

Journal of the House

Wednesday, March 18, 2026

At one o'clock in the afternoon, **Rep. Houghton of Essex Junction** called the House to order.

Devotional Exercises

Devotional exercises were conducted by Rabbi Tobie Weisman, Founding Director, Yearning for Learning Center for Jewish Studies, Montpelier.

Senate Bills Referred

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

S. 179

Senate bill, entitled

An act relating to the Uniform Disclaimer of Property Interests Act

To the Committee on Judiciary.

S. 212

Senate bill, entitled

An act relating to potable water supply and wastewater system connections

To the Committee on Environment.

S. 227

Senate bill, entitled

An act relating to creating immigration protocols in Vermont schools

To the Committee on Education.

Bill Referred to Committee on Appropriations

H. 558

House bill, entitled

An act relating to the Medicaid school-based services program

Appearing on the Notice Calendar, and pursuant to House Rule 35(a), carrying an appropriation, was referred to the Committee on Appropriations.

**Pending Entry on the Notice Calendar
Bill Referred to the Committee on Appropriations**

H. 937

House bill, entitled

An act relating to miscellaneous judiciary procedures

Pending entry on the Notice Calendar, and pursuant to House Rule 35(a), carrying an appropriation, was referred to the Committee on Appropriations.

Joint Senate Resolution Adopted in Concurrence

J.R.S. 45

By Senator Baruth,

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

Resolved by the Senate and House of Representatives:

That when the two Houses adjourn on Friday, March 20, 2026, it be to meet again no later than Tuesday, March 24, 2026.

Was taken up, read, and adopted in concurrence.

Ceremonial Readings

H.C.R. 187

Offered by Representatives Greer of Bennington, Morrissey of Bennington, Cooper of Pownal, Corcoran of Bennington, Durfee of Shaftsbury, and Nigro of Bennington

Offered by Senators Bongartz and Plunkett

House concurrent resolution congratulating Village Garage Distillery of Bennington on winning a silver medal at the 2025 San Francisco World Spirits Competition for Bonfire, its debut spirit, a smoked maple bourbon

Whereas, in 2021, Matt Cushman and Glen Sauer, native Vermonters of multigenerational descent, established the Village Garage Distillery in Bennington in order to create spirit beverages consisting of high-quality locally sourced ingredients, and

Whereas, Village Garage Distillery's signature product is Bonfire smoked maple bourbon, "a small batch spirit crafted in southern Vermont" that draws upon "Vermont grains and crisp Vermont water," and is invigorated with "a kiss of Vermont smoked maple syrup," and

Whereas, this tantalizing and unique bourbon evokes the special ambience of family and friends gathered around a roaring campfire, and

Whereas, the San Francisco World Spirits Competition is renowned for its vigorous blind-tasting process that has earned this event a coveted ranking among spirits-judging competitions across the globe, and

Whereas, on July 15, 2025, the staff of Village Garage Distillery was ecstatic and honored when the San Francisco World Spirits Competition awarded the small and relatively new distillery a prestigious silver medal in recognition of Bonfire's outstanding composition and taste, instantaneously bestowing esteemed international regard on the distillery's first product, and

Whereas, now associated with an extraordinary imprimatur, Bonfire smoked maple bourbon has inspired the Village Garage Distillery to work even harder in its creation of outstanding locally sourced spirits, which may be enjoyed at Pearl's at the Garage restaurant, at regional retailers, and nationally via the distillery's online store, *now therefore be it*

Resolved by the Senate and House of Representatives:

That the General Assembly congratulates the Village Garage Distillery of Bennington on winning a silver medal at the 2025 San Francisco World Spirits Competition for Bonfire, its debut spirit, a smoked maple bourbon, *and be it further*

Resolved: That the Secretary of State be directed to send a copy of this resolution to Village Garage Distillery in Bennington.

Having been adopted in concurrence on Friday, February 6, 2026 in accord with Joint Rule 16b, was read.

Speaker presiding.

H.C.R. 213

Offered by Representatives Rachelson of Burlington and Cina of Burlington

Offered by Senator Vyhovsky

House concurrent resolution recognizing March 2026 as Social Work Month in Vermont

Whereas, for more than a century, social workers in Vermont have worked to improve human well-being, advocate for justice, and support everyone's basic needs, and

Whereas, the positive impact of social workers on the lives of millions of Americans is experienced at hospitals, schools, child welfare agencies, community centers, and within the federal, state, and local governments, and

Whereas, social workers follow a code of ethics that requires them to stand for equity in every community, uphold human dignity, and fight injustice, and

Whereas, these stellar professionals are on the frontlines defending vulnerable populations, including immigrants, LGBTQIA2S+ individuals, and those facing discrimination or poverty, while uplifting vital social safety net programs and ensuring the rights of everyone, and

Whereas, social workers assist those navigating trauma, grief, and systemic biases and help individuals recover from natural disasters and public health crises, transforming lives in encouraging ways, and

Whereas, vital roles for social workers are confronting oppression and racism, advocating for human rights, and advancing fair policies for all, and

Whereas, social workers care for those who have mental health issues and who are recovering from substance use disorders, and they support the well-being of children, and

Whereas, according to the National Association of Social Workers, the number of social workers in the United States has risen from 715,000 in 2020 to 810,000 in 2026, and, since 1963, March has been observed in the United States as Social Work Month, and

Whereas, the 2026 theme for Social Work Month is “Social Workers: Uplift. Defend. Transform.” encompassing “the prime mission of the social work profession – to enhance human well-being, meet the basic human needs of all people, and put special attention on the needs and empowerment of people [who] are vulnerable, oppressed and living in poverty,”
now therefore be it

Resolved by the Senate and House of Representatives:

That the General Assembly recognizes March 2026 as Social Work Month in Vermont, *and be it further*

Resolved: That the Secretary of State be directed to send a copy of this resolution to the Vermont chapter of the National Association of Social Workers.

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

H.C.R. 224

Offered by Representative Ode of Burlington

House concurrent resolution congratulating the athletes representing Vermont at the 2025 National Senior Games and designating March 18, 2026, as Vermont Senior Games Day at the State House

Whereas, annually, the Vermont Senior Games Association (VSGA) organizes the Vermont Senior Games, a qualifying event for the biennial National Senior Games, which, in 2025, were held in Des Moines, Iowa, and

Whereas, in 2025, 50 Vermont athletes participated in the National Senior Games and won 22 gold medals, 8 silver medals, 13 bronze medals, and 36 ribbons for fourth through eighth place, and

Whereas, the athletically dedicated Vermonters who competed at the 2025 National Senior Games were Lee Ann Banks, Dennis Bergeron, Rose Bergeron, Kristen Beske, Jeanne Blackmore, John Bolton, Dennis Casey, David Chesley, Margaret Clark, Brian Conchieri, Robert Cseh, David DeBoy, Eugene Demidenko, Valentina Demidenko, Damon Fitch, Jim Flint, Margaret Gibson, Judy Gover, Matt Guild, Katherine Hayward, Thomas Hogeboom, Don Kjelleren, Mary Leugers, Victoria Luksch, Christine Maloney, Janet Mara, Elizabeth McCarthy, Florence Meiler, Marc Meredyth, Tocher Mitchell, Bob Murphy, Kevin Plette, Jenny Prince, Susan Rand, Tom Schicker, Carolyn Siccama, Pam Sills, Donna Smyers, Andrew Sparta, Sarah Stacread-Swim, Andre Strum, James Taggart, John Tashiro, John Valentine, Sandra Wall, Stan Wilbur, Charlie Windisch, and Michael Woodfield, and

Whereas, today, March 18, 2026, during National Senior Games Week, representatives of the VSGA and the Vermont Governor's Council on Physical Fitness are present at the State House to inform legislators of the important role that physical fitness plays in the lives of everyone regardless of age, *now therefore be it*

Resolved by the Senate and House of Representatives:

That the General Assembly congratulates the Vermont athletes representing Vermont at the 2025 National Senior Games and designates March 18, 2026, as Vermont Senior Games Day at the State House, *and be it further*

Resolved: That the Secretary of State be directed to send a copy of this resolution to the VSGA and the Vermont Governor's Council on Physical Fitness and Sport.

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

Second Reading; Bill Amended; Third Reading Ordered**H. 887**

Rep. Krasnow of South Burlington, for the Committee on General and Housing, to which had been referred House bill, entitled

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

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. § 495d is amended to read:

§ 495d. DEFINITIONS

As used in this subchapter:

* * *

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

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

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

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

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

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

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

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

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

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

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

* * *

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

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

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

Sec. 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.

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

H. 917

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

House bill, entitled

An act relating to military affairs

Rep. Page of Newport City, for the Committee on Ways and Means, recommended that the bill ought to pass.

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

Pending the question, Shall the bill be read a third time?, **Reps. Stone of Burlington, Birong of Vergennes, Boyden of Cambridge, Coffin of Cavendish, Hango of Berkshire, Morgan, M. of Milton, Nugent of South Burlington, Pinsonault of Dorset, and Waters Evans of Charlotte** moved to amend the bill as follows:

First: By striking out Sec. 40, 1 V.S.A. § 152, in its entirety and inserting in lieu thereof a new Sec. 40 to read as follows:

Sec. 40. [Deleted.]

Second: By striking out Sec. 41, 23 V.S.A. § 304, in its entirety and inserting in lieu thereof a new Sec. 41 to read as follows:

Sec. 41. [Deleted.]

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

**Second Reading; Question Divided; Recess; Bill Amended;
Third Reading Ordered**

H. 606

Rep. Arsenault of Williston, for the Committee on Judiciary, to which had been referred House bill, entitled

An act relating to firearms procedures

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. 13 V.S.A. § 2501 is amended to read:

§ 2501. GRAND LARCENY

(a) A person who steals from the actual or constructive possession of another, other than from his or her person, money, goods, chattels, bank notes, bonds, promissory notes, bills of exchange or other bills, orders, or certificates, or a book of accounts for or concerning money, or goods due or to become due or to be delivered, or a deed or writing containing a conveyance of land, or any other valuable contract in force, or a receipt, release or defeasance, writ, process, or public record, shall be imprisoned not more than 10 years or fined not more than \$5,000.00, or both, if:

(1) the money or other property stolen exceeds \$900.00 in value; or

(2) the property stolen is a firearm of any value.

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

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

§ 4017. PERSONS PROHIBITED FROM POSSESSING FIREARMS;

CONVICTION OF VIOLENT CRIME

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

(b) A person who violates this section shall:

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

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

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

(d) As used in this section:

(1)(A) “Firearm” means:

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

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

(iii) any firearm muffler or firearm silencer.

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

(2) “Antique firearm” means:

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

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

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

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

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

(3) “Violent crime” means:

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

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

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

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

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

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

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

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

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

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

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

Sec. 3. 13 V.S.A. § 4017a is amended to read:

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

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

(1) is a fugitive from justice;

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

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

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

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

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

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

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

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

(II) incompetent to stand trial for an offense listed in subdivision (4) of this subsection (a);

(ii) is the subject of a commitment order issued by the court pursuant to section 4822 of this title and the offense charged was not a violent crime; or

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

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

(b) A person who violates this section shall:

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

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

(c) As used in this section:

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

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

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

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

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

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

(a) As used in this section,:

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

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

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

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

Sec. 5. EFFECTIVE DATE

This act shall take effect on passage.

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

Pending the question, Shall the bill be amended as recommended by the Committee on Judiciary?, **Rep. LaLonde of South Burlington** asked that the question be divided to first consider Sec. 3 and its applicable effective date, and then consider the remainder of the report of the Committee on Judiciary, and the Speaker ruled the question was divisible in that manner.

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

At two o'clock and thirty-two minutes in the afternoon, the Speaker called the House to order.

Thereupon, the question, Shall the bill be amended as recommended by Committee on the Judiciary in Sec. 3 and its applicable effective date?, was agreed to.

Thereafter, the remainder of the report of the Committee on Judiciary was agreed to, and third reading ordered.

Message from the Senate No. 28

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. 211. An act relating to motor vehicle inspections.

S. 298. An act relating to creating the Vermont Voting Rights Act.

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

Third Reading; Bills Passed

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

H. 385

House bill, entitled

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

H. 556

House bill, entitled

An act relating to exceptions to applicability of State minimum wage

H. 559

House bill, entitled

An act relating to the Parole Board

H. 723

House bill, entitled

An act relating to posting of land

H. 757

House bill, entitled

An act relating to manufactured homes and limited equity cooperatives

Bill Amended; Third Reading; Bill Passed**H. 814**

House bill, entitled

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

Was taken up and, pending third reading of the bill, **Rep. Cina of Burlington** moved to amend the bill in Sec. 4, responsible and ethical use of artificial intelligence in health care, human services, and education; report, in subsection (b), by striking out subdivision (1)(A) in its entirety and inserting in lieu thereof a new subdivision (1)(A) to read as follows:

(A) protections for neurological rights, protections related to neurotechnologies, and proposed definitions for relevant terminology;

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

Third Reading; Bills Passed

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

H. 816

House bill, entitled

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

H. 927

House bill, entitled

An act relating to technical corrections for the 2026 legislative session

Committee Bill; Second Reading; Third Reading Ordered**H. 930**

Rep. Hunter of Manchester spoke for the Committee on Education.

House bill, entitled

An act relating to addressing and preventing chronic absenteeism

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

Second Reading; Bill Amended; Third Reading Ordered**H. 171**

Rep. Burditt of West Rutland, for the Committee on Judiciary, to which had been referred House bill, entitled

An act relating to Attorney General investigations into a law enforcement officer's use of a firearm

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. OFFICER-INVOLVED SHOOTING PROTOCOL

(a) The General Assembly finds it is in the best interests of victims and law enforcement officers to efficiently and thoroughly conduct independent investigations of any officer-involved shooting (OIS) in Vermont. It is the intent of the General Assembly to facilitate cooperation amongst the entities responsible for investigating an OIS so there is a well-understood protocol for addressing an OIS that instills public trust in such investigations and resolves investigations in a timely manner to provide certainty to all parties involved.

(b) The Attorney General's Office (AGO), the Department of State's Attorneys and Sheriffs (DSAS), the Department of Public Safety, and the Vermont Association of Chiefs of Police shall work collaboratively to identify a protocol and best practices for independent investigations of an OIS.

(c) A protocol for interagency cooperation in an OIS investigation shall:

(1) define "officer-involved shooting" and what types of incidents trigger an investigation;

(2) define "conflict of interest" and identify the appropriate steps to manage any conflicts for law enforcement and prosecutors;

(3) delineate the process for informing the AGO and DSAS of an OIS;

(4) identify the general steps for law enforcement investigations into an OIS;

(5) describe the process for prosecutorial assessment of the investigative materials, including dual independent assessments;

(6) evaluate the process of investigation and prosecutorial review of an OIS to ensure timely criminal charging determinations, and identify and address existing barriers to timely criminal charging determinations; and

(7) outline the final outcome of an investigation and assessment of an OIS, such as clearing a law enforcement officer or filing criminal charges.

(d) To inform their efforts to develop a protocol, the entities shall examine other jurisdictions' protocols for an OIS investigation to determine best practices.

(e) On or before December 1, 2026, the entities shall submit one written report to the House and Senate Committees on Judiciary detailing their work, an agreed-upon protocol for an OIS investigation, and any legislative changes necessary, including appropriations, to effectuate the protocol.

Sec. 2. EFFECTIVE DATE

This act shall take effect on passage.

and that after passage the title of the bill be amended to read: "An act relating to criminal justice agency protocols for an officer-involved shooting"

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

Second Reading; Bill Amended; Third Reading Ordered**H. 519**

Rep. Hooper of Randolph, for the Committee on Government Operations and Military Affairs, to which had been referred House bill, entitled

An act relating to authorizing officers of the Town of Randolph Police Department to enroll in Group C of the Vermont State Employees' Retirement System

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. 3 V.S.A. § 455 is amended to read:

§ 455. DEFINITIONS

(a) As used in this subchapter:

* * *

(11) "Member" means any employee included in the membership of the Retirement System under section 457 of this title.

* * *

(F) "Group G member" means:

(i) the following employees who are first employed in the positions listed in this subdivision (F)(i) on or after July 1, 2023, or who are members of the System as of June 30, 2022, and make an irrevocable election to prospectively join Group G on or before June 30, 2023, pursuant to the terms set by the Board: facility employees of the Department of Corrections, as Department of Corrections employees who provide direct security and treatment services to offenders under supervision in the community, employees of a facility for justice-involved youth, and employees of the Vermont Psychiatric Care Hospital or its successor in interest, who provide direct patient care; and

(ii) the following employees who are first employed in the positions listed in this subdivision (F)(ii) or first included in the membership of the System on or after January 1, 2025, or who are members of the System as of December 31, 2024, and make an irrevocable election to join Group G on or before December 31, 2024, pursuant to the terms set by the Board:

(I) all sheriffs; and

(II) deputy sheriffs who:

(aa) are employed by county sheriff's departments that participate in the Vermont Employees' Retirement System;

(bb) have attained Level II or Level III law enforcement officer certification from the Vermont Criminal Justice Council;

(cc) are required to perform law enforcement duties as the primary function of their employment; and

(dd) are not full-time deputy sheriffs compensated by the State of Vermont whose primary function is transports as defined in 24 V.S.A. § 290(b) and eligible for Group C pursuant to subdivision (9)(B) of this subsection (a); and

(iii) the following employees who are first employed in the positions listed in this subdivision (F)(iii) or first included in the membership of the System on or after January 1, 2027, or who are members of the System as of December 31, 2026, and make an irrevocable election to join Group G on or before December 31, 2026, pursuant to the terms set by the Board and who:

(I) are employed by a municipal employer that participates in the Vermont Employees' Retirement System;

(II) have attained Level II or Level III law enforcement officer certification from the Vermont Criminal Justice Council; and

(III) are required to perform law enforcement duties as the primary function of their employment.

* * *

(13) "Normal retirement date" means:

* * *

(E) with respect to a Group G member:

* * *

(v) for all sheriffs and those deputy sheriffs who meet the requirements pursuant to subdivision (11)(F)(ii) of this subsection (a), who were first included in the membership of the System on or after July 1, 2008, who were employed as of December 31, 2024, and who made an irrevocable election to prospectively join Group G on or before January 1, 2025, pursuant to the terms set by the Board, the first day of the calendar month next following the earlier of:

(I) 65 years of age and following completion of five years of creditable service;

(II) attainment of 87 points reflecting a combination of the age of the member and number of years of service; or

(III) 55 years of age and following completion of 20 years of creditable service; or

(vi) for all sheriffs and those deputy sheriffs who meet the requirements pursuant to subdivision (11)(F)(ii) of this subsection (a), who first become a Group G member after January 1, 2025, the first day of the calendar month next following the earlier of:

(I) attainment of 55 years of age and following completion of 20 years of creditable service; or

(II) 65 years of age and following completion of five years of creditable service;

(vii) for all municipal law enforcement officers who meet the requirements pursuant to subdivision (11)(F)(iii) of this subsection (a), who were first included in the membership of the System on or before June 30, 2008, who were employed as of December 31, 2026, and who made an irrevocable election to prospectively join Group G on or before January 1, 2027, pursuant to the terms set by the Board, the first day of the calendar month next following the earlier of:

(I) 62 years of age and following completion of five years of creditable service;

(II) completion of 30 years of creditable service; or

(III) 55 years of age and following completion of 20 years of creditable service;

(viii) for all municipal law enforcement officers who meet the requirements pursuant to subdivision (11)(F)(iii) of this subsection (a), who were first included in the membership of the System on or after July 1, 2008, who were employed as of December 31, 2026, and who made an irrevocable election to prospectively join Group G on or before January 1, 2027, pursuant to the terms set by the Board, the first day of the calendar month next following the earlier of:

(I) 65 years of age and following completion of five years of creditable service;

(II) attainment of 87 points reflecting a combination of the age of the member and number of years of service; or

(III) 55 years of age and following completion of 20 years of creditable service; or

(ix) for all municipal law enforcement officers who meet the requirements pursuant to subdivision (11)(F)(iii) of this subdivision (a) who first become a Group G member after January 1, 2027, the first day of the calendar month next following the earlier of:

(I) attainment of 55 years of age and following completion of 20 years of creditable service; or

(II) 65 years of age and following completion of five years of creditable service.

* * *

Sec. 2. 3 V.S.A. § 459 is amended to read:

§ 459. NORMAL AND EARLY RETIREMENT

* * *

(b) Normal retirement allowance.

* * *

(6)(A) Upon normal retirement pursuant to subdivisions 455(a)(13)(E)(i), (iii), (iv), and (vi), (vii), and (ix) of this chapter, a Group G member shall receive a normal retirement allowance equal to two and one-half of a percent of the member's average final compensation times years of membership service in Group G. The maximum retirement allowance shall be 50 percent of average final compensation.

(B) Upon normal retirement pursuant to subdivisions 455(a)(13)(E)(ii) and (v), and (viii) of this chapter, a Group G member shall receive a normal retirement allowance equal to two and one-half of a percent of the member's average final compensation times years of membership service in Group G. The maximum retirement allowance shall be 60 percent of average final compensation.

* * *

Sec. 3. 3 V.S.A. § 489 is amended to read:

§ 489. BENEFITS

Persons who become members of the Vermont State Retirement System under this subchapter and on behalf of whom contributions are paid as provided in this subchapter shall be entitled to benefits under the Vermont State Retirement System as though they were employees of the State of Vermont. These employees shall be considered "Group F members" as defined in subdivision 455(a)(11)(E) of this title, except that:

(1) elected municipal employees shall not be subject to mandatory retirement requirements; and

(2) sheriffs and those deputy sheriffs who meet the requirements pursuant to subdivision 455(a)(11)(F)(ii) of this chapter shall be considered members of Group G; and

(3) municipal law enforcement officers who meet the requirements pursuant to subdivision 455(a)(11)(F)(iii) of this chapter shall be considered members of Group G.

Sec. 4. ONE-TIME IRREVOCABLE ELECTION FOR MUNICIPAL LAW ENFORCEMENT OFFICERS

(a) Subject to the restrictions set forth in subdivision (b)(1) of this section, on or before September 1, 2026, the Office of the State Treasurer, in consultation with participating eligible municipalities, shall establish a list of positions newly eligible for Group G of the Vermont Employees' Retirement System, which shall be limited to municipal law enforcement officers who:

(1) are employed by a municipal employer that participates in the Vermont Employees' Retirement System;

(2) have a Level II or Level III law enforcement officer certification from the Vermont Criminal Justice Council; and

(3) are required to perform law enforcement duties as the primary function of their employment.

(b)(1) A municipal law enforcement officer who qualifies for Group G Membership pursuant to this act and that has a current Level II or Level III law enforcement officer certification from the Vermont Criminal Justice Council shall have a one-time option to transfer to Group G on or before December 1, 2026. Municipal law enforcement officers without a current Level II or Level III law enforcement officer certification from the Vermont Criminal Justice Council shall not be eligible to transfer to Group G membership. For a municipal law enforcement officer who qualifies for Group G membership who is first employed on or after December 1, 2026, but before January 1, 2027, election to join Group G under this section shall be made as soon as possible but shall be within 30 days following the employee's date of hire.

(2) Election to join the Group G plan under this section shall be irrevocable.

(c) The effective date of participation in a new group plan for those employees covered under this section and who elect to transfer to Group G shall be January 1, 2027. All past service accrued through the date of transfer

shall be calculated based upon the plan in which it was accrued, with all provisions and penalties, if applicable, applied.

(d) A municipal employer employing a law enforcement officer participating in the Vermont Employees' Retirement System shall notify the Office of the State Treasurer of changes in a law enforcement officer's eligibility for Group G within 30 days after the change in eligibility pursuant to subdivision 455(11)(F)(iii) of this title.

(e) Nothing in this section shall be read to extend postretirement health or other insurance benefits to Group G municipal law enforcement officers who work for a municipal employer that participates in the Vermont Employees' Retirement System.

Sec. 5. EFFECTIVE DATE

This act shall take effect on July 1, 2026.

Rep. Canfield of Fair Haven, for the Committee on Ways and Means, recommended the bill ought to pass when amended as recommended by the Committee on Government Operations and Military Affairs.

Rep. Dickinson of St. Albans Town, for the Committee on Appropriations, recommended the bill ought to pass when amended as recommended by the Committee on Government Operations and Military Affairs.

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

Action on Bill Postponed

H. 537

House bill, entitled

An act relating to the right to grow vegetable gardens

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

Second Reading; Bill Amended; Third Reading Ordered

H. 550

Rep. Galfetti of Barre Town, for the Committee on Corrections and Institutions, to which had been referred House bill, entitled

An act relating to gender equity within Vermont's correctional facilities

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

(a) It is the intent of the General Assembly to recognize that gender transition is a deeply personal experience that may involve some combination of social transition, legal transition, medical transition, or none of these. Some transgender, nonbinary, or intersex persons experience gender dysphoria that requires medical treatment, while others do not experience gender dysphoria.

(b) It is the further intent of the General Assembly to recognize that due to safety concerns, inconsistent medical and mental health care, and insufficient education and resources, among other factors, incarceration often serves as a barrier to gender transition or recognition and that, regardless of the ways in which a person chooses or is able to express the person's gender or to take medical, social, or legal transition steps, the person deserves respect, agency, and dignity.

(c) It is the further intent of the General Assembly to recognize that, although the Department of Corrections system was built within a traditional gender framework that solely recognized the male and female genders, gender-diverse, intersex, and transgender incarcerated individuals are at a higher risk for abuse, harassment, and sexual violence.

Sec. 2. 28 V.S.A. § 3 is amended to read:

§ 3. GENERAL DEFINITIONS

As used in this title:

* * *

(5) "Gender-diverse" describes an individual with a gender identity or gender expression that is different from social and cultural expectations attributed to the person's sex at birth. This includes an individual who identifies as nonbinary, gender expansive, gender nonconforming, or other culturally diverse identities.

(6) "Gender identity" has the same meaning as in 1 V.S.A. § 144.

(7) "Gender pronoun" means a third-person singular personal pronoun, such as "he," "she," or "they."

(8) "Honorific" means a form of respectful address typically combined with an individual's surname.

(9) “Inmate” means any person, not a child, committed to the custody of the Commissioner pursuant to the law of the State and subsequently committed to a correctional facility and any person confined at a correctional facility during the pendency of a prosecution against ~~him or her~~ the person.

(10) “Intersex” describes an individual with a medical condition in which the individual’s sexual or reproductive anatomy or chromosomal patterns fall outside traditional markers of female and male.

(~~6~~)(11) “Law” includes the laws and ordinances of the State, its political subdivisions, and municipalities.

(~~7~~)(12) “Law enforcement officer” means a State Police officer, a sheriff, a deputy sheriff, a municipal police officer, a constable, the Commissioner, or a member of the Department of Corrections when appointed in writing by the Commissioner and when ~~his or her~~ the member’s appointment is filed in the Office of the Secretary of State. The Commissioner or such member shall have the same powers as a sheriff.

(~~8~~)(13) “Offender” means any person convicted of a crime or offense under the laws of this State, and, for purposes of work crew, a person found in civil contempt under 15 V.S.A. § 603.

(9)(14) “Supervising officer” means the highest administrative officer in charge of any correctional facility.

(~~10~~)(15) “Correctional officer” means any person who is an employee of the Department of Corrections whose official duties or job classification includes the supervision or monitoring of a person on parole, on probation, or serving any sentence of incarceration whether inside or outside a correctional facility, and who has received training, as approved by the Commissioner of Corrections, as provided in section 551a of this title.

(~~11~~)(16) “Restorative justice program” means a program developed and implemented by the Commissioner, consistent with State policy and legislative intent as provided by section 2a of this title.

(~~12~~)(17) Despite other names this concept has been given in the past or may be given in the future, “segregation” means a form of separation from the general population that may or may not include placement in a single-occupancy cell and that is used for disciplinary, administrative, or other reasons, but shall not mean confinement to an infirmary or a residential treatment setting for purposes of evaluation, treatment, or provision of services.

(18) “Transgender” describes an individual whose gender identity or gender expression is not what is typically expected for the individual’s sex at birth.

Sec. 3. 28 V.S.A. § 129 is added to read:

§ 129. GENDER IDENTIFICATION AND NONDISCRIMINATION

(a) Gender identification and address. The Department shall ensure that all individuals are addressed in a manner consistent with their gender identity.

(1) During the initial intake process, and in as private a setting as possible, the Department shall ask each individual to specify the following:

(A) the individual’s gender identity of female, male, transgender, gender-diverse, or intersex;

(B) the individual’s gender pronoun and honorific; and

(C) for transgender, gender-diverse, or intersex individuals, the individual’s request as to the gender of staff who may perform a lawful search.

(2) An individual shall not be disciplined for refusing to answer, or for not disclosing complete information in response to, the questions pursuant to subdivision (1) of this subsection.

(3) At any time after intake, an individual may inform designated facility staff of the individual’s gender identity, and designated facility staff shall promptly repeat the process described in subdivision (1) of this subsection.

(4) The Department shall ensure Department staff and contractors receive gender-responsive training proportional to their level of interaction with inmates.

(b) Nondiscrimination. The Department’s decision not to accommodate a transgender, gender-diverse, or intersex individual’s search, classification or housing placement request shall not be based solely on the individual’s:

(1) anatomy, including the genitalia;

(2) other physical characteristics; or

(3) diverse gender expression.

Sec. 4. 28 V.S.A. § 130 is added to read:

§ 130. SEARCHES

(a) The Department shall conduct any lawful searches in accordance with this section, including clothed searches, unclothed searches, urinalysis, and body scans.

(b) The Department shall not search or physically examine, or request that contractors search or physically examine, any individual for the sole purpose of determining the individual's genital status.

(c) The Department shall consider on an individualized basis whether a transgender, gender-diverse, or intersex individual's request as to the gender of staff who may perform a lawful search would best support the individual's health and safety and whether accommodating the inmate's request would pose risks to safety or security.

Sec. 5. 28 V.S.A. § 701c is added to read:

§ 701c. CLASSIFICATION AND HOUSING PLACEMENT DETERMINATIONS

(a) The Department shall make classification and housing placement determinations for transgender, gender-diverse, and intersex inmates consistent with this section.

(b) During the initial intake process, and in as private a setting as possible, the Department shall ask each transgender, gender-diverse, or intersex inmate to specify the inmate's request as to housing placement.

(c) The Department shall make classification and housing placement determinations for transgender, gender-diverse, or intersex inmates based on review by the Department's multidisciplinary review panels. The multidisciplinary review panels shall consult with medical personnel, mental health professionals with experience in gender dysphoria or gender-affirming care, and personnel who have received training aligned with nationally recognized standards for gender-affirming care.

(d) The Department shall consider on an individualized basis whether a classification or housing placement would best support a transgender, gender-diverse, or intersex inmate's health and safety and whether the placement would pose risks to safety or security. The Department may determine that a classification or housing placement would not best protect health or safety at that time, but may recommend discussing reassessment with the inmate at a later time.

(1) The Department shall give serious consideration to the inmate's classification or housing placement request. If the Department finds that accommodating the inmate's request would pose an unreasonable risk to institutional safety or security, the inmate's health or safety, or the safety or security of other inmates or staff, the Department may decide that it cannot accommodate the request.

(2) The Department shall make its classification and housing placement determinations on an objective basis.

(e) If the Department does not accommodate an inmate's classification or housing placement request, the Department shall, upon determining that it will not accommodate the request, document in writing a specific reason the Department is unable to accommodate the inmate's classification or housing placement request.

(f) The Department shall consider on an individualized basis whether placement at a facility outside the State would best support a transgender, gender-diverse, or intersex inmate's health and safety and whether the placement would pose risks to safety or security. The Department shall coordinate with any facility outside the State to assess and reassess placement determinations.

(g) The Department shall reassess an inmate's housing placement at any time if:

(1) the inmate requests a reassessment or raises concerns about the inmate's health or safety; or

(2) the inmate engages in misconduct, including conduct that poses a safety risk to the inmate or to other inmates.

(h) The Department shall give a transgender, gender-diverse, or intersex inmate's perception of health and safety serious consideration in making bed assignment and housing placement decisions, including:

(1) selecting the inmate with whom the inmate is housed to best support safety and security; and

(2) if there is an articulable risk to the inmate, removing the risk, where possible, or otherwise alleviating the risk.

Sec. 6. 28 V.S.A. § 820 is added to read:

§ 820. PRISON RAPE ELIMINATION STANDARDS

(a) The Department of Corrections shall adopt and comply with the Prison Rape Elimination Act national standards, 28 C.F.R. Part 115, in effect as of January 1, 2024, for the prevention, detection, and monitoring of, and response to, sexual abuse in correctional facilities, including:

(1) zero tolerance of sexual abuse;

(2) contracting with other entities for the confinement of inmates;

(3) inmate or detainee supervision;

(4) heightened protection for vulnerable detained individuals;

- (5) limits to different-gender viewing and searches;
- (6) accommodating inmates with special needs;
- (7) hiring and promotion decisions;
- (8) assessment and use of monitoring technology;
- (9) evidence protocol and forensic medical examinations;
- (10) agreements with outside public entities and community service providers;
- (11) agreements with outside law enforcement agencies;
- (12) agreements with the prosecuting authority;
- (13) employee training;
- (14) volunteer and contractor training;
- (15) inmate education;
- (16) attorney and contractor notification of agency zero-tolerance policy;
- (17) specialized training related to investigations;
- (18) specialized training related to medical care, including mental health care;
- (19) screening for risk of victimization and abusiveness;
- (20) use of screening information;
- (21) inmate reporting;
- (22) exhaustion of administrative remedies;
- (23) inmate access to outside confidential support services or legal representation;
- (24) third-party reporting;
- (25) staff and facility or agency head reporting duties;
- (26) reporting to other confinement facilities;
- (27) staff first responder duties;
- (28) coordinated response;
- (29) agency protection against retaliation;
- (30) duty to investigate;
- (31) criminal and administrative agency investigations;

- (32) evidence standard for administrative investigations;
- (33) disciplinary sanctions for staff;
- (34) disciplinary sanctions for inmates;
- (35) referrals for prosecution for inmate-on-inmate sexual abuse;
- (36) medical screenings, including mental health screenings, related to history of sexual abuse;
- (37) access to emergency medical services, including mental health services;
- (38) ongoing medical care, including mental health care, for sexual abuse victims and abusers;
- (39) immediate and ongoing access to sexual assault crisis services;
- (40) sexual abuse incident reviews;
- (41) data collection;
- (42) data review for corrective action;
- (43) data storage, publication, and destruction; and
- (44) audits of standards.

(b) Starting in 2027, the Commissioner of Corrections shall annually submit a report to the House Committee on Corrections and Institutions and the Senate Committee on Institutions that provides the data required under 28 C.F.R. § 115.87.

(c) On or before January 15, 2027, the Commissioner of Corrections shall adopt policies to implement the provisions of subsection (a) of this section.

Sec. 7. 28 V.S.A. § 551a is amended to read:

§ 551a. LAW ENFORCEMENT POWERS OF CORRECTIONAL
OFFICERS; TRAINING REQUIREMENTS

* * *

(b) The Commissioner may also authorize and designate any correctional officer as defined in subdivision 3(10)(15) of this title to become certified by the Vermont Criminal Justice Council as a law enforcement officer pursuant to the provisions of 20 V.S.A. chapter 151. The Commissioner and the Executive Director of the Vermont Criminal Justice Council shall develop curriculum subject to the approval of the Council. The Commissioner by Department policy may prescribe the use of those law enforcement powers consistent with the official duties and job descriptions of the correctional officer, and may

direct that the correctional officer not carry any weapon while on duty. Any person hereby certified shall be sworn by the Commissioner.

Sec. 8. 28 V.S.A. § 127 is amended to read:

§ 127. DEPARTMENT OF CORRECTIONS; PEER SUPPORT PROGRAM;
CONFIDENTIALITY

(a) As used in this section:

* * *

(7) “Staff member” means a supervising officer as defined in subdivision 3(9)(14) of this title, a correctional officer as defined in subdivision 3(10)(15) of this title, and any other employee of the Department.

* * *

Sec. 9. 28 V.S.A. § 701a is amended to read:

§ 701a. SEGREGATION OF INMATES WITH A SERIOUS FUNCTIONAL
IMPAIRMENT

* * *

(b) As used in this section, “segregation” shall have has the same meaning as in subdivision 3(12)(17) of this title.

* * *

Sec. 10. SEARCH POLICY REVIEW

(a) On or before August 1, 2026, the Department of Corrections shall submit a revised search policy to the Joint Legislative Justice Oversight Committee.

(b) The Joint Legislative Justice Oversight Committee shall review the policy and recommend whether updates to the policy are warranted and what, if any, statutory changes might be warranted.

Sec. 11. PRISON RAPE ELIMINATION STANDARDS AND REPORTING

On or before December 15, 2027, the Department of Corrections shall submit a report to the House Committee on Corrections and Institutions and the Senate Committee on Institutions. The report shall identify any changes to the standards or reporting requirements under the Prison Rape Elimination Act, 34 U.S.C. §§ 30301–30309, as may be amended.

Sec. 12. GENDER-AFFIRMING CARE

On or before October 15, 2026, the Joint Legislative Justice Oversight Committee shall review current practices related to gender-affirming care in correctional settings and submit a report to the House Committee on Corrections and Institutions and the Senate Committee on Institutions. The report shall include recommended statutory language.

Sec. 13. 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 Corrections and Institutions agreed to, and third reading ordered.

**Second Reading; Amendments Offered and Withdrawn; Bill Amended;
Third Reading Ordered**

H. 585

Rep. McFaun of Barre Town, for the Committee on Health Care, to which had been referred House bill, entitled

An act relating to health insurance reforms

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

* * * Health Insurer Governance and Executive Compensation * * *

Sec. 1. 8 V.S.A. chapter 123 is amended to read:

CHAPTER 123. NONPROFIT HOSPITAL SERVICE CORPORATIONS

* * *

§ 4512. POWERS

(a) ~~Such~~ A hospital service corporation shall be a nonprofit sharing corporation without capital stock. It shall be maintained and operated solely for the benefit of the its subscribers ~~thereof~~ and shall ensure that benefits and services are balanced with the efficient and economical management of the corporation. A hospital service corporation shall not be authorized to pay money in lieu of hospital service. A person, partnership, association, or corporation shall not contract to furnish hospital service unless authorized ~~so~~ to do so pursuant to the provisions of this chapter. Corporations formed under the provisions of this chapter shall have the privileges and be subject to the provisions of Title 11B as well as the applicable provisions of this chapter. In the event of a conflict between the provisions of Title 11B and the provisions of this chapter, the latter shall control.

* * *

§ 4513. PERMIT TO ENGAGE IN BUSINESS; FOREIGN
CORPORATIONS

~~(a) At least three-fourths of the board of directors of a corporation organized under this chapter shall be composed of subscribers and members of the public. The remainder may be providers. The subscriber members of the board shall comprise at least a majority of the board. A corporation organized under this chapter shall provide for the election of its board of directors at a publicly announced meeting. As used in this section, "provider" means any person who is a provider of hospital or medical services, or who is an employee, director, trustee, or representative of a provider of such services. [Repealed.]~~

* * *

§ 4513a. BOARD OF DIRECTORS

(a) Definitions. As used in this section:

(1) "Provider" means any person who is a provider of hospital or medical services, or who is an employee, director, trustee, or representative of a provider of such services.

(2) "Representative of the public" means any member of the board of directors appointed by the Governor. A representative of the public may be a member of the public, a subscriber, or a provider.

(b) Composition. At least three-fourths of the board of directors of a corporation organized under this chapter shall be composed of subscribers and members of the public. The remainder may be providers. The subscriber members of the board shall comprise at least a majority of the board. A corporation organized under this chapter shall provide for the election of its board of directors at a publicly announced meeting.

(c) Representatives of the public.

(1) Two voting members of the board, but in no event less than one-sixth of the board of directors, shall be representatives of the public appointed by the Governor. Unless otherwise specified in this chapter, a representative of the public shall have the same rights and responsibilities as any other member of the board of directors.

(2) The initial term of one representative of the public shall be two years and the initial term of the other representative of the public shall be three years. If there are more than two representatives of the public, their initial terms shall be divided as equally as possible between the two initial term

lengths. Thereafter, each representative of the public appointed by the Governor to succeed a representative of the public shall serve a three-year term and shall serve until a successor is appointed.

(3) A representative of the public shall be terminated only by the appointing authority, by conclusion of the appointed term, or by voluntary resignation.

(4) If a vacancy occurs prior to the conclusion of the three-year term, whether by termination, resignation, or otherwise, the Governor shall appoint a new representative of the public to complete the term.

(d) Committees.

(1) The board of directors may create one or more committees and may appoint members of the board, including the representatives of the public, to serve on them.

(2) The board shall create a compensation committee to review and recommend to the full board for approval all compensation packages offered to the corporation's officers and executives.

(A) The compensation committee shall be composed of two or more members, who shall serve at the pleasure of the board of directors.

(B) At least two representatives of the public shall be voting members of the compensation committee.

(e) Guiding principles for representatives of the public. In discharging the duties of a director, including as a member of a committee, each representative of the public:

(1) shall, in determining what the representative of the public reasonably believes to be in the best interests of the hospital service corporation, consider the effects of any action or inaction on:

(A) the subscribers of the hospital service corporation;

(B) the community and societal considerations of the State of Vermont, including the principles for health care reform expressed in 18 V.S.A. § 9371; and

(C) the goal that the hospital service corporation's benefits and services should be provided at minimum cost and under efficient and economical management of the corporation;

(2) may consider any other relevant factors and the interests of any other group that the representative of the public determines are appropriate to consider; and

(3) shall not be required to give priority to the interests of any particular person or group described in subdivision (1) or (2) of this subsection over the interests of any other person or group.

(f) No violation of Title 11B. The consideration of interests and factors in the manner described in subsection (e) of this section shall not constitute a violation of Title 11B.

(g) Limitations on liability.

(1) A representative of the public is not liable for the failure of the hospital service corporation to create general or specific impacts on the community or the health care system.

(2) A representative of the public is not liable to the hospital service corporation for any action or failure to take action in the representative's official capacity if the representative of the public performed the duties of the office in compliance with Title 11B and this section. In the event of a conflict between Title 11B and this chapter, this chapter shall control.

(3) A representative of the public shall have no duty to any person who is a beneficiary of the general or specific public benefit purposes of a hospital service corporation arising solely from the person's status as a beneficiary of the general or specific public benefit.

(h) Bylaws. Any new hospital benefit corporation shall adopt bylaws in accordance with the requirements of this chapter and Title 11B. All bylaws shall be filed with the Commissioner of Financial Regulation for review and approval.

* * *

§ 4516a. EXECUTIVE COMPENSATION

(a) As used in this section:

(1) "Compensation" means total cash compensation, including base salary and annual incentive compensation.

(2) "Executives" means the president, chief executive officer, chief medical officer, chief administrative officer, chief fiscal officer, vice presidents, and all functionally equivalent roles in a hospital service corporation.

(b)(1) On or before July 1, 2026, and prior to approving any changes to the compensation of any executive after that date, each hospital service corporation shall file with the Commissioner of Financial Regulation a statement sworn to by the chair of the corporation's board of directors and the

president of the corporation that includes the following information regarding compensation paid to executives of the corporation:

(A) all compensation benchmarks utilized in connection with establishing or awarding compensation for each of the corporation's executives, including information used by any consultant, vendor, or other third party retained by the corporation;

(B) a detailed compensation survey or peer group data used by the corporation or by any consultant, vendor, or other third party retained by the corporation to establish compensation benchmarks or otherwise to establish or award compensation for each of the corporation's executives; and

(C) if any bonus or variable compensation was awarded or paid for the prior fiscal year, the criteria used to evaluate whether that compensation should be paid or awarded and the specific results that supported the payment.

(2) All information provided pursuant to this subsection shall be sufficiently detailed to allow for a comprehensive examination of the benchmarks and to enable the Commissioner or designee to perform independent computations to evaluate the benchmarks provided.

(c) The Commissioner may require the corporation to modify a group described in subdivision (b)(2) of this section if, in the Commissioner's discretion, the group contains entities that are not sufficiently similar to the corporation in terms of size, business, operations, nonprofit status, or other factors.

(d) The Commissioner may retain at the corporation's expense such outside consultants and other experts as are reasonably necessary to assist the Commissioner in evaluating the materials provided pursuant to this section. Any persons so retained shall be under the direction and control of the Commissioner and shall act in a purely advisory capacity.

(e) Nothing in this section shall be construed to preclude a corporation from segregating and designating any materials provided to the Commissioner under this section as confidential due to content that is proprietary, privileged, or otherwise confidential under Vermont law, and the Commissioner shall maintain the confidentiality of the information as appropriate under the Public Records Act.

* * *

Sec. 2. HOSPITAL SERVICE CORPORATIONS; IMPLEMENTATION OF
AMENDMENTS TO 8 V.S.A. CHAPTER 123

Not later than September 1, 2026, each hospital service corporation operating in this State on July 1, 2026, shall amend its bylaws to comply with the amendments to 8 V.S.A. chapter 123 as set forth in Sec. 1 of this act. The hospital service corporation shall file its amended bylaws with the Commissioner of Financial Regulation for review and approval.

* * * Expanding Access to Association Health Plans * * *

Sec. 3. 8 V.S.A. § 4041 is amended to read:

§ 4041. GROUP HEALTH INSURANCE POLICIES; DEFINITIONS

(a) As used in this section:

(1) “Employees” includes the officers, managers, and employees of the employer; the partners, if the employer is a partnership; the officers, managers, and employees of subsidiary or affiliated corporations of a corporation employer; and the individual proprietors, partners, and employees of individuals and firms, the business of which is controlled by the insured employer through stock ownership, contract, or otherwise.

(2) “Employer” may be deemed to include any municipal or governmental entity or officer, or the appropriate officer for an unincorporated town or gore or for the Unified Towns and Gores of Essex County, as well as private individuals, partnerships, and corporations.

(b) Group health insurance is a form of health insurance that covers one or more persons, with or without their dependents, that is issued upon the following basis:

(1)(A) Under a policy issued to an employer, who is deemed the policyholder, insuring at least one employee of the employer, for the benefit of persons other than the employer.

(B) In accordance with section 3368 of this title, an employer domiciled in a jurisdiction other than Vermont that has more than 25 certificate-holder employees whose principal worksite and domicile is in Vermont and that is defined as a large group in its own jurisdiction and under the Patient Protection and Affordable Care Act, Pub. L. No. 111-148, § 1304, as amended by the Health Care and Education Reconciliation Act of 2010, Pub. L. No. 111-152, may purchase insurance in the large group health insurance market for its Vermont-domiciled certificate-holder employees.

(2)(A) Under a policy issued:

(i) to an association, a trust, or one or more trustees of a fund established by one or more associations otherwise eligible for the issuance of a policy under this subdivision (2) and maintained, directly or indirectly, by one or more associations for the benefit of its members or a contract or plan issued by such an association or trust; or

(ii) by a “multiple employer welfare arrangement” that constitutes an “employer,” as those terms are defined in the Employee Retirement Income Security Act of 1974, as amended, and accompanying U.S. Department of Labor regulations and guidance.

~~(B)(i) The association or associations shall have:~~

~~(I) a minimum of 100 persons at the time of incorporation or formation;~~

~~(II) been organized and maintained in good faith for purposes other than that of obtaining insurance;~~

~~(III) been in active existence for at least one year; and~~

~~(IV) a constitution and bylaws that provide that:~~

~~(aa) the association or associations hold regular meetings not less than annually to further purposes of the members;~~

~~(bb) except for credit unions, the association or associations collect dues or solicit contributions from members; and~~

~~(cc) the members constitute a majority of the voting power of the association for all purposes and have representation on the governing board and committees.~~

~~(ii)(I) The association or associations shall not be controlled by a health insurer, as evidenced by the operation of the association or associations.~~

~~(II) The following factors may be used as evidence to determine whether an association is a health insurer-operated association; provided, however, that the presence or absence of one or more of these factors shall not serve to limit or be dispositive of such a determination:~~

~~(aa) common board members, officers, executives, or employees;~~

~~(bb) common ownership of the health insurer and the association, or of the association and another eligible group; and~~

~~(cc) common use of office space or equipment used by the health insurer to transact insurance. [Repealed.]~~

(C) ~~An association's members shall have a shared or common purpose that is not primarily a business or customer relationship. [Repealed.]~~

(D)(i) A policy issued by an association shall not insure persons other than the members or employees of the association or associations, or employees of members, or all of any class or classes of employees of the association, associations, or members, together, in each case, with the employees' or members' dependents, as applicable, for the benefit of persons other than the employee's employer.

(ii) A policy issued by an association shall insure all eligible persons, except those who reject coverage in writing.

(E) An association shall not use the solicitation of insurance as the primary method of obtaining new members.

(F) If a health insurer collects membership fees or dues on behalf of an association, the health insurer shall disclose to the members of the association that the health insurer is billing and collecting membership fees and dues on behalf of the association.

(3)(A) Under a policy issued to a trust, or to one or more trustees of a fund established and maintained, directly or indirectly, by:

(i) two or more employers;

(ii) one or more labor unions or similar employee organizations;

or

(iii) one or more employers and one or more labor unions or similar employee organizations.

(B)(i) A policy under this subdivision (3) must be issued to the trust or trustees for the purpose of insuring all of the employees of the employers or all of the members of the unions or organizations, or all of any class or classes of employees or members, together, in each case, with the employees' or members' dependents, as applicable, for the benefit of persons other than the employers or the unions or organizations.

(ii) A policy issued to a trust shall insure all eligible persons, except those who reject coverage in writing.

(4) Under a policy issued to any other substantially similar group that, in the discretion of the Commissioner, may be subject to the issuance of a group accident and sickness policy or contract.

Sec. 4. 8 V.S.A. § 4043 is amended to read:

§ 4043. ASSOCIATION HEALTH PLANS

~~(a)(1) As used in this section, “association health plan” means a policy issued to an association; to a trust; or to one or more trustees of a fund established, created, or maintained for the benefit of the members of one or more associations or a contract or plan issued by an association or trust or by a multiple-employer welfare arrangement as defined in the Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1001 et seq.~~

~~(2) No association health plan shall be issued, offered, or renewed in this State to any person other than an association that was formed or could have been formed under the Employee Retirement Income Security Act of 1974, 29 U.S.C. § 1001 et seq., and accompanying U.S. Department of Labor regulations and guidance, in each case, as in effect as of January 19, 2017 a group described in subdivision 4041(b)(2), (3), or (4) of this chapter.~~

(b) The Commissioner shall adopt rules pursuant to 3 V.S.A. chapter 25 regulating association health plans in order to protect Vermont consumers and promote the stability of Vermont’s health insurance markets, to the extent permitted under federal law, including rules regarding licensure, solvency and reserve requirements, and rating requirements.

(c) The Notwithstanding any statute or rule to the contrary, the provisions of sections 3661 and 4042 of this title shall apply to fully insured association health plans.

Sec. 5. ASSOCIATION HEALTH PLANS; FEDERAL LANDSCAPE;

MARKET IMPACTS; RATE REVIEW; REPORT

On or before January 15, 2027, the Department of Financial Regulation shall report to the House Committee on Health Care and the Senate Committees on Health and Welfare and on Finance the following information related to expanding access to association health plans beginning on January 1, 2028, as permitted by 8 V.S.A. §§ 4041 and 4043, as amended by Secs. 3 and 4 of this act:

(1) the status of federal law regarding association health plans, including the extent to which federal law would allow for the expanded access to association health plans in Vermont beginning on January 1, 2028;

(2) an analysis of the projected impacts on Vermont’s health insurance markets of expanding access to association health plans beginning on January 1, 2028, including the likely effects on enrollment in and premiums for qualified health benefit plans in the individual and small group markets, using scenarios that show potential impacts over consecutive years if various

percentages of healthier lives were to leave the individual and the small group markets to enroll in association health plans; and

(3) in consultation with the Green Mountain Care Board, the potential impact of expanding access to association health plans beginning on January 1, 2028, on the Green Mountain Care Board's health insurance rate review responsibilities pursuant to 8 V.S.A. § 4026.

* * * Defining "High-Dollar Claims" for Claims Edit Purposes * * *

Sec. 6. 18 V.S.A. § 9418a is amended to read:

§ 9418a. PROCESSING CLAIMS, DOWNCODING, AND ADHERENCE
TO CODING RULES

* * *

(e)(1) Except as otherwise provided in subdivision (2) of this subsection, no health plan, contracting entity, covered entity, or payer shall subject any health care provider to prepayment coding validation edit review. As used in this subsection, "prepayment coding validation edit review" means any action by the health plan, contracting entity, covered entity, or payer, or by a contractor, assignee, agent, or other entity acting on its behalf, requiring a health care provider to provide medical record documentation in conjunction with or after submission of a claim for payment for health care services delivered, but before the claim has been adjudicated.

(2) Nothing in this subsection shall be construed to prohibit targeted prepayment coding validation edit review of a specific provider, provider group, or facility under certain circumstances, including evaluating high-dollar claims exceeding \$25,000.00 per episode of care; verifying complex financial arrangements; investigating member questions; conducting post-audit monitoring; addressing a reasonable belief of fraud, waste, or abuse; or other circumstances determined by the Commissioner through a bulletin or guidance.

* * *

* * * Site-Neutral Billing for Certain Services * * *

Sec. 7. 18 V.S.A. § 9423 is added to read:

§ 9423. SITE-NEUTRAL REIMBURSEMENT FOR PHYSICAL
THERAPY, OCCUPATIONAL THERAPY, AND ATHLETIC
TRAINING

Each health plan shall establish and pay for all physical therapy, occupational therapy, and athletic training items and services provided to its

insureds in reimbursement amounts that are uniform and consistent across all of the health plan's contracts and fee schedules, except that a plan may reimburse different amounts for items and services that are delivered in an inpatient setting. Health plans shall express each reimbursement amount as a percentage of the Medicare rate for the same item or service.

Sec. 8. SITE-NEUTRAL REIMBURSEMENT FOR PHYSICAL

THERAPY, OCCUPATIONAL THERAPY, AND ATHLETIC

TRAINING; IMPLEMENTATION REPORT

On or before March 1, 2027, each health insurer that is required to make site-neutral reimbursements for physical therapy, occupational therapy, and athletic training items and services pursuant to 18 V.S.A. § 9423, as added by Sec. 7 of this act, shall provide an update to the House Committee on Health Care and the Senate Committees on Health and Welfare and on Finance regarding its implementation of the site-neutral reimbursements, any trends or other financial impacts it has identified so far as a result of implementation, and any recommendations regarding the enactment of additional site-neutral reimbursement requirements.

* * * Increasing Flexibility in Health Insurance Plan Design * * *

Sec. 9. INCREASING FLEXIBILITY IN HEALTH INSURANCE PLAN

DESIGN; REPORT

The Department of Vermont Health Access, in consultation with the Department of Financial Regulation, shall consider the feasibility and potential impacts on premiums and on plan design of allowing health insurers to offer health insurance plans in the large group market and at each metal level in the individual and small group markets that do not include the out-of-pocket limits for prescription drugs established in 8 V.S.A. § 4092, provided the health insurers also offer plans in the same markets that do include the out-of-pocket limits for prescription drugs established in 8 V.S.A. § 4092. On or before January 15, 2027, the Department of Vermont Health Access shall provide its findings and recommendations for increasing flexibility in health insurance plans' out-of-pocket prescription drug limits to the House Committee on Health Care and the Senate Committees on Health and Welfare and on Finance.

* * * Annual Reporting on Health Care Sharing Plans and Arrangements * * *

Sec. 10. 8 V.S.A. chapter 115 is added to read:

CHAPTER 115. HEALTH CARE SHARING PLANS

§ 4271. HEALTH CARE SHARING PLAN OR ARRANGEMENT;

REPORTING AND CERTIFICATION

(a) A person that is not authorized by the Commissioner under chapter 101, 123, 125, or 139 of this title to offer insurance in this State and that offers or intends to offer a plan or arrangement to facilitate payment or reimbursement of health care costs or services for residents of this State, regardless of whether the person is domiciled in this State or another state, shall submit to the Commissioner on or after October 1, 2026, and on or after March 1 each year thereafter:

(1) the following information:

(A) the total number of individuals and households that participated in the plan or arrangement in this State in the immediately preceding calendar year;

(B) the total number of employer groups that participated in the plan or arrangement in this State in the immediately preceding calendar year, specifying the total number of participating individuals in each participating employer group;

(C) if the person offers a plan or arrangement in other states, the total number of participants in the plan or arrangement nationally;

(D) any contracts the person has entered into with providers in this State who provide health care services to plan or arrangement participants;

(E) the total amount of fees, dues, or other payments collected by the person in the immediately preceding calendar year from individuals, employer groups, or others that participated in the plan or arrangement, specifying the percentage of fees, dues, or other payments retained by the person for administrative expenses;

(F) the total dollar amount of requests for reimbursement of health care costs or services that were submitted in this State in the immediately preceding calendar year by plan or arrangement participants or providers who provided health care services to plan or arrangement participants;

(G) the total dollar amount of requests for reimbursement of health care costs or services that were submitted in this State and were determined to qualify for reimbursement under the plan or arrangement in the immediately preceding calendar year;

(H) the total dollar amount of payments made to providers in this State in the immediately preceding calendar year for health care services that were provided to or received by plan or arrangement participants;

(I) the total dollar amount of reimbursements made to plan or arrangement participants in this State in the immediately preceding calendar year for health care services provided to or received by a plan or arrangement participant;

(J) the total number of requests for reimbursement of health care costs or services submitted in this State in the immediately preceding calendar year that were denied, expressed as a percentage of total reimbursement requests submitted in that calendar year, and the total number of reimbursement request denials that were appealed;

(K) the total dollar amount of health care expenses submitted in this State by plan or arrangement participants or providers in the immediately preceding calendar year that qualify for reimbursement pursuant to the plan or arrangement criteria but that, as of the end of that calendar year, have not been reimbursed, excluding any amounts that the plan or arrangement participants incurring the health care costs must pay before receiving reimbursement under the plan or arrangement;

(L) the estimated number of plan or arrangement participants the person anticipates in this State in the next calendar year, specifying the number of individuals, households, employer groups, and employees;

(M) a list of other states in which the person offers a plan or arrangement;

(N) a list of any third parties, other than a licensed insurance producer, that are associated with or assist the person in offering or enrolling participants in this State in the plan or arrangement, copies of any training materials provided to a third party, and a detailed accounting of any commissions or other fees or remuneration paid to a third party in the immediately preceding calendar year for:

(i) marketing, promoting, or enrolling participants in a plan or arrangement offered by the person in this State; or

(ii) operating, managing, or administering a plan or arrangement offered by the person in this State;

(O) the total number of licensed insurance producers that are associated with or assist the person in offering or enrolling participants in this State in the plan or arrangement, the total number of participants enrolled in the plan or arrangement through a licensed insurance producer, copies of any training materials provided to a producer, and a detailed accounting of any commissions or other fees or remuneration paid to a producer in the immediately preceding calendar year for marketing, promoting, or enrolling participants in a plan or arrangement offered by the person in this State;

(P) copies of any consumer-facing and marketing materials used in this State in promoting the person's plan or arrangement, including plan or arrangement descriptions, benefit descriptions, and other materials that explain the plan or arrangement;

(Q) the name, mailing address, email address, and telephone number of an individual serving as a contact for the person in this State;

(R) a list of any parent companies, subsidiaries, and other names that the person has operated under at any time within the immediately preceding five calendar years; and

(S) an organizational chart of the person and a list of the officers and directors of the person; and

(2) a certification by an officer of the person that, to the best of the person's good-faith knowledge and belief, the information submitted is accurate and satisfies the requirements of this subsection.

(b)(1) If a person subject to the requirements of subsection (a) of this section fails to submit the information required by that subsection, the submission is incomplete. The Commissioner shall make a determination of completeness not later than 45 days after the submission is received. If the Commissioner has not informed the person of any deficiencies in the submission within 45 days after receiving the submission, the submission is considered complete.

(2)(A) If the Commissioner determines that a person has failed to comply with the requirements of subsection (a) of this section, the Commissioner shall:

(i) notify the person that the submission is incomplete and enumerate in the notification each deficiency found in the person's submission; and

(ii) allow the person 30 days after notice of the incomplete submission to remedy the deficiency found in the submission.

(B) If the person does not remedy the deficiency within the 30-day period, the Commissioner may impose an administrative penalty not to exceed \$5,000.00 per day.

(C) If the person does not remedy the deficiency or deficiencies within 30 days after the initial administrative penalty is imposed, the Commissioner may issue a cease and desist order pursuant to section 2110 of this title.

(c) On or before April 1, 2027, and on or before each October 1 thereafter, the Commissioner shall:

(1) prepare a written report summarizing the information submitted by persons pursuant to subsection (a) of this section; and

(2) post the report on the Department's website, along with accurate and evidence-based information about the persons that submitted information pursuant to subsection (a) of this section, including how consumers may file complaints.

(d) The Commissioner may adopt rules as necessary to implement this section.

* * * Effective Dates * * *

Sec. 11. EFFECTIVE DATES

This act shall take effect on July 1, 2026, except that:

(1) Secs. 3 and 4 (association health plans; 8 V.S.A. §§ 4041 and 4043) shall take effect on January 1, 2028; and

(2) Sec. 7 (18 V.S.A. § 9423; site-neutral reimbursements for physical therapy, occupational therapy, and athletic training) shall take effect on October 1, 2026, and shall apply to provider contracts that are entered into, amended, renewed, or otherwise take effect on and after that date.

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

Pending the question, Shall the bill be amended as recommended by the Committee on Health Care?, **Rep. Logan of Burlington** moved to amend the report of the Committee on Health Care by striking out Secs. 1, 8 V.S.A. chapter 123, and 2, hospital service corporations; implementation of amendments to 8 V.S.A. chapter 123, and their reader assistance heading in their entireties and inserting in lieu thereof new Secs. 1 and 2 to read as follows:

Sec. 1. [Deleted.]

Sec. 2. [Deleted.]

Thereupon, **Rep. Logan of Burlington** asked and was granted leave of the House to withdraw the amendment.

Pending the question, Shall the bill be amended as recommended by the Committee on Health Care?, **Rep. North of Ferrisburgh** moved to amend the report of the Committee on Health Care by striking out Sec. 10, 8 V.S.A. chapter 115, health care sharing plans, and its reader assistance heading in their entirety and inserting in lieu thereof a new Sec. 10 to read as follows:

Sec. 10. [Deleted.]

Thereupon, **Rep. North of Ferrisburgh** asked and was granted leave of the House to withdraw the amendment.

Thereafter, the report of the Committee on Health Care was agreed to, and third reading ordered.

Second Reading; Bill Amended; Third Reading Ordered

H. 642

Rep. Goodnow of Brattleboro, for the Committee on Judiciary, to which had been referred House bill, entitled

An act relating to youthful offender proceedings

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. 33 V.S.A. § 5285 is amended to read:

§ 5285. MODIFICATION OR REVOCATION OF DISPOSITION

(a)(1) If it appears that the youth has violated the terms of juvenile probation ordered by the court pursuant to subdivision 5284(c)(1) of this title, a motion for modification or revocation of youthful offender status may be filed in the Family Division of the Superior Court. The court shall set the motion for hearing as soon as practicable. The hearing may be joined with a hearing on a violation of conditions of probation under section 5265 of this title. A supervising juvenile or adult probation officer may detain in an adult facility a youthful offender who has attained 18 years of age for violating conditions of probation.

(2) Notwithstanding subdivision 5103(c)(2)(B) of this title, when a motion for revocation of youthful offender status is pending pursuant to this section, the Family Division's jurisdiction over the youth shall remain in effect until the youth is discharged or until probation is revoked. The Family

Division may extend its jurisdiction over the youth beyond the youth's 22nd birthday to the extent necessary to maintain jurisdiction under this subdivision.

(b) A hearing under this section shall be held in accordance with section 5268 of this title.

(c)(1) If the court finds after the hearing that the youth has violated the terms of ~~his or her~~ the youth's probation, the court may:

(1)(A) maintain the youth's status as a youthful offender, with modified conditions of juvenile probation if the court deems it appropriate;

(2)(B) revoke the youth's status as a youthful offender and transfer the case with a record of the petition, affidavit, adjudication, disposition, and revocation to the Criminal Division for sentencing; or

(3)(C) transfer supervision of the youth to the Department of Corrections with all of the powers and authority of the Department and the Commissioner under Title 28, including graduated sanctions and electronic monitoring.

(2) For purposes of making its determination under subdivision (1) of this subsection, the court shall consider whether:

(A) under the criteria of subdivision 5284(a)(2) of this title, public safety will be protected by continuing to treat the youth as a youthful offender;

(B) the youth continues to be amenable to treatment or rehabilitation as a youthful offender; and

(C) there continues to be sufficient services in the juvenile court system and the Department for Children and Families and the Department of Corrections to meet the youth's treatment and rehabilitation needs.

(d) If the youth fails to appear at a probation revocation hearing under this section, the court may, unless it finds there was good cause for the failure to appear, issue an order pursuant to subsection 5108(c) of this title for an officer to pick up the youth and bring the youth to court.

(e) If a youth's status as a youthful offender is revoked and the case is transferred to the Criminal Division pursuant to subdivision (e)(2) (c)(1)(B) of this section, the court shall enter a conviction of guilty based on the admission to or finding of merits, hold a sentencing hearing, and impose sentence. Unless it serves the ~~interest~~ interests of justice, the case shall not be transferred back to the Family Division pursuant to section 5203 of this title. When determining an appropriate sentence, the court may take into consideration the youth's degree of progress toward or regression from rehabilitation while on

youthful offender status. The Criminal Division shall have access to all Family Division records of the proceeding.

Sec. 2. 33 V.S.A. § 5288 is amended to read:

§ 5288. RIGHTS OF VICTIMS IN YOUTHFUL OFFENDER
PROCEEDINGS

(a) The victim in a proceeding involving a youthful offender shall have the following rights:

(1) To be notified by the prosecutor in a timely manner:

(A) when a court proceeding is scheduled to take place and when a court proceeding ~~to~~ of which the victim has been notified will not take place as scheduled; and

(B) of any conditions of release or conditions of probation and of any restitution unless otherwise limited by court order.

(2) To be present during all court proceedings subject to the provisions of Rule 615 of the Vermont Rules of Evidence; to attend the hearing on the motion to consider youthful offender status and the disposition hearing to present a victim impact statement and to express reasonably the victim's views concerning the offense ~~and~~, the youth, and the appropriateness of youthful offender status, including testimony in support of the victim's claim for restitution; and to submit oral or written statements to the court at such other times as the court may allow. The court shall consider the victim's statement when ordering disposition.

(3) To be notified by the agency having custody of the youth before the youth is released into the community from a secure or staff-secured residential facility.

(4) To be notified by the prosecutor as to the final disposition of the case.

(5) To be notified by the prosecutor of the victim's rights under this section.

(b) In accordance with court rules, at a hearing on a motion ~~for~~ to consider youthful offender treatment status, the court shall ask if the victim is present and, if so, whether the victim would like to be heard regarding ~~disposition~~ the motion. In ordering youthful offender status or disposition, the court shall consider any views offered at the hearing by the victim. If the victim is not present, the court shall ask whether the victim has expressed, either orally or in writing, views regarding youthful offender status or disposition and shall take

those views into consideration in ordering youthful offender status or disposition.

(c) No youthful offender proceeding shall be delayed or voided by reason of the failure to give the victim the required notice or the failure of the victim to appear.

(d) As used in this section, “victim” ~~shall have~~ has the same meaning as in 13 V.S.A. § 5301(4).

(e) This section shall not prohibit a victim from discussing underlying facts of the alleged offense that resulted in death or physical, emotional, or financial injury to the victim, provided that, unless otherwise provided by law or court order, a victim shall not disclose what occurs during a court proceeding or information learned through a court proceeding that is not an underlying fact of the alleged offense that resulted in death or physical, emotional, or financial injury to the victim.

Sec. 3. 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 Judiciary agreed to, and third reading ordered.

Second Reading; Bill Amended; Third Reading Ordered

H. 733

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

An act relating to the regulation of franchise agreements

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. 11 V.S.A. chapter 15, subchapter 3 is amended to read:

Subchapter 3. Administrative Provisions for Business Organizations

* * *

§ 1654. FRANCHISE DESIGNATION

(a) As used in this section:

(1) “Filing” means an initial registration, amendment, periodic report, or other filing with the Secretary of State as the Secretary may require.

(2) “Franchisee” and “franchisor” have the same meanings as in 16 C.F.R. § 436.1.

(b) In addition to all other requirements of a person registering with the Secretary of State pursuant to State law, a person doing business in this State as a franchisor or franchisee shall, at the time of a filing:

(1) indicate that the person is operating as a franchisor or franchisee; and

(2) provide the name of the franchisor, if the person is operating as a franchisee.

* * *

Sec. 2. EFFECTIVE DATE

This act shall take effect on January 1, 2027.

and that after passage the title of the bill be amended to read: “An act relating to designating a franchise relationship”

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. 775

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

An act relating to creating tools for housing production

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

* * * Special Assessment Bonds * * *

Sec. 1. 24 V.S.A. § 3257 is added to read:

§ 3257. SPECIAL ASSESSMENT BONDS

(a) Upon approval of the legislative body of the municipality and subject to subsection (c) of this section, a municipality may issue revenue bonds for the purpose of financing a public improvement for the benefit of the limited area of the municipality to be served by the improvement. A revenue bond issued under this section is issued for an essential and governmental purpose.

(b) A revenue bond issued pursuant to this section shall be payable solely and exclusively from the special assessments levied on the properties to be served by the improvement and shall not constitute general indebtedness of the municipality. No holder of a bond issued under this section shall have the right to compel any exercise of the taxing power of the municipality to pay on the bond.

(c) The municipality may issue a revenue bond pursuant to this section only if one or more of the following conditions are met:

(1) one of the following entities provides a commitment letter for the issuance:

(A) the Vermont Bond Bank;

(B) a bank regulated by the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, or the Federal Reserve Board; or

(C) a credit union regulated by the National Credit Union Administration; or

(2) a nationally recognized statistical rating organization that has an active U.S. public finance practice rates the issuance at a minimum credit rating of BBB or equivalent.

* * * Vermont Housing Special Fund * * *

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

§ 10. VERMONT STATE TREASURER; CREDIT FACILITY FOR LOCAL INVESTMENTS

(a)(1) Notwithstanding any provision of 32 V.S.A. § 433(a) to the contrary and consistent with prudent investment principles and guidelines pursuant to 32 V.S.A. § 433(b) and (c) and the Uniform Prudent Investor Act, 14A V.S.A. chapter 9, the Vermont State Treasurer shall have the authority to establish on terms acceptable to the Treasurer:

(A) a credit facility of up to ~~10~~ 12.5 percent of the State's average cash balance on terms acceptable to the Treasurer and consistent with prudent investment principles and guidelines pursuant to 32 V.S.A. § 433(b) (c) and the Uniform Prudent Investor Act, 14A V.S.A. chapter 9; and

(B) a credit facility of up to one percent of the State's average cash balance, provided that the credit facility established under subdivision (A) of this subdivision (1) shall be reduced by an equal amount to any credit facility amount established under this subdivision (B).

(2) The credit facility established in subdivision (1)(B) of this subsection may be used only to facilitate housing development through the bulk purchasing of off-site constructed housing and to aid in the purchase of off-site constructed housing units.

(3) Financial losses of the credit facility established in subdivision (1)(B) of this subsection shall be repaid from the Vermont Housing Special Fund established in section 12 of this title.

(b) The Treasurer may use amounts available under subsection (a) of this section to provide financing for infrastructure projects in Vermont mobile home parks and may modify the terms of such financing in the Treasurer's discretion as is necessary to promote the availability of mobile home park housing and to protect the interests of the State.

(c) Notwithstanding any provision of 32 V.S.A. § 433(a) to the contrary, and in addition to the provisions of subsection (a) ~~on~~ of this section, the Vermont State Treasurer shall have the authority to establish a credit facility of up to two and one-half percent of the State's average cash balance on terms acceptable to the Treasurer and consistent with prudent investment principles and guidelines pursuant to 32 V.S.A. § 433~~(b)~~ ~~(e)~~ 433(b) and (c) and the Uniform Prudent Investor Act, 14A V.S.A. chapter 9. The Treasurer may use amounts available under this subsection only to provide financing for climate infrastructure and resilience projects and may modify the terms of such financing in the Treasurer's discretion as is necessary to protect the ~~interest~~ interests of the State.

(d) Annually, on or before November 15, the Treasurer shall submit a report detailing the activities, financing, and accounting of any credit facilities created pursuant to subsection (c) of this section during the preceding calendar year to the Governor; the House Committees on Appropriations, on Commerce and Economic Development, and on Ways and Means; and the Senate Committees on Appropriations, on Economic Development, Housing and General Affairs, and on Finance.

(e) The Treasurer shall retain any interest paid on loans authorized under this section. Interest funds shall be transferred upon receipt to the Vermont Housing Special Fund established in section 12 of this title.

Sec. 3. 10 V.S.A. § 12 is added to read:

§ 12. VERMONT HOUSING SPECIAL FUND

(a) There is established the Vermont Housing Special Fund to be administered by the State Treasurer in accordance with 32 V.S.A. chapter 7, subchapter 5.

(b) The Fund shall consist of the following:

- (1) any monies appropriated to the Fund by the General Assembly;
- (2) any monies transferred to the Fund from the federal government, State agencies, or other governmental sources; and
- (3) any interest paid on loans authorized pursuant to section 10 of this title.

(c)(1) The Treasurer shall use funds under this section to provide capital for housing projects in Vermont that, in the Treasurer's discretion, are necessary to promote the increased availability of housing, including the bulk purchasing of off-site constructed housing as authorized in subdivision 10(a)(2) of this title. This capital may be provided on terms acceptable to the Treasurer, including in the form of grants, interest-free loans, or the investment of equity stakes in housing projects.

(2) The Treasurer may use funds to pay the administrative costs necessary to support the credit facilities created in section 10 of this title.

(d)(1) The Treasurer shall credit to the Fund all interest and income derived from the deposit and investment of monies in the Fund.

(2) Any unexpended and unencumbered monies at the end of a fiscal year shall remain in the Fund.

* * * Off-Site Construction Accelerator Pilot * * *

Sec. 4. OFF-SITE CONSTRUCTION ACCELERATOR PILOT

(a) The Agency of Commerce and Community Development in collaboration with the Department of Buildings and General Services shall develop a pilot demonstration project and study that explores the possibilities of reducing housing development costs through modular construction.

(b) The pilot will consider the following elements:

- (1) bulk purchasing for a single development or aggregation of multiple developments;
- (2) streamlining regulatory processes by creating preapproved modular designs;
- (3) creating a loan loss reserve for construction loans;
- (4) off-site construction, including panelized or volumetric modular construction;
- (5) establishing a statewide procurement consortium for bulk orders of modular units and materials;

(6) aligning State and local permitting; and

(7) the creation and adoption of off-site building codes.

(c)(1) As part of the pilot, the Agency shall work with the Office of the State Treasurer to identify the feasibility of the State providing a guarantee or other device to facilitate bulk purchasing of the off-site construction of homes.

(2) Prior to distributing any funds under this subsection, the Treasurer shall consult with the Department of Housing and Community Development, the Vermont State Housing Authority, the Vermont Housing Finance Agency, and the Vermont Housing and Conservation Board.

(d) The pilot shall occur in one or more municipalities willing to participate in the regulatory reforms necessary to implement the process and accept the constructed homes.

(e) A municipal planning grant shall be made available to the participating municipalities to assist in enacting the necessary regulatory reforms.

(f) On or before November 15, 2028, the Agency shall submit a written report to the House Committee on General and Housing and the Senate Committee on Economic Development, Housing and General Affairs with its findings and any recommendations for legislative action based on the success of the pilot. The report shall include information on whether to enact a statewide building code or codes for off-site construction.

* * * VHIP * * *

Sec. 5. 10 V.S.A. § 699 is amended to read:

§ 699. VERMONT RENTAL HOUSING IMPROVEMENT PROGRAM

(a) Creation of Program.

(1) The Department of Housing and Community Development shall design and implement the Vermont Rental Housing Improvement Program, through which the Department shall award funding to statewide or regional nonprofit housing organizations, or both, to provide competitive grants and forgivable loans to private landlords for the rehabilitation, including weatherization and accessibility improvements, of eligible rental housing units.

(2) The Department shall develop statewide standards for the Program, including factors that partner organizations shall use to evaluate applications and award grants and forgivable loans. The Department may authorize partnership organizations to advance funding at the beginning of a project as part of an award.

* * *

* * * Vermont Economic Development Authority * * *

Sec. 6. 10 V.S.A. § 212 is amended to read:

§ 212. DEFINITIONS

As used in this chapter:

* * *

(6) “Eligible facility” or “eligible project” means any industrial, commercial, or agricultural enterprise or endeavor approved by the Authority used in a trade or business whether or not such business is operated for profit, including land and rights in land, air, or water; buildings; structures; machinery; and equipment of such eligible facilities or eligible projects, except that an eligible facility or project shall not include the portion of an enterprise or endeavor relating to the sale of goods at retail where such goods are manufactured primarily out of State, and except further that an eligible facility or project shall not include the portion of an enterprise or endeavor relating to housing unless otherwise authorized in this chapter. Such enterprises or endeavors may include:

* * *

(S) After consultation with and deference to the Vermont Housing Finance Agency on applications that are eligible for financing from both the Authority and the Agency, financing for one or more of the following types of long-term care facilities licensed by the State pursuant to 33 V.S.A. chapter 71 and other applicable law, and any independent living facility, as defined in 32 V.S.A. § 9202(18), associated with the licensed facility:

- (i) an assisted living residence;
- (ii) a home for the terminally ill;
- (iii) a nursing home;
- (iv) a residential care home; and
- (v) a therapeutic community residence.

(T) Any capital improvement; purchase of receivables, property, assets, commodities, bonds, or other revenue streams or related assets; working capital program or liability; or other insurance program.

(U) After consultation with, and with deference to, the Vermont Housing Finance Agency on applications that are eligible for financing from both the Authority and the Agency, multiunit housing developments of five or more units when requested by, and jointly financed with, a financing lender,

except that the Authority shall not finance housing developments that utilize funding issued by the Agency.

* * *

* * * Municipal Plans * * *

Sec. 7. 24 V.S.A. § 4388 is added to read:

§ 4388. PLANNING FOR HOUSING TARGETS

(a) A municipality shall:

(1) include within the housing element of a municipal plan an identification and analysis of existing and projected housing needs for the projected population of the jurisdiction, including the housing needs for individuals with a disability, and provide regulations that allow for the rehabilitation, improvement, or development of the number of housing units needed, as identified in the land use plan and future land use map; or

(2) if the municipality cannot meet the regional housing targets developed pursuant to subdivision 4348a(a)(9) of this title, provide to the Department of Housing and Community Development an analysis of regulatory and physical constraints preventing the municipality from developing sufficient housing to meet the regional housing targets, including:

(A) a quantification of the jurisdiction's existing and projected needed housing types, including location, age, condition, and occupancy required to accommodate existing and estimated population projections;

(B) an inventory of sites, including zoned, unzoned, vacant, underutilized, and potential redevelopment sites, available to meet the jurisdiction's needed housing types;

(C) an analysis of any constraints to housing development, such as zoning, development standards, and infrastructure needs and capacity, and the identification of market-based incentives that may affect or encourage the development of needed housing types; and

(D) a detailed description of what actions the jurisdiction may take to accommodate the projected needed housing types identified in subdivision (A) of this subdivision (2), including:

(i) updates to specific zoning or municipal bylaw provisions or maps; and

(ii) updates to specific infrastructure, including municipal water and sewer capacity.

(b) The housing element of the municipal plan may incorporate by reference any information or policies identified in other housing needs assessments adopted by the governing body, identified in the regional plan, or published in the Statewide Housing Needs Assessment published by the Department of Housing and Community Development in accordance with subdivision 4348a(a)(9) of this title.

(c) The amount of detail provided in the analysis beyond the minimum criteria established in this section is at the discretion of the legislative body.

* * * Positions * * *

Sec. 8. POSITIONS

Two new permanent, full-time Grants Management Specialist Housing and Community Development classified positions are created within the Department of Housing and Community Development.

* * * Effective Date * * *

Sec. 9. EFFECTIVE DATE

This act shall take effect on July 1, 2026.

Rep. Kimbell of Woodstock, for the Committee on Ways and Means, recommended that the report of the Committee on General and Housing be amended as follows:

First: In Sec. 2, 10 V.S.A. § 10, by striking out subdivision (a)(3) in its entirety.

Second: In Sec. 2, 10 V.S.A. § 10, by striking out subsection (e) in its entirety.

Third: By striking out Sec. 3, 10 V.S.A. § 12, in its entirety and inserting in lieu thereof a new Sec. 3 to read as follows:

Sec. 3. [Deleted.]

Fourth: In Sec. 7, 24 V.S.A. § 4388, by striking out subsection (a) in its entirety and inserting in lieu thereof a new subsection (a) to read as follows:

(a) A municipality shall:

(1) include within the housing element of a municipal plan an identification and analysis of existing and projected housing needs of the jurisdiction, including the housing needs for individuals with a disability, as identified in the land use plan and future land use map; or

(2) if the municipality cannot meet the regional housing targets developed pursuant to subdivision 4348a(a)(9) of this title, provide to the

Department of Housing and Community Development an analysis of regulatory and physical constraints preventing the municipality from developing sufficient housing to meet the regional housing targets, including:

(A) a quantification of the jurisdiction's existing and projected needed housing types;

(B) an analysis of any constraints to housing development, such as zoning, development standards, and infrastructure needs and capacity, and the identification of market-based incentives that may affect or encourage the development of needed housing types; and

(C) a description of what actions the jurisdiction may take to accommodate the projected needed housing types identified in subdivision (A) of this subdivision (2), including:

(i) updates to specific zoning or municipal bylaw provisions or maps; and

(ii) updates to specific infrastructure, including municipal water and sewer capacity.

Rep. Dickinson of St. Albans Town, for the Committee on Appropriations, recommended that the bill ought to pass when amended as recommended by the Committees on General and Housing and on Ways and Means and when further amended by striking out Sec. 8, Positions, in its entirety and inserting in lieu thereof a new Sec. 8 to read as follows:

Sec. 8. [Deleted.]

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 and then amended as recommended by the Committee on Appropriations.

Pending the question, Shall the bill be amended as recommended by the Committee on General and Housing, as amended?, **Rep. Charlton of Chester** moved to further amend the report of the Committee on General and Housing in Sec. 4, off-site construction accelerator pilot, by inserting a new subsection to be subsection (g) to read as follows:

(g) The Agency of Commerce and Community Development shall cease the pilot demonstration project on June 30, 2030.

Which was agreed to.

Thereupon, the report of the Committee on General and Housing, as amended, was agreed to and third reading ordered.

**Committee Bill; Favorable Report; Second Reading;
Third Reading Ordered**

H. 921

Rep. Boyden of Cambridge spoke for the Committee on Government Operations and Military Affairs.

House bill, entitled

An act relating to alcoholic beverages

Rep. Burkhardt of South Burlington, for the Committee on Ways and Means, recommended that the bill ought to pass.

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

Second Reading; Bill Amended; Third Reading Ordered

H. 536

Rep. Nelson of Derby, for the Committee on Agriculture, Food Resiliency, and Forestry, to which had been referred House bill, entitled

An act relating to toxic heavy metals in baby food products

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

Sec. 1. 18 V.S.A. chapter 82 is amended to read:

CHAPTER 82. LABELING OF FOODS, DRUGS, COSMETICS, AND
HAZARDOUS SUBSTANCES

Subchapter 1. ~~Labeling for Marketing and Sale~~ General Provisions

* * *

Subchapter 3. Testing and Labeling of Certain Products

§ 4091. BABY FOOD PRODUCTS

(a) As used in this section:

(1) “Baby food product” means any food manufactured, packaged, and labeled in a jar, pouch, tub, or box sold specifically for babies and children younger than two years of age. “Baby food product” does not include infant formula.

(2) “Final baby food product” means the finished baby food product and not the constituent ingredients.

(3) “Infant formula” means a commercially available milk-based or soy-based powder, concentrated liquid, or ready-to-feed substitute for human breast milk that is intended for infant consumption.

(4) “Production aggregate” means a quantity of product that is intended to have a uniform composition, character, and quality and is produced according to a master manufacturing order.

(5) “Proficient laboratory” means a laboratory that:

(A) is accredited under the standards of the International Organization for Standardization or the International Electrotechnical Commission pursuant to standard ISO/IEC 17025:2017;

(B) uses an analytical method as sensitive as the analytical method described in the U.S. FDA’s *Elemental Analysis Manual for Food and Related Products*; and

(C) demonstrates proficiency in quantifying each toxic element to at least six micrograms of the toxic element to kilogram of food through an independent proficiency test by achieving a z-score that is less than or equal to plus or minus two.

(6) “QR code” means a two-dimension matrix barcode consisting of blocks arranged in a grid that can be read by an imaging device.

(7) “Representative sample” means a sample that consists of a number of units that are drawn based on rational criteria, including random sampling, and intended to ensure that the sample accurately portrays the material being sampled.

(8) “Toxic heavy metal” means arsenic, cadmium, lead, and mercury.

(9) “URL” means a uniform resource locator.

(10) “U.S. FDA” means the U.S. Food and Drug Administration.

(b) A person shall not sell, distribute, or offer for sale any baby food product in the State that contains a toxic heavy metal that exceeds the limits established by the U.S. FDA. The provisions of this subsection shall not restrict the continued sale of inventory in stock before January 1, 2027.

(c) A manufacturer of a baby food sold or distributed in the State shall test a representative sample of each production aggregate of the manufacturer’s final baby food product for toxic heavy metals. Testing of a baby food product shall be conducted by a proficient laboratory at least once a month. A manufacturer of baby food may test the final baby food product before packaging individual units for sale or distribution. Upon request of the

Commissioner of Health, a manufacturer shall provide the results of the test conducted pursuant to this subsection.

(d)(1) Without requiring the provision of a universal product code or proof of purchase, a manufacturer of baby food sold or distributed in the State shall make publicly available on its website for the duration of the product shelf life of a final baby food product, plus one month, for each baby food product sold, manufactured, delivered, held, or offered for sale in the State:

(A) the name and level of each toxic heavy metal in the final baby food product as determined by the testing conducted pursuant to subsection (c) of this section;

(B) sufficient information, including the product name, universal product code, or lot or batch number, to enable consumers to identify the final baby food product; and

(C) a link to the U.S. FDA's website that provides the most recent U.S. FDA guidance and information about the health effects of toxic heavy metals on children.

(2) A baby food product that is sold online to a consumer in Vermont by either a retailer or directly from the manufacturer shall contain on the product's web page a clearly labeled link to an information page containing the information required pursuant to subdivision (1) of this subsection.

(e) If a baby food product sold or distributed in the State is tested for a toxic heavy metal subject to an action level, regulatory limit, or tolerance established by the U.S. FDA under 21 C.F.R. § 109, the manufacturer shall display on the baby food product:

(1) a label stating in a clear, legible, and conspicuous manner that more information about toxic element testing on the product is available by scanning the QR code; and

(2) a QR code or other machine-readable code that directs the consumers to the manufacturer's website or the baby food product information page providing:

(A) the test results for the toxic heavy metal; and

(B) a URL to the web page on the U.S. FDA's website that includes the most recent guidance and information about the health effects of toxic heavy metals in children.

(f) If a consumer reasonably believes, based on the information provided on the baby food product, that the baby food product is being sold in the State

in violation of this section, the consumer may report the baby food product to the Department of Health.

(g) 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.

Sec. 2. EFFECTIVE DATE

This act shall take effect on January 1, 2027.

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

Pending the question, Shall the bill be amended as recommended by the Committee on Agriculture, Food Resiliency, and Forestry?, **Reps. Bartholomew of Hartland, Bos-Lun of Westminster, Brigham of St. Albans Town, Burt of Cabot, Durfee of Shaftsbury, Lipsky of Stowe, Nelson of Derby, and O'Brien of Tunbridge** moved to amend the report of the Committee on Agriculture, Food Resiliency, and Forestry, as follows:

First: In Sec. 1, 18 V.S.A. chapter 82, in section 4091, in subsection (c), in the fourth sentence, by striking out “Commissioner of Health” and inserting in lieu thereof “Office of the Attorney General”

Second: In Sec. 1, 18 V.S.A. chapter 82, in section 4091, in subsection (f), by striking out “Department of Health” and inserting in lieu thereof “Office of the Attorney General”

Third: By striking out Sec. 2, effective date, in its entirety and by inserting in lieu thereof two new sections to be Secs. 2 and 3 to read as follows:

Sec. 2. 18 V.S.A. § 4091 is amended to read:

§ 4091. BABY FOOD PRODUCTS

(a) As used in this section:

(1) “Baby food product” means any infant formula or food manufactured, packaged, and labeled in a jar, pouch, tub, or box sold specifically for babies and children younger than two years of age. ~~“Baby food product” does not include infant formula.~~

* * *

(g) The Attorney General shall suspend the application of this section to infant formula if the Attorney General verifies that there is insufficient infant formula in the State to meet the need. If the Attorney General suspends

application, the Attorney General shall post notice on the Office of the Attorney General's website containing specific dates that the suspension is in effect.

(h) 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.

Sec. 3. EFFECTIVE DATES

(a) This section and Sec. 1 (18 V.S.A. chapter 82) shall take effect on January 1, 2027.

(b) Sec. 2 (18 V.S.A. § 4091) shall take effect upon the Attorney General's written confirmation to the Speaker of the House and to the President Pro Tempore of the Senate, which shall be posted on the General Assembly's website, that either California or two other states have enacted legislation with requirements substantially comparable to the requirements of this act regarding all of the following:

(1) the prohibition on the sale and distribution of infant formula that contains a toxic heavy metal exceeding U.S. Food and Drug Administration limits;

(2) the required testing of infant formula sold or distributed in the State for toxic heavy metals; and

(3) the labeling of infant formula and the provision of information about toxic heavy metals in infant formula.

Which was agreed to. Thereupon, the report of the Committee on Agriculture, Food Resiliency, and Forestry, as amended, was agreed to and third reading ordered.

**Pending Entry on the Notice Calendar
Bill Referred to the Committee on Appropriations**

H. 657

By the Committee on Transportation

House bill, entitled

An act relating to enabling unaccompanied homeless youth to obtain certain services without parental consent

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

Recess

At five o'clock and twenty-nine minutes in the evening, the Speaker declared a recess until the fall of the gavel.

At five o'clock and fifty minutes in the evening, the Speaker called the House to order.

**Committee Bill Introduced;
Referred to the Committee on Ways and Means****H. 944**

By the Committee on Transportation,
House bill, entitled

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

Was read the first time and, pursuant to House Rule 35(a), affecting the revenue of the State, was referred to the Committee on Ways and Means.

Adjournment

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