is determined by the Secretary of Natural Resources to be a Concentrated Animal Feeding Operation and is required to obtain a CAFO permit as required under 10 V.S.A. § 1353. A farm determined to be a Concentrated Animal Feeding Operation that requires a CAFO permit shall instead comply with the setback and buffer requirements established in the federal CAFO regulations.

(B) Establish standards for site-specific vegetative buffers that adequately address water quality needs based on consideration of soil type, slope, crop type, proximity to water, and other relevant factors.

Sec. 3. 6 V.S.A. § 4851 is amended to read:

§ 4851. PERMIT REQUIREMENTS FOR LARGE FARM OPERATIONS

(a) No person shall, without a permit from the Secretary, construct a new barn, or expand an existing barn, designed to house more than 700 mature dairy animals, 1,000 cattle or cow/calf pairs, 1,000 veal calves, 2,500 swine weighing over 55 pounds, 10,000 swine weighing less than 55 pounds, 500 horses, 10,000 sheep or lambs, 55,000 turkeys, 30,000 laying hens or broilers with a liquid manure handling system, 82,000 laying hens without a liquid manure handling system, 125,000 chickens other than laying hens without a liquid manure handling system, 5,000 ducks with a liquid manure handling system, or 30,000 ducks without a liquid manure handling system. No permit shall be required to replace an existing barn in use for livestock or domestic fowl production at its existing capacity. The Secretary of Agriculture, Food and Markets, in consultation with the Secretary of Natural Resources, shall review any application for a permit under this section with regard to water quality impacts ~~and, prior to approval of a permit under this subsection, shall issue a written determination regarding whether the applicant has established that there will be no unpermitted discharge to waters of the State pursuant to the federal regulations for concentrated animal feeding operations.~~ If, upon

review of ~~an a~~ large farm application for a permit under this subsection, the Secretary of Agriculture, Food and Markets determines that the ~~permit applicant~~ farm may be discharging to waters of the State, the Secretary of Agriculture, Food and Markets ~~and the Secretary of Natural Resources~~ shall ~~respond to~~ promptly refer the potential discharge to the Secretary of Natural Resources for response in accordance with ~~the memorandum of understanding~~ the federal Clean Water Act regarding concentrated animal feeding operations ~~under section 4810 of this title~~. The Secretary of Natural Resources ~~may require~~ shall direct a large farm to obtain a permit under 10 V.S.A. § 1263 ~~pursuant to~~ if required by federal regulations for concentrated animal feeding operations. If the farm is not required to obtain a CAFO permit and is not in violation of federal regulations for Concentrated Animal Feeding Operations, the Secretary of Natural Resources shall promptly notify the Secretary of Agriculture, Food and Markets.

(b) A person shall apply for a permit in order to operate a farm that exceeds 700 mature dairy animals, 1,000 cattle or cow/calf pairs, 1,000 veal calves, 2,500 swine weighing over 55 pounds, 10,000 swine weighing less than 55 pounds, 500 horses, 10,000 sheep or lambs, 55,000 turkeys, 30,000 laying hens or broilers with a liquid manure handling system, 82,000 laying hens without a liquid manure handling system, 125,000 chickens other than laying hens without a liquid manure handling system, 5,000 ducks with a liquid manure handling system, or 30,000 ducks ~~if the livestock or domestic fowl are in a barn or adjacent barns owned by the same person or if the barns share a common border or have a common waste disposal system~~ without a liquid manure handling system. Two or more individual farms that are under common ownership and that adjoin each other or use a common area or system for the disposal of wastes shall be considered a single animal feeding operation or "farm" when determining whether the combined number of livestock or domestic fowl qualifies the farm as a Large Farm Operation under this section. In order to receive this permit, the person shall demonstrate to the Secretary that the farm has an adequately sized manure management system to accommodate the wastes generated and a nutrient management plan to dispose of wastes in accordance with Required Agricultural Practices adopted under this chapter and current U.S. Department of Agriculture nutrient management standards.

(c) The Secretary shall approve, condition, or disapprove the application within 45 business days ~~of~~ following the date of receipt of a complete application for a permit under this section. Failure to act within the 45 business days shall be deemed approval.

(d) A person seeking a permit under this section shall apply in writing to the Secretary. The application shall include a description of the proposed barn or expansion of livestock or domestic fowl; a proposed nutrient management plan to accommodate the number of livestock or domestic fowl the barn is designed to house or the farm is intending to expand to; and a description of the manure management system to be used to accommodate agricultural wastes.

(e) The Secretary may condition or deny a permit on the basis of odor, noise, traffic, insects, flies, or other pests.

(f) Before granting a permit under this section, the Secretary shall make an affirmative finding that the animal wastes generated by the construction or expansion will be stored so as not to generate runoff from a 25-year, 24-hour storm event and shall be disposed of in accordance with the Required Agricultural Practices adopted under this chapter and current U.S. Department of Agriculture nutrient management standards.

(g) A farm that is permitted under this section and that withdraws more than 57,600 gallons of groundwater per day averaged over any 30 consecutive-day period shall annually report estimated water use to the Secretary of Agriculture, Food and Markets. The Secretary of Agriculture, Food and Markets shall share information reported under this subsection with the Agency of Natural Resources.

(h) The Secretary may inspect a farm permitted under this section at any time, but ~~no~~ not less frequently than once per year.

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

Sec. 4. 6 V.S.A. § 4858 is amended to read:

§ 4858. MEDIUM FARM OPERATION PERMITS

(a) Authorization to operation. No person shall operate a medium farm without authorization from the Secretary pursuant to this section. Under exceptional conditions, specified in subsection (d) of this section, authorization from the Secretary may be required to operate a small farm.

(b) Rules; general and individual permits. The Secretary shall establish by rule, pursuant to 3 V.S.A. chapter 25, requirements for a general permit and individual permit to assure that medium and small farms generating animal waste comply with the water quality standards of the State.

(1) General and individual permits issued under this section shall be consistent with rules adopted under this section, shall include terms and conditions appropriate to each farm size category and each farm animal type as defined by section 4857 of this title, and shall meet standards at least as stringent as those established by federal regulations for concentrated animal feeding operations. Such standards shall address waste management, waste storage, development of nutrient management plans, carcass disposal, and surface water and groundwater contamination, plus recordkeeping, reporting, and monitoring provisions regarding such matters to ensure that the terms and conditions of the permit are being met. The groundwater contamination rules adopted by the Secretary under this section shall include a process under which the Agency shall receive, investigate, and respond to a complaint that a farm has contaminated the drinking water or groundwater of a property owner.

(2) The rules adopted under this section shall also address permit administration, public notice and hearing, permit enforcement, permit transition, revocation, and appeals consistent with provisions of sections 4859 and 4861 of this title and subchapter 10 of this chapter.

(3) Each general permit issued pursuant to this section shall have a term of ~~no~~ not more than five years. Prior to the expiration of each general permit, the Secretary shall review the terms and conditions of the general permit and may issue subsequent general permits with the same or different conditions as necessary to carry out the purposes of this subchapter. Each general permit shall include provisions that require public notice of the fact that a medium farm has sought coverage under a general permit adopted pursuant to this section. Each general permit shall provide a process by which interested persons can obtain detailed information about the nature and extent of the activity proposed to receive coverage under the general permit. The Secretary may inspect each farm seeking coverage under the general permit at any time but ~~no~~ not less frequently than once every three years.

(c)(1) Medium farm general permit.

(1) The owner or operator of a medium farm seeking coverage under a general permit adopted pursuant to this section shall certify to the Secretary within a period specified in the permit, and in a manner specified by the Secretary, that the medium farm does comply with permit requirements regarding an adequately sized and designed manure management system to accommodate the wastes generated and a nutrient management plan to dispose

of wastes in accordance with Required Agricultural Practices adopted under this chapter and current U.S. Department of Agriculture nutrient management standards. Any certification or notice of intent to comply submitted under this subdivision shall be kept on file at the Agency of Agriculture, Food and Markets. The Secretary of Agriculture, Food and Markets, in consultation with the Secretary of Natural Resources, shall review any certification or notice of intent to comply submitted under this subdivision with regard to the water quality impacts of the medium farm for which the owner or operator is seeking coverage, and, for farms that have never been permitted under the prior permit term, within 18 months ~~of~~ after receiving the certification or notice of intent to comply, the Secretary of Natural Resources shall verify whether the owner or operator of the medium farm has established that there will be no unpermitted discharge to waters of the State pursuant to the federal regulations for concentrated animal feeding operations. If upon review of a medium farm granted coverage under the general permit adopted pursuant to this subsection the Secretary of Agriculture, Food and Markets determines that the permit applicant medium farm may be discharging to waters of the State, the Secretary of Agriculture, Food and Markets and shall promptly notify the Secretary of Natural Resources shall respond to the discharge in accordance with the memorandum of understanding the federal Clean Water Act regarding concentrated animal feeding operations under section 4810 of this title. The Secretary of Natural Resources shall direct a medium farm to obtain a permit under 10 V.S.A. § 1263 if required by federal regulations for concentrated animal feeding operations. If the farm is not required to obtain a CAFO permit and is not in violation of federal regulations for concentrated animal feeding operations, the Secretary of the Agency of Natural Resources shall promptly notify the Secretary of Agriculture, Food and Markets.

(2) The owner or operator of a small farm may seek coverage under the medium farm general permit adopted pursuant to this section by certifying to the Secretary, in a manner specified by the Secretary, that the small farm complies with the requirements and conditions of the medium farm general permit.

(d) Medium and small farms; individual permit. The Secretary may require the owner or operator of a small or medium farm to obtain an individual permit to operate after review of the farm's history of compliance, application of Required Agricultural Practices, the use of an experimental or alternative technology or method to meet a State performance standard, or other factors set forth by rule. The owner or operator of a small farm may apply to the Secretary for an individual permit to operate under this section. To receive an individual permit, an applicant shall in a manner prescribed by rule demonstrate that the farm has an adequately sized and designed manure

management system to accommodate the wastes generated and a nutrient management plan to dispose of wastes in accordance with Required Agricultural Practices adopted under this chapter and current U.S. Department of Agriculture nutrient management standards, including setback requirements for waste application. An individual permit shall be valid for ~~no~~ not more than five years. Any application for an individual permit filed under this subsection shall be kept on file at the Agency of Agriculture, Food and Markets. The Secretary of Agriculture, Food and Markets, in consultation with the Agency of Natural Resources, shall review any application for a permit under this subsection and, ~~prior to issuance of an individual permit under this subsection,~~ shall issue a written determination regarding whether the permit applicant has established that there will be no unpermitted discharge to waters of the State pursuant to federal regulations for concentrated animal feeding operations. If, upon review of an application for a permit under this subsection a permit application, the Secretary of Agriculture, Food and Markets determines that the permit applicant may be discharging to waters of the State, the Secretary of Agriculture, Food and Markets and shall promptly refer the farm to the Secretary of Natural Resources shall respond to the discharge for response in accordance with the ~~memorandum of understanding regarding concentrated animal feeding operations under subsection 4810(b) of this title~~ the federal Clean Water Act. The Secretary of Natural Resources ~~may require~~ shall direct a medium or small farm to obtain a permit under 10 V.S.A. § 1263 ~~pursuant to~~ if required by federal regulations for concentrated animal feeding operations. Coverage of a medium farm under a general permit adopted pursuant to this section or an individual permit issued to a medium or small farm under this section is rendered void by the issuance of a permit to a farm under 10 V.S.A. § 1263. If the farm is not required to obtain a CAFO permit and is not in violation of federal regulations for concentrated animal feeding operations, the Secretary of the Agency of Natural Resources shall promptly refer the matter to the Secretary of Agriculture, Food and Markets.

(e) Operating fee. A person required to obtain a permit or coverage under this section shall submit an annual operating fee of \$1,500.00 to the Secretary. The fees collected under this section shall be deposited in the Agricultural Water Quality Special Fund under section 4803 of this title.

Sec. 5. 6 V.S.A. § 4816 is amended to read:

§ 4816. SEASONAL APPLICATION OF MANURE

(a) Prohibition on application. A person shall not apply manure to land in the State between December 15 and April 1 of any calendar year unless authorized by this section or as authorized under an emergency exemption

granted by the Secretary according to criteria set forth under the Required Agricultural Practices.

(b) Extension of prohibition. The Secretary of Agriculture, Food and Markets shall amend the Required Agricultural Practices by rule in order to establish a process under which the Secretary may prohibit the application of manure to land in the State between December 1 and December 15 and between April 1 and April 30 of any calendar year when the Secretary determines that due to weather conditions, soil conditions, or other limitations, application of manure to land would pose a significant potential of discharge or runoff to State waters.

(c) Seasonal exemption. The Secretary of Agriculture, Food and Markets shall amend the Required Agricultural Practices by rule in order to establish a process under which the Secretary may authorize an exemption to the prohibition on the application of manure to land in the State between December 15 and April 1 of any calendar year or during any period established under subsection (b) of this section when manure is prohibited from application. Any process established for the issuance of an exemption under the Required Agricultural Practices may authorize land application of manure on a weekly, monthly, or seasonal basis or in authorized regions, areas, or fields in the State, provided that any exemption shall:

(1) prohibit application of manure:

(A) in areas with established channels of concentrated stormwater runoff to surface waters, including ditches and ravines;

(B) in nonharvested permanent vegetative buffers;

(C) in a nonfarmed wetland, as that term is defined in 10 V.S.A. § 902(5);

(D) within 50 feet of a potable water supply, as that term is defined in 10 V.S.A. § 1972(6);

(E) to fields exceeding tolerable soil loss; and

(F) to saturated soils;

(2) establish requirements for the application of manure when frozen or snow-covered soils prevent effective incorporation at the time of application;

(3) require manure to be applied according to a nutrient management plan; and

(4) establish the maximum tons of manure that may be applied per acre during any one application.

Sec. 6. 6 V.S.A. § 4871(b) is amended to read:

(b) Required small farm certification. Beginning on July 1, 2017, a person who owns or operates a small farm, as designated by the Secretary consistent with subdivision 4810a(a)(1) of this title, shall, on a form provided by the Secretary, certify compliance with the Required Agricultural Practices. The Secretary of Agriculture, Food and Markets shall establish the requirements and manner of certification of compliance with the Required Agricultural Practices, provided that the Secretary shall require an owner or operator of a any newly eligible or identified small farm to submit ~~an annual~~ a certification of compliance with the Required Agricultural Practices and may require any small farm to regularly certify ongoing compliance with the Required Agricultural Practices.

* * * Agency of Natural Resources Regulation of Concentrated Animal Feeding Operations * * *

Sec. 7. 10 V.S.A. § 1251 is amended to read:

§ 1251. DEFINITIONS

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

* * *

(3) “Discharge” means the placing, depositing, or emission of any wastes or pollutants, directly or indirectly, into an injection well or into the waters of the State.

* * *

(11) “Secretary” means the Secretary of Natural Resources or ~~his or her~~ authorized representative.

(12) “Waste” means effluent, sewage, or any substance or material, liquid, gaseous, solid, or radioactive, including heated liquids, whether or not harmful or deleterious to waters; provided, however, the term “sewage” as used in this chapter shall not include the rinse or process water from a cheese manufacturing process.

(13) “Waters” or “waters of the State” includes all rivers, streams, creeks, brooks, reservoirs, ponds, lakes, springs, ~~and all artificial or natural bodies of surface waters; artificial or natural; and waters of the United States,~~ as that term is defined under the federal Clean Water Act, that are contained within, flow through, or border upon the State or any portion of it.

* * *

(20) "Direct discharge" means the placing, depositing, or emission of any waste or pollutant directly into waters.

(21) "Pollutant" means dredged spoil; solid waste; incinerator residue; sewage; garbage; sewage sludge; munitions; chemical wastes; biological materials; radioactive materials; heat; wrecked or discarded equipment; rock; sand; cellar dirt; and industrial, municipal, and agricultural waste discharged into water.

Sec. 8. 10 V.S.A. chapter 47, subchapter 3A is added to read:

Subchapter 3A. Concentrated Animal Feeding Operations

§ 1351. DEFINITIONS

As used in this subchapter:

(1) "Agricultural waste" means material originating or emanating from a farm or imported onto a farm that contains sediments; minerals, including heavy metals; plant nutrients; pesticides; organic wastes, including livestock waste; animal mortalities; compost; feed, litter, and crop debris; waste oils; pathogenic bacteria and viruses; thermal pollution; silage runoff; process wastewater, untreated milk house waste; and any other farm waste as the term "waste" is defined in subdivision 1251(12) of this chapter.

(2)(A) "Animal feeding operation" or "AFO" means a lot or facility, other than an aquatic animal production facility, where the following conditions are met:

(i) animals, other than aquatic animals, have been, are, or will be stabled or confined and fed or maintained for a total of 45 days or more in any 12-month period; and

(ii) crops, vegetation, or forage growth are not sustained in the normal growing season over any portion of the lot or facility.

(B) Two or more individual farms qualifying as an AFO that are under common ownership and that adjoin each other or use a common area or system for the disposal of waste shall be considered to be a single AFO if the combined number of livestock or domestic fowl on the combined farm qualifies the combined farm as a large CAFO as defined in subdivision (5) of this section or as a medium CAFO as defined in subdivision (8) of this section.

(3) "Concentrated animal feeding operation" or "CAFO" means an AFO that is defined as a large CAFO, a medium CAFO, or a small CAFO.

(4) "Land application area" means the area under the control of an AFO or CAFO owner or operator, whether it is owned, rented, or leased, to which manure, litter, or process wastewater may be applied.

(5) “Large concentrated animal feeding operation” or “Large CAFO” means an AFO that houses 700 or more mature dairy animals, 1,000 or more cattle or cow or calf pairs, 1,000 or more veal calves, 2,500 or more swine weighing over 55 pounds, 10,000 or more swine weighing 55 pounds or less, 500 or more horses, 10,000 or more sheep or lambs, 55,000 or more turkeys, 30,000 or more laying hens or broilers with a liquid manure handling system, 82,000 or more laying hens without a liquid manure handling system, 125,000 or more chickens other than laying hens without a liquid manure handling system, 5,000 or more ducks with a liquid manure handling system, or 30,000 or more ducks without a liquid manure handling system.

(6) “Large farm operation” or “LFO” has the same meaning as in 6 V.S.A. chapter 215.

(7) “Manure” means livestock waste in solid or liquid form that may also contain bedding, compost, and raw materials or other materials commingled with manure or set aside for disposal.

(8) “Medium concentrated animal feeding operation” or “Medium CAFO” means an AFO that:

(A) houses 200 to 699 mature dairy animals, 300 to 999 cattle or cow or calf pairs, 300 to 999 veal calves, 750 to 2,499 swine weighing over 55 pounds, 3,000 to 9,999 swine weighing 55 pounds or less, 150 to 499 horses, 3,000 to 9,999 sheep or lambs, 16,500 to 54,999 turkeys, 9,000 to 29,999 laying hens or broilers with a liquid manure handling system, 25,000 to 81,999 laying hens without a liquid manure handling system, 37,500 to 124,999 chickens other than laying hens without a liquid manure handling system, 1,500 to 4,999 ducks with a liquid manure handling system, or 10,000 to 29,999 ducks without a liquid manure handling system; and

(B) either of the following conditions are met:

(i) wastes are discharged into waters through a man-made ditch, flushing system, or other similar man-made device; or

(ii) wastes are discharged directly into waters that originate outside of or pass over, across, or through the facility or otherwise come into direct contact with the animals confined in the operation.

(9) “Medium farm operation” or “MFO” has the same meaning as medium farm operation in 6 V.S.A chapter 215 and rules adopted under the chapter.

(10) “Point source” means any discernible, confined, and discrete conveyance, including any pipe, ditch, channel, tunnel, conduit, well, discrete fissure, container, rolling stock, concentrated animal feeding operation, or

vessel or other floating craft from which pollutants are or may be discharged. This term does not include agricultural stormwater discharges and return flows from irrigated agriculture.

(11) “Process wastewater” means water directly or indirectly used in the operation of an AFO or CAFO for any or all of the following: spillage or overflow from animal or poultry watering systems; washing, cleaning, or flushing pens, barns, manure pits, or other AFO or CAFO facilities; direct contact swimming, washing, or spray cooling of animals; or dust control. Process wastewater also includes any water that comes into contact with any raw materials, products, or byproducts, including manure, litter, feed, milk, eggs, or bedding.

(12) “Production area” means that part of an AFO or CAFO that includes the animal confinement area, the manure storage area, the raw materials storage area, and the waste containment areas. The animal confinement area includes open lots, housed lots, feedlots, confinement houses, stall barns, free stall barns, milkrooms, milking centers, cowyards, barnyards, medication pens, walkers, animal walkways, and stables. The manure storage area includes lagoons, runoff ponds, storage sheds, stockpiles, under house or pit storages, liquid impoundments, static piles, and composting piles. The raw materials storage area includes feed silos, silage bunkers, and bedding materials. The waste containment area includes settling basins, and areas within berms and diversions that separate uncontaminated storm water. Also included in the definition of production area is any egg washing or egg processing facility and any area used in the storage, handling, treatment, or disposal of mortalities.

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

(14) “Small animal feeding operation” or “SFO” means an AFO that is not a large CAFO or a medium CAFO.

(15) “Small concentrated animal feeding operation” or “small CAFO” means a small AFO designated as a small CAFO by the Secretary upon determining that the AFO is a significant contributor of pollutants to waters of the State and is defined as a CAFO by the regulations adopted under the federal Clean Water Act.

(16) “Waters of the United States” shall have the same meaning as defined by the federal Clean Water Act.

§ 1352. POWERS OF THE SECRETARY

The Secretary has the authority to exercise all of the following:

(1) Implement the federal Clean Water Act to administer a Vermont pollutant discharge elimination system (VPDES) CAFO program that is consistent with and equivalent to the federal Clean Water Act and enabling rules.

(2) Make, adopt, revise, and amend rules as necessary to administer a VPDES CAFO program that is consistent with and equivalent to the federal Clean Water Act and enabling rules.

(3) Make, adopt, revise, and amend procedures, guidelines, inspection checklists, and other documents as necessary for the administration of the CAFO VPDES program.

(4) Designate any AFO that meets the definition of a CAFO under the federal Clean Water Act regulations as a CAFO, in the Secretary's sole discretion.

(5) Require any AFO to obtain a CAFO permit under this chapter upon a determination that the AFO is discharging to waters of the State.

(6) Designate any small AFO as a CAFO if after an on-site inspection, the Secretary determines that the small AFO is discharging into water and is a significant contributor of pollutants to waters of the State. The Secretary shall consider the following factors:

(A) the size of the AFO and the amount of wastes reaching waters;

(B) the location of the AFO relative to waters;

(C) the means of conveyance of animal wastes and process waste waters into waters;

(D) the slope, vegetation, rainfall, and other factors affecting the likelihood or frequency of discharge of animal wastes manure and process waste waters into waters; and

(E) other relevant factors.

(7) Access private or public property to inspect AFOs and CAFOs, take photos and samples, and review and copy AFO and CAFO land management records, including nutrient management plans, as may be necessary to carry out the provisions of this subchapter.

(8) Solicit and receive federal funds to implement the CAFO program.

(9) Cooperate fully with the federal government or other agencies in the operation of any joint federal-state programs concerning the regulation of agricultural pollution.

(10) Appoint assistants or contract with persons with applicable expertise, subject to applicable laws and State policies, to perform or assist in the performance of the duties and functions of the Secretary under this chapter.

§ 1353. CAFO PERMIT REQUIREMENTS AND EXEMPTIONS

(a) The discharge of manure, litter, or process wastewater to waters of the State from a permitted CAFO as a result of the application of that manure, litter, or process wastewater by the CAFO to land areas under its control is a discharge from that CAFO subject to VPDES permit requirements, except where it is an agricultural stormwater discharge as provided under the federal Clean Water Act. For purposes of this subsection, where the manure, litter, or process wastewater has been applied in accordance with the federal regulations under the Clean Water Act, a precipitation-related discharge of manure, litter, or process wastewater from land areas under the control of a CAFO is an agricultural stormwater discharge. For unpermitted Large CAFOs, a precipitation-related discharge of manure, litter, or process wastewater from land areas under the control of the CAFO shall be considered an exempt agricultural stormwater discharge only where the manure, litter, or process wastewater has been land applied in accordance with site-specific nutrient management practices that ensure appropriate agricultural utilization of the nutrients in the manure, litter, or process wastewater, as determined by the Secretary.

(b) All MFOs and LFOs shall maintain documentation of a nutrient management plan and practices on site or at a nearby office and make the documentation readily available to the Secretary upon request.

(c) The presumption in 6 V.S.A. § 4810(b) that farms in compliance with the Agency of Agriculture, Food and Markets' Required Agricultural Practices Rule are not discharging is not applicable to any AFO determined by the Secretary's decision to be a CAFO.

Sec. 9. COMMUNITY STAKEHOLDER GROUP ON AGRICULTURAL WATER QUALITY

(a) On or before December 1, 2025, the Secretary of Natural Resources, in coordination with the Secretary of Agriculture, Food and Markets, shall engage key stakeholder regarding the implementation and transition to a Concentrated Animal Feeding Operation (CAFO) program that conforms with the Clean Water Act. The process also shall include public notice and informational hearings to provide updates on the CAFO program and gather

broad public input. The stakeholder engagement process shall include opportunities for the following stakeholders to provide input: the agricultural community, including livestock farmers; farm groups; agricultural consultants; and the environmental community, including watershed groups and water quality experts. The Secretary shall solicit input from stakeholders on:

(1) the establishment of a CAFO permitting program administered by the Secretary of Natural Resources that ensures compliance with the Clean Water Act's requirement that no farm discharges in violation of the Clean Water Act's CAFO permit requirements;

(2) how to align the CAFO program most effectively with water quality programs administered by the Secretary of Agriculture, Food, and Markets;

(3) how to best create regulatory clarity for agricultural producers for the long term that is consistent with the Clean Water Act, whether within a two-agency regulatory system or through a full transfer of regulatory authority to the Agency of Natural Resources;

(4) the resources, technical assistance, and regulatory structure necessary to create a path to compliance for agricultural producers that maintain CAFOs, AFOs, and other farms; and

(5) feedback on implementing regulatory structures similar to other states, including the New York State Department of Environmental Protection CAFO Program.

(b) On or before February 15, 2026, the Secretary of Natural Resources shall file a report with the House Committees on Agriculture, Food Resiliency, and Forestry and on Environment and the Senate Committees on Agriculture and on Natural Resources and Energy. The report shall:

(1) summarize the stakeholder process, including public comments received;

(2) summarize public input received during rulemaking;

(3) assess whether the regulatory structure for administering agricultural water quality requirements in the State is sufficient to ensure that water pollution is controlled consistent with the Clean Water Act or whether sole regulation by the Agency of Natural Resources over water quality on farms, should be implemented; and

(4) recommend any statutory amendment or other changes related to implementation of the CAFO program and agricultural water quality regulation more generally.

Sec. 10. 10 V.S.A. § 1259 is amended to read:

§ 1259. PROHIBITIONS

(a) No person shall discharge any waste, substance, or material into waters of the State, nor shall any person discharge any waste, substance, or material into an injection well or discharge into a publicly owned treatment works any waste that interferes with, passes through without treatment, or is otherwise incompatible with those works or would have a substantial adverse effect on those works or on water quality, without first obtaining a permit for that discharge from the Secretary. This subsection shall not prohibit the proper application of fertilizer to fields and crops, nor reduce or affect the authority or policy declared in Joint House Resolution 7 of the 1971 Session of the General Assembly.

* * *

~~(f) The provisions of subsections (c), (d), and (e) of this section shall not regulate~~ Provided that the introduction of wastes are from sources that do not discharge pollutants from a point source into waters of the State, and comply with the federal Clean Water Act and federal CAFO regulation, the following activities shall not require a VPDES permit under section 1263 of this title:

(1) required agricultural practices, as adopted by rule by the Secretary of Agriculture, Food and Markets; or

(2) accepted silvicultural practices, as defined by the Commissioner of Forests, Parks and Recreation, including practices which that are in compliance with the Acceptable Management Practices for Maintaining Water Quality on Logging Jobs in Vermont, as adopted by the Commissioner of Forests, Parks and Recreation; ~~nor shall these provisions regulate discharges from concentrated animal feeding operations that require a permit under section 1263 of this title; nor shall those provisions prohibit stormwater runoff or the discharge of nonpolluting wastes, as defined by the Secretary.~~

* * *

(i) ~~The Secretary of Natural Resources, to the extent compatible shall regulate AFOs in accordance with federal requirements, shall delegate to and the Secretary of Agriculture, Food and Markets shall implement the State agricultural non-point nonpoint source pollution control program planning, implementation, and regulation. A memorandum of understanding shall be adopted for this purpose, which shall address implementation grants, the distribution of federal program assistance, and the development of land use performance standards. Prior to executing the memorandum, the Secretary of State shall arrange for two formal publications of information relating to the proposed memorandum. The information shall consist of a summary of the~~

~~proposal; the name, telephone number, and address of a person able to answer questions and receive comments on the proposal; and the deadline for receiving comments. Publication shall be subject to the provisions of 3 V.S.A. § 839(d), (e), and (g), relating to the publication of administrative rules. This concurrent authority ensures comprehensive water quality protection and implements equivalent State nonpoint source pollution controls on farms not covered by the Clean Water Act. The Agencies shall cooperate and share information to enable effective and consistent regulation and enforcement. Not later than September 1, 2025, the Agency of Natural Resources in consultation with the U.S. Environmental Protection Agency and the Agency of Agriculture, Food and Markets, shall issue a document that sets forth the respective roles and responsibilities of the Agency of Natural Resources in implementing the Clean Water Act on farms and responsibilities of the Agency of Agriculture, Food and Markets in implementing the State's complementary nonpoint source program on farms. The document shall replace the existing memorandum of understanding between the agencies. The Secretary shall post the draft document and information regarding the document on the Agency's website, shall issue public notice by press release and social media, shall submit the draft documents to the Senate Committees on Agriculture and on Natural Resources and Energy and the House Committees on Agriculture, Food Resiliency, and Forestry and on Environment, and shall allow for public comment. The proposed memorandum of understanding document shall be available for 30 days after the final date of publication for public review and comment prior to being executed by the Secretary of Natural Resources and the Secretary of Agriculture, Food and Markets. The Secretary of Natural Resources and in consultation with the Secretary of Agriculture, Food and Markets annually shall review the memorandum of understanding the document every five years to ensure compliance with the requirements of the Clean Water Act and the provisions of section 1258 of this title. If the memorandum document is substantially revised, it first shall be noticed in the same manner that applies to the initial memorandum. Actions by the Secretary of Agriculture, Food and Markets under this section shall be consistent with the water quality standards and water pollution control requirements of chapter 47 of this title and the federal Clean Water Act as amended.~~

* * *

Sec. 11. 10 V.S.A. § 1263 is amended to read:

§ 1263. DISCHARGE PERMITS

(a) Any person who intends to discharge waste into the waters of the State or who intends to discharge into an injection well or who intends to discharge into any publicly owned treatment works any waste that interferes with, passes

through without treatment, or is otherwise incompatible with that works or would have a substantial adverse effect on that works or on water quality, or is required to apply for a CAFO permit, shall make application to the Secretary for a discharge permit. Application shall be made on a form prescribed by the Secretary. An applicant shall pay an application fee in accordance with 3 V.S.A. § 2822.

(b) When an application is filed under this section, the Secretary shall proceed in accordance with chapter 170 of this title. The Secretary may require any applicant to submit any additional information that the Secretary considers necessary and, before issuing a permit application completeness determination. The Secretary may take appropriate steps to secure compliance, refuse to grant a permit, or permission to discharge under the terms of a general permit, until the information is furnished and evaluated.

* * *

~~(g) Notwithstanding any other provision of law, any~~ Any person who owns or operates a concentrated animal feeding operation that requires a permit under the federal National Pollutant Discharge Elimination System permit regulations shall submit an application to the Secretary for a discharge permit and pay the required fees specified in 3 V.S.A. § 2822. On or before July 1, 2007, the Secretary of Natural Resources shall adopt rules implementing the federal National Pollutant Discharge Elimination System permit regulations for discharges from concentrated animal feeding operations. Until such regulations are adopted, the substantive permitting standards and criteria used by the Secretary to evaluate applications and issue or deny discharge permits for concentrated animal feeding operations shall be those specified by federal regulations. The Secretary may issue an individual or general permit for these types of discharges in accordance with the procedural requirements of subsection (b) of this section and other State law. For the purposes of this subsection, "concentrated animal feeding operation" means a farm that meets the definition contained in the federal regulations Not later than December 15, 2025, the Secretary shall amend and issue the CAFO General Permit and Notice of Intent. Not later than July 1, 2026, the Secretary shall issue a CAFO application and an individual CAFO permit. The Secretary may request any additional information from a farm as necessary to process a permit and administer the CAFO program. The Secretary may direct a farm to apply for an individual or general permit in accordance with the procedural requirements of subsection (b) of this section.

(h) A large CAFO shall not be required to have a CAFO permit unless one of the following conditions are met:

(1) wastes are discharged into waters via a point source;

(2) wastes are discharged directly into waters that originate outside or pass over, across, or through the facility or otherwise come into direct contact with the animals confined in the operation; or

(3) a precipitation-related discharge of manure, litter, or process wastewater from land areas under the control of a LFO has occurred that was not in accordance with site-specific nutrient management practices that ensure appropriate agricultural utilization of the nutrients in the manure, litter, or process wastewater, as determined by the Secretary.

(i) The Secretary shall require nutrient management plans for all CAFOs and shall include the plans in the permits for public comment in accordance with the process set forth in chapter 170 of this title. The Secretary may amend a permit in accordance with chapter 170 of this title or revoke a permit in accordance with 3 V.S.A. § 814.

(j) Once a CAFO is covered under a CAFO permit, the farm shall be covered for the five year duration of the permit. A farm covered by a CAFO permit shall renew the permit in accordance with its terms, unless the farm wants to opt out and can demonstrate it is not discharging and shall accordingly comply with the federal CWA and the Vermont CAFO rules.

Sec. 12. 10 V.S.A. § 1264(d) is amended to read:

(d) Exemptions.

(1) No permit is required under this section for:

(A) Stormwater runoff from farms in compliance with agricultural practices adopted by the Secretary of Agriculture, Food and Markets, ~~provided that this~~ and not subject to the federal Clean Water Act and its enabling regulations as determined by the Secretary of Natural Resources. This exemption shall not apply to construction stormwater permits required by subdivision (c)(4) of this section.

(B) Stormwater runoff from concentrated animal feeding operations permitted under subsection 1263(g) of this chapter.

(C) Stormwater runoff from accepted silvicultural practices, as defined by the Commissioner of Forests, Parks and Recreation, including practices that are in compliance with the federal Clean Water Act as determined by the Secretary of Natural Resources and the Acceptable Management Practices for Maintaining Water Quality on Logging Jobs in Vermont, as adopted by the Commissioner of Forests, Parks and Recreation.

(D) Stormwater runoff permitted under section 1263 of this title.

(2) No permit is required under subdivision (c)(1), (5), or (7) of this section and for which a municipality has assumed full legal responsibility as part of a permit issued to the municipality by the Secretary. As used in this subdivision, “full legal responsibility” means legal control of the stormwater system, including a legal right to access the stormwater system, a legal duty to properly maintain the stormwater system, and a legal duty to repair and replace the stormwater system when it no longer adequately protects waters of the State.

* * * Effective Date * * *

Sec. 13. EFFECTIVE DATE

This act shall take effect on July 1, 2025.

Consideration Interrupted

At ten o'clock and forty-four minutes in the forenoon, the House's consideration of the bill was interrupted to evacuate the building for a fire alarm.

At eleven o'clock and sixteen minutes in the forenoon, the House resumed consideration of the bill.

Rep. Logan of Burlington, for the Committee on Environment, recommended that the report of the Committee on Agriculture, Food Resiliency, and Forestry be amended as follows:

First: In Sec. 3, 6 V.S.A. § 4851, in subsection (a), in the second to last sentence, after “federal regulations for concentrated animal feeding operations” and before the period, by inserting “or by the VPDES CAFO Rules”

Second: In Sec. 4, 6 V.S.A. § 4858, in subdivision (c)(1), in the second to last sentence, after “federal regulations for concentrated animal feeding operations” and before the period, by inserting “or by the VPDES CAFO Rules”

and in subsection (d), in the third to last sentence, after “if required by federal regulations for concentrated animal feeding operations” and before the period, by inserting “or by the VPDES CAFO Rules”

Third: In Sec. 8, 10 V.S.A. chapter 47, subchapter 3A, in section 1351, by striking out the lead in to subdivision (8) in its entirety and inserting in lieu thereof a new lead in to subdivision (8) to read as follows:

(8) “Medium concentrated animal feeding operation” or “medium CAFO” means an AFO that is defined as an AFO by the VPDES CAFO Rules adopted by the Secretary, including an AFO that:

and in section 1352, by striking out subdivisions (1)–(4) in their entirety and inserting in lieu thereof new subdivisions (1)–(4) to read as follows:

(1) Implement the federal Clean Water Act to administer a Vermont pollutant discharge elimination system (VPDES) CAFO program that is at least as stringent as the federal Clean Water Act and enabling rules.

(2) Make, adopt, revise, and amend rules as necessary to administer a VPDES CAFO program that is at least as stringent as the federal Clean Water Act and enabling rules.

(3) Make, adopt, revise, and amend procedures, guidelines, inspection checklists, and other documents as necessary for the administration of the VPDES CAFO program.

(4) Designate any AFO that meets the definition of a CAFO under the federal Clean Water Act regulations or under the VPDES CAFO Rule as a CAFO, in the Secretary’s sole discretion.

Fourth: In Sec. 9, community stakeholder group on agricultural water quality, by adding a subsection (c) to read as follows:

(c) The Secretary of Natural Resources shall, as part of the report required under this section, propose a plan for inspection of animal feeding operations (AFOs) potentially subject to the requirements for a CAFO permit under 10 V.S.A. chapter 47, subchapter 3A. The plan shall include:

(1) a proposal of which AFOs should be subject to inspection, including whether all large farm operations and medium farm operations must be inspected to determine if a CAFO permit is required;

(2) a proposed schedule of inspection of those AFOs subject to inspection, including the frequency of inspection or events or thresholds that would require inspection; and

(3) an estimate of the staffing or other resources that would be required to implement the proposed inspection plan.

Fifth: In Sec. 10, 10 V.S.A. § 1259, in subsection (i), in the first sentence, after “~~shall delegate to and~~” and before “the Secretary of Agriculture, Food and Markets”, by inserting “the VPDES CAFO Rules, and”

Sixth: In Sec. 11, 10 V.S.A. § 1263, in subsection (g), in the first sentence, after “National Pollutant Discharge Elimination System permit regulations”

and before “shall submit an application”, by inserting “or the VPDES CAFO Rules”

Seventh: In Sec. 12, 10 V.S.A. § 1264(d), in subdivision (1)(A), by striking out the first sentence in its entirety and inserting in lieu thereof a new first sentence to read as follows:

Stormwater runoff from farms in compliance with agricultural practices adopted by the Secretary of Agriculture, Food and Markets, ~~provided that this~~ and not subject to the federal Clean Water Act, its enabling regulations, or the VPDES CAFO Rules as determined by the Secretary of Natural Resources.

Eighth: By striking out Sec. 13, effective date, and its reader assistance heading in their entirety and inserting in lieu thereof two new sections to be Secs. 13 and 14 and their and their related reader assistance headings to read:

* * * Reference to Federal Clean Water Act * * *

Sec. 13. REFERENCE TO FEDERAL CLEAN WATER ACT

(a) Notwithstanding statements to the contrary in 6 V.S.A. chapter 215 or 10 V.S.A. chapter 47, when the following are referenced in 6 V.S.A. chapter 215 or in 10 V.S.A. chapter 47, the text of each shall be applied and interpreted as each public law, statute, or regulation existed on January 1, 2025, regardless of any subsequent amendment, repeal, or other substantive change:

(1) Pub. L. No. 92-500;

(2) the federal Clean Water Act;

(3) federal laws or regulations related to the federal Clean Water Act;

(4) the enabling regulations of the federal Clean Water Act, including citations to the Code of Federal Regulations for regulations adopted under the federal Clean Water Act;

(5) the federal regulations for concentrated animal feeding operations (CAFO) or the federal CAFO regulations; and

(6) the federal national pollutant discharge elimination system (NPDES) regulations or federal NPDES regulations.

(b) Subsection (a) of this section shall be repealed on April 1, 2029.

* * * Effective Date * * *

Sec. 14. EFFECTIVE DATE

This act shall take effect on July 1, 2025.

Rep. Masland of Thetford, for the Committee on Ways and Means, recommended that the bill pass in concurrence with the proposal of amendment recommended by the Committee on Agriculture, Food Resiliency, and Forestry when further amended as recommended by the Committee on Environment.

The bill, having appeared on the Notice Calendar was taken up, read the second time, and the report of the Committee on Agriculture, Food Resiliency, and Forestry was amended as recommended by the Committee on Environment. Thereupon, the report of the Committee on Agriculture, Food Resiliency, and Forestry, as amended, was agreed to and third reading was ordered.

On motion of **Rep. McCoy of Poultney**, the rules were suspended and the bill placed in all remaining stages of passage. Thereupon, the bill was read the third time and passed in concurrence with proposal of amendment.

On motion of **Rep. McCoy of Poultney**, the rules were suspended and House action on the bill was ordered messaged to the Senate forthwith.

House Resolution Adopted

H.R. 9

House resolution urging that all State agencies, departments, and offices protect the civil rights, medical confidentiality, and all aspects of personal privacy of Vermonters who have been diagnosed with autism in light of the Secretary of the U.S. Health and Human Services' recently announced plans to establish an autism research database and other databases related to autism

Was taken up and adopted.

Recess

At eleven o'clock and twenty-eight minutes in the forenoon, the Speaker declared a recess until the fall of the gavel.

Message from the Senate No. 72

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 proposals of amendment to Senate bills of the following titles:

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

S. 109. An act relating to miscellaneous judiciary procedures.

And has concurred therein with amendments in the passage of which the concurrence of the House is requested.

The Senate has considered the report of the Committee of Conference upon the disagreeing votes of the two Houses upon House bill of the following title:

H. 91. An act relating to the Vermont Homeless Emergency Assistance and Responsive Transition to Housing Program.

And has accepted and adopted the same on its part.

The Governor has informed the Senate that on the 28th day of May, he approved and signed bills originating in the Senate of the following titles:

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

S. 97. An act relating to creating municipal and regional civilian oversight of law enforcement.

S. 117. An act relating to wage and hour, unemployment compensation, and workers' compensation.

Called to Order

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

Senate Proposal of Amendment Concurred in with Further Proposal of Amendment Thereto; Rules Suspended, Messaged to the Senate Forthwith

H. 472

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

An act relating to professions and occupations regulated by the Office of Professional Regulation

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:

* * * OPR Fees and Fund Management * * *

Sec. 1. 3 V.S.A. § 118 is amended to read:

§ 118. COLLECTION AND DISPOSITION OF REVENUE

(a) There is hereby created a Secretary of State Services Fund. The Fund shall be used to provide appropriations for the operations of the Office of the Secretary of State, with the exception of those operations provided for in

chapter 5, subchapter 3 of this title. The Fund shall be administered as a special fund pursuant to 32 V.S.A. chapter 7, subchapter 5. At the end of each fiscal year, the unobligated balance in this Fund shall be transferred to the General Fund.

(b) All revenues collected by the Secretary of State shall be deposited into the Secretary of State Services Fund except for the following revenues:

(1) any revenues collected by the Office of Professional Regulation set forth in chapter 5, subchapter 3 of this title; and

(2) any revenues collected pursuant to subsection 117(k) of this title.

(c) The Secretary of State shall have the authority to collect and deposit into the Secretary of State Services Fund revenues generated from optional services offered in the normal course of business, including for one-time or periodic sales of data by subscription or other contractual basis.

Sec. 2. 3 V.S.A. § 125 is amended to read:

§ 125. FEES

(a) In addition to the fees otherwise authorized by law, a board or advisor profession may charge the following fees:

(1) Verification of license, ~~\$20.00~~ \$30.00.

* * *

(b) Unless otherwise provided by law, the following fees shall apply to all professions regulated by the Director in consultation with advisor appointees under Title 26:

* * *

(4) Biennial renewal, \$275.00, except biennial renewal for:

* * *

(W) Electrology shop, \$200.00.

* * *

(9) Apprenticeship application, \$50.00.

(10) Specialty or endorsement to existing license application, \$100.00.

(11) Disciplinary action surcharge, \$250.00.

~~(c) Notwithstanding any provisions of law to the contrary, a board shall not require payment of renewal fees for years during which a license was lapsed. [Repealed.]~~

* * *

* * * 2027 Fee Increase; Peer Support Providers * * *

Sec. 3. 3 V.S.A. § 125 is amended to read:

§ 125. FEES

* * *

(b) Unless otherwise provided by law, the following fees shall apply to all professions regulated by the Director in consultation with advisor appointees under Title 26:

* * *

(4) Biennial renewal, \$275.00, except biennial renewal for:

* * *

(V) Peer support providers or peer recovery support specialists, \$50.00 \$75.00.

* * *

* * * OPR Duties and Disciplinary Authority * * *

Sec. 4. 3 V.S.A. § 123 is amended to read:

§ 123. DUTIES OF OFFICE

* * *

(k) For any profession attached to it, the Office shall provide a pre-application determination of an individual's criminal background. This determination shall not be binding on the Office in a future application if the individual violates probation or parole or is convicted of another crime following the determination.

* * *

(2) The individual shall submit this request online, accompanied by the fee for preapplication determinations set forth in section 125 of this subchapter. ~~If the individual thereafter applies for licensure, this preapplication fee shall be deducted from that license application fee.~~

* * *

(m) The provisions of subsection 116a(b) of this title shall not apply to the Office. The Office shall utilize the procedures within 26 V.S.A. chapter 57 to review whether regulation of a profession is still necessary.

Sec. 5. 3 V.S.A. § 127 is amended to read:

§ 127. UNAUTHORIZED PRACTICE

* * *

(b)(1) A person practicing a regulated profession without authority or an employer permitting such practice may, upon the complaint of the Attorney General or a State's Attorney or an attorney assigned by the Office of Professional Regulation, be enjoined therefrom by the Superior Court where the violation occurred or the Washington County Superior Court and may be assessed a civil penalty of not more than \$5,000.00.

(2)(A) The Attorney General or an attorney assigned by the Office of Professional Regulation may elect to bring an action seeking only a civil penalty of not more than ~~\$2,500.00~~ \$5,000.00 for practicing or permitting the practice of a regulated profession without authority before the board having regulatory authority over the profession or before an administrative law officer.

* * *

Sec. 6. 3 V.S.A. § 129 is amended to read:

§ 129. POWERS OF BOARDS OR OF DIRECTOR IN ADVISOR
PROFESSIONS; DISCIPLINE PROCESS

(a) In addition to any other provisions of law, a board or the Director, in the case of professions that have advisor appointees, may exercise the following powers:

* * *

(3) Issue warnings or reprimands, suspend, revoke, limit, condition, deny, or prevent renewal of licenses, after disciplinary hearings or, in cases requiring emergency action, immediately suspend, as provided by section 814 of this title. In a case involving noncompliance with a statute or rule relating to administrative duties not related to patient, client, or customer care, a board or hearing officer may determine that ordering a monetary civil penalty does not constitute a finding of unprofessional conduct. After a finding of unprofessional conduct, a respondent shall pay a disciplinary action surcharge pursuant to subdivision 125(b)(12) of this title. The proceeds from the disciplinary action surcharge shall be deposited into the Professional Regulatory Fee Fund.

* * *

* * * Cosmetology Certificate of Approval * * *

Sec. 7. 26 V.S.A. § 281 is amended to read:

§ 281. POSTSECONDARY SCHOOL OF BARBERING AND
COSMETOLOGY; CERTIFICATE OF APPROVAL

(a) A school of barbering or cosmetology shall not be granted a certificate of approval unless the school:

* * *

(4) Requires a school term of training consistent with formal training requirements established by rule, which shall include practical demonstrations and theoretical studies in sanitation, sterilization, the use of antiseptics, and the use of appliances, devices, treatments, and preparations relevant to the field of licensure, and training on the care, styling, and treatment of textured hair. For purposes of this subdivision, "textured hair" means hair that is coiled, curly, or wavy. The training on the care, styling, and treatment of textured hair shall include:

(A) techniques for cutting, styling, and chemical treatments for textured hair;

(B) knowledge of products and tools specifically designed for textured hair;

(C) best practices for hair health and scalp care for clients with textured hair; and

(D) cultural competency and historical education on the significance of textured hair in diverse communities.

* * *

* * * Nursing Assistants; License Renewal * * *

Sec. 8. 26 V.S.A. 1645 is amended to read:

§ 1645. RENEWAL

(a) To renew a license, a nursing assistant shall meet ongoing practice requirements set by the Board by rule.

(b) The Board shall credit as ongoing practice those activities, regardless of title or obligation to hold a license, that reasonably tend to reinforce the training and skills of a licensee.

(c)(1) A licensee seeking to renew an expired or lapsed license after fewer than five years of absence from practice shall repeat and pass the competency examinations approved by the Department of Disabilities, Aging, and Independent Living before licensure renewal.

(2) A licensee who does not pass the competency examinations shall repeat a nursing assistant education program and competency examination.

* * * Repeals; Funeral Service Escrow Agents; Motor Vehicle Racing * * *

Sec. 9. 3 V.S.A. § 122 is amended to read:

§ 122. OFFICE OF PROFESSIONAL REGULATION

The Office of Professional Regulation is created within the Office of the Secretary of State. The Office shall have a director who shall be qualified by education and professional experience to perform the duties of the position. The Director of the Office of Professional Regulation shall be a classified position with the Office of the Secretary of State. The following boards or professions are attached to the Office of Professional Regulation:

* * *

(21) ~~Motor Vehicle Racing~~ [Repealed.]

* * *

Sec. 10. 26 V.S.A. § 1272 is amended to read:

§ 1272. RULES; PREPAID FUNERAL FUNDS

The Director shall adopt rules to carry out the provisions of this subchapter to ensure the proper handling of all funds paid pursuant to a prepaid funeral agreement and to protect consumers in the event of default. The rules shall include provisions relating to the following:

* * *

(2) ~~The appointment of an escrow agent who may be a bank or other category of individual such as an attorney, a local elected official, next of kin, or the executor of a buyer's estate. All prepaid arrangement funds shall be paid directly to the escrow agent and not to the funeral director or establishment.~~ [Repealed.]

* * *

Sec. 11. REPEALS

(a) 26 V.S.A. § 1275 (prepaid funeral expenses; duties of escrow agents) is repealed.

(b) 26 V.S.A. chapter 93 (motor vehicle racing) is repealed.

* * * Position; Executive Officer for the Regulation of Mental Health Professions * * *

Sec. 12. OFFICE OF PROFESSIONAL REGULATION; POSITION;
APPROPRIATION

(a) The position of one new, permanent, full-time, exempt Executive Officer for the Regulation of Mental Health Professions is created in the Office of Professional Regulation.

(b) The sum of \$170,000.00 is appropriated to the Office of Professional Regulation from the General Fund in fiscal year 2026 for the creation of the position of Executive Officer for the Regulation of Mental Health Professions in the Office of Professional Regulation.

* * * Report; Massage Therapy Establishments * * *

Sec. 13. OFFICE OF PROFESSIONAL REGULATION; REPORT;
MASSAGE THERAPY ESTABLISHMENTS

On or before November 15, 2025, the Office of Professional Regulation, in consultation with interested stakeholders, including representatives from the Vermont Chapter of the American Association of Massage Therapists, the Vermont Network Against Domestic and Sexual Violence, the Department of State's Attorneys and Sheriffs, and other Vermont law enforcement agencies, shall submit to the House Committee on Government Operations and Military Affairs and the Senate Committee on Government Operations proposed legislation for the regulation, which may include licensure, of massage therapy establishments, as defined in 26 V.S.A. § 5401(2)(A).

* * * Licensure of Early Childhood Educators Serving in Programs Regulated by the Child Development Division * * *

Sec. 14. 3 V.S.A. § 122 is amended to read:

§ 122. OFFICE OF PROFESSIONAL REGULATION

The Office of Professional Regulation is created within the Office of the Secretary of State. The Office shall have a director who shall be qualified by education and professional experience to perform the duties of the position. The Director of the Office of Professional Regulation shall be a classified position with the Office of the Secretary of State. The following boards or professions are attached to the Office of Professional Regulation:

(1) Board of Architects

* * *

(53) Peer Recovery Support Specialists

(54) Early Childhood Educators

Sec. 15. 26 V.S.A. chapter 111 is added to read:

CHAPTER 111. EARLY CHILDHOOD EDUCATORS EMPLOYED IN
PROGRAMS REGULATED BY THE CHILD DEVELOPMENT DIVISION

§ 6211. CREATION OF BOARD

(a) The Vermont Board of Early Childhood Educators is created.

(b) The Board shall consist of nine members appointed for five-year terms by the Governor pursuant to 3 V.S.A. §§ 129b and 2004 as follows: two public members; two each of individuals licensed as an Early Childhood Educator I, an Early Childhood Educator II, and an Early Childhood Educator III; and one Family Child Care Provider. All members shall be Vermont residents. The members who are early childhood educators shall have been in active practice in Vermont for not less than the preceding three years and shall be in active practice during their incumbency. The public member shall be a person who has no financial interest personally or through a spouse, parent, child, or sibling in the activities regulated under this chapter, other than as a consumer or a possible consumer of its services. Appointments shall be made without regard to political affiliation and on the basis of integrity and demonstrated ability.

(c) Vacancies shall be filled in the same manner as initial appointments.

(d) Board members shall not serve more than two consecutive terms.

§ 6212. BOARD PROCEDURES

(a) Annually, the Board shall meet to elect a chair, vice chair, and a secretary.

(b) Meetings shall be warned and conducted in accordance with 1 V.S.A. chapter 5.

(c) A majority of the members of the Board shall constitute a quorum.

(d) All business may be transacted by a majority vote of the members present and voting, unless otherwise provided by statute.

§ 6213. POWERS AND DUTIES OF THE BOARD

(a) The Board shall:

(1) adopt rules, pursuant to 3 V.S.A. chapter 25, that are necessary for the performance of its duties in accordance with this chapter, including activities that must be completed by an applicant in order to fulfill the educational and experiential requirements established by this chapter;

(2) provide general information to applicants for licensure as early childhood educators;

(3) explain appeal procedures to licensees and applicants and complaint procedures to the public; and

(4) use the administrative and legal services provided by the Office of Professional Regulation under 3 V.S.A. chapter 5.

(b) The Board may conduct hearings as provided in 3 V.S.A. chapter 5.

Sec. 16. 26 V.S.A. chapter 111 is amended to read:

CHAPTER 111. EARLY CHILDHOOD EDUCATORS EMPLOYED IN
PROGRAMS REGULATED BY THE CHILD DEVELOPMENT DIVISION

Subchapter 1. General Provisions

§ 6201. DEFINITIONS

As used in this chapter:

(1) “Board” means the Vermont Board of Early Childhood Educators.

(2) “Early childhood educator” means an individual licensed under this chapter to provide early childhood education pursuant to section 6202 of this chapter in a program regulated by the Child Development Division.

(3) “Family child care provider” means an individual approved to operate a family child care home regulated by the Child Development Division at the time of application and who is responsible for providing developmentally appropriate care, education, protection, and supervision for children from birth through eight years of age at the family child care home.

(4) “Guidance” means direct or indirect consultative support in which an Early Childhood Educator III provides feedback to an Early Childhood Educator II.

(5) “Supervision” means on-site, direct oversight in which an Early Childhood Educator II or III observes the practice of an Early Childhood Educator I and provides feedback, support, and direction to an Early Childhood Educator I.

§ 6202. SCOPE OF PRACTICE

(a)(1) An early childhood educator licensed pursuant to this chapter shall provide care and educational instruction to children from birth through eight years of age in a variety of programs regulated by the Child Development Division, including:

(A) planning and implementing intentional, developmentally appropriate learning experiences that promote the social-emotional, physical, language, and cognitive development and health of each child served;

(B) establishing and maintaining a safe, caring, inclusive, and healthy learning environment;

(C) observing, documenting, and assessing children's learning and development;

(D) developing reciprocal, culturally responsive relationships with families and communities; and

(E) engaging in reflective practice and continuous learning.

(2) An early childhood educator licensed pursuant to this chapter does not include exempt teachers licensed under 16 V.S.A. chapter 51 by the Agency of Education with an early childhood endorsement, early childhood special education endorsement, or elementary education endorsement as provided in section 6204 of this chapter.

(b) An early childhood educator licensed pursuant to this chapter shall have the following responsibilities as determined by license type:

(1) Early Childhood Educator I shall be authorized to be on an early childhood education team in a family child care home as defined in 33 V.S.A. § 3511 or a center-based child care and preschool program as defined by the Department for Children and Families in rule for children from birth through eight years of age. Early Childhood Educator I shall serve under the supervision of an Early Childhood Educator II or III or a teacher who is exempt from this chapter and licensed under 16 V.S.A. chapter 51 by the Agency of Education with an early childhood education endorsement or early childhood special education endorsement.

(2) Early Childhood Educator II, in addition to the responsibilities and authorities of an Early Childhood Educator I, shall be authorized to be in a lead educator role in a family child care home as defined in 33 V.S.A. § 3511 or a center-based child care and preschool program as defined by the Department for Children and Families in rule for children from birth through eight years of age, providing supervision to individuals licensed as an Early Childhood Educator I and receiving guidance from individuals licensed as an Early Childhood Educator III.

(3) Early Childhood Educator III, in addition to the responsibilities and authorities of an Early Childhood Educator I and II, shall be authorized to be a lead educator role in a family child care home as defined in 33 V.S.A. § 3511 or a center-based child care and preschool program as defined by the

Department for Children and Families in rule for children from birth through eight years of age, providing supervision to individuals licensed as an Early Childhood Educator I and guidance to individuals licensed as an Early Childhood Educator II.

(4) A Family Child Care Provider shall be authorized to be a lead educator role in a family child care home as defined in 33 V.S.A. § 3511 for children from birth through eight years of age.

(c) An early childhood educator licensed pursuant to this chapter may serve in a supporting role only, and not as a lead educator, in the provision of prekindergarten services provided in accordance with 16 V.S.A. § 829.

§ 6203. PROHIBITIONS

(a) An individual shall not hold themselves out as an early childhood educator in this State unless the individual is licensed under this chapter or exempt from this chapter pursuant to section 6204 of this chapter.

(b) An individual shall not use in connection with the individual's name any letters, words, or insignia indicating that the individual is an early childhood educator unless the individual is licensed under this chapter or exempt from this chapter pursuant to section 6204 of this chapter.

§ 6204. EXEMPTIONS

(a) The provisions of this chapter shall not apply to the following persons acting within the scope of their respective professional practices:

(1) a teacher actively licensed under 16 V.S.A. chapter 51 by the Agency of Education with an early childhood education endorsement, an early childhood special education endorsement, or an elementary education endorsement;

(2) an individual who provides care in an afterschool child care program that is regulated by the Child Development Division or any other child care program that is exempt from regulation by the Child Development Division; and

(3) an individual who provides consultation services in this State, performs research, or participates in or instructs regular or continuing education courses, provided the individual does not otherwise practice in this State.

(b) This chapter shall not be construed to limit or restrict in any manner the right of a practitioner of another profession or occupation from carrying on in the usual manner any of the functions incidental to that profession or occupation.

Subchapter 2. Board of Early Childhood Educators§ 6211. CREATION OF BOARD

* * *

Subchapter 3. Licensure Requirements§ 6221. QUALIFICATIONS

(a) To qualify for licensure as an early childhood educator in a program regulated by the Child Development Division, an applicant shall have attained the age of majority and shall have a high school diploma or successful completion of a General Education Development (GED) test or an equivalent credential. An applicant shall have additional education and experience in accordance with this subsection for each of the following license types:

(1) Early Childhood Educator I shall have completed an approved certificate or credential program in early childhood education requiring a minimum of 120 hours and field experience.

(2) Early Childhood Educator II shall have completed an approved associate's degree program in:

(A) early childhood education or a related field:

(i) requiring a minimum of 60 college credits and field experience; and

(ii) offering college credit based upon an assessment of the individual's competencies acquired through experience working in the profession; or

(B) any unrelated field and a minimum of 21 approved college credits in the core early childhood education competency areas identified in rule in addition to field experience.

(3) Early Childhood Educator III shall have completed an approved bachelor's degree program in:

(A) early childhood education or a related field requiring a minimum of 120 college credits and field experience; or

(B) any unrelated field and a minimum of 21 approved college credits in the core early childhood education competency areas identified in rule in addition to field experience.

(4) A Family Child Care Provider shall currently operate a family child care home as defined in 33 V.S.A. § 3511 that is regulated and in good standing with the Child Development Division as of January 1, 2028. The

Board shall not accept Family Child Care Provider applications after January 1, 2028.

(b) In addition to the requirements of subsection (a) of this section, applicants shall pass any examination that may be required by rule.

§ 6222. LICENSE RENEWAL

(a) Licenses shall be renewed every two years upon application and payment of the required fee. Failure to comply with the provisions of this section shall result in suspension of all privileges granted by the license beginning on the expiration date of the license. A license that has lapsed shall be reinstated upon payment of the biennial renewal fee and the late renewal penalty pursuant to 3 V.S.A. § 127, except a Family Child Care Provider license shall not be renewed after a lapse of two or more years.

(b) The Board may adopt rules necessary for the protection of the public to assure the Board that an applicant whose license has lapsed for more than five years is professionally qualified before reinstatement may occur. Conditions imposed under this subsection shall be in addition to the requirements of subsection (a) of this section.

(c) In addition to the provisions of subsection (a) of this section, an applicant for renewal shall have satisfactorily completed continuing education as required by the Board. For purposes of this subsection, the Board may require, by rule, not more than 24 hours of approved continuing education as a condition of renewal.

§ 6223. FEES

Applicants and persons regulated under this chapter shall pay the following fees:

(1) Early Childhood Educator I:

(A) Application for initial license, \$125.00.

(B) Biennial renewal, \$225.00.

(2) Early Childhood Educator II:

(A) Application for initial license, \$175.00.

(B) Biennial renewal, \$250.00.

(3) Early Childhood Educator III:

(A) Application for initial license, \$225.00.

(B) Biennial renewal, \$275.00.

(4) Family Child Care Provider:

(A) Application for initial license, \$175.00.

(B) Biennial renewal, \$250.00.

§ 6224. UNPROFESSIONAL CONDUCT

As used in this chapter, “unprofessional conduct” means:

(1) conduct prohibited by this section, by 3 V.S.A. § 129a, or by other statutes relating to early childhood education, whether that conduct is by a licensee, an applicant, or an individual who later becomes an applicant;

(2) conduct that results in a licensee, applicant, or an individual who later becomes an applicant being placed on the Child Protection Registry pursuant to 33 V.S.A. chapter 49; or

(3) conduct that is not in accordance with the professional standards and competencies for Early Childhood Educators published by the National Association for the Education of Young Children.

§ 6225. VARIANCES; TRANSITIONAL LICENSURE

(a) The Board shall issue a transitional Early Childhood Educator II and III license to a teacher or director operating a registered or licensed family child care home as defined in 33 V.S.A. § 3511 or licensed center-based child care and preschool program as defined by the Department for Children and Families in rule and who does not meet the educational and experiential licensure requirements in this chapter. Transitional licenses shall be valid for a two-year period and shall be renewed by the Board for an otherwise qualified applicant for an additional two-year period with satisfactory supporting documentation of the individual’s ongoing work to obtain the required educational and experiential qualifications for licensure under this chapter.

(b) At the conclusion of three two-year transitional licensure periods, the Board, at its discretion, may issue one final two-year transitional license for an otherwise qualified applicant if the licensee can demonstrate extenuating circumstances for not having attained the educational and experiential requirements in this chapter and ongoing work to attain these requirements.

§ 6226. DISCLOSURE BY LICENSEES

An early childhood educator licensed pursuant to this chapter shall post and provide to current and prospective families the following:

(1) all available license types regulated by the Office of Professional Regulation pursuant to this chapter;

(2) a description of the Office of Professional Regulation's regulatory authority over licensees in programs regulated by the Child Development Division and how to make complaints;

(3) a description of the Agency of Education's regulatory authority over teachers providing prekindergarten services pursuant to 16 V.S.A. § 829 and how to make complaints; and

(4) a description of the Child Development Division's regulatory authority over regulated child care programs and how to make complaints.

Sec. 17. REPEAL; TRANSITIONAL LICENSE

26 V.S.A. § 6225 (variances; transitional licensure) is repealed on July 1, 2035.

Sec. 18. [Deleted.]

* * * Accessibility and Confidentiality of Disciplinary Matters * * *

Sec. 19. 3 V.S.A. § 131 is amended to read:

§ 131. ACCESSIBILITY AND CONFIDENTIALITY OF DISCIPLINARY MATTERS

* * *

(c) The Secretary of State, through the Office of Professional Regulation, shall prepare and maintain a register of all complaints, which shall be a public record and which shall show:

(1) with respect to all complaints, the following information:

(A) the date and the nature of the complaint, but not including the identity of the licensee or the complainant; and

(B) a summary of the completed investigation; and

(2) only with respect to complaints resulting in filing of disciplinary charges or stipulations or the taking of disciplinary action, the following additional information:

(A) the name and ~~business addresses~~ public address of the licensee ~~and complainant~~;

(B) formal charges, provided that they have been served or a reasonable effort to serve them has been made, and all subsequent pleadings filed by the parties;

(C) the findings, conclusions, rulings, and orders of the board or administrative law officer;

(D) the transcript of the hearing, if one has been made, and exhibits admitted at the hearing;

(E) stipulations filed with the board or administrative law officer; and

(F) final disposition of the matter by the appellate officer or the courts.

* * *

* * * Effective Dates * * *

Sec. 20. EFFECTIVE DATES

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

(1) Sec. 3 (fees; peer support providers) shall take effect on July 1, 2027; and

(2) Sec. 16 (early childhood educators) and Sec. 17 (repeal; transitional license) shall take effect on July 1, 2027 contingent on a fiscal year 2027 appropriation to implement 26 V.S.A. chapter 111.

Pending the question, Shall the House concur in the Senate proposal of amendment?, **Reps. Birong of Vergennes, Coffin of Cavendish, Hango of Berkshire, Hooper of Burlington, Morgan, M. of Milton, Nugent of South Burlington, Pinsonault of Dorset, and Stone of Burlington** moved that the House concur in the Senate proposal of amendment with further proposals of amendment as follows:

First: In Sec. 12, Office of Professional Regulation; position; appropriation, subsection (a), by striking out the word “exempt” and inserting in lieu thereof “classified”

Second: By striking out Secs. 14–18 and their reader assistance heading in their entirety and by renumbering the remaining sections to be numerically correct.

Third: By striking out the newly renumbered Sec. 15, effective dates, in its entirety and inserting in lieu thereof the following:

Sec. 15. EFFECTIVE DATES

This act shall take effect on July 1, 2025, except that Sec. 3 (fees; peer support providers) shall take effect on July 1, 2027.

Pending the question, Shall the House concur in the Senate proposal of amendment with further proposal of amendment thereto as offered by Rep. Birong of Vergennes and others?, **Reps. James of Manchester and Sibilia of Dover** moved to amend the proposal of amendment offered by Rep. Birong of Vergennes and others by adding a fourth instance of amendment to read as follows:

Fourth: By adding a new section to be Sec. 1a to read as follows:

Sec. 1a. SECRETARY OF STATE; REPORT; REVENUES FROM SALES
OF DATA

On or before December 1, 2025, the Secretary of State shall submit to the House Committees on Energy and Digital Infrastructure, on Government Operations and Military Affairs, and on Ways and Means and to the Senate Committees on Finance, on Government Operations, and on Institutions a written report detailing the revenues generated from optional services through sales of data, as authorized pursuant to 3 V.S.A. § 118(c), including the categories of data sold.

Which was agreed to.

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

On motion of **Rep. McCoy of Poultney**, the rules were suspended and House action on the bill was ordered messaged to the Senate forthwith.

**Rules Suspended, Immediate Consideration; Senate Proposal of
Amendment Concurred in**

H. 397

Appearing on the Notice Calendar, on motion of **Rep. McCoy of Poultney**, the rules were suspended and House bill, entitled

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

Was taken up for immediate consideration.

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:

* * * Division of Emergency Management; Plans and Reports * * *

Sec. 1. 20 V.S.A. § 3a is amended to read:

§ 3a. EMERGENCY MANAGEMENT DIVISION; DUTIES; BUDGET

(a) In addition to other duties required by law, the Division of Emergency Management shall:

* * *

(3) Annually on or before the last legislative day in January, provide an update and presentation to the House Committee on Government Operations and Military Affairs and the Senate Committee on Government Operations concerning all action items in the all-hazards mitigation plan required by subdivision (1) of this subsection.

* * *

Sec. 2. 20 V.S.A. § 41 is amended to read:

§ 41. STATE EMERGENCY MANAGEMENT PLAN

~~The Department of Public Safety's Vermont~~ Division of Emergency Management Division, in consultation with stakeholders, shall create, and republish as needed, but not less than every five years, a comprehensive State Emergency Management Plan. The Plan shall:

(1) detail response systems during all-hazards events, including communications, coordination among State, local, private, and volunteer entities, and the deployment of State and federal resources. ~~The Plan shall also;~~

(2) detail the State's emergency preparedness measures and goals, including those for the prevention of, protection against, mitigation of, and recovery from all-hazards events. ~~The Plan shall; and~~

(3) include templates and guidance for regional emergency management and for local emergency plans that support municipalities in their respective emergency management planning.

* * * Voluntary Buyouts * * *

Sec. 3. 20 V.S.A. § 48 is amended to read:

§ 48. COMMUNITY RESILIENCE AND DISASTER MITIGATION
GRANT PROGRAM

* * *

(c) Administration; implementation.

(1) Grant awards. The Department of Public Safety, in coordination with the Department of Environmental Conservation, shall administer the Program, which shall award grants for the following:

* * *

(C) projects that implement disaster mitigation measures, adaptation, or repair, including watershed restoration, voluntary buyouts for flood-impacted or -prone properties, and similar activities that directly reduce risks to communities, lives, public collections of historic value, and property; and

* * *

* * * Division of Emergency Management; Assistance to Municipalities * * *

Sec. 4. 20 V.S.A. § 51 is added to read:

§ 51. DIVISION OF EMERGENCY MANAGEMENT; ALL-HAZARD
AND WEATHER ALERT SYSTEMS FOR MUNICIPAL
CORPORATIONS

Upon request of a municipal corporation, the Division of Emergency Management shall assist the municipal corporation with access to the following:

(1) a statewide river observation and modeling system that details current river level observations and models river flood outlooks; and

(2) a statewide enhanced weather forecasting and alert system that:

(A) predicts local and regional conditions using advanced modeling;
and

(B) issues real-time warnings for potentially dangerous weather through multiple communication channels.

* * * Needs Assessment Report * * *

Sec. 5. DIVISION OF EMERGENCY MANAGEMENT; STATE
STAKEHOLDERS; NEEDS ASSESSMENT; REPORT

The Division of Emergency Management shall conduct a needs assessment to identify any additional staffing, resources, technical needs, or authority needed to carry out the provisions of this act. On or before November 15, 2025, the Division shall submit a written report to the House Committees on Appropriations and on Government Operations and Military Affairs and the Senate Committees on Appropriations and on Government Operations containing the needs assessments conducted by the State agencies and departments identified in this section.

* * * Municipal Finances and Indebtedness * * *

Sec. 6. 24 V.S.A. § 1585 is added to read:

§ 1585. UNASSIGNED FUND BALANCE

Monies from a budget approved by the voters at an annual or special meeting that are not expended by the end of a municipality's fiscal year shall be under the control and direction of the legislative body of the municipality and may be carried forward from year to year as an unassigned fund balance. Unassigned fund balances may be invested and reinvested as are other monies received by a town treasurer and may be expended for any public purpose as established by the legislative body of the municipality.

Sec. 7. 24 V.S.A. § 1790 is added to read:

§ 1790. EMERGENCY BORROWING; ALL-HAZARD EVENT OR STATE OF EMERGENCY

The legislative body of a municipality may borrow money, in the name of the municipal corporation, by issuance of its notes or orders for the purpose of paying expenses of the municipal corporation or for public improvements associated with an all-hazards event or a declared state of emergency pursuant to 20 V.S.A. chapter 1. The notes or orders shall be for a period of not more than five years or a term not to exceed the reasonably anticipated useful life of the improvements or assets financed by the notes or orders.

Sec. 8. 24 V.S.A. § 1759 is amended to read:

§ 1759. DENOMINATIONS; PAYMENTS; INTEREST

(a)(1) Any bond issued under this subchapter shall draw interest at a rate not to exceed the rate approved by the voters of the municipal corporation in accordance with section 1758 of this title, or if no rate is specified in the vote under that section, at a rate approved by the legislative ~~branch~~ body of the municipal corporation, ~~such the~~ the interest to be payable ~~semiannually as determined by the legislative body of the municipal corporation.~~ Sueh The bonds or bond shall be payable serially, the first payment to be deferred not later than from one to five years after the issuance of the bonds and subsequent principal payments or debt service payments, which include both principal and interest payments, to be continued annually in equal substantially level or diminishing declining amounts, as determined by the legislative body of the municipality, so that the entire debt will be paid in not more than 20 years from the date of issue.

(2) In the case of bonds issued for the purchase or development of a municipal forest, the first payment may be deferred not more than 30 years from the date of issuance ~~thereof of the bond.~~ Thereafter-sueh After any deferral period, the bonds or bond shall be payable annually in equal substantially level or diminishing amounts declining annual debt service as the legislative body of the municipal corporation may determine, so that the entire debt will be paid in not more than 60 years from the date of issue.

* * *

(b) General obligation bonds authorized under this subchapter for the purpose of financing the improvement, construction, acquisition, repair, renovation, and replacement of a municipal plant as defined in 30 V.S.A. § 2901 shall be paid serially, the first payment to be deferred not later than from one to five years after the issuance of the bonds, and subsequent principal payments or debt service payments, which include both principal and interest payments, to be continued annually in substantially level or declining amounts, as determined by the legislative body of the municipal corporation, so that the entire debt will be paid ~~over a term equal to the useful life of the financed improvements, but~~ not more than 40 years from the date of issue, ~~and may be so arranged that beginning with the first year in which principal is payable, the amount of principal and interest in any year shall be as nearly equal as is practicable according to the denomination in which such bonds are issued,~~ notwithstanding other permissible payment schedules authorized by this section.

* * * Dam Drawdown During Emergency Flood Events * * *

Sec. 9. 20 V.S.A. § 9 is amended to read:

§ 9. EMERGENCY POWERS OF GOVERNOR

(a) Subject to the provisions of this chapter, in the event of an all-hazards event in or directed upon the United States or Canada that causes or may cause substantial damage or injury to persons or property within the State in any manner, the Governor may declare a state of emergency within the entire State or any portion or portions of the State. Thereafter, the Governor shall have and may exercise for as long as the Governor determines the emergency to exist the following additional powers within ~~such~~ the area or areas:

* * *

(b)(1) In consultation with the Secretary of Natural Resources or designee, the Governor may authorize the Agency of Natural Resources to waive applicable permits and restrictions under 10 V.S.A. chapter 47 or the Vermont Water Quality Standards to allow dams within the State to draw down water levels in anticipation of a flood event that is likely to cause substantial damage or injury to persons or property. Waivers may only be issued if the Director of the Division of Emergency Management, in consultation with the Secretary of Natural Resources or designee, has significant reason to believe that authorizing an advance drawdown will decrease the risk of substantial damage to persons or property within the State. The Secretary or designee shall, to the extent feasible, consult with applicable dam owners for federally licensed sites. Dam operators operating under a waiver shall be required to make every effort

to minimize the environmental impact of a water level drawdown under the authorized waiver.

(2) Dam owners authorized to use a waiver under this subsection shall be required to develop a drawdown plan that is approved by the Secretary prior to implementation of a drawdown. This subdivision shall not apply to dam owners that have other plans approved by the Secretary in effect that address emergency drawdowns. The drawdown plan shall at minimum include the following:

(A) hydrologic and hydraulic modeling of the dam, reservoir, and downstream channel performed by an engineer experienced in dam safety engineering that proves the public safety benefit of pre-event drawdown;

(B) dam owner communications with downstream communities and applicable regulators prior to and during drawdown operations;

(C) maximum safe reservoir drawdown rates and outflows, as well as ramping rates for drawdown operations;

(D) target drawdown elevation in the reservoir;

(E) refill plan if unable to achieve during storm event;

(F) monitoring and reporting requirements of drawdown operations;
and

(G) documentation of plan updates and revisions over time.

Sec. 10. [Deleted.]

* * * Local Option Tax; Amount Paid to Municipality * * *

Sec. 11. 24 V.S.A. § 138 is amended to read:

§ 138. LOCAL OPTION TAXES

* * *

(c)(1) Any tax imposed under the authority of this section shall be collected and administered by the Department of Taxes, in accordance with State law governing such State tax or taxes and subdivision (2) of this subsection; provided, however, that a sales tax imposed under this section shall be collected on each sale that is subject to the Vermont sales tax using a destination basis for taxation. Except with respect to taxes collected on the sale of aviation jet fuel, a per-return fee of \$5.96 shall be assessed, ~~70~~ 75 percent of which shall be borne by the municipality, and ~~30~~ 25 percent of which shall be borne by the State to be paid from the PILOT Special Fund. Notwithstanding 32 V.S.A. § 603 or any other provision of law or municipal charter to the contrary, revenue from the fee shall be used to compensate the

Department for the costs of administering and collecting the local option tax and of administering the State appraisal and litigation program established in 32 V.S.A. § 5413. The fee shall be subject to the provisions of 32 V.S.A. § 605.

* * *

(d)(1) Except as provided in subsection (c) of this section and subdivision (2) of this subsection with respect to taxes collected on the sale of aviation jet fuel, of the taxes collected under this section, ~~70~~ 75 percent of the taxes shall be paid on a quarterly basis to the municipality in which they were collected, after reduction for the costs of administration and collection under subsection (c) of this section. Revenues received by a municipality may be expended for municipal services only, and not for education expenditures. Any remaining revenue shall be deposited into the PILOT Special Fund established by 32 V.S.A. § 3709.

* * *

* * * Municipal Charters; Local Option Tax Revenue Share * * *

Sec. 12. 24 App. V.S.A. chapter 3, § 102d is amended to read:

§ 102d. LOCAL OPTION SALES TAX AUTHORITY

The Burlington City Council is authorized to impose a one percent sales tax upon sales within the City that are subject to the State of Vermont sales tax with the same exemptions as the State sales tax. The City sales tax shall be effective beginning on the next tax quarter following 30 days' notice in 2006 to the Department of Taxes, or shall be effective on the next tax quarter following 90 days' notice to the Department of Taxes if notice is given in 2007 or after. Any tax imposed under the authority of this section shall be collected and administered by the Vermont Department of Taxes in accordance with State law governing the State sales tax. ~~Seventy percent of the~~ The taxes collected shall be paid to the City, ~~and the remaining amount of the taxes collected shall be remitted to the State Treasurer for deposit in the PILOT Special Fund first established in 1997 Acts and Resolves No. 60, Sec. 89. The cost of administration and collection of this tax shall be paid 70 percent by the City and 30 percent by the State from the PILOT Special Fund pursuant to 24 V.S.A. § 138.~~ The tax to be paid to the City, ~~less its obligation for 70 percent of the costs of administration and collection, pursuant to 24 V.S.A. § 138~~ shall be paid ~~to the City~~ on a quarterly basis and may be expended by the City for municipal services only and not for education expenditures.

Sec. 13. 24 App. V.S.A. chapter 5, § 1214 is amended to read:

§ 1214. LOCAL OPTION TAXES

Local option taxes are authorized under this section for the purpose of affording the City an alternative method of raising municipal revenues. Accordingly:

* * *

(3) ~~Of the taxes reported under this section, 70 percent shall be paid to the City for calendar years thereafter. Such revenues~~ The City's local option tax revenue may be expended by the City for municipal services only and not for educational expenditures. The remaining amount of the taxes reported shall be remitted monthly to the State Treasurer for deposit in the PILOT Special Fund set forth in 32 V.S.A. § 3709. Taxes due to the City under this section shall be paid by the State on a quarterly basis.

Sec. 14. 24 App. V.S.A. chapter 127, § 1308a is amended to read:

§ 1308a. SALES, ROOMS, MEALS, AND ALCOHOLIC BEVERAGES
TAX

* * *

(d) ~~Of the taxes collected under this section, 70 percent~~ The share of taxes due to the Town pursuant to 24 V.S.A. § 138 shall be paid to the Town on a quarterly basis ~~to the Town~~ after reduction for the costs of administration and collection under subsection (c) of this section. Revenues received by the Town may be expended for municipal services only and not for education expenditures. Any remaining revenues shall be deposited in the PILOT Special Fund established by 32 V.S.A. § 3709.

Sec. 15. 24 App. V.S.A. chapter 171, § 18 is amended to read:

§ 18. LOCAL OPTIONS TAX

The Selectboard is authorized to impose a one percent sales tax, a one percent meals and alcoholic beverages tax, and a one percent rooms tax upon sales within the Town that are subject to the State of Vermont tax on sales, meals, alcoholic beverages, and rooms. The Town tax shall be implemented in the event the State local options tax as provided for in 24 V.S.A. § 138 is repealed or the 70-percent allocation to the town is reduced. A tax imposed under the authority of this section shall be collected and administered by the Vermont Department of Taxes in accordance with State law governing the State tax on sales, meals, alcoholic beverages, and rooms. ~~The amount of 70 percent of the taxes collected shall be paid to the Town, and the remaining amount of the taxes collected shall be remitted to the State Treasurer for~~

~~deposit in the Pilot Special Fund first established in 1997 Acts and Resolves No. 60, § 89 pursuant to 24 V.S.A. § 138. The cost of administration and collection of this tax shall be paid 70 percent by the Town and 30 percent by the State from the Pilot Special Fund pursuant to 24 V.S.A. § 138. The tax to be paid to the Town, less its obligation for the 70 percent of the costs of administration and collection, pursuant to 24 V.S.A. § 138 shall be paid to the Town on a quarterly basis and may be expended by the Town for municipal services only and not for education expenditures. The Town may repeal the local option taxes by Australian ballot vote.~~

* * * Division of Emergency Management; Technical Corrections * * *

Sec. 16. 20 V.S.A. chapter 1 is amended to read:

CHAPTER 1. EMERGENCY MANAGEMENT

* * *

§ 2. DEFINITIONS

As used in this chapter:

* * *

(3) “Director” means the Director of ~~Vermont~~ the Division of Emergency Management of the Department of Public Safety.

* * *

§ 3. VERMONT EMERGENCY MANAGEMENT ~~DIVISION~~

(a) There is hereby created within the Department of Public Safety a ~~division to~~ the Division of Emergency Management, which may also be known as the Vermont Emergency Management ~~Division~~.

* * *

§ 4. LANGUAGE ASSISTANCE SERVICES FOR STATE EMERGENCY COMMUNICATIONS

(a) If an all-hazards event occurs, the ~~Vermont Emergency Management~~ Division shall ensure that language assistance services are available for all State communications regarding the all-hazards event, including relevant press conferences and emergency alerts, as soon as practicable. Language assistance services shall be provided for:

* * *

(c) Annually, the ~~Vermont Emergency Management~~ Division shall hold a public meeting with members of the Vermont Deaf, Hard of Hearing, and DeafBlind Advisory Council; the Office of Racial Equity; the Vermont

Association of Broadcasters; and other relevant stakeholders to review the adequacy and efficacy of the provision and distribution of language assistance services of emergency communications over mass communication platforms to individuals who are Deaf, Hard of Hearing, and DeafBlind as well as individuals with limited English language proficiency.

* * *

Sec. 17. 20 V.S.A. § 112 is amended to read:

§ 112. ADDITIONAL PROVISIONS — ARTICLE X

* * *

(b) The ~~director~~ Director of the Vermont ~~emergency management service~~ Emergency Management shall be the authorized representative in regard to a request from a party state or by Vermont for aid that does not involve personnel or elements of the Vermont National Guard.

* * *

(d) The ~~director~~ Director of Vermont ~~emergency management~~ Emergency Management shall be responsible for handling any and all documents necessary to obtain reimbursement hereunder for services rendered to a requesting state, or within Vermont by another assisting state.

* * *

Sec. 18. 10 V.S.A. § 599a is amended to read:

§ 599a. REPORTS; RULEMAKING

* * *

(c) In adopting the Strategy, the Agency shall:

* * *

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

* * *

Sec. 19. 32 V.S.A. § 3102 is amended to read:

§ 3102. CONFIDENTIALITY OF TAX RECORDS

* * *

(e) The Commissioner may, in the Commissioner's discretion and subject to such conditions and requirements as the Commissioner may provide, including any confidentiality requirements of the Internal Revenue Service, disclose a return or return information:

* * *

(24) To the Division of ~~Vermont~~ Emergency Management at the Department of Public Safety for the purposes of emergency management and communication, and to the Department of Housing and Community Development and any organization then under contract with the Department of Housing and Community Development to carry out a statewide housing needs assessment for the purpose of the statewide housing needs assessment, provided that the disclosure relates to the information collected on the landlord certificate pursuant to subsection 6069(c) of this title.

* * *

* * * Rulemaking; Federal Regulations Incorporated by Reference * * *

Sec. 20. 3 V.S.A. § 850 is added to read:

§ 850. RULES; INCORPORATION OF FEDERAL REGULATIONS

Any federal regulation incorporated by reference into a Vermont Rule as of January 1, 2025 shall continue in effect as a State rule until January 31, 2029 or when the State rule is next amended, whichever is sooner, regardless of whether the federal rule was later repealed or amended. The secretary of an agency or commissioner of a department, as applicable, shall provide notice of these incorporated regulations by posting them on the agency or department website. Nothing in this section shall prevent the secretary or commissioner from adopting or amending a rule pursuant to this chapter, including emergency rulemaking.

* * * Property Tax Overpayment Refunds; City of Barre and Town of Milton * * *

Sec. 21. GENERAL FUND TRANSFER TO THE EDUCATION FUND;
APPROPRIATION FOR COMPENSATION FOR
OVERPAYMENT

(a) In fiscal year 2026, in addition to any other fund transfers made, \$621,479.00 shall be transferred from the General Fund to the Education Fund to compensate the City of Barre and the Town of Milton for overpayment of education property tax increment from Tax Increment Financing District funds, pursuant to the findings of State Auditor Reports Nos. 21-03 and 24-06.

(b) Notwithstanding 16 V.S.A. § 4025, in fiscal year 2026, \$621,479.00 Education Fund shall be appropriated to the Department of Taxes for the following:

(1) \$437,028.00 to make a payment to the City of Barre to compensate the City for overpayments of education property taxes in fiscal years 2016 through 2020 due to insufficient retention of tax increment by the City's Tax Increment Financing District fund; and

(2) \$184,451.00 to make a payment to the Town of Milton to compensate the Town for overpayments of education property taxes in fiscal years 2017 through 2023 due to insufficient retention of tax increment by the Town's Tax Increment Financing District fund.

Sec. 22. 2023 Acts and Resolves No. 72, Sec. 37 is amended to read:

Sec. 37. TAX INCREMENT FINANCING DISTRICT; CITY OF BARRE;
EXTENSION; INCREMENT

(a) Notwithstanding 2021 Acts and Resolves No. 73, Sec. 26a, amending 2020 Acts and Resolves No. 175, Sec. 29, or any other provision of law, the authority of the City of Barre to incur indebtedness is hereby extended to March 31, ~~2026~~ 2028.

(b) Notwithstanding any other provision of law, the authority of the City of Barre to retain municipal and education tax increment is hereby extended until June 30, 2039.

Sec. 23. REPEAL

3 V.S.A. § 850 (rules; incorporation of federal regulations) is repealed on January 31, 2029.

* * * Effective Dates * * *

Sec. 24. EFFECTIVE DATES

(a) This section and Sec. 20 (rules; incorporation of federal regulations) shall take effect on passage.

(b) Sec. 11 (local option taxes) shall take effect on October 1, 2025.

(c) All other sections shall take effect on July 1, 2025.

Which proposal of amendment was considered and concurred in.

**Rules Suspended, Immediate Consideration;
Senate Proposal of Amendment to House Proposal of Amendment
Concurred in; Rules Suspended, Messaged to Senate Forthwith**

S. 69

Pending entry on the Notice Calendar, on motion of **Rep. McCoy of Poultney**, the rules were suspended and Senate bill, entitled

An act relating to an age-appropriate design code

Was taken up for immediate consideration.

The Senate concurred in the House proposal of amendment with further proposal of amendment thereto by striking out Sec. 2, effective dates, in its entirety and inserting in lieu thereof a new Sec. 2 to read as follows:

Sec. 2. EFFECTIVE DATES

This act shall take effect on January 1, 2027, except that this section (effective dates) and, in Sec. 1, 9 V.S.A. § 2449f(b) and 9 V.S.A. § 2449g(b) (rulemaking authority) shall take effect on July 1, 2025.

Which proposal of amendment was considered and concurred in.

On motion of **Rep. McCoy of Poultney**, the rules were suspended and House action on the bill was ordered messaged to the Senate forthwith.

Recess

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

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

**Rules Suspended, Immediate Consideration; Report of Committee of
Conference Adopted**

H. 91

Pending entry on the Notice Calendar, on motion of **Rep. McCoy of Poultney**, the rules were suspended and House bill, entitled

An act relating to the Vermont Homeless Emergency Assistance and Responsive Transition to Housing Program

Was taken up for immediate consideration.

The Speaker placed before the House the following Committee of Conference report:

TO THE SENATE AND HOUSE OF REPRESENTATIVES:

The Committee of Conference to which were referred the disagreeing votes of the two Houses upon House Bill entitled:

H.91. An act relating to the Vermont Homeless Emergency Assistance and Responsive Transition to Housing Program.

Respectfully reports that it has met and considered the same and recommends that the House accede to the Senate proposal of amendment and that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Findings and Legislative Intent * * *

Sec. 1. FINDINGS

The General Assembly finds that:

(1) according to the U.S. Department of Housing and Urban Development's 2024 Annual Homelessness Assessment Report, Vermont had the fourth highest rate of homelessness in 2024 in that 53 of every 10,000 Vermonters are experiencing homelessness, with only Hawaii, New York, and Oregon experiencing higher rates;

(2) according to the Vermont Homeless Management Information System, as of March 2025 there were 4,971 individuals who were homeless in the State, 1,105 of whom were children;

(3) according to the Vermont 2024 Point-in-Time Count, there were approximately 3,458 unhoused individuals in Vermont, which represents a 300 percent increase over the 1,110 unhoused individuals prior to the COVID-19 pandemic in 2020;

(4) according to the Vermont 2024 Point-in-Time Count, over 35 percent of those Vermonters experiencing homelessness were unhoused for more than one year and over 72 percent were unhoused for more than 90 days;

(5) according to the Vermont 2024 Point-in-Time Count, Black Vermonters are 5.6 times more likely to be unhoused as compared to white Vermonters;

(6) the 2024 Vermont Housing Needs Assessment notes that 36,000 primary homes are needed in Vermont between 2025–2029, 3,295 of which are needed to address homelessness;

(7) the 2024 Vermont Housing Needs Assessment notes that “[h]alf of all Vermont renters are cost-burdened, and one-in-four pay more than 50 [percent] of their income on housing costs, putting them at high risk of

eviction,” which “is heightened by Vermont’s rental vacancy rate of 3 [percent], which is well below the 5 [percent] rate of a healthy market”;

(8) since 2020, the Vermont Housing and Conservation Board has facilitated construction of 170 new single-family homeownership units and 269 new shelter beds; and

(9) the 2024 Vermont Housing Needs Assessment notes that “[h]alf of all Vermont renters are cost-burdened, and one-in-four pay more than 50 [percent] of their income on housing costs, putting them at high risk of eviction,” which “is heightened by Vermont’s rental vacancy rate of 3 [percent], which is well below the 5 [percent] rate of a healthy market”.

Sec. 2. LEGISLATIVE INTENT

(a) It is the intent of the General Assembly that unsheltered homelessness be eliminated and that homelessness in Vermont be rare, brief, and nonrecurring.

(b) It is the intent of the General Assembly that the Vermont Homeless Emergency Assistance and Responsive Transition to Housing Program established in 33 V.S.A. chapter 22 is a step toward ensuring that:

(1) homelessness be reduced in Vermont and interim shelter opportunities be available to provide a stable pathway to permanent housing for all Vermonters experiencing homelessness, including safe shelter options for individuals living in unsheltered homelessness;

(2) Vermont increase the supply of emergency shelter as well as permanent supportive housing that meets the specific needs of individuals;

(3) community components of all shelter types are integrated in a systemic manner;

(4) night-by-night shelter, relocation between interim shelter sites, and other disruptions in housing stability be eliminated to the extent possible;

(5) Vermont’s emergency housing statutes, rules, policies, procedures, and practices be modeled on Housing First principles where appropriate;

(6) noncongregate shelter be used to the extent possible; and

(7) Vermont reduce reliance on the inefficient use of hotel and motel rooms to shelter participating households and expand the use of emergency shelters throughout the State for this purpose.

(c) It is the intent of the General Assembly that:

(1) the Vermont Homeless Emergency Assistance and Responsive Transition to Housing Program established in 33 V.S.A. chapter 22 replaces

the provision of emergency housing through the General Assistance Program established in 33 V.S.A. chapter 21 and the Housing Opportunity Grant Program beginning in fiscal year 2027 and on an ongoing basis; and

(2) in fiscal years 2027 and 2028, emergency shelter services funded through the Housing Opportunity Grant Program in fiscal year 2025 be funded at a level equivalent to or greater than fiscal year 2025 expenditures.

* * * Vermont Homeless Emergency Assistance and Responsive Transition to Housing Program; Effective July 1, 2025 * * *

Sec. 3. 33 V.S.A. chapter 22 is added to read:

CHAPTER 22. VERMONT HOMELESS EMERGENCY ASSISTANCE
AND RESPONSIVE TRANSITION TO HOUSING PROGRAM

§ 2201. SHORT TITLE

The Program established in this chapter may be cited as “VHEARTH” or the “VHEARTH Program.”

§ 2202. PURPOSE

It is the purpose of the General Assembly to:

(1) replace the provision of emergency housing through the General Assistance Program established in chapter 21 of this title and the Housing Opportunity Grant Program and use funds and resources previously attributed to these programs, and any other identified State and federal monies, to fund the Vermont Homeless Emergency Assistance and Responsive Transition to Housing Program established in this chapter;

(2) reduce reliance on the inefficient use of hotel and motel rooms to shelter participating households and expand the use of emergency shelters throughout the State for this purpose; and

(3) assist in maintaining housing for households at risk of homelessness and transition households experiencing homelessness to permanent housing.

§ 2203. DEFINITIONS

As used in this chapter:

(1) “At risk of homelessness” means precariously housed without sufficient income, resources, or support to prevent homelessness.

(2) “Community action agency” means an agency designated pursuant to 3 V.S.A. chapter 59.

(3) “Community-based shelter” means a shelter that meets the Department’s standards for the operation of shelters.

(4) “Department” means the Department for Children and Families.

(5) “Extreme weather event” means extreme hot or cold temperatures or weather events, such as hurricanes, flooding, or blizzards, that create hazardous conditions for outdoor habitation by humans.

(6) “Homeless” means:

(A) lacking a fixed, regular, and adequate nighttime residence;

(B) facing imminent loss of primary nighttime residence;

(C) fleeing or attempting to flee domestic violence; or

(D) otherwise defined as homeless under federal law.

(7) “Household” means an individual and any dependents for whom the individual is legally responsible who are domiciled and intend to stay in Vermont as evidenced by an intent to dwell in Vermont and to return to Vermont if temporarily absent, coupled with an act or acts consistent with that intent. “Household” includes individuals who reside together as one economic unit, including those who are married, parties to a civil union, or unmarried.

(8) “Unsheltered homelessness” means sleeping in a location not designed for or ordinarily used as a regular sleeping accommodation.

§ 2204. REGIONAL ADVISORY COUNCILS

(a) Each community action agency shall convene a regional advisory council composed of individuals and organizations in the community action agency’s region. The membership of each regional advisory council shall reflect, to the extent possible, the growing diversity among Vermonters, including individuals who are Black, Indigenous, and Persons of Color, as well as with regards to socioeconomic status, geographic location, gender, sexual identity, and disability status.

(1) Members of an advisory council shall include individuals with lived experience of homelessness, local housing coalitions or a local continuum of care serving as a local housing coalition, other organizations providing services in the region, municipalities, statewide homelessness organizations, the Agency of Human Services’ Field Services Director, and any other representatives of the Agency as needed.

(2) Members of a regional advisory council may include community and State partners, housing providers, providers of coordinated entry, continuums of care, faith-based organizations, and other individuals or organizations as needed.

(b) Each regional advisory council shall provide advice and recommendations to the community action agency in its region regarding the design and implementation of the Program.

(c) Each regional advisory council shall meet on at least a quarterly basis.

(d) Members of a regional advisory council who are not participating in their professional capacity shall be entitled to per diem compensation and reimbursement of expenses as permitted under 32 V.S.A. § 1010 for not more than eight meetings annually. These payments shall be made from monies distributed to the relevant community action agency by the Department.

* * * Vermont Homeless Emergency Assistance and Responsive Transition to Housing Program; Effective July 1, 2026 * * *

Sec. 4. 33 V.S.A. chapter 22 is amended to read:

CHAPTER 22. VERMONT HOMELESS EMERGENCY ASSISTANCE
AND RESPONSIVE TRANSITION TO HOUSING PROGRAM

* * *

§ 2203. DEFINITIONS

As used in this chapter:

* * *

(2) “Community action agency” means an agency designated pursuant to 3 V.S.A. chapter 59 or the entity or entities otherwise authorized by the Department pursuant to section 2205 of this chapter to fulfill the duties of a community action agency under this chapter.

* * *

§ 2204. ESTABLISHMENT; VERMONT HOMELESS EMERGENCY
ASSISTANCE AND RESPONSIVE TRANSITION TO HOUSING
PROGRAM

The Vermont Homeless Emergency Assistance and Responsive Transition to Housing Program is established in the Department to provide services to households that are homeless or at risk of becoming homeless, to the extent funds exist.

(1) The Department shall select and enter into an agreement with a statewide organization that has population-specific service experience to provide or cause to be provided supportive services and shelter to those households that are experiencing or that have experienced domestic or sexual violence.

(2) All other participating households shall be served by or through a community action agency responsible for a geographically distinct region of the State. Community action agencies participating in the Program shall provide or cause to be provided supportive services, extreme weather event shelter, and emergency shelter.

§ 2205. AUTHORIZATION PROCESS; REAUTHORIZATION REVIEW

(a) The Department shall select and enter into an agreement with a statewide organization to provide or cause to be provided supportive services and shelter to those households that are experiencing or that have experienced domestic or sexual violence. The Department shall conduct regular reviews of the statewide organization to ensure compliance with this chapter. The statewide organization may be subject to corrective actions by the Department if, within the constraint of appropriated resources, it no longer meets the requirements of this chapter or has failed to adequately meet the needs of households that are experiencing or that have experienced domestic or sexual violence. If the statewide organization cannot fulfill its responsibilities under this chapter, the Department shall work with another entity to ensure that there is not a gap in services.

(b)(1) The Department shall authorize a community action agency to serve or cause to be served households that are homeless or at risk of becoming homeless in a geographically distinct region of the State if it meets the criteria in this section. If a community action agency cannot fulfill its responsibilities under this chapter, the Department shall work with other community action agencies or other appropriate community entities to ensure that there is not a gap in services in a community action agency's region.

(2) A community action agency providing or causing to provide services in accordance with this chapter shall have:

(A) existing or planned infrastructure to support households in the region, including an established leadership team, a human resources staff, and the ability to receive grant funding and issue subgrants;

(B) the ability to meet the Department's reporting requirements, including having a past history of reporting compliance;

(C) the capacity to perform or cause to be performed the core services required pursuant to section 2206 of this chapter;

(D) the capacity to seek and accept charitable contributions, grants, and services of volunteers, including money, clothing, and furniture;

(E) any outcome measures established in this chapter;

(F) community connections with other providers in the region, including local housing coalitions, housing providers, providers of coordinated entry, continuums of care, faith-based organizations, and providers of services to individuals who are older Vermonters; individuals who have disabilities, a substance use disorder, or a mental health condition; individuals reentering the community after incarceration; individuals transitioning from the care and custody of the Commissioner for Children and Families; and families with children; and

(G) the ability to provide plain language communications to households receiving services.

(3) Not less than every three years, the Department shall conduct a reauthorization review of each community action agency providing or causing to provide services pursuant to this chapter. An organization may be subject to corrective actions by the Department if, within the constraint of appropriated resources, it no longer meets the requirements in subdivision (2) of this subsection or has failed to adequately meet the needs of households in its region that are homeless or at risk of homelessness. Lack of compliance may result in the Department deciding not to reauthorize the community action agency. The Department may review progress of any previously required corrective actions and may review community action agency performance between reauthorization reviews.

§ 2206. VHEARTH CORE SERVICES

(a) The Department shall enter into an agreement with a statewide organization with population-specific experience serving households that are experiencing or that have experienced domestic or sexual violence. The organization shall provide or cause to be provided various shelter and case management services that support households.

(b) Each community action agency shall offer or cause to be offered, in collaboration with community partners, each of the following services within its region:

(1) supportive services, including:

(A) intake assessments and services for diversion from homelessness, which shall include regional intake shelters unless the Department and community action agencies agree otherwise;

(B) household needs assessments;

(C) individualized household plans to address identified needs;

(D) housing navigation services;

(E) assistance obtaining and retaining housing, including financial assistance;

(F) landlord-tenant outreach, education, and conflict resolution;

(G) navigation to other services and supports as identified in the household's housing plan, including economic benefits, peer-supported services, job training and employment services, services related to disability and independent living advocacy, and referral to health care assistance such as treatment for mental health conditions and substance use disorder as provided by the designated and specialized services agencies and preferred providers, respectively, or other providers; and

(H) progress monitoring and interventions;

(2) the operation of extreme weather event shelters, which may include time-limited congregate accommodations and may be provided through agreements with municipalities or other entities, utilizing available data and considering geographic access to prioritize funding for this purpose; and

(3) the operation of emergency shelters in a manner that builds upon the federally required community planning process and prioritizes households in need of the services of an emergency shelter, which may include community-based shelters, temporary use of hotels or motels, lease agreements for full or partial use of an existing building, need-specific shelter arrangements, master grant leases, the development of shelter capacity, or other arrangements or combinations of arrangements that comply with the intent of this chapter.

§ 2207. USE OF HOTEL AND MOTEL ROOMS

(a) It is the intent of the General Assembly to decrease reliance on hotel and motel rooms for emergency housing. Annually, as shelter capacity increases and the number of households experiencing homelessness decreases in each region of the State, the use of hotel and motel rooms for emergency housing in that region shall decrease. Annually, as part of the Department's budget presentation, the Department shall set goals for increased housing capacity, including permanent supportive housing, permanent affordable housing, and shelter beds, some of which may be population-specific, in addition to proposed corresponding decreases in the use of hotel and motel rooms. The Department shall provide data pertaining to the percentage of increased shelter capacity from the previous fiscal year in each region and how that increase impacts the corresponding hotel and motel room usage for emergency housing in each region pursuant to this subsection for the purpose of informing regional planning and expectations.

(b) If hotels and motels are used to provide emergency shelter pursuant to this chapter, the hotel and motel operators shall comply with Program rules and the following rules:

(1) Department of Health, Licensed Lodging Establishment Rule (CVR 13-140-023); and

(2) Department of Public Safety, Vermont Fire and Building Safety Code (CVR 28-070-001).

(c) Annually, the Department shall propose hotel and motel rates as part of its budget presentation for approval by the General Assembly. A community action agency shall not pay or cause to be paid with State monies a per-room, per-night basis that exceeds the rate approved by the General Assembly.

(d) If a hotel or motel is being utilized, a community action agency or entity under contract with a community action agency:

(1) shall ensure relevant support services established pursuant to subdivision 2206(b)(1) of this chapter;

(2) shall enter into agreements for the use of blocks of hotel and motel rooms and negotiate the conditions of use for those blocks, including access for providers of case management or other supportive services;

(3) shall prioritize the use of hotel and motel room agreements over individual per-room, per-night hotel or motel room use, unless it is not appropriate to a household's needs;

(4) may use population-specific placements to the extent certain populations are not isolated from the wider community served through the Program; and

(5) shall not utilize hotels and motels outside the community action agency or entity's region, unless approved by the Department or in a written memorandum of understanding between community action agencies.

§ 2208. VHEARTH; DUTIES OF THE DEPARTMENT

(a) The Department and the Agency of Human Services shall have statewide responsibility for meeting the intent of this chapter, including statewide planning, system development, and the involvement of all the Agency's departments.

(b) For the purpose of providing administrative oversight and monitoring of the Program established in this chapter, the Department shall:

(1)(A) maintain guidance regarding when extreme weather event shelters shall be operated, including flexibility for regional weather conditions; and

(B) maintain a website with the locations of all extreme weather event shelters;

(2) include as part of any review of a community action agency required pursuant to 3 V.S.A. chapter 59 the community action agency's ability to perform the requirements of this chapter;

(3)(A) consult with the community action agencies and the statewide organization serving households that are experiencing or that have experienced domestic or sexual violence to develop appropriate resource allocations and methods for adjustment that take into account available data, the presence of community-based providers, and customary resource allocation methods, economic indicators, rate of homelessness, rental vacancy rates, and other variables, as appropriate; and

(B) annually, distribute funding to each community action agency and the statewide organization serving households that are experiencing or that have experienced domestic or sexual violence using the allocation formula developed pursuant to subdivision (A) of this subdivision (b)(3), or if the Department and community action agencies agree, disperse a joint allocation for all community action agencies, which the community action agencies shall determine how to distribute amongst themselves;

(4) consult with the community action agencies and the statewide organization serving households that are experiencing or that have experienced domestic and sexual violence to develop appropriate measures and methods for accountability of the community action agencies' and the statewide organization's execution of duties under this chapter, including the provision of any previously agreed upon information to enable the Department to evaluate the services provided through grant funds, the effect on households receiving services, and an accounting of expended grant funds;

(5) provide support and technical assistance to the community action agencies, other community partners, and the statewide organization serving households that are experiencing or that have experienced domestic or sexual violence;

(6) identify specific administrative resources that could be transitioned to community operations;

(7) develop and maintain standards for the core services listed in section 2206 of this chapter, including the operation of community-based shelters; and

(8) adopt rules pursuant to 3 V.S.A. chapter 25, in consultation with the community action agencies and the statewide organization serving households that are experiencing or that have experienced domestic or sexual violence, as appropriate, for the implementation of this chapter, including rules that address reauthorization standards under subsection 2205(a) and subdivision 2205(b)(3) of this chapter and accommodations for individuals with a disability.

§ 2209. REGIONAL PLANNING; NEEDS ASSESSMENTS

(a) As part of the plan required every three years pursuant to 3 V.S.A. § 3904 and the federally required planning and needs assessments for the continuums of care, the community action agencies shall develop a regional needs assessment and planning process, in collaboration with community and State partners, for use in each community action agency's region to inform future plans addressing housing and homelessness in each region of the State. The regional needs assessment and planning process plans shall include:

(1) addressing progress in reducing the number of households experiencing homelessness in a region;

(2) assessing the rate households placed in permanent housing return to homelessness and the underlying reasons;

(3) identifying resources developed and utilized in the region to address homelessness and efforts to improve the equitable distribution of these resources in the region;

(4) reporting the rate of household participation with coordinated entry processes and case management services;

(5) identifying system gaps and the funding needed to address those gaps, including periodic inflationary adjustments; and

(6) utilizing data, including Vermont's Point-in-Time Count, coordinated entry assessment results, and community conversations.

(b) Every three years, each community action agency shall submit plans developed pursuant to this section to the Department in a format prescribed by the Department and to the regional planning committees in the region. Upon receipt of the plans, the Department shall consolidate the results of these reports and submit the consolidated report to the House Committee on Human Services and to the Senate Committee on Health and Welfare.

§ 2210. REPORTING REQUIREMENTS

On or before the last day of every third month, the Department shall post a report on its website, in consultation with the community action agencies and the statewide organization serving households experiencing domestic or sexual violence, addressing:

(1) the number of households served through the Program, by household size and, if applicable, by eligibility category, region, service provider, and core service category;

(2) cash income and noncash benefits by source;

(3) changes in capacity for shelter beds, nursing homes, and residential care homes since the previous reporting period;

(4) the number of diversions from homelessness made during the previous reporting period;

(5) the number of households whose intake assessment indicated a potential need for services from each department within the Agency;

(6) the number of households that have been successfully transitioned to permanent housing since the previous reporting period, the types of housing settings in which they have been placed, and any supportive services they are receiving in conjunction with their housing;

(7) the number of households returning to homelessness after placement in permanent housing; and

(8) an inventory, by amount and purpose, of all subgrants issued by the statewide organization serving households experiencing or who have experienced domestic or sexual violence and by each community action agency.

§ 2204 2211. REGIONAL ADVISORY COUNCILS

* * *

* * * Implementation Planning and Initial Regional Assessments * * *

Sec. 5. VHEARTH IMPLEMENTATION PLANNING

(a) On or before October 1, 2025, the Department for Children and Families, in collaboration with the community action agencies and the statewide organization serving households that are experiencing or that have experienced domestic or sexual violence, shall submit the first of two written implementation plans to the House Committee on Human Services, the Senate Committee on Health and Welfare, and the Joint Fiscal Committee outlining its initial plans for the implementation of the Vermont Homeless Emergency

Assistance and Responsive Transition to Housing Program established by 33 V.S.A. chapter 22 on or before July 1, 2026. Specifically, the first implementation plan shall include:

(1) a process that community action agencies, in coordination with the Department, shall use to conduct regularly occurring regional needs assessments and develop future regional plans, including consideration of municipal needs;

(2) recommended performance measures to evaluate the community action agencies and the statewide organization serving households that are experiencing or that have experienced domestic or sexual violence in carrying out their duties under 33 V.S.A. chapter 22, including:

(A) the provision of any previously agreed upon information to enable the Department to evaluate the services provided through grant funds, the effect on households receiving services, and an accounting of expended grant funds; and

(B) performance measures that may be specific to an individual region of the State or provider;

(3) recommended eligibility for each of the core services listed in 33 V.S.A. § 2206;

(4) guidance regarding when extreme weather event shelters shall be operated, including flexibility for regional weather conditions;

(5) a timeline for the implementation of core services listed in 33 V.S.A. § 2206 for the first six months of fiscal year 2027;

(6) recommended intake and assessment processes to determine appropriate shelter and services for households based on Program eligibility; and

(7) a recommended process to enable an unwilling community action agency to opt-out of participation in the Program in a manner that gives the State adequate notice.

(b) On or before January 15, 2026, the Department for Children and Families, in collaboration with the community action agencies, regional advisory councils established pursuant to 33 V.S.A. § 2204, any other relevant department of the Agency, and the statewide organization serving households that are experiencing or that have experienced domestic or sexual violence, shall submit the second of two written implementation plans to the House Committee on Human Services and the Senate Committee on Health and Welfare outlining its initial plans for the implementation of the Vermont Homeless Emergency Assistance and Responsive Transition to Housing

Program established by 33 V.S.A. chapter 22 on or before July 1, 2026. Specifically, the second implementation plan shall include recommendations and information on the following:

(1)(A) funding allocations among the community action agencies and other providers, including for services specific to households that are experiencing or that have experienced domestic or sexual violence; and

(B) the distribution of fiscal year 2026 appropriations pursuant to Sec. 8 of this act;

(2) additional State and federal funding and other resources identified for the Program;

(3) establishing an appeals process that includes a hearing before the Human Services Board and an option for an expedited appeals process;

(4) the role of 211 within the intake system;

(5) whether access to all or some services should include an expectation regarding household participation in case management services or other expectations such as night limits on the use of hotels and motels, and, if so, what elements and in what circumstances participation in case management services or other expectations should be applied;

(6) whether the use of emergency shelter should include financial participation, and, if so, what that participation should include;

(7) appropriate intake and assessment processes for verification of residency, homelessness, and household income;

(8) how to best ensure that there is equitable access to shelter and supportive services for households experiencing homelessness;

(9) the number of housing vouchers that Vermont lost in the past year, if the data is available; and

(10) any anticipated challenges requiring a legislative solution.

Sec. 6. INTERIM AND FINAL NEEDS ASSESSMENT PLANS

Prior to the enactment of the Vermont Homeless Emergency Assistance and Responsive Transition to Housing Program on July 1, 2026, the statewide organization serving households experiencing or that have experienced domestic or sexual violence and community action agencies shall conduct initial needs assessments in accordance with the process developed in Sec. 5(a)(1) of this act. On or before January 15, 2026, the community action agencies shall submit one comprehensive progress report and the statewide organization shall submit a separate report to the House Committees on

Appropriations and on Human Services and the Senate Committees on Appropriations and on Health and Welfare, including estimated fiscal year 2027 budget proposals, estimated costs of administering the Program, and an analysis of any barriers to generating additional shelter and permanent housing in the region. On or before April 1, 2026, the statewide organization shall submit a report and the community action agencies shall submit a separate comprehensive report detailing the results of each region's needs assessment and implementation plans, which shall not exceed the budgetary proposals provided in the January 15, 2026 progress report, to the House Committees on Appropriations and on Human Services and the Senate Committees on Appropriations and on Health and Welfare and to the regional planning committees in the region. The initial needs assessment conducted pursuant to this section shall include:

(1) addressing progress in reducing the number of households experiencing homelessness in a region;

(2) assessing the rate households placed in permanent housing return to homelessness and the underlying reasons;

(3) identifying resources developed and utilized in the region to address homelessness and efforts to improve the equitable distribution of these resources in the region;

(4) reporting the rate of household participation with coordinated entry processes and case management services;

(5) identifying system gaps and the funding needed to address those gaps, including periodic inflationary adjustments; and

(6) utilizing data, including Vermont's Point-in-Time Count, coordinated entry assessment results, and community conversations.

* * * Community Action Agencies * * *

Sec. 7. 3 V.S.A. chapter 59 is amended to read:

CHAPTER 59. COMMUNITY SERVICES ACTION AGENCIES

§ 3901. FINDINGS AND PURPOSE

(a) Recognizing that the economic well-being and social equity of every Vermonter has long been a fundamental concern of the State, it remains evident that ~~poverty continues to be the lot of~~ a substantial number of Vermont's population continues to experience poverty. It is the policy of ~~this~~ the State to help develop the full potential of each of its citizens so they can contribute to the fullest extent possible to the life of our communities and the State as a whole.

(b) It is the purpose of this chapter to strengthen, supplement, and coordinate efforts that further this policy through:

(1) the strengthening of community capabilities for planning, coordinating, and managing federal, State, and other sources of assistance related to the problem of poverty;

(2) the better organization and utilization of a range of services related to the needs of ~~the poor~~ individuals with low income; and

(3) the broadening of the resource base of programs to secure a more active role in assisting ~~the poor~~ individuals with low income from business, labor, and other groups from the private sector.

§ 3902. OFFICE OF ECONOMIC OPPORTUNITY

(a) The Director of the Office of Economic Opportunity is hereby authorized to allocate available financial assistance for community ~~services~~ action agencies and programs in accordance with State and federal law and regulation.

(b) The Director may provide financial assistance to community ~~services~~ action agencies for the planning, conduct, administration, and evaluation of community ~~service~~ action programs to provide a range of services and activities having a measurable and potentially major impact on causes of poverty in the community or in areas of the community where poverty is a particularly acute problem. Components of those services and activities may involve, without limitation of other activities and supporting facilities designed to assist ~~low-income~~ participants with low income:

(1) to secure and retain meaningful employment;

(2) to obtain adequate education;

(3) to make better use of available income;

(4) to ~~provide and maintain adequate housing and a suitable living environment~~ have access to safe, secure, and permanent housing;

(5) to obtain prevention, intervention, treatment, and recovery services for ~~the prevention of narcotics addiction, alcoholism, and for the rehabilitation of narcotic addicts and alcoholics~~ individuals with substance use disorder;

(6) to obtain emergency assistance through loans and grants to meet immediate and urgent individual and family needs, including the need for health services, nutritious food, housing, and unemployment-related assistance;

(7) to remove obstacles and solve personal and family problems which that block achievement of self-sufficiency;

(8) to achieve greater participation in the affairs of the community;

(9) to make more frequent and effective use of other programs related to the purposes of this chapter; and

(10) to coordinate and establish linkages between governmental and other social service programs to ~~assure~~ ensure the effective delivery of such services to ~~low-income~~ persons; with low income and to encourage the use of entities in the private sector of the community in efforts to ameliorate poverty in the community.

(c) The Director is authorized to adopt rules pursuant to chapter 25 of this title appropriate to the carrying out of this chapter and the purposes thereof.

§ 3903. DESIGNATION OF AGENCIES TO PROVIDE SERVICES AND
ACTIVITIES TO AMELIORATE OR ELIMINATE POVERTY

The Director shall designate private nonprofit ~~community-based~~ community-based organizations ~~who~~ that have demonstrated or ~~who~~ that can demonstrate the ability to provide services and activities as defined in subsection 3902(b) of this title as community ~~services~~ action agencies.

§ 3904. COMMUNITY ~~SERVICES~~ ACTION AGENCY PLAN

Each designated community ~~services~~ action agency shall determine the need for activities and services within the area served by the agency and shall thereafter prepare a community services plan ~~which~~ that describes the method by which the agency will provide those services. The plan shall include a schedule for the anticipated provision of new or additional services and shall specify the resources ~~which~~ that are needed by and available to the agency to implement the plan. The community services plan shall be completed every three years and updated annually. The plan shall include the regional needs assessment required under 33 V.S.A. § 2209.

§ 3905. COMMUNITY ~~SERVICES~~ ACTION AGENCIES;
ADMINISTRATION

(a) Each community ~~services~~ action agency shall administer its programs as set out in the community services plan and as approved by its board of directors.

(b) Each board of a nonprofit ~~community-based~~ community-based organization that is designated a community ~~services~~ action agency under section 3903 of this chapter shall have an executive committee of not more than seven members who shall be representative of the composition of the board and the board shall be so constituted that:

* * *

(2) one-third of the members of the board are persons chosen in accordance with election procedures adequate to assure ensure that they are representative of ~~the poor~~ individuals with low income in the area served; and

(3) the remainder of the members of the board are officials or members of business, industry, labor, religious, welfare, education, or other major groups and interests in the community.

(c) Each member of ~~the a~~ board selected to represent a specific geographic area within a community shall reside in the area ~~he or she~~ the member represents. ~~No person selected under subdivisions (2) or (3) of subsection (b) as a member of a board shall serve on such board for more than five consecutive years, or more than a total of 10 years~~ Each board shall adopt term limits to govern its members.

* * * Appropriations * * *

Sec. 8. APPROPRIATION; TRANSITION PLANNING

(a) In fiscal year 2026, \$7,000,000.00 of one-time funding is appropriated from the General Fund as follows:

(1) \$5,085,000.00 to the Department for Children and Families to plan for the implementation of the Vermont Homeless Emergency Assistance and Responsive Transition to Housing Program, which shall be distributed to the community action agencies on a mutually agreed upon schedule, as needed,;

(2) \$400,000.00 to the Department for Children and Families for distribution to the statewide organization serving households experiencing or who have experienced domestic or sexual violence; and

(3) \$515,000.00 to the Department of Health for distribution to Bridges to Health for services to individuals who are experiencing homelessness or at risk of becoming homeless;

(4) \$1,000,000.00 to the Department for Children and Families for the distribution of grants to municipalities planning and implementing services for households that are at risk of homelessness or experiencing homelessness, in collaboration with the community action agency serving a municipality's region.

(b) The Department shall report on the distribution of appropriations made in this section pursuant to Sec. 5(b)(1)(B).

* * * VHEARTH Transition * * *

Sec. 9. VHEARTH TRANSITION

Between July 1, 2025 and July 1, 2026, pursuant to a mutual agreement between the Department and a community action agency or the statewide organization serving households experiencing domestic or sexual violence, specific elements of the Vermont Homeless Emergency Assistance and Responsive Transition to Housing Program may take effect prior to July 1, 2026 subject to:

- (1) 30-day notice to affected households;
- (2) 30-day notice to the Joint Fiscal Committee, House Committee on Human Services, and Senate Committee on Health and Welfare; and
- (3) posted notice on the Department's website.

* * * Effective Dates * * *

Sec.10. EFFECTIVE DATES

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

(1) Sec. 4 (Vermont Homeless Emergency Assistance and Responsive Transition to Housing Program) shall take effect on July 1, 2026; however, specific elements of the Vermont Homeless Emergency Assistance and Responsive Transition to Housing Program may be implemented prior to that date pursuant to Sec. 9;

(2) Sec. 7 (community action agencies) shall take effect on July 1, 2026; and

(3) the Department for Children and Families shall commence the rulemaking process prior to July 1, 2026 in order to have rules in place on that date.

VIRGINIA V. LYONS

MARTINE LAROCQUE GULICK

TANYA C. VYHOVSKY

Committee on the part of the Senate

THERESA A. WOOD

ERIC MAGUIRE

JUBILEE MCGILL

Committee on the part of the House

Pending the question, Shall the House adopt the report of the Committee of Conference on its part?, **Rep. McGill of Bridport** 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 adopt the report of the Committee of Conference on its part?, was decided in the affirmative. Yeas, 92. Nays, 42.

Those who voted in the affirmative are:

Arsenault of Williston	Durfee of Shaftsbury	McGill of Bridport
Austin of Colchester	Eastes of Guilford	Mihaly of Calais
Berbeco of Winooski	Emmons of Springfield	Minier of South Burlington
Birong of Vergennes	Garofano of Essex *	Morris of Springfield
Bishop of Colchester	Goldman of Rockingham	Morrow of Weston
Black of Essex	Goodnow of Brattleboro	Mrowicki of Putney
Bluemle of Burlington *	Graning of Jericho	Nigro of Bennington
Bos-Lun of Westminster *	Greer of Bennington	Noyes of Wolcott
Boutin of Barre City	Harple of Glover	Nugent of South Burlington
Brady of Williston	Headrick of Burlington	Ode of Burlington
Branagan of Georgia	Holcombe of Norwich	Olson of Starksboro
Brown of Richmond	Hooper of Randolph	Pezzo of Colchester
Burke of Brattleboro	Hooper of Burlington	Pouech of Hinesburg
Burkhardt of South Burlington	Houghton of Essex Junction	Priestley of Bradford
Burrows of West Windsor *	Howard of Rutland City	Quimby of Lyndon
Burt of Cabot	Hunter of Manchester	Rachelson of Burlington
Carris-Duncan of Whitingham *	James of Manchester	Satcowitz of Randolph
Casey of Montpelier	Kimbell of Woodstock	Scheu of Middlebury
Chapin of East Montpelier	Kleppner of Burlington	Sheldon of Middlebury
Charlton of Chester	Kornheiser of Brattleboro	Sibilia of Dover
Christie of Hartford	Krasnow of South Burlington	Squirrell of Underhill
Cole of Hartford	Lalley of Shelburne	Stevens of Waterbury
Conlon of Cornwall	LaLonde of South Burlington	Stone of Burlington
Cooper of Pownal	LaMont of Morristown *	Sweeney of Shelburne
Corcoran of Bennington	Lipsky of Stowe	Taylor of Milton
Cordes of Bristol	Logan of Burlington	Tomlinson of Winooski
Critchlow of Colchester	Long of Newfane	Torre of Moretown
Dodge of Essex	Maguire of Rutland City	Waszazak of Barre City *
Dolan of Essex Junction	Masland of Thetford	Waters Evans of Charlotte
Duke of Burlington	McFaun of Barre Town	White of Waitsfield
		Wood of Waterbury
		Yacovone of Morristown

Those who voted in the negative are:

Bailey of Hyde Park	Harrison of Chittenden	Nielsen of Brandon
Bosch of Clarendon	Harvey of Castleton	North of Ferrisburgh
Burditt of West Rutland	Howland of Rutland Town	Oliver of Sheldon
Canfield of Fair Haven	Kascenska of Burke	Page of Newport City
Casey of Hubbardton	Keyser of Rutland City	Pinsonault of Dorset
Coffin of Cavendish	Labor of Morgan	Powers of Waterford
Demar of Enosburgh	Laroche of Franklin	Pritchard of Pawlet

Dickinson of St. Albans Town	Luneau of St. Albans City	Southworth of Walden
Dobrovich of Williamstown	Marcotte of Coventry	Steady of Milton *
Dolgin of St. Johnsbury	McCoy of Poultney	Tagliavia of Corinth
Galfetti of Barre Town	Micklus of Milton	Toof of St. Albans Town
Goslant of Northfield	Morgan, L. of Milton	Walker of Swanton
Gregoire of Fairfield	Morgan, M. of Milton	Winter of Ludlow
Hango of Berkshire *	Morrissey of Bennington	
	Nelson of Derby *	

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

Bartholomew of Hartland	Donahue of Northfield	O'Brien of Tunbridge
Bartley of Fairfax	Feltus of Lyndon	Parsons of Newbury
Boyden of Cambridge	Higley of Lowell	Surprenant of Barnard
Campbell of St. Johnsbury	Malay of Pittsford	Wells of Brownington
Cina of Burlington	McCann of Montpelier	White of Bethel

Rep. Bluemle of Burlington provided the following vote explanation:

“Madam Speaker:

I cast my vote with gratitude for the leadership and persistence of the Human Services Committee, for the willingness of Community Action Agencies and shelter providers, to step up to this responsibility and for Brenda Siegel’s tireless advocacy, which has done much to inspire this change.”

Rep. Bos-Lun of Westminster provided the following vote explanation:

“Madam Speaker:

I am glad to support H.91, transitioning Vermont from reliance on an inadequate hotel/motel program to a model that will more effectively help Vermonters and Vermont communities. I have worked closely with individuals looking for stable housing. I am hopeful this legislation will move Vermont toward addressing root issues and housing for all.”

Rep. Burrows of West Windsor provided the following vote explanation:

“Madam Speaker:

The idea of preventing people from falling below the impossible to overcome line of home – no home comes as a great relief. And the thought and care that has gone into this bill is deeply appreciated.”

Rep. Carris-Duncan of Whitingham provided the following vote explanation:

“Madam Speaker:

I voted for this bill because our economy right now is precarious. Falling into homelessness can happen to any of us. If your loved one happens to get

sick that could be the end of stable housing. When I first moved back it took ten months to find stable housing, in spite of generous hands lending help. I know the toll and the stress that can come from not having a stable home base. We were tasked with the opportunity to transform our housing system to build something with the wraparound supports needed to break this crisis. Our winters are cold. No one deserves to be left in the snow.”

Rep. Garofano of Essex provided the following vote explanation:

“Madam Speaker:

I am proud to vote yes for H.91. H.91 is a transformative piece of legislation that integrates Vermont’s homeless assistance system. It creates a person-centered program that will provide essential supportive services to vulnerable Vermonters who are experiencing homelessness and will reduce our reliance on the ineffective hotel/motel voucher program.”

Rep. Hango of Berkshire provided the following vote explanation:

“Madam Speaker:

I was hopeful that this Committee of Conference report would present us with a viable and sustainable path forward to shelter our most vulnerable populations, but I’m not convinced that the underlying causes of homelessness will be addressed and alleviated.”

Rep. LaMont of Morristown provided the following vote explanation:

“Madam Speaker:

The 5,000 Vermonters, 1100 of which named to be children, are only the people we have documented and accounted for through use of services. Given the current state of events, our housing crisis will get worse before it gets better. I am grateful for the work of the committee and the advocates for this step in the right direction. Housing is a human right. Let’s get to work.”

Rep. Nelson of Derby provided the following vote explanation:

“Madam Speaker:

If we further remove the barriers to creating affordable housing and use public dollars to create shelter for a long-lasting housing, we could better take care of these families.”

Rep. Steady of Milton provided the following vote explanation:

“Madam Speaker:

I worked housing the homeless when it began in 2014. I do not believe VHEARTH is the answer. I have a few concerns on H.91. However, I will only mention two. First, there is no longer an 80-day cap for the hotel/motel

program. I believe a cap should remain with a provision to extend if an eligible recipient is deemed to be disabled or has a medical need. If there is no cap and there is an emergency need for a room, will a room be available? Second, the start funds will be used for additional staffing to implement VHEARTH. Who will be paying these salaries and rentals in the future when the start-up monies run out? I do not feel this costly bill is the fix to help our homeless Vermonters.”

Rep. Waszazak of Barre City provided the following vote explanation:

“Madam Speaker:

Housing is a human right, and until we realize that through a whole government approach, people will continue to needlessly suffer. I support this bill for all of those whom this bill will help and remind us all that the work is far from over. These 1100 kids are counting on us.”

**Rules Suspended, Immediate Consideration;
Report of Committee of Conference Adopted; Rules Suspended,
Messaged to Senate Forthwith**

S. 126

Appearing on the Notice Calendar, on motion of **Rep. McCoy of Poultney**, the rules were suspended and Senate bill, entitled

An act relating to health care payment and delivery system reform

Was taken up for immediate consideration.

The Speaker placed before the House the following Committee of Conference report:

TO THE SENATE AND HOUSE OF REPRESENTATIVES:

The Committee of Conference, to which were referred the disagreeing votes of the two Houses upon Senate Bill, entitled:

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

Respectfully reports that it has met and considered the same and recommends that the House recede from its proposal of amendment and that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Purpose of the Act; Goals * * *

Sec. 1. PURPOSE; GOALS

The purpose of this act is to achieve transformation of and structural changes to Vermont's health care system. In enacting this legislation, the General Assembly intends to advance the following goals:

(1) improvements in health outcomes, population health, quality of care, regional access to services, and reducing disparities in access resulting from demographic factors or health status;

(2) an integrated system of care, with robust care coordination and increased investments in primary care, home health care, and long-term care;

(3) stabilizing health care providers, controlling the costs of commercial health insurance, and managing hospital costs based on the total cost of care, beginning with reference-based pricing and continuing on to global hospital budgets;

(4) evaluating progress in achieving system transformation and structural changes by creating and applying standardized accountability metrics; and

(5) establishing a health care system that will attract and retain high-quality health care professionals to practice in Vermont and that supports, develops, and preserves the dignity of Vermont's health care workforce.

* * * Hospital Budgets and Payment Reform * * *

Sec. 2. 18 V.S.A. § 9375 is amended to read:

§ 9375. DUTIES

(a) The Board shall execute its duties consistent with the principles expressed in section 9371 of this title.

(b) The Board shall have the following duties:

(1) Oversee the development and implementation, and evaluate the effectiveness, of health care payment and delivery system reforms designed to control the rate of growth in health care costs; promote seamless care, administration, and service delivery; and maintain health care quality in Vermont, including ensuring that the payment reform pilot projects set forth in this chapter are consistent with such reforms.

(A) Implement by rule, pursuant to 3 V.S.A. chapter 25, methodologies for achieving payment reform and containing costs that may include the participation of Medicare and Medicaid, which may include the creation of health care professional cost-containment targets, reference-based

pricing, global payments, bundled payments, global budgets, risk-adjusted capitated payments, or other uniform payment methods and amounts for integrated delivery systems, health care professionals, or other provider arrangements.

* * *

(5) Set rates for health care professionals pursuant to section 9376 of this title, to be implemented over time beginning with reference-based pricing as soon as practicable, but not later than hospital fiscal year 2027, and make adjustments to the rules on reimbursement methodologies as needed.

(6) Approve, modify, or disapprove requests for health insurance rates pursuant to 8 V.S.A. § 4062, taking into consideration the requirements in the underlying statutes; changes in health care delivery; changes in payment methods and amounts, including implementation of reference-based pricing; protecting insurer solvency; and other issues at the discretion of the Board.

(7) Review and establish hospital budgets pursuant to chapter 221, subchapter 7 of this title, including establishing standards for global hospital budgets that reflect the implementation of reference-based pricing and the total cost of care targets determined in collaboration with federal partners and other stakeholders or as set by the Statewide Health Care Delivery Plan developed pursuant to section 9403 of this title, once established. Beginning not later than hospital fiscal year 2028, to the extent that resources are available, the Board shall establish global hospital budgets for one or more Vermont hospitals that are not critical access hospitals. By hospital fiscal year 2030, to the extent that resources are available, the Board shall establish global hospital budgets for all Vermont hospitals.

* * *

Sec. 3. 18 V.S.A. § 9376 is amended to read:

§ 9376. PAYMENT AMOUNTS; METHODS

(a) Intent. It is the intent of the General Assembly to ensure payments to health care professionals that are consistent with efficiency, economy, and quality of care and will permit them to provide, on a solvent basis, effective and efficient health services that are in the public interest. It is also the intent of the General Assembly to eliminate the shift of costs between the payers of health services to ensure that the amount paid to health care professionals is sufficient to enlist enough providers to ensure that health services are available to all Vermonters and are distributed equitably.

(b) Rate-setting.

(1) The Board shall set reasonable rates for health care professionals, health care provider bargaining groups created pursuant to section 9409 of this title, manufacturers of prescribed products, medical supply companies, and other companies providing health services or health supplies based on methodologies pursuant to section 9375 of this title, in order to have a consistent reimbursement amount accepted by these persons. In its discretion, the Board may implement rate-setting for different groups of health care professionals over time and need not set rates for all types of health care professionals. In establishing rates, the Board may consider legitimate differences in costs among health care professionals, such as the cost of providing a specific necessary service or services that may not be available elsewhere in the State, and the need for health care professionals in particular areas of the State, particularly in underserved geographic or practice shortage areas.

(2) Nothing in this subsection shall be construed to:

(A) limit the ability of a health care professional to accept less than the rate established in subdivision (1) of this subsection (b) from a patient without health insurance or other coverage for the service or services received; or

(B) reduce or limit the covered services offered by Medicare or Medicaid.

(c) Methodologies. The Board shall approve payment methodologies that encourage cost-containment; provision of high-quality, evidence-based health services in an integrated setting; patient self-management; access to primary care health services ~~for underserved individuals, populations, and areas~~; and healthy lifestyles. Such methodologies shall be consistent with payment reform and with evidence-based practices, and may include fee-for-service payments if the Board determines such payments to be appropriate.

(d) Supervision. To the extent required to avoid federal antitrust violations and in furtherance of the policy identified in subsection (a) of this section, the Board shall facilitate and supervise the participation of health care professionals and health care provider bargaining groups in the process described in subsection (b) of this section.

(e) Reference-based pricing.

(1)(A) The Board shall establish reference-based prices that represent the maximum amounts that hospitals shall accept as payment in full for items provided and services delivered in Vermont. The Board may also implement reference-based pricing for services delivered outside a hospital by setting the

minimum amounts that shall be paid for items provided and services delivered by nonhospital-based health care professionals. The Board shall consult with health insurers, hospitals, other health care professionals as applicable, the Office of the Health Care Advocate, and the Agency of Human Services in developing reference-based prices pursuant to this subsection (e), including on ways to achieve all-payer alignment on the design and implementation of reference-based pricing.

(B) The Board shall implement reference-based pricing in a manner that does not allow health care professionals to charge or collect from patients or health insurers any amount in excess of the reference-based amount established by the Board.

(2)(A) Reference-based prices established pursuant to this subsection (e) shall be based on a percentage of the Medicare reimbursement for the same or a similar item or service or on another benchmark, as appropriate, provided that if the Board establishes prices that are referenced to Medicare, the Board may opt to update the prices in the future based on a reasonable rate of growth that is separate from Medicare rates, such as the Medicare Economic Index measure of inflation, in order to provide predictability and consistency for health care professionals and payers and to protect against federal funding pressures that may impact Medicare rates in an unpredictable manner. The Board may also reference to, and update based on, other payment or pricing systems where appropriate.

(B) In establishing reference-based prices for a hospital pursuant to this subsection (e), the Board shall consider the composition of the communities served by the hospital, including the health of the population, demographic characteristics, acuity, payer mix, labor costs, social risk factors, and other factors that may affect the costs of providing care in the hospital service area, as well as the hospital's role in Vermont's health care system.

(3)(A) The Board shall begin implementing reference-based pricing as soon as practicable but not later than hospital fiscal year 2027 by establishing the maximum amounts that Vermont hospitals shall accept as payment in full for items provided and services delivered. After initial implementation, the Board shall review the reference-based prices for each hospital annually as part of the hospital budget review process set forth in chapter 221, subchapter 7 of this title.

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

alignment between price decreases and premium decreases annually on its website.

(4) The Board shall identify factors that would necessitate terminating or modifying the use of reference-based pricing in one or more hospitals, such as a measurable reduction in access to or quality of care.

(5) The Green Mountain Care Board, in consultation with the Agency of Human Services and the Vermont Steering Committee for Comprehensive Primary Health Care established pursuant to section 9403b of this title, may implement reference-based pricing for services delivered outside a hospital, such as primary care services, and may increase or decrease the percentage of Medicare or another benchmark as appropriate, first to enhance access to primary care and later for alignment with the Statewide Health Care Delivery Strategic Plan established pursuant to section 9403 of this title, once established. The Board may consider establishing reference-based pricing for services delivered outside a hospital by setting minimum amounts that shall be paid for the purpose of prioritizing access to high-quality health care services in settings that are appropriate to patients' needs in order to contain costs and improve patient outcomes.

(6) The Board's authority to establish reference-based prices pursuant to this subsection shall not include the authority to set amounts applicable to items provided or services delivered to patients who are enrolled in Medicare or Medicaid.

Sec. 3a. 18 V.S.A. § 9451 is amended to read:

§ 9451. DEFINITIONS

As used in this subchapter:

(1) "Hospital" means a hospital licensed under chapter 43 of this title, except a hospital that is conducted, maintained, or operated by the State of Vermont.

(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.

(3) "Volume" means the number of inpatient days of care or admissions and the number of all inpatient and outpatient ancillary services rendered to patients by a hospital.

Sec. 4. 18 V.S.A. § 9454 is amended to read:

§ 9454. HOSPITALS; DUTIES

* * *

(b) Hospitals shall submit information as directed by the Board in order to maximize hospital budget data standardization and allow the Board to make direct comparisons of hospital expenses across the health care system.

(c) Hospitals shall adopt a fiscal year that shall begin on October 1.

Sec. 5. 18 V.S.A. § 9456 is amended to read:

§ 9456. BUDGET REVIEW

(a) The Board shall conduct reviews of each hospital's proposed budget based on the information provided pursuant to this subchapter and in accordance with a schedule established by the Board.

(b) In conjunction with budget reviews, the Board shall:

(1) review utilization information;

(2) consider the Statewide Health Care Delivery Strategic Plan developed pursuant to section 9403 of this title, once established, including the total cost of care targets, and consult with the Agency of Human Services to ensure compliance with federal requirements regarding Medicare and Medicaid;

(3) consider the Health Resource Allocation Plan identifying Vermont's critical health needs, goods, services, and resources developed pursuant to section 9405 of this title;

~~(3)~~(4) consider the expenditure analysis for the previous year and the proposed expenditure analysis for the year under review;

~~(4)~~(5) consider any reports from professional review organizations;

(6) for a hospital that operates within a hospital network, review the hospital network's financial operations as they relate to the budget of the individual hospital;

~~(5)~~(7) solicit public comment on all aspects of hospital costs and use and on the budgets proposed by individual hospitals;

~~(6)~~(8) meet with hospitals to review and discuss hospital budgets for the forthcoming fiscal year;

~~(7)~~(9) give public notice of the meetings with hospitals, and invite the public to attend and to comment on the proposed budgets;

~~(8)~~(10) consider the extent to which costs incurred by the hospital in connection with services provided to Medicaid beneficiaries are being charged to non-Medicaid health benefit plans and other non-Medicaid payers;

~~(9)~~(11) require each hospital to file an analysis that reflects a reduction in net revenue needs from non-Medicaid payers equal to any anticipated increase in Medicaid, Medicare, or another public health care program reimbursements, and to any reduction in bad debt or charity care due to an increase in the number of insured individuals;

~~(10)~~(12) require each hospital to provide information on administrative costs, as defined by the Board, including specific information on the amounts spent on marketing and advertising costs;

~~(11)~~(13) require each hospital to create or maintain connectivity to the State's Health Information Exchange Network in accordance with the criteria established by the Vermont Information Technology Leaders, Inc., pursuant to subsection 9352(i) of this title, provided that the Board shall not require a hospital to create a level of connectivity that the State's Exchange is unable to support;

~~(12)~~(14) review the hospital's investments in workforce development initiatives, including nursing workforce pipeline collaborations with nursing schools and compensation and other support for nurse preceptors; ~~and~~

~~(13)~~(15) consider the salaries for the hospital's executive and clinical leadership, including variable payments and incentive plans, and the hospital's salary spread, including a comparison of median salaries to the medians of northern New England states and a comparison of the base salaries and total compensation for the hospital's executive and clinical leadership with those of the hospital's lowest-paid employees who deliver health care services directly to hospital patients; and

(16) consider the number of employees of the hospital whose duties are primarily administrative in nature, as defined by the Board, compared with the number of employees whose duties primarily involve delivering health care services directly to hospital patients.

(c) Individual hospital budgets established under this section shall:

(1) be consistent, to the extent practicable, with the Statewide Health Care Delivery Strategic Plan, once established, including the total cost of care targets, and with the Health Resource Allocation Plan;

(2) reflect the reference-based prices established by the Board pursuant to section 9376 of this title;

(3) take into consideration national, regional, or in-state peer group norms, according to indicators, ratios, and statistics established by the Board;

~~(3)(4)~~ promote efficient and economic operation of the hospital and, if a hospital is affiliated with a hospital network, ensure that hospital spending on the hospital network's operations is consistent with the principles for health care reform expressed in section 9371 of this title and with the Statewide Health Care Delivery Strategic Plan, once established;

~~(4)(5)~~ reflect budget performances for prior years;

~~(5)(6)~~ include a finding that the analysis provided in subdivision ~~(b)(9)~~ (b)(11) of this section is a reasonable methodology for reflecting a reduction in net revenues for non-Medicaid payers; ~~and~~

~~(6)(7)~~ demonstrate that they support equal access to appropriate mental health care that meets standards of quality, access, and affordability equivalent to other components of health care as part of an integrated, holistic system of care; ~~and~~

(8) include meaningful variable payments and incentive plans for hospitals that are consistent with this section and with the principles for health care reform expressed in section 9371 of this title.

(d)(1)(A) Annually, the Board shall establish a budget for each hospital on or before September 15, followed by a written decision by October 1. Each hospital shall operate within the budget established under this section.

(B)(i) Beginning not later than hospital fiscal year 2028, to the extent that resources are available, the Board shall establish global hospital budgets for one or more Vermont hospitals that are not critical access hospitals. Not later than hospital fiscal year 2030, to the extent that resources are available, the Board shall establish global hospital budgets for all Vermont hospitals.

(ii) Global hospital budgets established pursuant to this section shall include Medicare to the extent permitted under federal law but shall not include Medicaid.

* * *

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

(2)(A) Except as provided in subdivision (D) of this subdivision (e)(2), a hospital that proposes to reduce or eliminate any service in order to comply with a budget established under this section shall provide a notice of intent to

the Board, the Agency of Human Services, the Office of the Health Care Advocate, and the members of the General Assembly who represent the hospital service area not less than 45 days prior to the proposed reduction or elimination.

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

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

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

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

(4) The Board may establish a process to define, on an annual basis, criteria for hospitals to meet, such as utilization and inflation benchmarks.

(5) The Board may waive one or more of the review processes listed in subsection (b) of this section.

* * *

Sec. 6. 18 V.S.A. § 9458 is added to read:

§ 9458. HOSPITAL NETWORKS; STRUCTURE; FINANCIAL
OPERATIONS

(a) The Board may review and evaluate the structure of a hospital network to determine:

(1) whether any network operations should be organized and operated out of a hospital instead of at the network; and

(2) whether the existence and operation of a network provides value to Vermonters, is in the public interest, and is consistent with the principles for health care reform expressed in section 9371 of this title and with the Statewide Health Care Delivery Strategic Plan, once established.

(b) In order to protect the public interest, the Board may, on its own initiative, investigate the financial operations of a hospital network, including compensation of the network's employees and executive leadership.

(c) The Board may recommend any action it deems necessary to correct any aspect of the structure of a hospital network or its financial operations that are inconsistent with the principles for health care reform expressed in section 9371 of this title or with the Statewide Health Care Delivery Strategic Plan, once established.

* * * Health Care Contracts * * *

Sec. 7. 18 V.S.A. § 9418c is amended to read:

§ 9418c. FAIR CONTRACT STANDARDS

* * *

(e)(1) The requirements of subdivision (b)(5) of this section do not prohibit a contracting entity from requiring a reasonable confidentiality agreement between the provider and the contracting entity regarding the terms of the proposed health care contract.

(2) Upon request, a contracting entity or provider shall provide an unredacted copy of an executed or proposed health care contract to the Department of Financial Regulation or the Green Mountain Care Board, or both.

* * * Statewide Health Care Delivery Strategic Plan; Health Care Delivery
Advisory Committee; Vermont Steering Committee for Comprehensive
Primary Health Care * * *

Sec. 8. 18 V.S.A. § 9403 is added to read:

§ 9403. STATEWIDE HEALTH CARE DELIVERY STRATEGIC PLAN

(a) The Agency of Human Services, in collaboration with the Green Mountain Care Board, the Department of Financial Regulation, the Vermont Program for Quality in Health Care, the Office of the Health Care Advocate, the Health Care Delivery Advisory Committee established in section 9403a of this title, the Vermont Steering Committee for Comprehensive Primary Health Care established pursuant to section 9403b of this title, and other interested stakeholders, shall lead development of an integrated Statewide Health Care Delivery Strategic Plan as set forth in this section.

(b) The Plan shall:

(1) Align with the principles for health care reform expressed in section 9371 of this title.

(2) Identify existing services and promote universal access across Vermont to high-quality, cost-effective acute care; primary care, including primary mental health services; chronic care; long-term care; substance use disorder treatment services; emergency medical services; nonemergency medical services; nonmedical services and supports; and hospital-based, independent, and community-based services.

(3) Define a shared vision and shared goals and objectives for improving access to and the quality, efficiency, and affordability of health care services in Vermont and for reducing disparities in access resulting from demographic factors or health status, including benchmarks for evaluating progress.

(4) Identify the resources, infrastructure, and support needed to achieve established targets, which will ensure the feasibility and sustainability of implementation.

(5) Provide a phased implementation timeline with milestones and regular reporting to ensure adaptability as needs evolve.

(6) Promote accountability and continuous quality improvement across Vermont's health care system through the use of data, scientifically grounded methods, and high-quality performance metrics to evaluate effectiveness and inform decision making.

(7) Provide annual targets for the total cost of care across Vermont's health care system. Using these total cost of care targets, the Plan shall identify appropriate allocations of health care resources and services across the State that balance quality, access, and cost containment. The Plan shall also establish targets for the percentages of overall health care spending that should reflect spending on primary care services, including mental health services, and on preventive care services, which targets shall be aligned with the total cost of care targets.

(8) Build on data and information from:

(A) the transformation planning resulting from 2022 Acts and Resolves No. 167, Secs. 1 and 2;

(B) the expenditure analysis and health care spending estimate developed pursuant to section 9383 of this title;

(C) the State Health Improvement Plan adopted pursuant to subsection 9405(a) of this title;

(D) the Health Resource Allocation Plan published by the Green Mountain Care Board in accordance with subsection 9405(b) of this title;

(E) hospitals' community health needs assessments and strategic planning conducted in accordance with section 9405a of this title;

(F) hospital and ambulatory surgical center quality information published by the Department of Health pursuant to section 9405b of this title;

(G) the statewide quality assurance program maintained by the Vermont Program for Quality in Health Care pursuant to section 9416 of this title;

(H) the 2020 report determining the proportion of health care spending in Vermont that is allocated to primary care, submitted to the General Assembly by the Green Mountain Care Board and the Department of Vermont Health Access in accordance with 2019 Acts and Resolves No. 17, Sec. 2;

(I) the 2024 report on Blueprint for Health payments to patient-centered medical homes, submitted to the General Assembly by the Agency of Human Services in accordance with 2023 Acts and Resolves No. 51, Sec. 5; and

(J) such additional sources of data and information as the Agency and other stakeholders deem appropriate.

(9) Identify:

(A) opportunities to improve the quality of care across the health care delivery system, including exemplars of high-quality care to stimulate best practice dissemination;

(B) gaps in access to care, as well as unnecessary duplication of services, including circumstances in which service closures or consolidations may result in improvements in quality, access, and affordability;

(C) opportunities to reduce administrative burdens;

(D) federal, State, and other barriers to achieving the Plan's goals and, to the extent feasible, how those barriers can be removed or mitigated;

(E) priorities in steps for achieving the goals of the Plan;

(F) barriers to access to appropriate mental health and substance use disorder services that meet standards of quality, access, and affordability equivalent to other components of health care;

(G) opportunities to integrate health care services for individuals in the custody of the Department of Corrections as part of Vermont's health care delivery system;

(H) enhancements in quality reporting and data collection to provide a more current and accurate picture of the quality of health care delivery across Vermont; and

(I) systems to ensure that reported data is shared with and is accessible to the health care professionals who are providing care, enabling them to track performance and inform improvement.

(c) State agencies shall cooperate with all reasonable requests from the Agency of Human Services for data and other information and assistance needed for the Agency to prepare and update the Plan pursuant to this section.

(d)(1) In 2025 and 2026, the Agency of Human Services shall engage with stakeholders; collect and analyze data; gather information obtained through the processes established in 2022 Acts and Resolves No. 167, Secs. 1 and 2; and solicit input from the public.

(2) In 2027, the Agency shall prepare the Plan.

(3) On or before January 15, 2028, the Agency shall provide the Plan to the House Committees on Health Care and on Human Services and the Senate Committee on Health and Welfare.

(4) The Agency shall prepare an updated Plan every three years and shall provide it to the General Assembly on or before December 1 of every third year, beginning on December 1, 2030.

Sec. 9. 18 V.S.A. § 9403a is added to read:

§ 9403a. HEALTH CARE DELIVERY ADVISORY COMMITTEE

(a) There is created the Health Care Delivery Advisory Committee to:

(1) establish health care affordability benchmarks;

(2) evaluate and monitor the performance of Vermont's health care system and its impacts on population health outcomes;

(3) collaborate with the Agency of Human Services and other interested stakeholders in the development and maintenance of the Statewide Health Care Delivery Strategic Plan developed pursuant to section 9403 of this title;

(4) consider the recommendations of the Vermont Steering Committee for Comprehensive Primary Health Care established pursuant to section 9403b of this title;

(5) advise the Green Mountain Care Board on the design and implementation of an ongoing evaluation process to continuously monitor current performance in the health care delivery system; and

(6) provide coordinated and consensus recommendations to the General Assembly on issues related to health care delivery, including primary care, and population health.

(b)(1) The Advisory Committee shall be composed of the following 18 members:

(A) the Secretary of Human Services or designee;

(B) the Chair of the Green Mountain Care Board or designee;

(C) the Chief Health Care Advocate from the Office of the Health Care Advocate or designee;

(D) two members of the Vermont Steering Committee for Comprehensive Primary Health Care, selected by the Steering Committee;

(E) one representative of commercial health insurers offering major medical health insurance plans in Vermont, selected by the Commissioner of Financial Regulation;

(F) two representatives of Vermont hospitals, selected by the Vermont Association of Hospitals and Health Systems, who shall represent hospitals that are located in different regions of the State and that face different levels of financial stability;

(G) one representative of Vermont's federally qualified health centers, selected by Bi-State Primary Care Association;

(H) one representative of physicians, selected by the Vermont Medical Society;

(I) one representative of independent physician practices, selected by HealthFirst;

(J) one representative of advanced practice registered nurses, selected by the Vermont Nurse Practitioners Association;

(K) one representative of Vermont's designated and specialized service agencies, selected by Vermont Care Partners;

(L) one preferred provider from outside the designated and specialized service agency system, selected by the Commissioner of Health;

(M) one Vermont-licensed mental health professional from an independent practice, selected by the Commissioner of Mental Health;

(N) one representative of Vermont's home health agencies, selected jointly by the VNAs of Vermont and Bayada Home Health Care; and

(O) one representative of long-term care facilities, selected by the Vermont Health Care Association; and

(P) one representative of small businesses, selected by the Vermont Chamber of Commerce.

(2) The Advisory Committee shall consult with and solicit input from the Health Equity Advisory Commission; physician assistants, physical therapists, and other health care professionals who are not members of the Advisory Committee; Vermont's free clinic programs; the Vermont Program for Quality in Health Care; and other relevant stakeholders.

(3) The Secretary of Human Services or designee shall be the Chair of the Advisory Committee.

(4) The Agency of Human Services shall provide administrative and technical assistance to the Advisory Committee.

(c) Members of the Advisory Committee shall not receive per diem compensation or reimbursement of expenses for their participation on the Advisory Committee.

Sec. 9a. 18 V.S.A. § 9403b is added to read:

§ 9403b. VERMONT STEERING COMMITTEE FOR COMPREHENSIVE
PRIMARY HEALTH CARE

(a) There is created the Vermont Steering Committee for Comprehensive Primary Health Care to inform the work of State government, including the Blueprint for Health and the Office of Health Care Reform in the Agency of Human Services, as it relates to access to, delivery of, and payment for primary care services in Vermont.

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

(1) the Chair of the Department of Family Medicine at the University of Vermont Larner College of Medicine or designee;

(2) the Chair of the Department of Pediatrics at the University of Vermont Larner College of Medicine or designee;

(3) the Associate Dean for Primary Care at the University of Vermont Larner College of Medicine or designee;

(4) the Executive Director of the Vermont Child Health Improvement Program at the University of Vermont Larner College of Medicine or designee;

(5) the President of the Vermont Academy of Family Physicians or designee;

(6) the President of the American Academy of Pediatrics, Vermont Chapter, or designee;

(7) a member of the Green Mountain Care Board's Primary Care Advisory Committee, selected by the Green Mountain Care Board;

(8) the Executive Director of the Blueprint for Health;

(9) a primary care clinician who practices at an independent practice, selected by HealthFirst;

(10) a primary care clinician who practices at a federally qualified health center, selected by Bi-State Primary Care Association;

(11) a primary care physician, selected by the Vermont Medical Society;

(12) a primary care physician assistant, selected by the Physician Assistant Academy of Vermont;

(13) a primary care nurse practitioner, selected by the Vermont Nurse Practitioners Association;

(14) a mental health provider who practices at a community mental health center designated pursuant to section 8907 of this title, selected by Vermont Care Partners;

(15) a licensed independent clinical social worker, selected by the National Association of Social Workers, Vermont Chapter; and

(16) a psychologist, selected by the Vermont Psychological Association.

(c) The Steering Committee shall:

(1) engage in an ongoing assessment of comprehensive primary care needs in Vermont;

(2) provide recommendations for recruiting and retaining high-quality primary care providers, including on ways to encourage new talent to join Vermont's primary care workforce;

(3) develop proposals for sustainable payment models for primary care;

(4) identify methods for enhancing Vermonters' access to primary care;

(5) recommend opportunities to reduce administrative burdens on primary care providers;

(6) recommend mechanisms for measuring the quality of primary care services delivered in Vermont;

(7) provide input regarding comprehensive primary health care for the Statewide Health Care Delivery Strategic Plan as it is developed, updated, and implemented pursuant to section 9403 of this title;

(8) consult with the Green Mountain Care Board in the event that the Board develops reference-based pricing for primary care providers as permitted under subdivision 9376(e)(5) of this title; and

(9) offer additional recommendations and guidance to the Blueprint for Health, the Office of Health Care Reform, the General Assembly, and others in State government on ways to increase access to primary care services and to improve patient and provider satisfaction with primary care delivery in Vermont.

(d) The Steering Committee shall receive administrative and technical assistance from the Agency of Human Services.

(e)(1) The Executive Director of the Blueprint for Health shall call the first meeting of the Steering Committee to occur on or before September 1, 2025.

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

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

(f) Members of the Steering Committee shall not receive per diem compensation or reimbursement of expenses for their participation on the Steering Committee.

* * * Data Integration; Data Sharing * * *

Sec. 10. 18 V.S.A. § 9353 is added to read:

§ 9353. INTEGRATION OF HEALTH CARE DATA; REPORTS

(a) The Agency of Human Services shall collaborate with the Health Information Exchange Steering Committee in the development of the Unified Health Data Space in order to improve patient and provider access to relevant information, increase efficiencies and decrease administrative burdens on providers, and reduce health care system costs.

(b) The Agency's development of the Unified Health Data Space shall:

(1) align with the statewide Health Information Technology Plan established pursuant to section 9351 of this title;

(2) utilize the expertise of the Health Information Exchange Steering Committee;

(3) incorporate appropriate privacy and security standards that are aligned with the best privacy and security interests of patients;

(4) determine whether to integrate clinical data, claims data, data regarding social drivers of health and health-related social needs, and other data types and, if so, how to do so in a manner that protects proprietary information relating to payers and providers; provided, however, that integration of these data types or a subset of them shall not begin prior to January 1, 2027 and shall occur only upon the favorable vote of a majority of all voting members of the Health Information Exchange Steering Committee and only for the specific uses approved by a majority of all voting members of the Steering Committee;

(5) if data is integrated in accordance with subdivision (4) of this subsection, limit the use of the integrated data to the specific uses approved by the Health Information Exchange Steering Committee;

(6) ensure interoperability among contributing data sources and applications to enable use of the Unified Health Data Space;

(7) identify the resources necessary to complete data linkages for policy, health surveillance, population health management, and research usage and for the data integration uses approved by the Health Information Exchange Steering Committee pursuant to subdivisions (4) and (5) of this subsection;

(8) establish a timeline for setup and access to the integrated system;

(9) develop and implement a system that ensures rapid access for patients and providers; and

(10) identify additional opportunities for future development, including incorporating new data types and larger populations.

(c) The Agency shall provide access to data to State agencies and health care providers as needed to support the goals of the Statewide Health Care Delivery Strategic Plan established pursuant to section 9403 of this title, once established, to the extent permitted by the data use agreements in place for each data set and the uses approved pursuant to subdivision (b)(4) of this section.

(d)(1) On or before January 15, 2026, the Agency of Human Services shall report to the House Committees on Health Care and on Human Services and the Senate Committee on Health and Welfare regarding the advantages and disadvantages of integrating clinical data, claims data, data regarding social drivers of health and health-related social needs, and other data types in the Unified Health Data Space; how an integrated system can improve patient and provider access to relevant information, increase efficiencies and decrease

administrative burdens on providers, increase access to and quality of health care for Vermonters, and reduce health care system costs; and how an integrated system can be implemented in a manner that protects proprietary information relating to payers and providers.

(2) On or before January 15 annually beginning in 2027, the Agency of Human Services shall provide an update to the House Committees on Health Care and on Human Services and the Senate Committee on Health and Welfare regarding the development and implementation of the Unified Health Data Space in accordance with this section.

Sec. 11. 18 V.S.A. § 9374 is amended to read:

§ 9374. BOARD MEMBERSHIP; AUTHORITY

* * *

(i)(1) In addition to any other penalties and in order to enforce the provisions of this chapter and empower the Board to perform its duties, the Chair of the Board may issue subpoenas, examine persons, administer oaths, and require production of papers and records. Any subpoena or notice to produce may be served by registered or certified mail or in person by an agent of the Chair. Service by registered or certified mail shall be effective three business days after mailing. Any subpoena or notice to produce shall provide at least six business days' time from service within which to comply, except that the Chair may shorten the time for compliance for good cause shown. Any subpoena or notice to produce sent by registered or certified mail, postage prepaid, shall constitute service on the person to whom it is addressed.

(2) Each witness who appears before the Chair under subpoena shall receive a fee and mileage as provided for witnesses in civil cases in Superior Courts; provided, however, any person subject to the Board's authority shall not be eligible to receive fees or mileage under this section.

(3) The Board may share any information, papers, or records it receives pursuant to a subpoena or notice to produce issued under this section with the Agency of Human Services or the Department of Financial Regulation, or both, as appropriate to the work of the Agency or Department, provided that the Agency or Department agrees to maintain the confidentiality of any information, papers, or records that are exempt from public inspection and copying under the Public Records Act.

* * *

* * * Health Care Reforms Addressing Exigent Needs * * *

Sec. 11a. HEALTH CARE SPENDING REDUCTIONS;

AGENCY OF HUMAN SERVICES; REPORTS

(a)(1) The Agency of Human Services shall facilitate collaboration and coordination among health care providers in order to encourage cooperation in developing rapid responses to the urgent financial pressures facing the health care system and to identify opportunities to increase efficiency, improve the quality of health care services, reduce spending on prescription drugs, and increase access to essential services, including primary care, emergency departments, mental health and substance use disorder treatment services, prenatal care, and emergency medical services and transportation, while reducing hospital spending for hospital fiscal year 2026 by not less than 2.5 percent.

(2) The Agency of Human Services shall facilitate and supervise the participation of hospitals and other health care providers in the process set forth in subdivision (1) of this subsection as necessary for this collaborative process to be afforded state-action immunity under applicable federal and State antitrust laws.

(b) The Agency of Human Services shall report on the proposed reductions that it has approved pursuant to this section, including applicable timing and appropriate accountability measures, to the Health Reform Oversight Committee and the Joint Fiscal Committee on or before July 1, 2025. On or before the first day of each month of hospital fiscal year 2026, beginning on October 1, 2025, the Agency shall provide updates to the Health Reform Oversight Committee and the Joint Fiscal Committee when the General Assembly is not in session, and to the House Committee on Health Care and the Senate Committee on Health and Welfare when the General Assembly is in session, regarding progress in implementing and achieving the hospital spending reductions identified pursuant to this section.

Sec. 11b. HEALTH CARE SYSTEM TRANSFORMATION; AGENCY OF
HUMAN SERVICES; REPORTS

(a) The Agency of Human Services shall identify specific outcome measures for determining whether, when, and to what extent each of the following goals of its health care system transformation efforts pursuant to 2022 Acts and Resolves No. 167 (Act 167) has been met:

(1) reduce inefficiencies;

(2) lower costs;

- (3) improve health outcomes;
- (4) reduce health inequities; and
- (5) increase access to essential services.

(b)(1) The Agency of Human Services shall report to the Health Reform Oversight Committee and the Joint Fiscal Committee:

(A) the specific outcome measures developed pursuant to subsection (a) of this section, along with a timeline for accomplishing them;

(B) how the Agency will determine its progress in accomplishing the outcome measures and achieving the transformation goals, including how it will determine the amount of savings attributable to each inefficiency reduced and how it will evaluate increases in access to essential services;

(C) the impact that each transformation decision made by an individual hospital as part of the Act 167 transformation process has or will have on the State's health care system, including on health care costs and on health insurance premiums;

(D) how the Agency is tracking and coordinating the transformation efforts of individual hospitals to ensure that they complement the transformation efforts of other hospitals and other health care providers and that they will contribute in a positive way to a transformed health care system that meets the Act 167 goals; and

(E) the amount of State funds, and federal funds, if applicable, that the Agency has spent on Act 167 transformation efforts to date or has obligated for those purposes and the amount of unspent State funds appropriated for Act 167-related purposes that remain for the Agency's Act 167 transformation efforts.

(2) On or before the first day of each month beginning on August 1, 2025 through January 1, 2027, the Agency shall provide the Health Reform Oversight Committee and the Joint Fiscal Committee when the General Assembly is not in session, and to the House Committee on Health Care and the Senate Committee on Health and Welfare when the General Assembly is in session, with updates on each of the items set forth in subdivisions (1)(A)–(E) of this subsection.

Sec. 11c. HEALTH CARE SYSTEM TRANSFORMATION; INCENTIVES;
TELEHEALTH

(a) To encourage hospitals to engage proactively, think expansively, and propose transformation initiatives that will reduce costs to Vermont's health care system without negatively affecting health care quality or jeopardizing

access to necessary services, the Agency of Human Services shall award grants to the hospitals in State fiscal year 2026 that actively participate in health care transformation efforts to assist them in building partnerships, reducing hospital costs for hospital fiscal year 2026, and expanding Vermonters' access to health care services, including those delivered using telehealth. It is the intent of the General Assembly that the funds appropriated in Sec. 18(b) of this act should be awarded on a first-come, first-served basis until all of the funds have been distributed.

(b) On or before December 1, 2025, the Agency of Human Services shall report to the Health Reform Oversight Committee and the Joint Fiscal Committee regarding how much of the \$2,000,000.00 appropriated to the Agency pursuant to Sec. 18(b) of this act was obligated as of November 15, 2025 and how much had already been disbursed to hospitals as of that date.

Sec. 11d. DEPARTMENT OF FINANCIAL REGULATION;

DOMESTIC HEALTH INSURER SUSTAINABILITY;

REPORT

On or before November 1, 2025, the Department of Financial Regulation shall provide to the Health Reform Oversight Committee a plan for preserving the sustainability of domestic health insurers in Vermont, which may include utilizing reinsurance.

* * * Retaining Accountable Care Organization Capabilities * * *

Sec. 12. RETAINING ACCOUNTABLE CARE ORGANIZATION

CAPABILITIES; REPORT

The Agency of Human Services shall explore opportunities to retain capabilities developed by or on behalf of a certified accountable care organization that were funded in whole or in part using State or federal monies, or both, and that have the potential to make beneficial contributions to Vermont's health care system, such as capabilities related to comprehensive payment reform and quality data measurement and reporting. On or before December 1, 2025, the Agency of Human Services shall report its findings and recommendations to the Health Reform Oversight Committee.

* * * Implementation Updates * * *

Sec. 13. [Deleted.]

Sec. 14. GREEN MOUNTAIN CARE BOARD; IMPLEMENTATION;
REPORT

On or before February 15, 2026, the Green Mountain Care Board shall provide an update to the House Committee on Health Care and the Senate Committee on Health and Welfare regarding the Board's implementation of this act, including the status of its efforts to establish methodologies for and begin implementation of reference-based pricing and development of global hospital budgets, and the effects of these efforts and activities on increasing access to care, improving the quality of care, and reducing the cost of care in Vermont.

Sec. 15. 3 V.S.A. § 3027 is amended to read:

§ 3027. HEALTH CARE SYSTEM REFORM; IMPROVING QUALITY
AND AFFORDABILITY; REPORT

(a) The Director of Health Care Reform in the Agency of Human Services shall be responsible for the coordination of health care system reform efforts among Executive Branch agencies, departments, and offices, and for coordinating with the Green Mountain Care Board established in 18 V.S.A. chapter 220.

(b) On or before February 15 annually, the Agency of Human Services shall provide an update to the House Committee on Health Care and the Senate Committee on Health and Welfare regarding all of the following:

(1) The status of the Agency's efforts to develop, update, and implement the Statewide Health Care Delivery Strategic Plan in accordance with 18 V.S.A. § 9403. The Agency shall adopt an evaluation framework using an evidence-based approach to assess both the effectiveness of Plan development and implementation and the Plan's overall impact. The evaluation shall include identifying what was accomplished, how well it was executed, and the benefits to specific cohorts within Vermont's health care system, and the Agency shall include updated evaluation results annually as part of its report.

(2) The activities of the Health Care Delivery Advisory Committee established pursuant to 18 V.S.A. § 9403a during the previous calendar year.

(3) The effects of the Statewide Health Care Delivery Strategic Plan, the efforts and activities of the Health Care Delivery Advisory Committee, and other efforts and activities engaged in or directed by the Agency on increasing access to care, improving the quality of care, and reducing the cost of care in Vermont.

Sec. 16. 18 V.S.A. § 9375(d) is amended to read:

(d) Annually on or before January 15, the Board shall submit a report of its activities for the preceding calendar year to the House Committee on Health Care and the Senate Committee on Health and Welfare.

(1) The report shall include:

* * *

(G) the status of its efforts to establish methodologies for and begin implementation of reference-based pricing and development of global hospital budgets, and the effects of these efforts and activities on increasing access to care, improving the quality of care, and reducing the cost of care in Vermont;

(H) any recommendations for modifications to Vermont statutes; and

~~(H)~~(I) any actual or anticipated impacts on the work of the Board as a result of modifications to federal laws, regulations, or programs.

* * *

* * * Positions; Appropriations * * *

Sec. 17. GREEN MOUNTAIN CARE BOARD; POSITIONS

(a) The establishment of the following three new permanent classified positions is authorized at the Green Mountain Care Board in fiscal year 2026:

(1) one Director, Reference-Based Pricing;

(2) one Project Manager, Reference-Based Pricing; and

(3) one Operations, Procurement, and Contractual Oversight Manager.

(b) These positions shall be transferred and converted from existing vacant positions in the Executive Branch.

Sec. 18. APPROPRIATIONS

(a) The sum of \$2,200,000.00 is appropriated from the General Fund to the Agency of Human Services in fiscal year 2026 for use as follows:

(1) \$2,000,000.00 for feasibility analysis and transformation plan development with hospitals, designated agencies, primary care organizations, and other community-based providers;

(2) \$100,000.00 for development of quality and access measures, targets, and monitoring strategies for the Statewide Health Care Delivery Strategic Plan; and

(3) \$100,000.00 to support the development of alternative payment models.

(b) Notwithstanding any provision of 32 V.S.A. § 10301 to the contrary, the sum of \$2,000,000.00 is appropriated from the Health IT-Fund to the Agency of Human Services in fiscal year 2026 for grants to hospitals for the collaborative efforts to reduce hospital costs in accordance with Secs. 11a and 11c of this act and to expand access to health care services, such as by enhancing telehealth infrastructure development.

(c)(1) The sum of \$1,062,500.00 is appropriated to the Green Mountain Care Board in fiscal year 2026 for use as follows:

(A) \$512,500.00 for the positions authorized in Sec. 17 of this act, as set forth in subdivision (2) of this subsection (c);

(B) \$500,000.00 from the General Fund for contracts, including contracts for assistance with implementing reference-based pricing in accordance with this act; and

(C) \$50,000.00 from the General Fund for a contract with the Vermont Program for Quality in Health Care to engage in quality initiatives in accordance with this act.

(2) Of the funds appropriated in subdivision (1)(A) of this subsection:

(A) \$205,000.00 is appropriated from the General Fund; and

(B) \$307,500.00 is appropriated from the Green Mountain Care Board Regulatory and Administrative Fund.

(d) Notwithstanding any provision of 32 V.S.A. § 10301 to the contrary, the sum of \$150,000.00 is appropriated from the Health IT-Fund to the Green Mountain Care Board in fiscal year 2026 for expenses associated with increased standardization of electronic hospital budget data submissions in accordance with Sec. 4 of this act.

(e) It is the intent of the General Assembly to provide sufficient resources in future fiscal years to enable the Green Mountain Care Board to fully implement global hospital budgets in accordance with 18 V.S.A. § 9456(d)(1)(B).

* * * Effective Dates * * *

Sec. 19. EFFECTIVE DATES

(a) Sec. 16 (18 V.S.A. § 9375(d); Green Mountain Care Board annual report) shall take effect on July 1, 2026.

(b) Secs. 17 (Green Mountain Care Board; positions) and 18 (appropriations) shall take effect on July 1, 2025.

(c) The remaining sections shall take effect on passage.

SEN. VIRGINIA V. LYONS
SEN. MARTINE LAROCQUE GULICK
SEN. SAMUEL A. DOUGLASS

Committee on the part of the Senate

REP. ALYSSA BLACK
REP. FRANCIS M. "TOPPER" MCFAUN
REP. DAISY BERBECO

Committee on the part of the House

Which was considered and adopted on the part of the House.

On motion of **Rep. McCoy of Poultney**, the rules were suspended and House action on the bill was ordered messaged to the Senate forthwith.

**Rules Suspended, Immediate Consideration;
Senate Proposal of Amendment to House Proposal of Amendment
Concurred in; Rules Suspended, Messaged to Senate Forthwith**

S. 109

Pending entry on the Notice Calendar, on motion of **Rep. McCoy of Poultney**, the rules were suspended and Senate bill, entitled

An act relating to miscellaneous judiciary procedures

Was taken up for immediate consideration.

The Senate concurred in the House proposal of amendment to Senate proposal of amendment with further proposal of amendment thereto by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 3 V.S.A. § 164 is amended to read:

§ 164. ADULT COURT DIVERSION PROGRAM

(a) Purpose.

(1) The Attorney General shall develop and administer an adult court diversion program, for both pre-charge and post-charge referrals, available in all counties.

(2) The program shall be designed to provide a restorative option for persons alleged to have caused harm in violation of a criminal statute or who have been charged with violating a criminal statute as well as for victims or those acting on a victim's behalf who have been allegedly harmed by the

~~responsible party~~ person referred to the program. The diversion program can accept referrals to the program as follows:

* * *

(c) Adult diversion program policy and referral requirements.

* * *

(3) Adult post-charge diversion requirements. Each State's Attorney, in cooperation with the Office of the Attorney General and the adult post-charge diversion program, shall develop clear criteria for deciding what types of offenses and offenders will be eligible for diversion; however, the State's Attorney shall retain final discretion over the referral of each case for diversion. All adult post-charge diversion programs receiving financial assistance from the Attorney General shall adhere to the following:

(A) The post-charge diversion program for adults shall only accept persons against whom charges have been filed and the court has found probable cause, but are not adjudicated.

(B) A prosecutor may refer a person to diversion either before or after arraignment and shall notify in writing the diversion program and the court of the prosecutor's ~~of the~~ referral to diversion.

* * *

Sec. 2. 4 V.S.A. § 71 is amended to read:

§ 71. APPOINTMENT AND TERM OF SUPERIOR JUDGES

(a) ~~There shall be 34 Superior judges, whose term of office shall, The~~ number of Superior judges shall be as determined by the General Assembly. The term of office of a Superior judge shall, except in the case of an appointment to fill a vacancy or unexpired term, begin on April 1 in the year of their appointment or retention and continue for six years.

* * *

Sec. 3. 4 V.S.A. § 1102 is amended to read:

§ 1102. JUDICIAL BUREAU; JURISDICTION

(a) The Judicial Bureau is created within the Judicial Branch under the supervision of the Supreme Court.

(b) The Judicial Bureau shall have jurisdiction of the following matters:

* * *

(4) Violations of 7 V.S.A. § 1005, relating to possession and procurement of tobacco products by a person under 21 years of age.

* * *

Sec. 4. 4 V.S.A. § 1106 is amended to read:

§ 1106. HEARING

* * *

(d) A Unless otherwise provided by law, a law enforcement officer may void or amend a complaint issued by that officer by so marking the complaint and returning it to the Bureau, regardless of whether the amended complaint is a lesser included violation. At the hearing, a law enforcement officer may, unless otherwise provided by law, void or amend a complaint issued by that officer in the discretion of that officer.

* * *

Sec. 5. 7 V.S.A. § 1005(c) is amended to read:

(c) A person under 21 years of age who misrepresents ~~his or her~~ the person's age by presenting false identification to purchase tobacco products, tobacco substitutes, or tobacco paraphernalia shall be ~~fined~~ subject to a civil penalty of not more than \$50.00 or provide up to 10 hours of community service, or both.

Sec. 6. 12 V.S.A. § 5 is amended to read:

§ 5. DISSEMINATION OF ELECTRONIC CASE RECORDS

(a) The Court shall not permit public access via the ~~Internet~~ internet to criminal, family, or probate case records. The Court may permit criminal justice agencies, as defined in 20 V.S.A. § 2056a, ~~Internet~~ internet access to criminal case records for criminal justice purposes, as defined in 20 V.S.A. § 2056a.

(b) Notwithstanding subsection (a) of this section, the Court shall provide licensed Vermont attorneys in good standing with access via the internet, through the Judiciary's public portal website or otherwise, to nonconfidential criminal, family, and probate case records.

(c) This section shall not be construed to prohibit the Court from providing electronic access to:

(1) court schedules of the Superior Court or opinions of the Criminal Division of the Superior Court;

(2) State agencies in accordance with data dissemination contracts entered into under Rule 12 of the Vermont Rules for Public Access to Court Records; or

(3) decisions, recordings of oral arguments, briefs, and printed cases of the Supreme Court.

Sec. 7. 12 V.S.A. § 4937 is amended to read:

§ 4937. ATTORNEY'S FEES

When a mortgage contains an agreement on the part of the mortgagor to pay the mortgagee, in the event of foreclosure, the attorney's fees incident thereto, and claim is made therefor in the complaint, ~~upon hearing~~, the court in which the complaint is brought shall allow such fee as in its judgment is just.

Sec. 8. 13 V.S.A. § 4013 is amended to read:

§ 4013. ZIP GUNS; ~~SWITCHBLADE KNIVES~~

A person who possesses, sells, or offers for sale a weapon commonly known as a "zip" gun, ~~or a weapon commonly known as a switchblade knife, the blade of which is three inches or more in length~~, shall be imprisoned not more than 90 days or fined not more than \$100.00, or both.

Sec. 9. EXPUNGEMENT OF CRIMINAL HISTORY RECORDS

The court shall order the expungement of criminal history records of convictions of 13 V.S.A. § 4013 for possessing, selling, or offering for sale a switchblade knife that occurred prior to July 1, 2025. The process and effect for expungement of these records shall be as provided for in 13 V.S.A. § 7606 and shall be completed by the court and all entities subject to the order not later than July 1, 2026.

Sec. 10. 13 V.S.A. § 5351(7) is amended to read:

(7) "Victim" means:

(A) a person who sustains injury or death as a direct result of the commission or attempted commission of a crime;

(B) an intervenor who is physically injured or killed in an attempt to assist the person described in subdivision (A) of this subdivision (7) or ~~the police~~ a protected professional as defined in subdivision 1028(d)(1) of this title;

(C) a surviving immediate family member of a homicide victim, including a spouse, domestic partner, parent, sibling, child, grandparent, or other survivor who may suffer severe emotional harm as a result of the victim's death as determined on a case-by-case basis in the discretion of the Board; or

(D) a resident of this State who is injured or killed as the result of a crime committed outside the United States.

Sec. 11. 13 V.S.A. § 7282 is amended to read:

§ 7282. SURCHARGE

* * *

(c) ~~SIU surcharge.~~ In addition to any penalty or fine imposed by the court for a criminal offense committed after July 1, 2009, the clerk of the court shall levy an additional surcharge of \$100.00 to be deposited in the General Fund, in support of the Specialized Investigative Unit Grants Board created in 24 V.S.A. § 1940(c), and used to pay for the costs of Specialized Investigative Units.

Sec. 12. 14 V.S.A. § 2 is amended to read:

§ 2. DEPOSIT OF WILL FOR SAFEKEEPING; DELIVERY; FINAL DISPOSITION

(a) A will may be deposited for safekeeping in the Probate Division of the Superior Court for the district in which the testator resides on payment to the court of the applicable fee required by ~~32 V.S.A. § 1434(a)(17)~~ 32 V.S.A. § 1434(a)(18). The register shall give to the testator a receipt, shall safely keep each will so deposited, and shall keep an index of the wills so deposited.

* * *

Sec. 13. 14 V.S.A. § 3068 is amended to read:

§ 3068. HEARING

* * *

(e)(1) If upon completion of the hearing and consideration of the record the court finds that the respondent is not a person in need of guardianship, it shall dismiss the petition and seal the records of the proceeding.

(2) If a motion to withdraw the petition is made before the final hearing, the court shall dismiss the petition and seal the records of the proceeding.

(f) If upon completion of the hearing and consideration of the record the court finds that the petitioner has proved by clear and convincing evidence that the respondent is a person in need of guardianship or will be a person in need of guardianship on attaining 18 years of age, it shall enter judgment specifying the powers of the guardian pursuant to sections 3069 and 3070 of this title and the duties of the guardian pursuant to section 3071 of this title.

(g) Any party to the proceeding before the court may appeal the court's decision in the manner provided in section 3080 of this title.

Sec. 14. 14 V.S.A. § 4051 is amended to read:

§ 4051. STATUTORY FORM POWER OF ATTORNEY

A document substantially in the following form may be used to create a statutory form power of attorney that has the meaning and effect prescribed by this chapter.

VERMONT STATUTORY FORM POWER OF ATTORNEY IMPORTANT
INFORMATION

* * *

GRANT OF SPECIFIC AUTHORITY (OPTIONAL)

My agent MAY NOT do any of the following specific acts for me UNLESS I have INITIALED the specific authority listed below:

(CAUTION: Granting any of the following will give your agent the authority to take actions that could significantly reduce your property or change how your property is distributed at your death. INITIAL ONLY the specific authority you WANT to give your agent.)

() An agent who is not an ancestor, spouse, or descendant may exercise authority under this power of attorney to create in the agent or in an individual to whom the agent owes a legal obligation of support an interest in my property whether by gift, rights of survivorship, beneficiary designation, disclaimer, or otherwise

() Create, amend, revoke, or terminate an inter vivos, family, living, irrevocable, or revocable trust

() Consent to the modification or termination of a noncharitable irrevocable trust under 14A V.S.A. § 411

() Make a gift, subject to the limitations of 14 V.S.A. § 4047 (gifts) and any special instructions in this power of attorney

~~() Consent to the modification or termination of a noncharitable irrevocable trust under 14A V.S.A. § 411~~

() Create, amend, or change rights of survivorship

() Create, amend, or change a beneficiary designation

() Waive the principal's right to be a beneficiary of a joint and survivor annuity, including a survivor benefit under a retirement plan

() Exercise fiduciary powers that the principal has authority to delegate

() Authorize another person to exercise the authority granted under this power of attorney

- () Disclaim or refuse an interest in property, including a power of appointment
- () Exercise authority with respect to elective share under 14 V.S.A. § 319
- () Exercise waiver rights under 14 V.S.A. § 323
- () Exercise authority over the content and catalogue of electronic communications and digital assets under 14 V.S.A. chapter 125 (Vermont Revised Uniform Fiduciary Access to Digital Assets Act)
- () Exercise authority with respect to intellectual property, including, without limitation, copyrights, contracts for payment of royalties, and trademarks
- () Convey, or revoke or revise a grantee designation, by enhanced life estate deed pursuant to 27 V.S.A. chapter 6 or under common law.

* * *

Sec. 15. 14A V.S.A. § 1316 is amended to read:

§ 1316. OFFICE OF TRUST DIRECTOR

Unless the terms of a trust provide otherwise, the rules applicable to a trustee apply to a trust director regarding the following matters:

- (1) acceptance under section 701 of this title;
- (2) giving of bond to secure performance under section 702 of this title;
- (3) reasonable compensation under section 708 of this title;
- (4) resignation under section 705 of this title;
- (5) removal under section 706 of this title; and
- (6) vacancy and appointment of successor under section 704 of this title.

Sec. 16. 33 V.S.A. § 5204(b)(2)(A) is amended to read:

(2)(A)(i) The Family Division of the Superior Court shall hold a hearing under subsection (c) of this section to determine whether jurisdiction should be transferred to the Criminal Division under subsection (a) of this section if the delinquent act set forth in the petition is:

- (I) [Repealed.]
- (II) human trafficking or aggravated human trafficking in violation of 13 V.S.A. § 2652 or 2653;
- (III) defacing a firearm's serial number in violation of ~~13 V.S.A. § 4024~~ 13 V.S.A. § 4026; or
- (IV) straw purchasing of firearm in violation of 13 V.S.A. § 4025; and

(ii) the child had attained 16 years of age but not 19 years of age at the time the act was alleged to have occurred.

Sec. 17. 33 V.S.A. § 5225 is amended to read:

§ 5225. PRELIMINARY HEARING; RISK ASSESSMENT

(a) Preliminary hearing. A preliminary hearing shall be held at the time and date specified on the citation or as otherwise ordered by the court. If a child is taken into custody prior to the preliminary hearing, the preliminary hearing shall be at the time of the temporary care hearing. Counsel for the child shall be assigned prior to the preliminary hearing.

(b) Risk and needs screening.

(1) Prior to the preliminary hearing, the child shall be afforded an opportunity to undergo a risk and needs screening, which shall be conducted by the Department or by a community provider that has contracted with the Department to provide risk and need screenings for children alleged to have committed delinquent acts.

(2) If the child participates in such a screening, the Department or the community provider shall report the risk level result of the screening, the number and source of the collateral contacts made, and the recommendation for charging or other alternatives to the State's Attorney. The State's Attorney shall consider the results of the risk and needs screening in determining whether to file a charge. In lieu of filing a charge, the State's Attorney may refer a child directly to a youth-appropriate community-based provider that has been approved by the Department, which may include pre-charge diversion pursuant to 3 V.S.A. § 163, a community justice center, or a balanced and restorative justice program. Referral to a community-based provider pursuant to this subsection shall not require the State's Attorney to file a charge. If the community-based provider does not accept the case or if the child fails to complete the program in a manner deemed satisfactory and timely by the provider, the child's case shall return to the State's Attorney for charging consideration.

* * *

Sec. 18. 27 V.S.A. § 348 is amended to read:

§ 348. INSTRUMENTS CONCERNING REAL PROPERTY VALIDATED

(a) When an instrument of writing shall have been on record in the office of the clerk in the proper town for a period of 15 years, and there is a defect in the instrument because it omitted to state any consideration or was not sealed, witnessed, acknowledged, validly acknowledged, or because a license to sell was not issued or is defective, the instrument shall, from and after the

expiration of 15 years from the filing thereof for record, be valid. Nothing in this section shall be construed to affect any rights acquired by grantees, assignees, or encumbrancers under the instruments described in the preceding sentence, nor shall this section apply to conveyances or other instruments of writing, the validity of which is brought in question in any suit now pending in any courts of the State.

* * *

(d) A release, discharge, or assignment of mortgage interest executed by a commercial lender with respect to a one- to four-family residential real property, including a residential unit in a condominium or in a common interest community as defined in Title 27A, that recites authority to act on behalf of the record holder of the mortgage under a power of attorney but where the power of attorney is not of record shall have the same effect as if executed by the record holder of the mortgage unless, within three years after the instrument is recorded, an action challenging the release, discharge, or assignment is commenced and a copy of the complaint is recorded in the land records of the town where the release, discharge, or assignment is recorded. This subsection shall not apply to releases, discharges, or assignments obtained by fraud or forgery.

(e) A power of attorney made for the purpose of conveying, leasing, mortgaging, or affecting any interest in real property that has been acknowledged and signed in the presence of at least one witness shall be valid, notwithstanding its failure to comply with 14 V.S.A. § 3503 or the requirements of the Emergency Administrative Rules for Remote Notarial Acts adopted by the Vermont Secretary of State, unless within three years after recording, an action challenging its validity is commenced and a copy of the complaint is recorded in the land records of the town where the power of attorney is recorded. This subsection shall not apply to a power of attorney obtained by fraud or forgery.

(f) Notwithstanding section 305 of this title, a deed, mortgage, lease, or other instrument executed for the purpose of conveying or encumbering real property executed by a person purporting to act as the agent or attorney-in-fact for the party named in the deed, mortgage, lease, or other instrument that has been recorded for at least 15 years in the land records where the real property is located shall be valid even if no power of attorney authorizing and empowering an agent or attorney-in-fact appears of record, unless, within 15 years after recording, an action challenging the validity of the deed, mortgage, lease, or other instrument is commenced and a copy of the complaint is recorded in the land records of the town where the property is located. This subsection shall not apply to an instrument obtained by fraud or forgery.

Sec. 19. 32 V.S.A. § 1003 is amended to read:

§ 1003. STATE OFFICERS

* * *

(c) The officers of the Judicial Branch named in this subsection shall be entitled to annual salaries as follows:

	Annual Salary as of July 14, 2024	Annual Salary as of July 13, 2025
(1) Chief Justice of Supreme Court	\$214,024	\$225,581
(2) Each Associate Justice	\$204,264	\$215,294
(3) Administrative Chief Superior Judge	\$204,264	\$215,294
(4) Each Superior Judge	\$194,185	\$204,671
(5) [Repealed.]		
(6) Each Magistrate	\$146,413	\$154,319
(7) Each Judicial Bureau hearing officer	\$146,413	\$154,319

* * *

Sec. 20. 2023 Acts and Resolves No. 27, Sec. 5 (forensic facility report) is amended to read:

Sec. 5. [Deleted.]

Sec. 21. 2023 Acts and Resolves No. 40, Sec. 4 is amended to read:

Sec. 4. REPEALS

* * *

(c) 28 V.S.A. § 126 (Coordinated Justice Reform Advisory Council) is repealed on ~~July 1, 2028~~ July 1, 2025.

Sec. 22. [Deleted.]

Sec. 23. [Deleted.]

Sec. 24. FIREARM SURRENDER ORDER COMPLIANCE WORKING GROUP; REPORT

(a) Creation. The Office of the Attorney General shall convene a Firearm Surrender Order Compliance Working Group to develop a uniform process to ensure compliance with court orders to surrender firearms. The Working Group shall examine the statutory or policy changes necessary to create a uniform process to monitor compliance, support entities charged with storing and returning surrendered firearms pursuant to court orders, and identify a stable and reliable funding source for any additional resources needed to monitor compliance.

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

(1) the Attorney General or designee, who shall be the chair;

(2) the Chief Superior Court Judge or designee;

(3) the Defender General or designee;

(4) one State's Attorney or designee, appointed by the Department of State's Attorneys and Sheriffs;

(5) a member, appointed by the Vermont Network Against Domestic and Sexual Violence;

(6) a member of the Vermont State Police, appointed by the Commissioner of Public Safety;

(7) a police chief, appointed by the Vermont Association of Chiefs of Police;

(8) a federal firearms licensee, appointed by the Attorney General;

(9) the Vermont Center for Crime Victim Services; and

(10) the Vermont Council on Domestic Violence.

(c) Consultation. The Working Group shall consult with stakeholders including:

(1) the Commissioner of Corrections;

(2) family law practitioners;

(3) victim advocates;

(4) advocates from culturally specific advocacy organizations that work with domestic violence victims;

(5) the Vermont Federation of Sportsmen's Clubs;

- (6) the Vermont Office of the Bureau of Alcohol Tobacco and Firearms;
- (7) the Vermont Medical Society;
- (8) the Commissioner of Mental Health; and
- (9) the Commissioner of Fish and Wildlife.

(d) Report. On or before November 15, 2025, the Working Group shall report its recommendations to the House and Senate Committees on Judiciary and to the Joint Legislative Justice Oversight Committee. The report shall include:

(1) a workable statewide compliance model that is adaptable to both the Family and Criminal Divisions of the Superior Courts and that ensures:

(A) accountability of respondents and defendants while addressing safety needs of the plaintiffs and victims; and

(B) proper storage and return of firearms surrendered pursuant to court orders; and

(2) recommendations for any legislative changes necessary to support the model.

(e) Meetings. The Working Group shall meet not more than six times.

(f) Compensation and reimbursement. Members of the Working Group who are not employees of the State of Vermont or who are not otherwise compensated or reimbursed for their attendance shall be entitled to compensation and reimbursement of expenses pursuant to 32 V.S.A. § 1010 for not more than six meetings.

Sec. 25. 15A V.S.A. § 3-504 is amended to read:

§ 3-504. GROUNDS FOR TERMINATING RELATIONSHIP OF PARENT
AND CHILD

(a) If a respondent answers or appears at the hearing and asserts parental rights, the court shall proceed with the hearing expeditiously. If the court finds, upon clear and convincing evidence, that any one of the following grounds exists and that termination is in the best interests of the minor, the court shall order the termination of any parental relationship of the respondent to the minor:

* * *

(2) In the case of a minor over six months of age at the time the petition is filed, the respondent did not exercise parental responsibility for a period of at least six months immediately preceding the filing of the petition. In making

a determination under this subdivision, the court shall consider all relevant factors, which may include the respondent's failure to:

(A) make reasonable and consistent payments, in accordance with the respondent's financial means, for the support of the minor, although legally obligated to do so;

(B) regularly communicate or visit with the minor; or

(C) during any time the minor was not in the physical custody of the other parent, manifest an ability and willingness to assume legal and physical custody of the minor.

* * *

Sec. 25a. 33 V.S.A. § 5231(d) is amended to read:

(d) Termination of parental rights. If the Commissioner or the attorney for the child seeks an order terminating parental rights of one or both parents and transfer of custody to the Commissioner without limitation as to adoption, the court shall consider the best interests of the child in accordance with section 5114 of this title. The Department's Family Services Division shall not consider payment of child support to the Family Services Division to offset the cost of foster care as a factor in a petition to terminate parental rights.

Sec. 25b. 33 V.S.A. § 5317(d) is amended to read:

(d) Termination of parental rights. If the Commissioner or the attorney for the child seeks an order at disposition terminating the parental rights of one or both parents and transfer of legal custody to the Commissioner without limitation as to adoption, the court shall consider the best interests of the child in accordance with section 5114 of this title. The Department's Family Services Division shall not consider payment of child support to the Family Services Division to offset the cost of foster care as a factor in a petition to terminate parental rights.

Sec. 26. Sec. 1. 15 V.S.A. § 202 is amended to read:

§ 202. PENALTY FOR DESERTION OR NONSUPPORT

A married person who, without just cause, shall desert or willfully neglect or refuse to provide for the support and maintenance of ~~his or her~~ the person's spouse and children, leaving them in destitute or necessitous circumstances or a parent who, without lawful excuse, shall desert or willfully neglect or refuse to provide for the support and maintenance of ~~his or her~~ the child ~~or an adult child possessed of sufficient pecuniary or physical ability to support his or her~~ parents, ~~who unreasonably neglects or refuses to provide such support when the parent is destitute, unable to support himself or herself, and resident in this~~

State, shall be imprisoned not more than two years or fined not more than \$300.00, or both. Should a fine be imposed, the court may order the same to be paid in whole or in part to the needy spouse, ~~parent~~, or to the guardian, custodian, or trustee of the child. The Office of Child Support attorneys, in addition to any other duly authorized person, may prosecute cases under this section in Vermont Superior Court.

Sec. 27. 28 V.S.A. § 818 is amended to read:

§ 818. EARNED TIME; REDUCTION OF TERM

* * *

(b) The earned time program implemented pursuant to this section shall comply with the following standards:

* * *

(4) The Department shall:

(A) ensure that all victims of record are notified of the earned time program at its outset and made aware of the option to receive notifications from the Department pursuant to this subdivision;

(B) provide timely notice not less frequently than every 90 days to the offender, and to any victim who opts to receive the notice, any time the offender receives a reduction in ~~his or her~~ the offender's term of supervision pursuant to this section;

(C) maintain a system that documents and records all such reductions in each offender's permanent record; and

(D) record any reduction in an offender's term of supervision pursuant to this section on a monthly basis and ensure that victims who want information regarding changes in ~~scheduled~~ an offender's minimum release ~~dates~~ date have access to such information.

* * *

Sec. 28. VICTIM NOTIFICATION SYSTEM TASK FORCE; REPORT

(a) Creation. There is created the Victim Notification System Task Force to review and improve the responsiveness of Vermont's victim notification system.

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

(1) the Commissioner of Corrections or designee;

(2) the Executive Director of the Center for Crime Victim Services or designee;

(3) the Executive Director of the Department of State's Attorneys and Sheriffs or designee;

(4) a member, appointed by the Vermont Network Against Domestic and Sexual Violence;

(5) the Victims Service Director of the Vermont State Police;

(6) two persons who are either victims or survivors of crimes, appointed by the Center for Crime Victim Services; and

(7) a member, appointed by the Commissioner of Corrections, who is familiar with the capability and technical operations of the VINE system.

(c) Powers and duties. The Task Force shall study the current state of Vermont's victim notification system, including:

(1) improving victims' accessibility to information;

(2) ensuring that the entire notification process is trauma-informed, including all notifications, communications, and informational materials;

(3) expanding the use of automated notification systems in order to increase options and maximize communication choices for victims and survivors; and

(4) recommendations for necessary training and resources.

(d) Assistance. The Task Force shall have the administrative, technical, and legal assistance of the Department of Corrections.

(e) Report. On or before November 15, 2025, the Task Force shall submit its findings and recommendations as a written report in the form of proposed legislation to the Joint Legislative Justice Oversight Committee, the House Committees on Corrections and Institutions and on Judiciary, and the Senate Committees on Institutions and on Judiciary.

(f) Meetings.

(1) The Commissioner of Corrections or designee shall call the first meeting of the Task Force to occur on or before August 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 Task Force shall cease to exist on February 15, 2026.

Sec. 29. 4 V.S.A. § 39 is amended to read:

§ 39. CAPITAL BUDGET REQUESTS; COUNTY COURTHOUSES

(a) On or before October 1 each year, any county requesting capital funds for its courthouse, or court operations, shall submit a request to the Court Administrator. As used in this subsection, “court operations” does not include operating expenses.

(b) The Court Administrator shall evaluate requests based on the following criteria:

(1) whether the funding request is consistent with a capital program developed pursuant to 24 V.S.A. § 133(e)(3);

(2) whether the project that is the subject of the request has been included in the list of capital projects in the county’s budget pursuant to 24 V.S.A. § 133(e)(1), and, if so, the description of the project included in the budget;

(3) whether the county has established a capital reserve fund pursuant to 24 V.S.A. § 133(e)(3), and, if so, the amount of annual contributions the county has made to the fund;

(4) whether the funding request relates to an emergency that will affect the court operations and the administration of justice;

~~(2)~~(5) whether there is a State-owned courthouse in the county that could absorb court activities in lieu of this capital investment;

~~(3)~~(6) whether the county consistently has invested in major maintenance in the courthouse;

~~(4)~~(7) whether the request relates to a State-mandated function;

~~(5)~~(8) whether the request diverts resources of other current Judiciary capital priorities;

~~(6)~~(9) whether the request is consistent with the long-term capital needs of the Judiciary, including providing court services adapted to modern needs and requirements; and

~~(7)~~(10) any other criteria as deemed appropriate by the Court Administrator.

(c) Based on the criteria described in subsection (b) of this section, the Court Administrator shall make a recommendation to the Commissioner of Buildings and General Services regarding whether the county’s request should be included as part of the Judiciary’s request for capital funding in the Governor’s annual proposed capital budget request.

(d) On or before January 15 of each year, the Court Administrator shall advise the House Committee on Corrections and Institutions and the Senate Committee on Institutions of all county requests received and the Court Administrator's recommendations for the proposed capital budget request.

Sec. 30. 23 V.S.A. § 1210(c) is amended to read:

(c) Second offense. A person convicted of violating section 1201 of this title who has been convicted of another violation of that section within the last 20 years shall be fined not more than \$1,500.00 or imprisoned not more than two years, or both. At least ~~200~~ 80 hours of community service shall be performed, or 60 consecutive hours of the sentence of imprisonment shall be served and may not be suspended or deferred or served as a supervised sentence, except that credit for a sentence of imprisonment may be received for time served in a residential alcohol facility pursuant to sentence if the program is successfully completed.

Sec. 31. INTENT

(a) It is the intent of the General Assembly that the Department of Corrections ensures gender parity in the access to services and programs that strengthen family connections.

(b) It is the further intent of the General Assembly that the Department of Corrections develop a phased plan to expand the application of 28 V.S.A. § 128 to all Vermont correctional facilities by 2028.

Sec. 32. 28 V.S.A. § 102(c) is amended to read:

(c) The Commissioner is charged with the following responsibilities:

* * *

(24) To provide and sustain trauma-informed family support services and programming pursuant to section 128 of this title.

Sec. 33. 28 V.S.A. § 128 is added to read:

§ 128. INCARCERATED PARENTS AND GUARDIANS; FAMILY
SUPPORT PROGRAM

(a) Family Support Program. The Department of Corrections shall establish the Family Support Program to provide free parenting and family support at each correctional facility to all incarcerated individuals who are parents and guardians regardless of gender. The Program shall include individualized services and programming intended to provide:

(1) increased knowledge and skill for incarcerated parents and guardians to address the specific needs of their children;

(2) resources to incarcerated parents and guardians to engage in needs-specific planning and communication strategies with their children and their children's caregivers;

(3) child-friendly visitation spaces, in consultation with the Department, for in-person and virtual visits between parents or guardians and their children, including establishing safety protocol;

(4) outreach and coordination with appropriate services for the children of incarcerated parents and guardians and the children's caregivers;

(5) improved cross-system coordination and collaboration to deliver necessary services to the families of incarcerated parents and guardians; and

(6) reentry support and preparation for incarcerated parents and guardians.

(b) Program support. The Department may support the operation of the Family Support Program established pursuant to this section through grants of financial assistance to, or contracts for services with, any nonprofit entity that meets the Department's requirements.

(c) Annual report. Annually, on or before July 1, the Department shall submit a written report to the House Committees on Corrections and Institutions and on Judiciary and the Senate Committees on Institutions and on Judiciary concerning:

(1) the funding, participation, and outcomes of the services and programming established pursuant to this section; and

(2) considerations and any progress towards sustained statewide programming and gender parity.

Sec. 34. DEPARTMENT OF CORRECTIONS; FAMILY SUPPORT PROGRAM; IMPLEMENTATION

The Department of Corrections shall first implement the Family Support Program established under 28 V.S.A. § 128 at the Chittenden Regional Correctional Facility and Northern State Correctional Facility.

Sec. 35. EFFECTIVE DATES

This act shall take effect on passage, except that Sec. 1 shall take effect on July 2, 2025 and Sec. 29 shall take effect on July 1, 2026.

Which proposal of amendment was considered and concurred in.

On motion of **Rep. McCoy of Poultney**, the rules were suspended and House action on the bill was ordered messaged to the Senate forthwith.

Action on Bill Postponed**H. 480**

House bill, entitled

An act relating to miscellaneous amendments to education law

Was taken up and pending consideration of the Senate proposal of amendment, on motion of **Rep. Brady of Williston**, action on the bill was postponed until May 30, 2025.

Message from the Senate No. 73

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 entitled:

S. 45. An act relating to protection from nuisance suits for agricultural activities.

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 Norris
Senator Plunkett
Senator Ingalls

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

H. 266. An act relating to the 340B prescription drug pricing program.

And has concurred therein with an amendment in the passage of which the concurrence of the House is requested.

Adjournment

At five o'clock and thirty-four minutes in the afternoon, on motion of **Rep. McCoy of Poultney**, the House adjourned until tomorrow at nine o'clock and thirty minutes in the forenoon.