

Journal of the House

Tuesday, March 17, 2026

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

Devotional Exercises

Devotional exercises were conducted by Rep. Conor Casey of Montpelier.

Pledge of Allegiance

Page Madeleine Howard of Montpelier led the House in the Pledge of Allegiance.

Communication from Rep. Hooper of Burlington

“Madam Speaker:

Please accept this instrument as my formal notice of resignation from the Vermont House of Representatives.

Although earlier than anticipated, I feel the environment of the House has changed significantly and influenced my decision for the next cycle.

I thank the body for the friendships and conversations over the years, and the members of even the minority party who wished me God Speed over the last few days.

I especially thank Representative Sweeney of Shelburne for singularly taking the time to sit down and discuss his feelings with me, which influenced my decision to resign well before my Party made their feelings known.

We have massive problems before us that must be solved in order to improve the lives of Vermonters-new and old. Bold leadership will be required.

Best of luck.

Robert Hooper”

Message from the Governor

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

Madam Speaker:

I am directed by the Governor to inform the House of Representatives that on the 16th day of March, 2026, he signed a bill originating in the House of the following title:

H. 516 An act relating to approval of amendments to the charter of the Town of Essex

House Bills Introduced

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

H. 933

By the Committee on Ways and Means,
House bill, entitled

An act relating to miscellaneous administrative and policy changes to the tax laws

Pursuant to House Rule 35(a), carrying an appropriation, to the Committee on Appropriations.

H. 934

By Rep. Harvey of Castleton,
House bill, entitled

An act relating to the fee for selling hunting licenses
To the Committee on Environment.

H. 935

By the Committee on Government Operations and Military Affairs,
House bill, entitled

An act relating to emergency management

Pursuant to House Rule 35(a), carrying an appropriation, to the Committee on Appropriations.

H. 936

By Reps. Burditt of West Rutland and Harvey of Castleton,
House bill, entitled

An act relating to providing an oath option in affirmation requirements throughout the Vermont Statutes Annotated

To the Committee on Judiciary.

H. 937

By the Committee on Judiciary,

House bill, entitled

An act relating to miscellaneous judiciary procedures

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

H. 938

By the Committee on Human Services,

House bill, entitled

An act relating to establishing the Vermont Homelessness Response Continuum

Pursuant to House Rule 35(a), carrying an appropriation, to the Committee on Appropriations.

H. 939

By Rep. Nugent of South Burlington,

House bill, entitled

An act relating to reducing State paperwork

To the Committee on Government Operations and Military Affairs.

H. 940

By the Committee on Energy and Digital Infrastructure,

House bill, entitled

An act relating to miscellaneous public utility subjects

Pursuant to House Rule 35(a), carrying an appropriation, to the Committee on Appropriations.

H. 941

By the Committee on Agriculture, Food Resiliency, and Forestry,

House bill, entitled

An act relating to municipal regulation of agriculture

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

H. 942

By the Committee on Agriculture, Food Resiliency, and Forestry,
House bill, entitled
An act relating to miscellaneous agricultural subjects
Pursuant to House Rule 48, placed on the Notice Calendar.

H. 943

By Rep. Carris Duncan of Whitingham,
House bill, entitled
An act relating to municipal permitting of ground-mounted solar arrays
To the Committee on Energy and Digital Infrastructure.

Senate Bills Referred

Senate bills of the following titles were severally taken up, read the first time, and referred to committee as follows:

S. 173

Senate bill, entitled
An act relating to vocational Rehabilitation
To the Committee on Commerce and Economic Development.

S. 183

Senate bill, entitled
An act relating to home improvement and land improvement fraud
To the Committee on Judiciary.

S. 213

Senate bill, entitled
An act relating to the use of advanced metering infrastructure devices
To the Committee on Energy and Digital Infrastructure.

S. 223

Senate bill, entitled
An act relating to water quality of the waters of Vermont
To the Committee on Environment.

S. 230

Senate bill, entitled
An act relating to fair employment practices
To the Committee on General and Housing.

Bills Referred to Committee on Ways and Means

House bills of the following titles, appearing on the Notice Calendar, affecting the revenue of the State, pursuant to House Rule 35(a), were referred to the Committee on Ways and Means:

H. 211

House bill, entitled
An act relating to data brokers and personal information

H. 650

House bill, entitled
An act relating to educational technology products

H. 727

House bill, entitled
An act relating to sustainable data center deployment

Bills Referred to Committee on Appropriations

House bills of the following titles, appearing on the Notice Calendar, carrying appropriations, under House Rule 35(a), were referred to the Committee on Appropriations:

H. 410

House bill, entitled
An act relating to the calculation of recidivism and other related criminology measures

H. 583

House bill, entitled
An act relating to health care financial transactions and clinical decision making

H. 817

House bill, entitled

An act relating to mental health support and substance use disorder prevention in schools

H. 861

House bill, entitled

An act relating to establishing an Americans with Disabilities Act Coordinator

Ceremonial Readings**H.C.R. 214**

Offered by Representatives Casey of Montpelier, Burke of Brattleboro, Galfetti of Barre Town, Greer of Bennington, Nugent of South Burlington, Ode of Burlington, Priestley of Bradford, Sweeney of Shelburne, and Waszazak of Barre City

House concurrent resolution celebrating the essential contributions of Irish American patriots in the struggle for our nation's independence

Whereas, on March 17, 1776, the British ended an 11-month-long siege of Boston, Massachusetts, leaving control of the city to American forces, including General John Sullivan, the son of Irish immigrants, who General George Washington named his Officer of the Day, and who subsequently served in New Hampshire as governor and as a federal district court judge, and his brother, James Sullivan, later served in Massachusetts as an associate state supreme court justice, attorney general, and, ultimately, as governor, and

Whereas, eight signers of the Declaration of Independence were Irish Americans, either born in Ireland or in the colonies, namely, Thomas McKean, who would later serve as President of the Continental Congress; Charles Carroll; James Smith; George Taylor; Matthew Thorton; Edward Rutledge; Thomas Lynch Jr.; and George Read, and

Whereas, these eight illustrious individuals' spirit of independence was crucial in the establishment of the American nation, and, generations later, their legacy helped inspire the founding of the Irish Republic, and both constituted new societies for free individuals, and

Whereas, John Dunlap, who emigrated from County Tyrone, printed the first copies of the Declaration of Independence, and the first international newspaper publication of the Declaration occurred in August 1776 in Ireland, on the front page of the *Belfast News Letter*; and

Whereas, 250 years ago, Stephen Moylan, George Washington’s Irish American aide-de-camp, in a letter he wrote, first used the phrase “United States of America” on paper, and

Whereas, in a concise summary of Irish Americans’ role in securing American independence, Lord Mountjoy declared to the British Parliament in London that “America was lost by Irish emigrants ... I am assured from the best authority, the major part of the American Army was composed of Irish and that the Irish language was as commonly spoken in American ranks as English. I am also informed it was their valor that determined the contest,” and

Whereas, on Saint Patrick’s Day 2026, the year marking our nation’s 250th birthday, it is most fitting to commend the role of Irish Americans in ensuring the success of the American Revolution, *now therefore be it*

Resolved by the Senate and House of Representatives:

That the General Assembly celebrates the essential contributions of Irish American patriots in the struggle for our nation’s independence, *and be it further*

Resolved: That the Secretary of State be directed to send a copy of this resolution to Senator Mark Daly, Chairperson of the Senate of Ireland, and to the leadership of the American Irish State Legislators Caucus.

Having been adopted in concurrence on Friday, February 27, 2026 in accord with Joint Rule 16b, was read.

H.C.R. 220

Offered by All Members of the House

House concurrent resolution welcoming the March 17, 2026, namesake visit of the officers and crew of the U.S. submarine VERMONT (USS VERMONT (SSN 792)) to the State House and designating April 18, 2026, as USS VERMONT (SSN 792) Day in Vermont

Whereas, the USS VERMONT (SSN 792) continues a leadership role with the Australia, UK, and U.S. trilateral security partnership (AUKUS), strengthening deterrence in the Western Pacific, and

Whereas, the USS VERMONT (SSN 792) completed the first-ever submarine maintenance availability performed outside a U.S. territory at HMAS Stirling in Australia, validating readiness for a Submarine Rotational Force–West with U.S. and UK nuclear submarines, and it was awarded the Navy Unit Commendation, the second highest unit award in the U.S. Navy, for its deployment that ended in 2025, and

Whereas, this outstanding U.S. Navy vessel was the first submarine ever to earn Commander, Submarine Squadron One Alpha Belt awards for consecutive months, and

Whereas, in addition to the namesake visit occurring today, March 17, 2026, there will be a USS VERMONT (SSN 792) information display at the State House on Friday, April 17, 2026, in anticipation of the anniversary of the launch of the USS VERMONT (SSN 792) on Saturday, April 18, 2026, and

Whereas, the USS VERMONT (SSN 792) continues to bring great honor to her namesake State and our nation's heritage of naval excellence, *now therefore be it*

Resolved by the Senate and House of Representatives:

That the General Assembly welcomes the March 17, 2026, namesake visit of the officers and crew of the USS VERMONT (SSN 792) to the State House and designates April 18, 2026, as USS VERMONT (SSN 792) Day in Vermont, *and be it further*

Resolved: That the Secretary of State be directed to present a copy of this resolution to the Commanding Officer of the USS VERMONT (SSN 792), Commander Matthew Lewis, and to the USS VERMONT Support Group.

Having been adopted in concurrence on Friday, March 13, 2026 in accord with Joint Rule 16b, was read.

Message from the Senate No. 27

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

Madam Speaker:

I am directed to inform the House that:

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

S. 179. An act relating to the Uniform Disclaimer of Property Interests Act.

S. 212. An act relating to potable water supply and wastewater system connections.

S. 227. An act relating to creating immigration protocols in Vermont schools.

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. 50. An act relating to identifying underutilized State buildings and land.

And has accepted and adopted the same on its part.

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

J.R.S. 45. Joint resolution relating to weekend adjournment on March 20, 2026.

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

Second Reading; Bill Amended; Third Reading Ordered

H. 723

Rep. Satcowitz of Randolph, for the Committee on Environment, to which had been referred House bill, entitled

An act relating to posting of land

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

Sec. 1. 10 V.S.A. § 5201 is amended to read:

§ 5201. NOTICES; POSTING

(a)(1) An owner, or a person having the exclusive right to take game upon land or the waters thereon, who desires to protect ~~his or her~~ the owner's land or private pond or propagation farm over which ~~he or she~~ the owner has exclusive control may maintain notices stating that:

(A) the ~~shooting~~ hunting, trapping, or taking of game or wild animals is prohibited or is by permission only;

(B) fishing or the taking of fish is prohibited or is by permission only; or

(C) fishing, hunting, trapping, or taking of game or wild animals is prohibited or is by permission only.

(2) "Permission only signs" authorized under this section shall contain the owner's name and a method by which to contact the property owner or a person authorized to provide permission to hunt, fish, or trap on the property.

(b) ~~Notices prohibiting the taking of game~~ Notice signs shall be erected upon or near the boundaries of lands to be affected with notices at each corner and not over 400 feet apart along the boundaries thereof. ~~Legible~~ Notice signs ~~must~~ shall be maintained at all times ~~and shall be dated each year~~. These

Notice signs shall be of a standard size and design as the Commissioner shall specify.

(c) The owner or person posting the lands shall record this posting annually in the town clerk's office of the town in which the land is located. The posting shall be valid and enforceable for 365 days after the date the posting is recorded. The recording form shall be furnished by the Commissioner and shall be filled out in triplicate, one copy to be retained by the town clerk, one copy to the Commissioner, and one copy to be retained by the person having the right to post the lands. The forms shall contain the information as to the approximate number of acres posted, location in town, date of posting, and signature of person so posting the lands. The town clerk shall file the record, and it shall be open to public inspection. The town clerk shall retain a fee of \$5.00 for this recording.

(d) Land posted and recorded as provided in subsection (b) of this section shall be enclosed land for the purposes herein. Accidental or unintentional deviations from the requirements of subdivisions (a) and (b) of this section shall still be deemed effective to prohibit or permit by permission only hunting, fishing, trapping, or taking of game or wild animals if the notice signs would lead a reasonable person to believe that hunting, fishing, trapping, or taking of game or wild animals is prohibited on the land. Property owners with actual notice that their notice signs deviate from the requirements of this section shall take reasonable steps to ensure their notice signs comply with this section.

Sec. 2. EFFECTIVE DATE

This act shall take effect on passage.

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

Second Reading; Bill Amended; Third Reading Ordered

H. 757

Rep. Pezzo of Colchester, for the Committee on General and Housing, to which had been referred House bill, entitled

An act relating to manufactured homes and limited equity cooperatives

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

* * * Manufactured Homes * * *

Sec. 1. 9 V.S.A. chapter 72 is amended to read:

CHAPTER 72. MOBILE HOMES

§ 2601. DEFINITIONS

(a) As used in this chapter, unless the context requires otherwise, “mobile home” means:

(1) A mobile home as defined in 10 V.S.A. § 6201.

(2) An unmotorized vehicle, other than a travel or recreational trailer, designed to be towed and designed or equipped for use as sleeping, eating, or living quarters.

(b) A mobile home remains a mobile home for purposes of this chapter even though it may be used for advertising, sales, display, or promotion of merchandise or services, or for any other commercial purposes except the transportation of property.

(c) A mobile home that was financed as residential real estate shall be defined as residential real estate.

(d) “Permanently sited” means the mobile home has become affixed to the land. Factors that tend to show a mobile home is permanently sited include one or more of the following:

(1) The mobile home has been set up on blocks or otherwise stabilized so that the wheels do not form a major part of the structural support.

(2) The mobile home has been connected to utilities such as electricity, sewage, water, gas, or oil.

(3) Skirting has been installed around the base of the mobile home.

(4) The wheels or axles have been removed.

(5) The mobile home has been situated in a place that makes removal unlikely.

* * *

§ 2604. REAL ESTATE DEEDS FOR MOBILE HOMES

(a) Any mobile home purchased from a mobile home dealer on or after July 1, 2008, that is financed as residential real estate pursuant to subsection 2603(b) of this title shall be conveyed by a warranty deed ~~drafted in substantially the form provided in subsection (c) of this section.~~

(b) An owner of a mobile home ~~shall that is permanently sited may~~, upon financing or refinancing a mobile home as residential real estate or selling a mobile home that has been financed as residential real estate or will be so financed by the grantee, issue to the grantee either a warranty deed or a quitclaim deed ~~that is drafted in substantially the form provided in subsection (c) or (d) of this section.~~

(c) A warranty deed ~~that is substantially in the form provided in this subsection~~ shall, when duly executed and delivered, have the force and effect of a deed in fee simple to the grantee, the heirs, successors, and assigns, to their own use, with covenants on the part of the grantor, for the grantor, the grantor's heirs, executors, and administrators that, at the time of the delivery of the deed, the grantor was lawfully seized in fee simple of the mobile home; that the mobile home was free from all encumbrances, except as stated; that the grantor had good right to sell and convey the same to the grantee, the grantee's heirs, successors, and assigns; and that the grantor and the grantor's heirs, executors, and administrators shall warrant and defend the same to the grantee and the grantee's heirs, successors, and assigns, against the lawful claims and demands of all persons except as stated. ~~No owner of land on which a mobile home is sited shall unreasonably withhold the consent required by this statutory form~~ A warranty deed described in this subsection may take the following form.

Form for Mobile Home Warranty Deed

_____, of _____, _____ County, State of _____, ("Grantor"), for consideration paid, grants to _____ of Street, Town (City) of _____, _____ County, State of _____ ("Grantee"), with warranty covenants, the _____ (description of mobile home being conveyed: name of manufacturer, model and serial number, and encumbrances, exceptions, reservations, if any) which mobile home is situated, or is to be situated, at _____ (state name of park, if any, and street address), Town (City) of _____, _____ County, State of Vermont. The tract or parcel of land upon which the mobile home is situated, or is to be situated, is owned by _____ by deed dated and recorded at Book _____, Page _____ in the land records of the Town (City) of _____.

_____ (wife) (husband) of said Grantor, releases to said Grantee all rights and other interests therein.

Signed this _____ day of _____, _____.

(Here add acknowledgment)

_____, owner of the tract or parcel of land upon which the aforesaid mobile home is situated, or is to be situated, hereby consents to the conveyance of the mobile home.

Signed this ____ day of _____, _____.

(Here add acknowledgment)

[] Check box if the mobile home has been relocated from one site to another within Vermont, and attach a Relocation Statement in the form provided in section 2606 of this title.

(d) A quitclaim deed that is substantially in the form provided in this subsection shall, when duly executed and delivered, have the force and effect of a deed in fee simple to the grantee, the heirs, successors, and assigns, to their own use subject to encumbrances of record. ~~No owner of land on which the mobile home is sited shall unreasonably withhold consent required by this statutory form~~ A warranty deed described in this subsection may take the following form.

Form for Mobile Home Quitclaim Deed

_____, of _____, _____ County, State of _____ (“Grantor”), for consideration paid, grants to _____ of _____ Street, Town (City) of _____, _____ County, State of _____ (“Grantee”), with quitclaim covenants, the (description of mobile home being conveyed: name of manufacturer, model and serial number, and encumbrances, exceptions, reservations, if any) which mobile home is situated, or is to be situated, at _____ (state name of park, if any, and street address), Town (City) of _____ County, State of Vermont.

The tract or parcel of land upon which the mobile home is situated, or is to be situated, is owned by _____ by deed dated _____ and recorded at Book _____, Page _____, in the land records of the Town (City) of _____.

_____ (wife) (husband) of said Grantor releases to said Grantee all rights and other interest therein.

Signed this ____ day of _____, _____.

(Here add acknowledgment)

_____, owner of the parcel of land upon which the aforesaid mobile home is situated, or is to be situated, hereby consents to the conveyance of the mobile home.

Signed this _____ day of _____, _____.

(Here add acknowledgment)

[] Check box if the mobile home has been relocated from one site to another within Vermont, and attach a relocation statement in the form provided in section 2606 of this title.

(e) Nothing in this section shall prevent a mobile home owner from conveying a mobile home by a bill of sale pursuant to section 2602 of this title or financing or refinancing a mobile home pursuant to section 2603 of this title, notwithstanding whether the mobile home was previously conveyed, financed, or refinanced as residential real estate.

~~§ 2605. MOBILE HOME BILL OF SALE CONVERSION PROCESS~~

~~The owner of any mobile home that was initially financed pursuant to a motor vehicle loan, motor vehicle retail installment contract, or another form of chattel mortgage shall, if the mobile home is subsequently financed as residential real estate pursuant to subsection 2603(b) of this title, file a request for purging of the security interest with the clerk of the municipality where the chattel mortgage for the mobile home was last recorded.~~

~~(1) A request to purge the security interest of a mobile home shall include the most recent Vermont uniform bill of sale or certificate of origin, the terminated UCC financing statement or statements, and an executed warranty or quitclaim deed, which shall be drafted substantially in the form provided in section 2604 of this title.~~

~~(2) Upon the filing of a request to purge the security interest of a mobile home with the clerk of the municipality where the chattel mortgage for the mobile home was last recorded, and upon the owner's procuring the consent of the holders of any security interest in the mobile home shown to be unreleased, the mobile home shall become residential real estate.~~

~~(3) Upon receiving a request to purge the security interest of a mobile home, the municipal clerk shall mark or stamp the originally filed Vermont uniform bill of sale or certificate of origin with the word "converted."~~

~~(4) A mobile home that has been converted to residential real estate shall not be converted or redefined as personal property. [Repealed.]~~

* * *

* * * Limited Equity Cooperatives * * *

Sec. 2. 11 V.S.A. § 1583 is amended to read:

§ 1583. DEFINITIONS

The definitions contained in Title 11A shall apply to this chapter. As used in this chapter, the following terms shall have the meanings indicated, unless the context otherwise requires:

* * *

(16) “Mobile home park” has the same meaning as in 10 V.S.A. § 6201.

Sec. 3. 11 V.S.A. § 1598 is amended to read:

§ 1598. LIMITED EQUITY COOPERATIVES

(a) A cooperative housing corporation may organize as a limited equity cooperative in order to fulfill the public purpose of providing and preserving housing for persons and households of low and moderate income at the time that they purchase their memberships. In addition to safeguarding the foregoing public purpose, a limited equity cooperative shall meet the following requirements:

(1) The articles of incorporation shall require that cooperative interests be sold at not more than a transfer value determined by a limited equity formula contained in the articles. That value shall be consistent with the object of maintaining long-term affordability of cooperative interests for persons or households of low and moderate income.

(2) A limited equity formula, once established by a cooperative housing corporation in its articles of incorporation, may be amended only if that amendment does not make the cooperative membership unaffordable for the class of low- or moderate-income households for which the cooperative housing corporation was originally incorporated, as determined and certified by the Commissioner of Housing and Community Affairs Development. A cooperative housing corporation once organized under this section may not reorganize as other than a limited equity cooperative without first dissolving.

(3) A limited equity cooperative shall not sell all or substantially all of its assets if such sale is intended to circumvent the public purposes of this section.

(4) The articles of incorporation shall require that the cooperative housing corporation shall have the first right to repurchase a member's cooperative interest.

(5) The articles of incorporation shall require that the total distribution out of capital to a member shall not exceed that transfer value.

(6) The articles of incorporation shall require that upon dissolution of the cooperative housing corporation, any assets remaining after retirement of corporate debts and distribution to members shall be distributed to a charitable organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, a public agency, or another limited equity cooperative whose formula for determining transfer value shall be not less restrictive than that of the cooperative housing corporation being dissolved.

(7) The articles of incorporation shall require that no sublease of a unit shall provide for monthly payments by the sublessee in excess of 110 percent of monthly payments for the unit provided for in the proprietary lease.

(8) Notwithstanding subdivision (7) of this subsection (a), for a mobile home park organized as a limited equity cooperative, the articles of incorporation shall:

(A) prohibit the subleasing of a unit, unless:

(i) a member demonstrates a hardship, in which case the board of directors may by an affirmative vote of the majority grant an exemption from the prohibition; and

(ii) the unit is subleased to an individual of low or moderate income; and

(B) require that a unit owner shall not sublease a unit under this subdivision (8) for a higher amount than necessary to cover the costs of the unit to the member, including the costs of the monthly payment for the unit provided for in the proprietary lease, the costs of any mortgage for the unit owner, and any costs of utilities passed on to the sublessee.

(b) A mobile home park organized as a limited equity cooperative shall be treated for the purposes of State funding and grants as if it were incorporated as a State nonprofit corporation for a public purpose and public benefit under the laws of this State. Nothing in this section shall be deemed to alter or change specific funding or grant requirements, including the definition of low or moderate income, as outlined in any program, funding, or grant source.

* * * Municipal Zoning * * *

Sec. 4. 24 V.S.A. § 4412 is amended to read:

§ 4412. REQUIRED PROVISIONS AND PROHIBITED EFFECTS

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

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

* * *

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

* * *

* * * Sales and Use Tax Exemption * * *

Sec. 5. 32 V.S.A. § 9706(s) is amended to read:

(s) The statutory purpose of the exemption for sales of mobile homes and modular housing in subdivision 9741(32)(A) of this title is to create equity between mobile and modular housing and traditional residential construction by providing an exemption for the estimated portion of the cost attributable to labor (versus materials). The statutory purpose of the exemption for sales of mobile homes in subdivision 9741(32)(B) of this title is to ensure that all sales of mobile homes, as defined in 10 V.S.A. § 6201, are treated similarly for purposes of the property transfer tax imposed under chapter 231 of this title.

Sec. 6. 32 V.S.A. § 9741 is amended to read:

§ 9741. SALES NOT COVERED

Retail sales and use of the following shall be exempt from the tax on retail sales imposed under section 9771 of this title and the use tax imposed under section 9773 of this title:

* * *

(32)(A) Forty percent of the receipts from sales of mobile homes, as defined in 9 V.S.A. § 2601(a)(2), and modular housing, when they are sold as tangible personal property.

(B) Sales of mobile homes, as defined in 10 V.S.A. § 6201, when sold as tangible personal property.

* * *

* * * Property Transfer Tax * * *

Sec. 7. 32 V.S.A. § 9601 is amended to read:

§ 9601. DEFINITIONS

As used in this chapter unless the context requires otherwise:

* * *

(5) “Transfer” includes a grant, assignment, conveyance, will, trust, decree of court, transfer or acquisition of a direct or indirect controlling interest in any person with title to property, or any other means of transferring title to property or vesting title to property in any person. In the case of a mobile home sold as tangible personal property, “transfer” includes a sale.

(6)(A) “Value” means:

(i) in the case of any transfer of title to property that is not a gift and that is not made for a nominal or no consideration, the amount of the full actual consideration for such transfer, paid or to be paid, including the amount of any liens or encumbrances on the property existing before the transfer and not removed thereby;

(ii) in the case of a gift, or a transfer for nominal or no consideration, the fair market value of the property transferred; ~~and~~

(iii) in the case of a controlling interest in any person that has title to property, the fair market value of the property, apportioned based on the percentage of the ownership interest transferred or acquired in the person; ~~and~~

(iv) in the case of a mobile home sold as tangible personal property, the amount of the full actual consideration for such sale, paid or to be paid, including the amount of any liens or encumbrances on the tangible personal property existing before the sale and not removed thereby.

* * *

(10) “Property” means real property and, in the case of a mobile home sold as tangible personal property, tangible personal property. The term does not include personal property transferred with real property other than a mobile home.

* * *

(13) “Mobile home” has the same meaning as in 10 V.S.A. § 6201.

Sec. 8. 32 V.S.A. § 9602 is amended to read:

§ 9602. TAX ON TRANSFER OF TITLE TO PROPERTY

A tax is hereby imposed upon the transfer by deed of title to property located in this State, ~~or~~ a transfer or acquisition of a controlling interest in any person with title to property in this State, or the sale of a mobile home as tangible personal property in this State. The amount of the tax equals 1.25 percent of the value of the property transferred, or \$1.00, whichever is greater, except as follows:

* * *

Sec. 9. 32 V.S.A. § 9605 is amended to read:

§ 9605. PAYMENT OF TAX

(a) The tax imposed by this chapter shall be paid to the Commissioner within 30 days after transfer of title to property subject to the tax ~~or~~; in the case of a transfer or acquisition of a controlling interest in a person with title to property for which a deed is not given, within 30 days after transfer or acquisition; or, in the case of a sale of a mobile home as tangible personal property, within 30 days after sale.

* * *

Sec. 10. 32 V.S.A. § 9606 is amended to read:

§ 9606. PROPERTY TRANSFER RETURN

(a)(1) In the case of property transfer by deed, a property transfer return complying with this section shall be delivered to a town clerk at the time a deed evidencing a transfer of title to property is delivered to the clerk for recording.

(2) In the case of transfer or acquisition of a controlling interest in a person with title to property for which a deed is not given, a property transfer return complying with this section shall be delivered to the Commissioner within 30 days after the transfer or acquisition.

(3) In the case of sale of a mobile home as tangible personal property, a property transfer return complying with this section shall be delivered to a town clerk at the time an executed mobile home uniform bill of sale is filed with the clerk.

* * *

(e)(1) In the case of property transferred by deed, the Commissioner of Taxes is authorized to disclose to any person any information appearing on a property transfer tax return, including statistical information derived

therefrom, and such information derived from research into information appearing on property transfer tax returns as is necessary to determine if the property being transferred is subject to 10 V.S.A. chapter 151, except the Commissioner shall not disclose the Social Security number, federal identification number, ~~e-mail~~ email address, or telephone number of any person pursuant to this subsection.

(2) In the case of transfer or acquisition of a controlling interest in a person with title to property for which a deed is not given or the sale of a mobile home as tangible personal property, the return submitted to the Commissioner shall be treated as a tax return and tax return information under section 3102 of this title.

Sec. 11. 32 V.S.A. § 9607 is amended to read:

§ 9607. ACKNOWLEDGMENT OF RETURN AND TAX PAYMENT

Upon the receipt by a town clerk of a property transfer return and certificate and the fee required under subdivision 1671(a)(6) of this title, the clerk shall forthwith mail or otherwise deliver to the transferee of title to property or purchaser of a mobile home as tangible personal property with respect to which such return was filed a signed and written acknowledgment of the receipt of that return and certificate. A copy of that acknowledgment, or any other form of acknowledgment approved by the Commissioner, shall be affixed to the deed evidencing the transfer of property, ~~or~~ the document evidencing the transfer or acquisition of a direct or indirect controlling interest in any person with title to property, or the mobile home uniform bill of sale with respect to which the return and certificate was filed. The acknowledgment so affixed to a deed, ~~or~~ document, or bill of sale, however, shall not disclose the amount of tax paid with respect to any return or transfer.

* * * MHLEC Appraisals * * *

Sec. 12. MOBILE HOME LIMITED EQUITY COOPERATIVES;
APPRAISED VALUE; REPORT

On or before November 15, 2026, the Department of Taxes shall submit a written report to the House Committees on General and Housing and on Ways and Means and the Senate Committees on Economic Development, Housing and General Affairs and on Finance with an inventory and analysis of the current appraised value of each mobile home park registered as a limited equity cooperative under 11 V.S.A. chapter 14. The report shall include:

(1) a description of the different appraisal methods used across the State;

(2) an examination of any justifications for differences in approach; and

(3) recommendations for ensuring consistent and appropriate appraisal, taking into consideration the limitations under 11 V.S.A. § 1598.

* * * Secretary of State Business Registration * * *

Sec. 13. SECRETARY OF STATE BUSINESS REGISTRATION

The Secretary of State may, upon request from a limited equity cooperative organized in accordance with 11 V.S.A. § 1598, update the limited equity cooperative's registration to ensure proper reflection of the limited equity cooperative's corporate business organization structure within the Secretary of State's systems.

* * * Conforming Revisions * * *

Sec. 14. CONFORMING REVISIONS

When preparing the Vermont Statutes Annotated for publication, the Office of Legislative Counsel shall replace "mobile home" with "manufactured home" throughout the statutes as needed for consistency with this act, provided the revisions have no other effect on the meaning of the affected statutes.

* * * Effective Date * * *

Sec. 15. EFFECTIVE DATE

This act shall take effect on July 1, 2026.

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

* * * Manufactured Homes * * *

Sec. 1. 9 V.S.A. chapter 72 is amended to read:

CHAPTER 72. MOBILE HOMES

§ 2601. DEFINITIONS

(a) As used in this chapter, unless the context requires otherwise, "mobile home" means:

(1) A mobile home as defined in 10 V.S.A. § 6201.

(2) An unmotorized vehicle, other than a travel or recreational trailer, designed to be towed and designed or equipped for use as sleeping, eating, or living quarters.

(b) A mobile home remains a mobile home for purposes of this chapter even though it may be used for advertising, sales, display, or promotion of merchandise or services, or for any other commercial purposes except the transportation of property.

(c) A mobile home that was financed as residential real estate shall be defined as residential real estate.

(d) "Permanently sited" means the mobile home has become affixed to the land. Factors that tend to show a mobile home is permanently sited include one or more of the following:

(1) The mobile home has been set up on blocks or otherwise stabilized so that the wheels do not form a major part of the structural support.

(2) The mobile home has been connected to utilities such as electricity, sewage, water, gas, or oil.

(3) Skirting has been installed around the base of the mobile home.

(4) The wheels or axles have been removed.

(5) The mobile home has been situated in a place that makes removal unlikely.

* * *

§ 2604. REAL ESTATE DEEDS FOR MOBILE HOMES

(a) Any mobile home purchased from a mobile home dealer on or after July 1, 2008, that is financed as residential real estate pursuant to subsection 2603(b) of this title shall be conveyed by a warranty deed drafted in substantially the form provided in subsection (c) of this section.

(b) An owner of a mobile home shall, upon financing or refinancing a mobile home as residential real estate or selling a mobile home that has been financed as residential real estate or will be so financed by the grantee, issue to the grantee either a warranty deed or a quitclaim deed that is drafted in substantially the form provided in subsection (c) or (d) of this section.

(c) A warranty deed that is substantially in the form provided in this subsection shall, when duly executed and delivered, have the force and effect of a deed in fee simple to the grantee, the heirs, successors, and assigns, to their own use, with covenants on the part of the grantor, for the grantor, the grantor's heirs, executors, and administrators that, at the time of the delivery of the deed, the grantor was lawfully seized in fee simple of the mobile home; that the mobile home was free from all encumbrances, except as stated; that the grantor had good right to sell and convey the same to the grantee, the grantee's heirs, successors, and assigns; and that the grantor and the grantor's

heirs, executors, and administrators shall warrant and defend the same to the grantee and the grantee's heirs, successors, and assigns, against the lawful claims and demands of all persons except as stated. ~~No owner of land on which a mobile home is sited shall unreasonably withhold the consent required by this statutory form.~~

Form for Mobile Home Warranty Deed

_____, of _____, _____ County, State of _____, ("Grantor"), for consideration paid, grants to _____ of Street, Town (City) of _____, _____ County, State of _____ ("Grantee"), with warranty covenants, the _____ (description of mobile home being conveyed: name of manufacturer, model and serial number, and encumbrances, exceptions, reservations, if any) which mobile home is situated, or is to be situated, at _____ (state name of park, if any, and street address), Town (City) of _____, _____ County, State of Vermont. The tract or parcel of land upon which the mobile home is situated, or is to be situated, is owned by _____ by deed dated and recorded at Book _____, Page _____ in the land records of the Town (City) of _____.

_____ (wife) ~~(husband spouse)~~ of said Grantor, releases to said Grantee all rights and other interests therein.

Signed this ____ day of _____, ____.

(Here add acknowledgment)

_____, owner of the tract or parcel of land upon which the aforesaid mobile home is situated, or is to be situated, hereby consents to the conveyance of the mobile home.

Signed this ____ day of _____, ____.

(Here add acknowledgment)

[] Check box if the mobile home has been relocated from one site to another within Vermont, and attach a Relocation Statement in the form provided in section 2606 of this title.

(d) A quitclaim deed that is substantially in the form provided in this subsection shall, when duly executed and delivered, have the force and effect of a deed in fee simple to the grantee, the heirs, successors, and assigns, to their own use subject to encumbrances of record. ~~No owner of land on which the mobile home is sited shall unreasonably withhold consent required by this statutory form.~~

Form for Mobile Home Quitclaim Deed

_____, of _____, _____ County, State of _____ (“Grantor”), for consideration paid, grants to _____ of _____ Street, Town (City) of _____, _____ County, State of _____ (“Grantee”), with quitclaim covenants, the (description of mobile home being conveyed: name of manufacturer, model and serial number, and encumbrances, exceptions, reservations, if any) which mobile home is situated, or is to be situated, at _____ (state name of park, if any, and street address), Town (City) of _____ County, State of Vermont.

The tract or parcel of land upon which the mobile home is situated, or is to be situated, is owned by _____ by deed dated _____ and recorded at Book _____, Page _____, in the land records of the Town (City) of _____.

_____ (wife) ~~(husband spouse)~~ of said Grantor releases to said Grantee all rights and other interest therein.

Signed this _____ day of _____, _____.

(Here add acknowledgment)

_____, owner of the parcel of land upon which the aforesaid mobile home is situated, or is to be situated, hereby consents to the conveyance of the mobile home.

Signed this _____ day of _____, _____.

(Here add acknowledgment)

[] Check box if the mobile home has been relocated from one site to another within Vermont, and attach a relocation statement in the form provided in section 2606 of this title.

* * *

* * * Limited Equity Cooperatives * * *

Sec. 2. 11 V.S.A. § 1583 is amended to read:

§ 1583. DEFINITIONS

The definitions contained in Title 11A shall apply to this chapter. As used in this chapter, the following terms shall have the meanings indicated, unless the context otherwise requires:

* * *

(16) “Mobile home park” has the same meaning as in 10 V.S.A. § 6201.

Sec. 3. 11 V.S.A. § 1598 is amended to read:

§ 1598. LIMITED EQUITY COOPERATIVES

(a) A cooperative housing corporation may organize as a limited equity cooperative in order to fulfill the public purpose of providing and preserving housing for persons and households of low and moderate income at the time that they purchase their memberships. In addition to safeguarding the foregoing public purpose, a limited equity cooperative shall meet the following requirements:

* * *

(6) The articles of incorporation shall require that upon dissolution of the cooperative housing corporation, any assets remaining after retirement of corporate debts and distribution to members shall be distributed to a charitable organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, a public agency, or another limited equity cooperative whose formula for determining transfer value shall be not less restrictive than that of the cooperative housing corporation being dissolved.

(7) The articles of incorporation shall require that no sublease of a unit shall provide for monthly payments by the sublessee in excess of 110 percent of monthly payments for the unit provided for in the proprietary lease.

(8) Notwithstanding subdivision (7) of this subsection, for a mobile home park organized as a limited equity cooperative, the articles of incorporation shall:

(A) prohibit the subleasing of a unit, unless:

(i) a member demonstrates a hardship, in which case the board of directors may by an affirmative vote of the majority grant an exemption from the prohibition; and

(ii) the unit is subleased to an individual of low or moderate income; and

(B) require that a unit owner shall not sublease a unit under this subdivision (8) for a higher amount than necessary to cover the costs of the unit to the member, including the costs of the monthly payment for the unit provided for in the proprietary lease, the costs of any mortgage for the unit owner, and any costs of utilities passed on to the sublessee.

(b)(1) A mobile home park organized as a limited equity cooperative shall be treated for the purposes of State funding and grants as if it were incorporated as a State nonprofit corporation for a public purpose and public benefit under the laws of this State. Nothing in this section shall be deemed to

alter or change specific funding or grant requirements, including the definition of low or moderate income, as outlined in any program, funding, or grant source.

(2) Nothing in this subsection shall be interpreted to impact or alter the tax treatment of a mobile home park organized as a limited equity cooperative.

* * * Municipal Zoning * * *

Sec. 4. 24 V.S.A. § 4412 is amended to read:

§ 4412. REQUIRED PROVISIONS AND PROHIBITED EFFECTS

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

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

* * *

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

* * *

* * * Sales and Use Tax Exemption * * *

Sec. 5. 32 V.S.A. § 9706 is amended to read:

§ 9706. STATUTORY PURPOSE

* * *

(s) The statutory purpose of the exemption for sales of mobile homes and modular housing in subdivision 9741(32) of this title is to create equity between mobile and modular housing and traditional residential construction ~~by providing an exemption for the estimated portion of the cost attributable to labor (versus materials).~~

* * *

(pp) The statutory purpose of the exemption for new energy-efficient mobile homes in subdivision 9741(57) of this title is to create parity with the tax treatment of new energy-efficient mobile homes treated as real property.

Sec. 6. 32 V.S.A. § 9741 is amended to read:

§ 9741. SALES NOT COVERED

Retail sales and use of the following shall be exempt from the tax on retail sales imposed under section 9771 of this title and the use tax imposed under section 9773 of this title:

* * *

(32) Forty Ninety percent of the receipts from sales of mobile homes, as defined in 9 V.S.A. § 2601, and modular housing, when they are sold as tangible personal property.

* * *

(57) New mobile homes, as defined in 10 V.S.A. § 6201, that:

(A) bear a label evidencing, at a minimum, greater energy efficiency under the ENERGY STAR Program established in 42 U.S.C. § 6294a; or

(B) are certified as a Zero Energy Ready Home by the U.S. Department of Energy.

* * * Secretary of State Business Registration * * *

Sec. 7. SECRETARY OF STATE BUSINESS REGISTRATION

The Secretary of State may, upon request from a limited equity cooperative organized in accordance with 11 V.S.A. § 1598, update the limited equity cooperative's registration to ensure proper reflection of the limited equity cooperative's corporate business organization structure within the Secretary of State's systems.

* * * Conforming Revisions * * *

Sec. 8. CONFORMING REVISIONS

When preparing the Vermont Statutes Annotated for publication, the Office of Legislative Counsel shall replace "mobile home" with "manufactured home" throughout the statutes as needed for consistency with this act, provided the revisions have no other effect on the meaning of the affected statutes.

* * * Effective Dates * * *

Sec. 9. EFFECTIVE DATES

This act shall take effect on July 1, 2026, except that Secs. 5 and 6 (sales and use tax exemption) shall take effect on January 1, 2027.

The bill, having appeared on the Notice Calendar, was taken up, read the second time, and the report of the Committee on General and Housing was amended as recommended by the Committee on Ways and Means. Report of the Committee on General and Housing, as amended, agreed to and third reading ordered.

Third Reading; Bills Passed

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

H. 549

House bill, entitled

An act relating to eligibility of detainees to obtain a State-issued nondriver identification card

H. 588

House bill, entitled

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

H. 674

House bill, entitled

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

H. 762

House bill, entitled

An act relating to the County and Regional Governance Study Committee

Bill Amended; Third Reading; Bill Passed

H. 841

House bill, entitled

An act relating to miscellaneous animal welfare procedures

Was taken up and, pending third reading of the bill, **Reps. Bartholomew of Hartland and Nelson of Derby** moved to amend the bill in Sec. 1, 20 V.S.A. chapter 190, in subdivision 3202(e), by striking out subdivision (2) in its entirety and inserting in lieu thereof a new subdivision (2) to read as follows:

(2) The Division of Animal Welfare shall adopt rules pursuant to 3 V.S.A. chapter 25 to implement a certified rabies vaccinator program pursuant to the following standards:

(A) The Director shall work collaboratively with the Vermont Veterinary Medical Association for purposes of developing the rules and administering the program.

(B) The program shall permit licensed veterinarians to train and authorize veterinary and animal shelter staff to administer rabies vaccinations under the veterinarian's direct or indirect supervision.

(C) The program shall authorize the Director of Animal Welfare, in collaboration with the Vermont Veterinary Medical Association, to establish a program to train humane officers as certified rabies vaccinators.

(D) The program shall include training in properly storing and administering rabies vaccines, issuing rabies certificates, record-keeping requirements, and providing information to owners and keepers of animals to be vaccinated.

Which was agreed to. Thereupon, the bill was read the third time and passed.

**Committee Bill; Second Reading; Bill Amended;
Third Reading Ordered**

H. 927

Rep. Coffin of Cavendish spoke for the Committee on Government Operations and Military Affairs.

House bill, entitled

An act relating to technical corrections for the 2026 legislative session

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

Pending the question, Shall the bill be read a third time?, **Rep. James of Manchester** moved to amend the bill as follows:

First: In Sec. 1, 2 V.S.A. § 601(a), concerning the Joint Carbon Emissions Reduction Committee, in the second sentence, after the word "Representatives" by inserting "not all from the same political party"

Second: In Sec. 1, 2 V.S.A. § 601(a), concerning the Joint Carbon Emissions Reduction Committee, in the second sentence, after the word “Senate” by inserting “not all from the same political party”

Which was agreed to. Thereupon, third reading was ordered.

Second Reading; Bill Amended; Third Reading Ordered

H. 385

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

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

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

Sec. 1. 9 V.S.A. chapter 63, subchapter 13 is added to read:

Subchapter 13. Coerced Debt

§ 2495a. DEFINITIONS

As used in this subchapter:

(1) “Adequate documentation” means at least one of the following:

(A) a copy of a report filed with a federal, state, or local law enforcement agency that identifies the coerced debt and the circumstances under which the coerced debt was incurred, the filing of which subjects the person filing the report to criminal penalties for filing false information if, in fact, the information in the report is false;

(B) a court order finding that the debt was coerced; or

(C) a sworn certification from a qualified third-party professional regarding the debtor’s claim of coerced debt.

(2) “Coerced debt” means all or a portion of secured or unsecured debt solely or jointly in a debtor’s name that:

(A) was incurred as a result of domestic abuse, human trafficking, or the abuse, neglect, or exploitation of a vulnerable adult and the perpetrator’s:

(i) use of the debtor’s personal information without the debtor’s knowledge, authorization, or consent; or

(ii) use or threat of force, intimidation, undue influence, fraud, deception, coercion, or other similar means against the debtor;

(B) is not a mortgage loan as defined in 8 V.S.A. § 2101(15); and

(C) is not a commercial loan as defined in 8 V.S.A. § 2101(2).

(3) “Creditor” means a person, or the person’s successor, assignee, or agent, claiming to own or have the right to collect a debt owed by the debtor.

(4) “Debtor” means a person who:

(A) owes coerced debt; and

(B) is a survivor of domestic abuse or human trafficking; or

(C) is a vulnerable adult who is a survivor of abuse, neglect, or exploitation as those terms are defined under 33 V.S.A. chapter 69.

(5) “Domestic abuse” has the same meaning as abuse in 15 V.S.A. § 1101(1).

(6) “Future abuse” means abuse as defined in 15 V.S.A. § 1101(1), except that the abuse need not occur between family or household members.

(7) “Good faith” has the same meaning as provided in 9A V.S.A. § 1—201(b)(20).

(8) “Human trafficking” has the same meaning as in 13 V.S.A. § 2652 or 2653.

(9) “Perpetrator of coerced debt” or “perpetrator” means an individual who causes or is alleged to have caused coerced debt to be incurred by another.

(10) “Qualified third-party professional” means any of the following individuals who do not have a conflict of interest:

(A) an officer of the court or law enforcement personnel;

(B) a court-appointed special advocate;

(C) a crisis worker as defined in 12 V.S.A. § 1614(a)(1) employed at a program that assists survivors of domestic violence, sexual assault, stalking, human trafficking, or abuse of children, and who has relevant training or expertise;

(D) a licensed attorney; or

(E) a health care provider as defined in 18 V.S.A. § 9402(7).

(11)(A) “Statement of coerced debt” means a sworn written statement by a debtor provided by mail to a creditor that includes the following information:

(i) identification of the debt, or portion of the debt, alleged to be coerced debt;

(ii) if available, a description of the circumstances under which the coerced debt was allegedly incurred;

(iii) a statement by the debtor disclosing that the debtor did not willingly authorize the use of the debtor's name or personal information to incur such debt;

(iv) any information known by the debtor, including account information or credit card information and, if applicable, the name of any other individual in whose name such debt was jointly incurred;

(v) the identity of and contact information for the perpetrator, if known, unless the debtor signs a sworn statement that disclosing such information is likely to result in future abuse to the debtor or to a member of the debtor's immediate family;

(vi) the debtor's preferred language and contact method and information such as a telephone number, email address, physical address, or safe address for either the debtor or a third party whom the debtor designates to receive information about the coerced debt, which shall be specified by the debtor; and

(vii) any other documents the debtor deems appropriate to support the statement.

(B) As used in subdivision (A) of this subdivision (11), "mail" means certified mail, certificate of mailing, or any other similar first-class mail tracking method used or approved by the U.S. Postal Service, including Intelligent Mail barcode Tracing (IMb Tracing). The term also includes any electronic or digital transmission that provides a verifiable date, timestamp, or tracking capability.

(C) A statement of coerced debt shall be notarized or shall include the following language inserted above the debtor's signature and date:

"I declare that the above statement is true and accurate to the best of my knowledge and belief. I understand that if the above statement is false, I will be subject to the penalty of perjury or to other sanctions in the discretion of the court."

(12) "Sworn certification" means a written statement by a qualified third-party professional in the following form:

CERTIFICATION OF QUALIFIED THIRD-PARTY PROFESSIONAL

I, (name of qualified third-party professional), do hereby certify under penalty of perjury as follows:

1. I am a qualified third-party professional as defined in 9 V.S.A. § 2495a(10) who has had in-person contact or face-to-face contact through an electronic medium with (name of debtor).

2. Based on my professional interactions with the debtor and information presented to me in my professional capacity, I have a reasonable basis to believe (name of debtor) is a survivor of domestic abuse or human trafficking or is a vulnerable adult who is a survivor of abuse, neglect, or exploitation, and has incurred all or a portion of debt that is coerced debt.

3. Based on my professional interactions with the debtor and on information presented to me, I have reason to believe that the circumstances under which the coerced debt was incurred are as follows:

4. The following debts or portions of the debts have been identified to me as coerced:

I attest that the foregoing is true and correct.

(Printed name of qualified third-party professional)

(Signature of qualified third-party professional)

(Business address and business telephone)

(Date)

§ 2495b. COERCED DEBT PROHIBITED

A person shall not cause another person to incur coerced debt. Substantiated coerced debt is not enforceable against the debtor.

§ 2495c. CREDITOR’S CONDUCT PURSUANT TO A DEBTOR’S

STATEMENT OF COERCED DEBT

(a) Within 10 business days following receipt of a debtor’s statement of coerced debt and adequate documentation, a creditor shall:

(1) cease all collection activities and refrain from selling, assigning, or otherwise transferring for consideration such debt;

(2) notify the debtor it has ceased all collection activities pending further review of the claim; and

(3) notify any credit reporting agency to which it furnished adverse information about such debt that the debtor disputes the accuracy of the adverse information.

(b) If a debtor notifies a creditor that a particular debt being collected, or a portion thereof, is coerced debt, but does not provide all the information required under subsection (a) of this section or provides such notice orally, and if such creditor does not cease such collection activities, then within 10 business days after receipt of the debtor's notice of the coerced debt, the creditor shall inform the debtor that additional written information is required and shall provide the debtor with Model Form A-1, as described in subsection (g) of this section.

(c)(1) Within 30 days following receipt of a debtor's statement of coerced debt and adequate documentation, the creditor shall complete a reasonable investigation of the disputed information, which shall include a review of all information provided by the debtor and any other relevant information available to the creditor and, upon completion of the investigation, make a determination as to the accuracy of the debtor's claim of coerced debt.

(2) The 30-day period described in subdivision (1) of this subsection may be extended for up to an additional 15 days if the creditor receives supplementary information from the debtor during that 30-day period that is relevant to the investigation.

(d) Within five business days after making a determination under subsection (c) of this section, the creditor shall notify the debtor of such determination in writing and shall provide a good faith basis for the determination. The notice shall not include personally identifiable information of another person. If the creditor:

(1) determines the disputed debt is coerced debt, the creditor shall notify the debtor that it is ceasing collection activities and contact any consumer reporting agencies to which it furnished adverse information about the debtor's coerced debt and request that such information be deleted from the debtor's file and credit report; or

(2) determines the available information does not establish that the disputed debt is coerced debt, the creditor may recommence collection activities; however, the creditor is prohibited from selling, assigning, or otherwise transferring such debt.

(e) All communications from the creditor to a debtor under this section shall be made using only the debtor's preferred contact method and, in addition, the creditor shall make reasonable efforts to use the debtor's preferred language as identified in the debtor's statement of coerced debt.

(f) In connection with a statement of coerced debt, the creditor:

(1) shall not disclose the contact information the debtor provides in the statement of coerced debt to any other person, including the perpetrator or joint account holders, without the debtor's express written authorization, unless directed or authorized to do so by court order; and

(2) may request that the debtor provide the identity of and contact information for the perpetrator, if known, unless the debtor signs a sworn statement that disclosing such information is likely to result in abuse to the debtor or to a member of the debtor's immediate family.

(g) Model Form A-1 shall be developed by the Commissioner of Financial Regulation, posted in English and Spanish on a publicly accessible website maintained by the Department of Financial Regulation, and substantially in the following form:

MODEL FORM A-1 FOR CREDITORS TO PROVIDE TO DEBTORS

[Creditor name:

Address:

Email address:

Telephone number:

Website URL where this form can be filled out online]

[Debtor's name]

[Debtor's preferred contact information: debtor may provide a telephone number, email address, physical address, or the address of a third party]

[Debtor's preferred language]

You have given us information about a debt that may have been taken out because someone used your personal information without your permission or because someone intimidated, threatened, forced, or manipulated you into taking out this debt.

For example, an abusive partner could have taken out a credit card or loan in your name without your knowledge or permission or pressured you into taking out credit to buy a car, television, computer, or other item and threatened you with harm if you refused.

Questions: To temporarily or permanently stop collection of this debt, you need to answer the questions below. If you do not know the answer, you can explain why you do not know the answer.

1. Did you sign for or agree to the debt?

2. If you did sign for or agree to the debt, was it because someone threatened you or used intimidation, force, manipulation, theft, or other forms of control to take out the debt in your name? If yes, please describe how it happened.

3. If you did not sign for or agree to the debt, do you know who used your information to take out the debt? If yes, please describe.

4. What is your preferred contact method and contact information? You can provide a telephone number, email address, physical address, safe address, or the contact information of another trusted person you want to receive information for you because you are concerned about your safety.

Supporting Documentation: Please include at least one of the documents below that show that the debt was taken out by someone who threatened you or used intimidation, force, manipulation, theft, or other forms of control to take out the debt in your name. You only need to send one, but you may provide more than one.

1. A copy of a report filed with a federal, state, or local law enforcement agency that identifies the coerced debt and the circumstances under which the coerced debt was incurred, the filing of which subjects the person filing the report to criminal penalties for filing false information if, in fact, the information in the report is false;

2. A court order finding that the debt was coerced; or

3. A sworn certification from a qualified third-party professional you talked with about this debt. The statement should include who the person is, where the person works, the person's contact information, and information you shared with the person about the debt and how it was taken out. The third party may be:

(a) an officer of the court or law enforcement personnel;

(b) a court-appointed special advocate;

(c) a crisis worker as defined in 12 V.S.A. § 1614(a)(1) employed at a program that assists survivors of domestic violence, sexual assault, stalking, human trafficking, or abuse of children, and who has relevant training or expertise;

(d) a licensed attorney; or

(e) a health care provider as defined in 18 V.S.A. § 9402(7).

In addition to the required documentation, you may include any other document [such as a divorce decree, restraining order, protection from abuse order or another document] that includes information about the debt and how it was taken out.

We need to receive your answers to the above questions and at least one document supporting your claim before we stop collecting on the debt.

Within 30 days after we receive this information, we will do all of the following:

1. Notify you in writing that we are stopping all attempts to collect the debt from you, pending our review of your claim.

2. Review your claim and make a determination as to whether you should be relieved from liability for the coerced debt.

3. Contact the consumer reporting agencies to which we gave information about you and the coerced debt and request that they remove the information from your file and credit report. Alternatively, we also have the right to challenge your claim of coerced debt in court, subject to legal protections for victims of coerced debt.

Your statement of coerced debt must be notarized or certified as true and accurate by you under penalty of perjury.

If you have questions, please contact us at: [creditor's name, mailing address, telephone number, and email address]. If you prefer to communicate with us by email, please confirm with us by telephone our correct email address for submitting information about the debt so we can ensure a timely response.

For more information, see 9 V.S.A. chapter 63, subchapter 13.

(h) With respect to coerced debt secured by tangible personal property, nothing in this subchapter shall affect a creditor's right to enforce a security interest upon default under 9A V.S.A. Article 9 (Uniform Commercial Code - Secured Transactions), including repossession, surrender, or court-ordered seizure of the subject collateral. However, a creditor is prohibited from collecting or seeking to collect any deficiency from the victim of coerced debt.

§ 2495d. CIVIL LEGAL REMEDIES

(a)(1) A debtor shall not be liable to a creditor for coerced debt.

(2) In any action initiated by a creditor to seek collection of a debt from a debtor, the debtor may establish a prima facie case that the debt is coerced debt by submitting a statement of coerced debt and adequate documentation. If the debtor establishes a prima facie case of coerced debt, the creditor shall

bear the burden of proving, by a preponderance of the evidence, that the debt is not coerced debt.

(b) If a court finds a debt is coerced debt:

(1) the court shall vacate any previous default judgment issued against the debtor on the coerced debt;

(2) the creditor shall have a cause of action against the perpetrator; and

(3) the debtor shall have a cause of action against the perpetrator for any payments made or costs incurred by the debtor in connection with the coerced debt.

(c) This section shall not be construed to limit or infringe upon any other rights or remedies available under common law or any other provision of law or rule.

(d) If a debtor signs a sworn statement that disclosing the identity of and contact information for the perpetrator is likely to result in future abuse to the debtor or a member of the debtor's immediate family, the creditor may file a motion requesting a hearing to determine the danger of future abuse to the debtor or to a member of the debtor's immediate family. The debtor shall bear the burden of proving by a preponderance of the evidence that, if the debtor discloses the identity of and contact information for the perpetrator, the perpetrator poses a danger of future abuse to the debtor or to a member of the debtor's immediate family. If the court finds that the debtor meets this burden, the debtor shall not be required to disclose the information. If the debtor does not meet this burden, the court shall order the debtor to disclose the identity of, and, if known, the contact information of the perpetrator.

(e) In any action involving an alleged coerced debt, upon motion of the debtor, the court may seal court records in accordance with Rule 9 of the Vermont Rules for Public Access to Court Records, redact personally identifiable information, or direct that any deposition or evidentiary hearing be conducted remotely to protect the debtor or a member of the debtor's immediate family from a perpetrator. A debtor seeking a relief from abuse order or an order against stalking or sexual assault shall do so in accordance with 15 V.S.A. chapter 21 or 12 V.S.A. chapter 178, respectively.

(f) The provisions of this subchapter apply in any action brought in a court of this State, notwithstanding a contractual choice-of-law provision.

(g) Nothing in this subchapter shall be construed to preclude a creditor from seeking recourse under applicable law for a claim of coerced debt that is knowingly and materially false.

(h) A perpetrator shall not be a necessary party to an action between a creditor and a debtor under this subchapter. However, no finding in such an action shall be binding on a person who was not a party to the action.

(i) An action by a debtor against a perpetrator shall be commenced within six years after the date the debtor discovered or reasonably should have discovered the coerced debt or within six years after the coercion or abuse giving rise to the debt ceased, whichever is later.

(j) An action by a creditor against a perpetrator shall be commenced within six years after the date the creditor received the debtor's statement of coerced debt and adequate documentation or received notice of the identity of the perpetrator, whichever is later.

§ 2495e. VIOLATIONS

(a) A person who knowingly and materially violates this subchapter commits an unfair and deceptive act in trade and commerce in violation of section 2453 of this title.

(b) The Attorney General has the same authority to make rules, conduct civil investigations, enter into assurances of discontinuance, and bring civil actions as provided under subchapter 1 of this chapter.

§ 2495f. CONFIDENTIALITY

(a) Except as otherwise expressly provided in this subchapter or required by law, any financial and personally identifying information related to a claim of coerced debt that is shared by a debtor pursuant to the provisions of this subchapter shall not be disclosed by the recipient without the express consent of the debtor, unless such disclosure is authorized by court order.

(b) Information or material that is subject to privilege protections under federal or state law that is shared by the debtor pursuant to the provisions of this subchapter shall not be disclosed by the recipient, unless the debtor expressly waives the privilege, or the privilege is waived by an express provision of law.

(c) Any record or information produced or acquired by a public body pursuant to the provisions of this subchapter that contains financial or personally identifiable information related to a claim of coerced debt shall be kept confidential and shall be exempt from public inspection or copying under Vermont's Public Records Act. This exemption shall not be subject to 1 V.S.A. § 317(e).

Sec. 2. 9 V.S.A. § 2480d is amended to read:

§ 2480d. PROCEDURE IN CASE OF DISPUTED ACCURACY; COERCED DEBT

(a) If the completeness or accuracy of any item of information contained in the consumer's file is disputed by the consumer and the consumer notifies the credit reporting agency directly of such dispute, the agency shall reinvestigate free of charge and record the current status of the disputed information on or before 30 business days after the date the agency receives notice from the consumer.

(b) On or before five business days after the date a credit reporting agency receives notice of a dispute from a consumer in accordance with subsection (a) of this section, the agency shall provide notice of the dispute to all persons who provided any item of information in dispute.

(c) Notwithstanding subsection (a) of this section, a credit reporting agency may terminate a reinvestigation of information disputed by a consumer under such subsection if the agency reasonably determines that such dispute by the consumer is frivolous or irrelevant. Upon making such a determination, a credit reporting agency shall promptly notify the consumer of such determination and the reasons therefor, by mail, or, if authorized by the consumer for that purpose, by telephone. The presence of contradictory information in the consumer's file does not in and of itself constitute reasonable grounds for determining the dispute is frivolous or irrelevant.

(d) In conducting a reinvestigation under subsection (a) of this section, the credit reporting agency shall review and consider all relevant information submitted by the consumer with respect to such disputed information.

(e) If, after a reinvestigation under subsection (a) of this section of any information disputed by a consumer, the information is found to be inaccurate or cannot be verified, the credit reporting agency shall promptly delete such information from the consumer's file. For purposes of this section, "information" ~~shall~~ does not include other information in the same item that is not disputed by the consumer.

(f) If any information is deleted after a reinvestigation under subsection (a) of this section, the information may not be reinserted in the consumer's file after deletion unless the person who furnishes the information reinvestigates and states in writing or by electronic record to the agency that the information is complete and accurate. Such furnisher shall not provide such statement unless the furnisher reasonably believes that the information is complete and accurate. Upon such reinvestigation and statement by the furnisher, the credit reporting agency shall promptly notify the consumer of any reinsertion.

(g) A credit reporting agency shall provide written notice of the results of any reinvestigation under this subsection within five business days of following the completion of the reinvestigation, by mail or, if authorized by the consumer for that purpose, by telephone. This notice shall include:

- (1) a statement that the reinvestigation is complete;
- (2) a statement of the determination of the agency on the completeness or accuracy of the disputed information;
- (3) a credit report that is based upon the consumer's file as that file is revised as a result of the reinvestigation;
- (4) a description of the manner in which the information disputed by the consumer has been altered, changed, deleted, or modified in the consumer's credit report;
- (5) a description of the procedure used to determine the accuracy and completeness of the information, including the name, business address, and, if available, the telephone number of any person contacted in connection with such information; and
- (6) a notification that the consumer has the right, pursuant to 15 U.S.C. § 1681i, to add a statement to the consumer's file disputing the accuracy or completeness of the information.

(h) If a consumer provides notice to a consumer reporting agency that a debt or any portion of a debt is coerced debt and provides the consumer reporting agency either a court order finding that the debt was coerced or a statement of coerced debt and adequate documentation, as those terms are defined in subchapter 13 of this chapter, the consumer reporting agency shall reinvestigate the debt pursuant to this section. If, after the reinvestigation, the credit reporting agency determines that the debt was coerced, the consumer reporting agency shall remove any reference to the debt, or any portion of the debt determined to be coerced debt, from the consumer's file and credit report.

Sec. 3. 9 V.S.A. § 2480k is amended to read:

§ 2480k. COMPLAINTS TO LAW ENFORCEMENT AGENCIES

A person who has learned or reasonably suspects that ~~his or her~~ the person's personal identifying information has been unlawfully used by another, as described in 13 V.S.A. § ~~2030(a)~~ 2030, may make a complaint about the unlawful use of personal identifying information to the State Police or to the person's local law enforcement agency. The law enforcement agency shall take the complaint and provide the complainant with a copy of the complaint, the name of the law enforcement officer taking the complaint, and an incident number or case number assigned to the complaint by the law enforcement

agency. If the suspected crime was committed in a different jurisdiction, the law enforcement agency shall take the complaint and provide the complainant with a copy of the complaint, the name of the law enforcement officer taking the complaint, and an incident number or case number assigned to the complaint by the law enforcement agency and refer the complaint to a law enforcement agency in that different jurisdiction.

Sec. 4. 8 V.S.A. chapter 200, subchapter 8 is added to read:

Subchapter 8. Protection from Financial Exploitation

§ 10801. FINDINGS AND INTENT

(a) The General Assembly finds that:

(1) A covered entity has a duty imposed by law and contract to conduct customer-directed transactions in a timely manner and in accordance with a customer's instructions.

(2) Customers are increasingly being induced to authorize transactions that are not in their best interests.

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

(1) ensure customers have ready access to their funds; and

(2) provide a covered entity with the tools and protections to intervene in a customer-directed transaction when the covered entity reasonably believes the transaction presents potential significant risk of harm to the customer.

(c) It is not the intent of the General Assembly to impose a duty on a covered entity to contravene the valid instructions of a customer, and nothing in this chapter creates such a duty.

§ 10802. DEFINITIONS

As used in this subchapter:

(1) "Account" means any deposit, share, custodial, trust, or transaction account, whether held individually or jointly, and whether checking, savings, money market, certificate of deposit, prepaid, or similar, that is established, maintained, or administered by a covered entity, through which the covered entity accepts, holds, disburses, or transfers funds of a customer. The term includes accounts held for the benefit of another, including fiduciary, guardianship, conservatorship, power of attorney, and representative payee accounts, to the extent the account is maintained by a covered entity.

(2) “Associated third party” means:

(A) a parent, spouse, adult child, sibling, or other family member of a customer whom a covered entity reasonably believes is closely associated with the customer;

(B) an individual the customer has authorized to be contacted by the customer’s covered entity;

(C) a co-owner, additional authorized signatory, or beneficiary on a customer’s account or an agent for the customer under a power of attorney; or

(D) a licensed attorney, trustee, conservator, guardian, or other fiduciary selected by a court or governmental agency to manage some or all of the financial affairs of the customer.

(3) “Covered entity” means a bank, trust company, or savings institution as defined in subdivision 11101(32) of this title or a credit union as defined in subdivision 30101(5) of this title. The term also includes the subsidiaries and affiliates that provide financial services for such entity, as well as the directors, officers, employees, or agents of such entity.

(4) “Customer” means any person who establishes, maintains, or is a beneficiary of an account with a covered entity, including any person who owns, controls, or has a present or contingent legal or beneficial interest in funds held in the account, whether acting directly or through an agency, fiduciary, or representative.

(5) “Financial exploitation” means:

(A) the wrongful or unauthorized taking, withholding, appropriation, transfer, expenditure, or use of a customer’s money, assets, or property; or

(B) any act or omission by a person, including by a fiduciary or other representative of the customer, whether acting under a power of attorney, guardianship, conservatorship, trust, or similar authority, that:

(i) obtains or attempts to obtain control over the customer’s money, assets, or property through deception, intimidation, coercion, or undue influence, for the purpose or effect of depriving the customer of the ownership, use, benefit, or possession of the customer’s money, assets, or property; or

(ii) converts or misuses the customer’s money, assets, or property so as to deprive the customer of the ownership, use, benefit, or possession of the customer’s money, assets, or property.

§ 10803. PROTECTIVE ACCOUNT ACTION

(a) If a covered entity reasonably believes that a customer is or has been the victim of financial exploitation or attempted financial exploitation, and such belief is based on information either individually observed or received from a State, local, or law enforcement agency, the covered entity may take one or more of the following measures to protect a customer's account:

(1) delay or refuse one or more transactions with or involving the customer;

(2) delay or refuse to permit the withdrawal or disbursement of funds contained in the customer's account;

(3) prevent a change in ownership of the customer's account;

(4) prevent a transfer of funds from the customer's account to an account owned wholly or partially by another person;

(5) refuse to comply with instructions given to the covered entity by an agent or person acting for or with an agent under a power of attorney signed or purported to have been signed by the customer; or

(6) prevent or change the designation of the beneficiaries to receive any property, benefit, or contract rights for the customer.

(b) A covered entity is not required to take protective action under this section with regard to a customer's account but may use its sole discretion to determine whether taking such action is warranted based on the information available to it at the time.

(c)(1) The authority to delay a transaction under this section expires at the earlier of:

(A) 15 business days after the date on which the covered entity initiated the delay;

(B) when the covered entity is satisfied within its sole discretion that the transaction will not likely result in financial exploitation; or

(C) upon a court order directing the release of funds.

(2) Unless otherwise directed by a court order, the covered entity may extend the duration of the delay for up to an additional 15 days based on a reasonable belief that the financial exploitation or attempted financial exploitation of the customer may continue.

(d) Any refusal, delay, or other protective action taken by a covered entity in good faith under this section to prevent the financial exploitation of a customer shall:

(1) not constitute wrongful dishonor under 9A V.S.A. § 4—402;

(2) constitute reasonable grounds under the federal Check Clearing for the 21st Century Act, 12 U.S.C. § 5001 et seq., the Expedited Funds Availability Act, 12 U.S.C. § 4001 et seq., or related regulations, without imposing a duty to review every deposit or check individually; and

(3) not constitute a violation of 9A V.S.A. Article 4A (fund transfers) or related funds transfer laws, and any delayed payment order is deemed received only when the hold is removed and the covered entity submits the order for processing.

§ 10804. ASSOCIATED THIRD PARTY; NOTIFICATIONS

(a) A covered entity may notify an associated third party, if any, if it reasonably believes that the financial exploitation or attempted financial exploitation of a customer is occurring or has occurred and such disclosure is in the best interests of the customer.

(b) A covered entity may choose not to notify an associated third party if it reasonably believes that the third party is, was, or may be engaged in the financial exploitation or attempted financial exploitation of the customer.

(c) A covered entity shall limit disclosures to an associated third party to only information necessary to convey its suspicion that the customer was or may be the victim or intended victim of financial exploitation.

(d) Any disclosure by a covered entity pursuant to this section is exempt from the financial privacy protections specified under subchapter 2 of this chapter and, to the extent permitted by federal law, under the Gramm-Leach-Bliley Act, 15 U.S.C. § 6801 et seq., as those laws may be amended.

§ 10805. IMMUNITY

When carrying out protective actions authorized by this subchapter, a covered entity shall be protected from civil, criminal, and administrative liability for any act or omission within the scope of its duties and authorized by this subchapter, provided the act or omission is in good faith and does not amount to gross negligence or willful misconduct.

§ 10806. CONSTRUCTION

This subchapter shall be liberally construed to encourage covered entities to take reasonable protective actions to prevent the financial exploitation of their customers.

Sec. 5. SUSPICIOUS TRANSACTION HOLDS; DATA COLLECTION;
REPORT

The Commissioner of Financial Regulation shall consult, at least annually, with representatives from the Vermont Bankers Association and the Association of Vermont Credit Unions, and any other relevant party determined by the Commissioner, for the purpose of collecting data about the number and dollar amount of suspicious transaction holds implemented by a covered entity pursuant to Sec. 4 of this act and report such information in aggregated form to the House Committee on Commerce and Economic Development and the Senate Committee on Finance on or before January 15, 2027, and annually thereafter.

Sec. 6. COERCED DEBT; DATA COLLECTION; REPORT

(a) Beginning on July 1, 2028, the Commissioner of Financial Regulation shall study the utilization of the coerced debt protections and remedies codified in 9 V.S.A. chapter 63, subchapter 13. In conducting such study, the Commissioner shall consult with representatives from the Vermont Network Against Domestic and Sexual Violence, the Vermont Bankers Association, the Association of Vermont Credit Unions, the Office of the Attorney General, Vermont Legal Aid, and any other person deemed appropriate by the Commissioner. Among other things, the study shall include an assessment of coerced debt claims with regard to:

- (1) their frequency;
- (2) creditor investigations;
- (3) the presence of fraudulent or illegitimate claims;
- (4) any challenges experienced by debtors or creditors in exercising their rights under the applicable subchapter; and
- (5) any other matters deemed relevant and appropriate by the Commissioner.

(b) On or before November 15, 2029, the Commissioner shall report the Commissioner's findings and recommendations in draft form to the House Committee on Commerce and Economic Development and the Senate Committee on Finance.

Sec. 7. EFFECTIVE DATES; APPLICATION

(a) This section, Sec. 3 (complaints regarding claims of identity theft), Sec. 4 (suspicious banking transactions), and Sec. 5 (report on suspicious banking transactions) shall take effect on passage.

(b) Sec. 1 (coerced debt, creditor conduct, civil legal remedies), Sec. 2 (duty of credit reporting agency to reinvestigate coerced debt), and Sec. 6 (report on coerced debt) shall take effect on July 1, 2028, and shall apply to all outstanding coerced debt, including coerced debt incurred prior to July 1, 2028.

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

Second Reading; Bill Amended; Third Reading Ordered

H. 556

Rep. Bartley of Fairfax, for the Committee on General and Housing, to which had been referred House bill, entitled

An act relating to exceptions to applicability of State minimum wage

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

Sec. 1. 21 V.S.A. § 383 is amended to read:

§ 383. DEFINITIONS

As used in this subchapter:

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

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

* * *

(H) outside salespersons; ~~and~~

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

(J) elected and appointed municipal officers.

* * *

Sec. 2. EFFECTIVE DATE

This act shall take effect on July 1, 2026.

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

Second Reading; Bill Amended; Third Reading Ordered**H. 559**

Rep. Greer of Bennington, for the Committee on Corrections and Institutions, to which had been referred House bill, entitled

An act relating to the Parole Board

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

Sec. 1. 28 V.S.A. § 403 is amended to read:

§ 403. POWERS AND RESPONSIBILITIES OF THE COMMISSIONER
REGARDING PAROLE

The Commissioner is charged with the following powers and responsibilities regarding the administration of parole:

* * *

(6) To provide regular training for the Parole Board, at least annually, in collaboration with the Parole Board Director and the Chair of the Parole Board, on topics related to criminogenic behavior, mental health disorders, substance use treatment, trauma-informed work with victims of crime, and serious crime rehabilitation.

Sec. 2. 28 V.S.A. § 451 is amended to read:

§ 451. CREATION OF BOARD

(a)(1) A Parole Board of ~~five~~ seven members is created. The Governor, with the advice and consent of the Senate, shall appoint ~~five regular~~ members ~~and two alternates~~ for terms of three years in such a manner that not more than three terms shall expire annually. Initial terms may be less than three years. Each member ~~and alternate~~ shall hold office until a successor is appointed and qualified. The Governor shall designate the Board's chair.

(2) Upon notification of a vacancy, the Governor shall consult with the Parole Board Director and the Chair of the Parole Board. As far as practicable, the Governor shall appoint as members persons who have knowledge of and experience in ~~correctional treatment, crime prevention, or human relations~~ criminogenic behavior, mental health treatment, substance use disorder, or serious crime rehabilitation, and shall give consideration, as far as practicable, to geographic representation of the State and a balance of different knowledge and experience.

(3) The Board shall select one of its members to serve as Vice Chair of the Board. If the Chair resigns or is otherwise permanently unable to serve on the Board, the Vice Chair shall serve as interim chair until the Governor designates a new chair pursuant to this section. ~~The Chair or the executive director may assign alternates to serve on the Board in the absence of a regular member and such alternates shall have all the powers and authority of a regular member when so assigned.~~

(b) Three members of the Board shall constitute a quorum for the conduct of a meeting. Notwithstanding 1 V.S.A. § 172, the concurrence of a majority of members present at a Parole Board meeting shall be necessary and sufficient for Board action.

(c) The Chair of the Parole Board shall be entitled to compensation in the amount of \$20,500.00 annually, effective on the first pay period in fiscal year 2006, which shall be in lieu of any per diem otherwise authorized by law. If the Vice Chair assumes the duties of the Chair for a period in excess of 30 consecutive days, the compensation otherwise payable to the Chair during ~~his or her~~ the Chair's absence shall be paid to the Vice Chair.

(d) At least annually, each member of the Parole Board shall attend trainings designated by the Parole Board Director in collaboration with the Chair of the Parole Board.

Sec. 3. 28 V.S.A. § 455 is amended to read:

§ 455. DIRECTOR

(a) The position of Parole Board Director is created. The Director shall be appointed by the Governor after consultation with the Board.

(b) The Director shall serve for a term of four years commencing on March 1 and continuing until ~~his or her~~ a successor is appointed.

(c) The Director shall be exempt from classified State service.

(d) The Secretary of Human Services, in consultation with the Parole Board and the Department of Human Resources, shall establish the minimum and preferred qualifications, duties, and compensation of the Director.

(e) The Director shall be responsible for the overall function of the Parole Board, ensuring legal compliance, developing and implementing all policies and procedures of the Board, and developing and providing training to the Board, in collaboration with the Commissioner and the Chair of the Parole Board.

Sec. 4. PAROLE BOARD LEGAL COUNSEL PILOT PROJECT

(a) There is created the Parole Board Legal Counsel Pilot Project to provide external legal support for:

(1) annual training to the Board, including on topics related to due process and parole violations; and

(2) legal advice to the Board as needed related to Board hearings.

(b) The Office of the Attorney General shall coordinate with the Board and the Agency of Human Services to identify and contract with external legal support.

(c) As part of the fiscal year 2028 budget development process, the Agency of Human Services and the Department of Corrections shall coordinate with the Parole Board Director to evaluate the pilot project and determine resources needed for Board external legal support for fiscal year 2028.

(d) On or before November 15, 2026, the Parole Board Director shall submit a written report to the House Committee on Corrections and Institutions detailing the operation of the pilot project. The report shall include a recommendation regarding legal support for the Board going forward and the resources needed.

Sec. 5. DEPARTMENT OF CORRECTIONS FISCAL YEAR 2026

CARRYFORWARD

The \$25,000.00 General Fund appropriated to the Department of Corrections for third-party legal services in 2025 Acts and Resolves No. 27, Sec. B.336 shall carry forward into fiscal year 2027 for the purpose of hiring external legal counsel pursuant to Sec. 4 of this act.

Sec. 6. APPROPRIATION

The sum of \$50,000.00 is appropriated from the General Fund to the Department of Corrections in fiscal year 2027 for the purpose of hiring external legal counsel pursuant to Sec. 4 of this act.

Sec. 7. PAROLE BOARD BUDGET SUBMISSION IN FISCAL YEAR
2028 AND FISCAL YEAR 2029

(a) As part of the fiscal year 2028 and fiscal year 2029 budget development processes, the Parole Board Director shall submit a proposed budget to the Commissioner of the Department of Corrections and Secretary of the Agency of Human Services.

(b) On or before December 15, 2027, the Parole Board Director shall submit a written report to the House Committee on Corrections and Institutions detailing the budget development process. The report shall include a recommendation regarding the Parole Board submitting an annual budget to the Commissioner of the Department of Corrections.

Sec. 8. EFFECTIVE DATE

This act shall take effect on July 1, 2026.

Rep. Squirrell of Underhill, for the Committee on Appropriations, recommended that the bill ought to pass when amended as recommended by the Committee on Corrections and Institutions.

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

Second Reading; Bill Amended; Third Reading Ordered

H. 814

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

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

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

Sec. 1. INTENT

It is the intent of the General Assembly to:

(1) protect human rights, promote equity, increase efficiency, enhance accessibility, create transparency, and guarantee accountability in health care and human services through the ethical and responsible use of artificial intelligence technology;

(2) maximize the benefits and minimize the risks of the use of artificial intelligence in health care and human services;

(3) promote the ethical and responsible use of augmented intelligence in service delivery, coverage determinations, and access to health care and human services;

(4) prevent harm from the use of augmented and other artificial intelligence in health care and human services;

(5) improve the experience of patients, providers, and payers through the use of augmented and other artificial intelligence; and

(6) improve quality of care, drive positive health outcomes, and cultivate population health through the use of augmented and other artificial intelligence.

Sec. 2. 18 V.S.A. chapter 42C is added to read:

CHAPTER 42C. NEUROLOGICAL RIGHTS

§ 1891. PURPOSE; INDIVIDUAL RIGHTS

The State of Vermont recognizes that each individual has the right to:

(1) mental and neural data privacy;

(2) the freedom of thought;

(3) nondiscrimination in the development and application of neurotechnologies;

(4) change an individual's decision regarding neurotechnology and the right to determine by what means to change that decision;

(5) be afforded protection from neurotechnological interventions of the mind and from unauthorized access to or manipulation of an individual's brain activity; and

(6) be afforded protection from unauthorized neurotechnological alterations in mental functions critical to personality.

Sec. 3. 3 V.S.A. § 5023 is amended to read:

§ 5023. ARTIFICIAL INTELLIGENCE ADVISORY COUNCIL

(a) Advisory Council. There is established the Artificial Intelligence Advisory Council to provide advice and counsel to the Director of the Division of Artificial Intelligence with regard to the Division's responsibilities to review all aspects of artificial intelligence systems developed, employed, or procured in State government. The Advisory Council, in consultation with the Director of the Division, shall also engage in public outreach and education on artificial intelligence.

(b) Members.

(1) Members. The Advisory Council shall be composed of the following members:

* * *

(F) one member with experience in the field of ethics and human rights, appointed by the Governor National Association of Social Workers, Vermont Chapter;

(G) one member who is an academic at a postsecondary institute, appointed by the Vermont Academy of Science and Engineering;

(H) the Commissioner of Health Secretary of Human Services or designee;

(I) one member with experience in health care, appointed by the Vermont Medical Society;

(J) one member with experience in public education, appointed by the Vermont-National Education Association;

(K) the Executive Director of Racial Equity or designee; and

~~(J)~~(L) the Attorney General or designee;

(M) the State Treasurer or designee; and

(N) one member with relevant knowledge and expertise, appointed by the Governor.

* * *

(h) Repeal. This section shall be repealed on June 30, ~~2027~~ 2030.

Sec. 4. RESPONSIBLE AND ETHICAL USE OF ARTIFICIAL

INTELLIGENCE IN HEALTH CARE, HUMAN SERVICES, AND EDUCATION; REPORT

(a) The Artificial Intelligence Advisory Council, in coordination with the Director of the Division of Artificial Intelligence and in consultation with interested stakeholders, shall:

(1) review guidelines and recommendations from the American Medical Association, National Association of Social Workers, National Education Association, and other relevant professional organizations regarding the use of artificial intelligence in the fields of health care, human services, education, public participation, and public finance;

(2) research existing and potential uses of artificial intelligence in public participation processes and in public finance; and

(3) create opportunities for public education and engagement in the development of artificial intelligence policy.

(b) On or before January 15, 2027, the Artificial Intelligence Advisory Council, in coordination with the Director of the Division of Artificial Intelligence, shall submit a written report to the General Assembly:

(1) recommending any additional statutory changes necessary to further the purposes of this act, including:

(A) protections for neurological rights and in relation to neurotechnologies;

(B) guidance on the use of generative artificial intelligence by regulated professions; and

(C) regulating the use of artificial and augmented intelligence in health insurance utilization review processes;

(2) summarizing any additional ways that government can promote the ethical and responsible use of artificial intelligence technology in health and human services and in education;

(3) proposing pilot projects that improve public engagement in public finance using ethical and responsible artificial intelligence technology; and

(4) identifying any reasons for further delaying or removing the new 2030 sunset of the Artificial Intelligence Advisory Council as set forth in Sec. 4 of this act.

Sec. 5. EFFECTIVE DATE

This act shall take effect on passage.

Rep. Feltus of Lyndon, for the Committee on Appropriations, recommended that the bill ought to pass when amended as recommended by the Committee on Health Care.

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

Second Reading; Bill Amended; Third Reading Ordered

H. 816

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

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

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

Sec. 1. PURPOSE

It is the purpose of this act to safeguard individuals seeking mental health services in Vermont by:

(1) ensuring that therapeutic judgment, clinical decision making, and therapeutic communication remain the responsibility of mental health professionals and are not delegated to artificial intelligence systems;

(2) respecting individual choice in selecting mental health services, including community, peer, and faith-based options; and

(3) allowing the responsible use of artificial intelligence for administrative, operational, documentation, and quality-improvement functions that support access, efficiency, and innovation in mental health services.

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

§ 129a. UNPROFESSIONAL CONDUCT

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

* * *

(30) For any mental health professional, misuse of artificial intelligence pursuant to 26 V.S.A. § 7101.

* * *

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

§ 7115. PROHIBITED USES OF ARTIFICIAL INTELLIGENCE

(a) As used in this section:

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

(2) “Generative artificial intelligence” means an artificial intelligence that can generate derived synthetic content, including text, images, video, and audio, that emulates the structure and characteristics of the system’s training data.

(3) “Mental health services” means support, counseling, therapy, or psychotherapy services provided by a mental health professional to diagnose or treat an individual’s mental or behavioral health or provide ongoing recovery support, excluding religious counseling.

(4) “Therapeutic communication” means a written or spoken interaction intended to diagnose or treat any type of mental or behavioral health concern, provide ongoing recovery support, or provide any advice related to diagnosis, treatment, or recovery.

(b) A person, corporation, or other entity shall not offer, provide, or advertise mental health services in the State that represent artificial intelligence as providing therapeutic judgment, diagnosis, treatment, or therapeutic communication. Nothing in this subsection shall prohibit the use or disclosure of the use of artificial intelligence for administrative, documentation, operational, or quality-improvement purposes when a mental health professional retains clinical responsibility as authorized pursuant to 26 V.S.A. § 7101.

(c)(1) A violation of this section shall be deemed a violation of the Consumer Protection Act, 9 V.S.A. chapter 63. The Attorney General has the same authority to make rules, conduct civil investigations, enter into assurances of discontinuance, and bring civil actions, and private parties have the same rights and remedies as provided under 9 V.S.A. chapter 63, subchapter 1.

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

Sec. 4. 26 V.S.A. chapter 120 is added to read:

CHAPTER 120. ARTIFICIAL INTELLIGENCE IN REGULATED
PROFESSIONS

Subchapter 1. General Provisions

§ 7001. DEFINITIONS

As used in this chapter:

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

influence physical or virtual environments. “Artificial intelligence” includes generative artificial intelligence.

(2) “Generative artificial intelligence” means an artificial intelligence that can generate derived synthetic content, including text, images, video, and audio, that emulates the structure and characteristics of the system’s training data.

Subchapter 2. Use of Artificial Intelligence by Mental Health Professionals

§ 7101. PERMITTED AND PROHIBITED USES OF ARTIFICIAL INTELLIGENCE IN THERAPEUTIC SETTINGS

(a) Definitions. As used in this section:

(1) “Administrative support” means a task performed to assist a mental health professional in the professional’s delivery of mental health services, such as scheduling, billing, and general logistics, but excluding therapeutic communication.

(2) “Clinical responsibility” means the duty of a mental health professional to review, approve, and remain legally accountable for any use of artificial intelligence in connection with the provision of mental health services.

(3) “Consent” means an explicit, affirmative act by an individual that communicates in writing voluntary, informed, and revocable agreement. “Consent” does not include acceptance of broad terms-of-use agreements, passive actions, or deceptive practices.

(4) “Mental health professional” means an individual licensed, certified, or rostered, respectively, to provide mental health services as a physician pursuant to chapter 23 or 33 of this title, an advance practice registered nurse specializing in psychiatric mental health pursuant to chapter 28 of this title, a psychologist pursuant to chapter 55 of this title, a peer support provider or peer recovery support specialist pursuant to chapter 60 of this title, a social worker pursuant to chapter 61 of this title, an alcohol and drug abuse counselor pursuant to chapter 62 of this title, a clinical mental health counselor pursuant to chapter 65 of this title, a marriage and family therapist pursuant to chapter 76 of this title, a psychoanalyst pursuant to chapter 77 of this title, or an applied behavior analyst pursuant to chapter 95 of this title, and a nonlicensed or noncertified psychotherapist, noncertified psychoanalyst, or any other professional that provides mental health services except as exempted in subsection (e) of this section.

(5) “Mental health services” means support, counseling, therapy, or psychotherapy services provided by a mental health professional to diagnose or treat an individual’s mental or behavioral health or provide ongoing recovery support, excluding religious counseling or peer support.

(6) “Peer support” means support services provided by an individual with lived experience of a mental health condition or substance use disorder who is not certified under chapter 60 of this title.

(7) “Religious counseling” means counseling provided by clergy, pastoral counselors, or other religious leaders acting within the scope of the individual’s duties if explicitly faith-based and not represented as clinical services.

(8) “Supplementary support” means a task performed to assist a mental health professional in the professional’s delivery of mental health services, excluding therapeutic communication and administrative support.

(9) “Therapeutic communication” means a written or spoken interaction intended to diagnose or treat any type of mental or behavioral health concern, provide ongoing recovery support, or provide any advice related to diagnosis, treatment, or recovery.

(10) “Therapeutic decision” means the final clinical determination regarding diagnosis or selection, modification, or termination of treatment or care. “Therapeutic decision” does not include algorithmic risk scoring, data analytics, or other clinical decision support tools when used under the supervision and authority of a licensed mental health professional.

(b) Permitted uses. A mental health professional may use artificial intelligence systems for administrative support, supplementary support, and operational or quality-improvement functions, provided the professional retains sole responsibility for therapeutic decisions. Permitted uses include scheduling, billing, coding, and claims processing; transcription and documentation support; preparation and maintenance of clinical records; deidentified data analysis for quality improvement; and workforce and capacity planning where the mental health professional reviews, modifies where necessary, and approves the final product.

(c) Confidentiality and consent.

(1) Any administrative support or supplementary support tasks conducted using artificial intelligence, including transcription and recording, shall be subject to the disclosure prohibitions in 18 V.S.A. §§ 1881 and 7103.

(2) Consent by a patient or client is required when artificial intelligence is used to record identifiable therapeutic communications.

(d) Prohibited uses.

(1) A mental health professional shall not use artificial intelligence in a manner that allows the artificial intelligence to independently make therapeutic decisions, independently diagnose, independently determine treatment, or independently generate treatment plans.

(2) Nothing in this subsection shall prohibit a mental health professional from disclosing or describing the mental health professional's use of artificial intelligence for administrative support or supplementary support purposes to a prospective, current, or former patient or client.

(e) Exceptions. Nothing in this section shall apply to:

(1) religious counseling;

(2) peer support provided by an individual who is not certified pursuant to chapter 60 of this title; and

(3) generalized educational and self-help resources that do not purport to offer mental health services.

Sec. 5. EFFECTIVE DATE

This act shall take effect on passage.

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

Action on Bill Postponed

H. 887

House bill, entitled

An act relating to crime victim status under the Fair Employment Practices Act

Was taken up and, pending second reading, on motion of **Rep. Bartley of Fairfax**, action on the bill was postponed one legislative day.

Action on Bill Postponed

H. 917

House bill, entitled

An act relating to military affairs

Was taken up and, pending second reading, on motion of **Rep. Waters Evans of Charlotte**, action on the bill was postponed one legislative day.

Bill Amended; Third Reading; Bill Passed**H. 542**

House bill, entitled

An act relating to terminating testing of schools in Vermont for polychlorinated biphenyls

Was taken up and, pending third reading of the bill, **Rep. Donahue of Northfield** moved to amend the bill in Sec. 1, termination of testing of schools in Vermont for Polychlorinated Biphenyls (PCBs), by striking out subsection (d) in its entirety and inserting in lieu thereof a new subsection (d) to read as follows:

(d)(1) On or before January 15, 2027, the Secretary of Natural Resources, after consultation with the Secretary of Education, representatives of schools, and other interested parties, shall submit to the House Committees on Education, on Environment, and on Appropriations and the Senate Committees on Education, on Natural Resources and Energy, and on Appropriations a long-term remediation plan for the remediation of PCB contamination in public schools and approved and recognized independent schools in the State.

(2) On or before January 15, 2027, the Commissioner of Health shall review and update the Commissioner's assessment of the health impacts on students and staff of airborne PCBs in public schools and approved and recognized independent schools in the State and shall submit the Commissioner's updated assessment to the House Committees on Education, on Environment, and on Appropriations and the Senate Committees on Education, on Natural Resources and Energy, and on Appropriations.

Which was agreed to. Thereupon, the bill was read the third time and passed.

Adjournment

At twelve o'clock and fifty-one minutes in the afternoon, on motion of **Rep. McCoy of Poultney**, the House adjourned until tomorrow at one o'clock in the afternoon.