Journal of the House

Wednesday, May 20, 2026

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

Devotional Exercises

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

Ceremonial Readings

H.C.R. 298

Offered by Representatives Greer of Bennington, Galfetti of Barre Town, Austin of Colchester, Berbeco of Winooski, Bishop of Colchester, Burrows of West Windsor, Carris Duncan of Whitingham, Coffin of Cavendish, Conlon of Cornwall, Goslant of Northfield, Gregoire of Fairfield, Hango of Berkshire, Higley of Lowell, Howard of Rutland City, Keyser of Rutland City, Labor of Morgan, Logan of Burlington, Luneau of St. Albans City, Malay of Pittsford, Masland of Thetford, McGill of Bridport, Morgan, M. of Milton, Morrissey of Bennington, Nigro of Bennington, Noyes of Wolcott, Page of Newport City, Parsons of Newbury, Pritchard of Pawlet, Southworth of Walden, and Winter of Ludlow

House concurrent resolution recognizing the importance of the Vermont Department of Fish and Wildlife's fish culture program for the continued success of aquatic-resource sustainability and the availability of abundant recreational fishing opportunities in Vermont

Whereas, recreational fishing bonds family and community members, offers physical and mental health benefits, and is accessible to most Vermonters regardless of geographic location, financial means, physical ability, or developmental level, and

Whereas, the preservation and enhancement of our aquatic ecosystems helps ensure biodiversity, community health, prosperous local economies, and recreational fishing opportunities for residents and visitors, and

Whereas, Vermont's five fish culture stations (commonly referred to as fish hatcheries)—Bald Hill (Newark), Bennington, Ed Weed (Grand Isle), Roxbury, and Salisbury—annually produce more than 1.5 million fish for distribution to and stocking of the State's waters, and they play a significant role in maintaining sustainable fish populations, restoring species, and providing ample fishing resources for Vermonters and their communities, and

Whereas, abundant fish populations enhance food security, and

Whereas, fishing helps foster interest, public buy-in, and investment in clean waters, and

Whereas, maintaining an abundant fishery sustains jobs and stimulates economic growth, and

Whereas, Vermont's fish hatcheries support educational programs and partnerships that foster a better understanding of aquatic ecology, conservation, and responsible fishing practices, now therefore be it

Resolved by the Senate and House of Representatives:

That the General Assembly recognizes the importance of the Vermont Department of Fish and Wildlife's fish culture program for the continued success of aquatic-resource sustainability and the availability of abundant recreational fishing opportunities in Vermont, and *be it further*

Resolved: That the Secretary of State be directed to send a copy of this resolution to the Vermont Department of Fish and Wildlife.

Having been adopted in concurrence on Friday, May 15, 2026 in accord with Joint Rule 16b, was read.

H.C.R. 300

Offered by Representatives Greer of Bennington, Casey of Montpelier, Arsenault of Williston, Austin of Colchester, Bartholomew of Hartland, Berbeco of Winooski, Birong of Vergennes, Bishop of Colchester, Black of Essex, Bluemle of Burlington, Bos-Lun of Westminster, Boyden of Cambridge, Brady of Williston, Brown of Richmond, Burke of Brattleboro, Burkhardt of South Burlington, Burrows of West Windsor, Campbell of St. Johnsbury, Carris Duncan of Whitingham, Chapin of East Montpelier, Christie of Hartford, Cole of Hartford, Conlon of Cornwall, Cooper of Pownal, Corcoran of Bennington, Critchlow of Colchester, Dodge of Essex, Dolan of Essex Junction, Duke of Burlington, Durfee of Shaftsbury, Eastes of Guilford, Emmons of Springfield, Garofano of Essex, Goldman of Rockingham, Goodnow of Brattleboro, Graning of Jericho, Harple of Glover, Holcombe of Norwich, Hooper of Randolph, Houghton of Essex Junction, Howard of Rutland City, Hoyt of Hartford, Hunter of Manchester, James of Manchester, Kimbell of Woodstock, Kleppner of Burlington, Kornheiser of Brattleboro, Krasnow of South Burlington, Krowinski of Burlington, Lalley of Shelburne, LaLonde of South Burlington, LaMont of Morristown, Long of Newfane, Lueders of Lincoln, Masland of Thetford, McCann of Montpelier, McGill of Bridport, Mihaly of Calais, Minier of South Burlington, Morris of Springfield, Morrow of Weston, Mrowicki of Putney, Nigro of Bennington, Noyes of

Wolcott, Nugent of South Burlington, O'Brien of Tunbridge, Ode of Burlington, Olson of Starksboro, Pezzo of Colchester, Pouech of Hinesburg, Priestley of Bradford, Rachelson of Burlington, Satcowitz of Randolph, Scheu of Middlebury, Scully of Burlington, Sheldon of Middlebury, Squirrell of Underhill, Stevens of Waterbury, Stone of Burlington, Sweeney of Shelburne, Torre of Moretown, Waszazak of Barre City, Waters Evans of Charlotte, White of Waitsfield, White of Bethel, Wood of Waterbury, and Yacovone of Morristown

House concurrent resolution in memory of global gay rights advocate, political activist, culinary bibliophile, and chocolatier maven Terje Anderson

Whereas, Terje Anderson (who legally changed his name from James to honor his Swedish heritage) was born on June 29, 1958, in Indiana, Pennsylvania; attended McGill University; became fluent in French; developed a lifelong interest in Canadian politics; acquired a taste for Montreal's restaurants, the start of his passions as an enthusiastic culinary bibliophile and chocolatier; and derived great joy from being a dog owner, and

Whereas, beyond the classroom, he embarked on a life dedicated to social justice and fairness for all, navigating his status as a gay man in an era when gay rights were sparse and often vehemently opposed locally, nationally, and internationally, and

Whereas, early on, he served as the Vermont Department of Health's AIDS program chief and was a cofounder of Vermont CARES, the State's first AIDS service organization, and

Whereas, Terje Anderson became executive director of the Southern Colorado AIDS Project in Colorado Springs; was appointed to the Colorado Governor's AIDS Council; served as a member of Colorado's HIV Prevention Community Planning Group and on the Clinton Administration's Presidential Advisory Council on HIV/AIDS; and, eventually, moved to Washington, DC, to become the executive director of the National Association of People with AIDS, a position that included an extensive international component; but ultimately, the beauty of Vermont called him north, and he settled in an inviting, former one-room schoolhouse in Montgomery, and

Whereas, his political involvement began as a volunteer at 14 years of age on the 1972 Shirley Chisholm presidential primary campaign; he was a leader of Jesse Jackson's 1984 delegation to the Democratic National Convention (DNC); in 1992, he served as the first openly gay individual to chair a state delegation to the DNC; in 2017, the Vermont Democratic Party elected him as its chair; and, in 2020, as a Vermont Electoral College elector, Terje Anderson

appeared live on national television as the Vermont delegation cast its votes for Joe Biden, and

Whereas, most recently, he enjoyed working at the Jay Peak Resort, performing informational and troubleshooting roles, and

Whereas, Terje Anderson's pathbreaking life ended with his premature death in a tragic house fire on March 15, 2026, at 67 years of age, and his survivors include his sister, Kim Anderson Via; his two nephews; and many friends around the world, *now therefore be it*

Resolved by the Senate and House of Representatives:

That the General Assembly expresses its sincere condolences to the family and friends of Terje Anderson, *and be it further*

Resolved: That the Secretary of State be directed to send a copy of this resolution to the family of Terje Anderson and to the Vermont Democratic Party.

Having been adopted in concurrence on Friday, May 15, 2026 in accord with Joint Rule 16b, was read.

Senate Proposal of Amendment Concurred in

H. 583

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

An act relating to clinical decision making

The Senate proposed to the House to amend the bill as follows:

First: Sec. 1, 18 V.S.A. chapter 233, in section 9773, in subsection (a), following "On or before", by striking out "July 1, 2026" and inserting in lieu thereof "March 1, 2027"

Second: Sec. 1, 18 V.S.A. chapter 233, in section 9773, in subsection (c), following "After", by striking out "July 1, 2026" and inserting in lieu thereof "March 1, 2027"

Third: Sec. 1, 18 V.S.A. chapter 233, in section 9773, by inserting a subsection (d) to read:

(d) The Green Mountain Care Board shall collaborate with relevant stakeholders to develop the processes for reporting data pursuant to this section and the Agency of Human Services shall provide relevant, necessary data to the Board.

and by relettering the remaining subsections accordingly

Fourth: In Sec. 1, 18 V.S.A. chapter 233, in section 9774, in subsection (a), by striking out "February" and inserting in lieu thereof "July"

Which proposal of amendment was considered and concurred in.

Senate Proposal of Amendment Concurred in

H. 657

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

An act relating to various programming and requirements within the Department for Children and Families

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

* * * Removing Reach Up Asset Limit * * *

Sec. 1. 33 V.S.A. § 1103 is amended to read:

§ 1103. ELIGIBILITY AND BENEFIT LEVELS

* * *

(c) The Commissioner shall adopt rules for the determination of eligibility for the Reach Up program and benefit levels for all participating families that include the following provisions:

* * *

~~(5)(A) The asset limitation shall be $9,000.00 for families for the purposes of determining initial and continuing eligibility for the Reach Up program, and the following savings accounts shall not be considered in the calculation for determining the asset limitation:~~

~~(i) a retirement account, such as an individual retirement arrangement (IRA), a defined contribution plan qualified under 26 U.S.C. § 401(k), or any similar account as defined in 26 U.S.C. § 408; and~~

~~(ii) a qualified child education savings account, such as the Vermont Higher Education Investment Plan, established in 16 V.S.A. § 2877, or any similar plan qualified under 26 U.S.C. § 529.~~

~~(B) The value of assets accumulated from the earnings of adults and children in participating families and from any federal or Vermont earned income tax credit shall be excluded for purposes of determining continuing eligibility for the Reach Up program.~~ The Department shall not impose an asset limit for the purpose of initial and continuing eligibility for the Reach Up program.

* * *

* * * Social Security Benefits for Youth in Foster Care * * *

Sec. 2. 33 V.S.A. § 4902 is amended to read:

§ 4902. DEFINITIONS

As used in this chapter:

(1) "Child" means a person under 18 years of age committed by the Family Division of the Superior Court to the Department for Children and Families.

(2) "Commissioner" means the Commissioner for Children and Families.

(3) "Department" means the Department for Children and Families.

(4) "Foster care" means care of a child, for a valuable consideration, in a child care institution or in a family other than that of the child's parent, guardian, or relative.

(5) "Qualified ABLE account" means an ABLE account, as that term is defined in section 8002 of this title, or an account established pursuant to any qualified state ABLE program created pursuant to 26 U.S.C. § 529A (section 529A of the Internal Revenue Code of 1986).

(6) "Representative payee" means the person appointed by the Social Security Administration to manage Social Security benefits for a child.

(7) "RSDI benefits" means a child's retirement, survivors, or disability insurance benefits under 42 U.S.C. chapter 7, subchapter II (Title II of the Social Security Act).

(8) "Social Security Act" means the Social Security Act, 42 U.S.C. chapter 7, as may be amended.

(9) "Social Security benefits" means a child's RSDI benefits, SSI benefits, or both, as applicable.

(10) "SSI benefits" means a child's Supplemental Security Income benefits under 42 U.S.C. chapter 7, subchapter XVI (Title XVI of the Social Security Act).

Sec. 3. 33 V.S.A. § 4907 is added to read:

§ 4907. FOSTER CARE; SOCIAL SECURITY BENEFITS

(a) The Department shall not use any portion of a child's Social Security benefits to offset the State's costs for the child's maintenance except to maintain the child's eligibility for SSI benefits and to avoid a violation of federal asset or resource limits.

(b) Upon the request of the child or the child's foster care provider, the Department, in its capacity as representative payee for a child, may use the child's Social Security benefits for the child's unmet needs beyond the amount that the State is obligated, required, or agrees to pay for the care of the child.

(c) In its capacity as representative payee for a child and with the assistance of the State Treasurer, the Department shall:

(1) establish an account for the child, which shall be a qualified ABLE account for any child receiving SSI benefits;

(2) monitor any federal asset or resource limits for the child's SSI benefits;

(3) ensure that the child's best interests are served by using the child's Social Security benefits for the child's unmet needs or conserving the child's Social Security benefits in a way that avoids violating any federal asset or resource limits that would affect the child's ability to receive SSI benefits;

(4) appeal any denied application for SSI benefits submitted on behalf of a child; and

(5) provide an annual accounting of the use, application, or conservation of the child's Social Security benefits, including any payments made under subsection (b) of this section, to the child; the child's parent, legal guardian, or counsel; the Family Division of the Superior Court; and the Office of the Child, Youth, and Family Advocate.

* * * Enabling Unaccompanied Youth to Obtain Certain Services Without Parental Consent * * *

Sec. 4. 33 V.S.A. § 4908 is added to read:

§ 4908. UNACCOMPANIED YOUTH

(a) Legislative intent. In instances in which severe family dysfunction such as abuse, neglect, child abandonment, or lack of financial support has left a youth who is 16 or 17 years of age homeless, and other supports such as foster care are deemed inappropriate, it is the intent of the General Assembly to provide an unaccompanied youth with the resources necessary to obtain services and benefits that the unaccompanied youth's peers can obtain with the consent of a parent or guardian.

(b) Definitions. As used in this section:

(1) "Homeless child or youth" means an individual who lacks a fixed, regular, and adequate nighttime residence, including:

(A) a child or youth sharing the housing of other persons due to loss of housing, economic hardship, or a similar reason;

(B) a child or youth living in motels, hotels, trailer parks, or camping grounds due to the lack of alternative adequate accommodations;

(C) a child or youth living in emergency or transitional shelters;

(D) a child or youth abandoned in hospitals;

(E) a child or youth living in a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings;

(F) a child or youth living in cars, parks, public spaces, abandoned buildings, substandard housing, bus or train stations, or similar settings; or

(G) a migratory child who qualifies as homeless because the child is living in the circumstances described in this subdivision (1).

(2) "School district homeless liaison" means an employee designated by a school district to act as a liaison for homeless children and youths.

(3) "Unaccompanied youth" means a homeless child or youth 16 or 17 years of age who is not in the physical custody of a parent or guardian.

(c) Certification. An unaccompanied youth may become certified if the youth is:

(1) found by a school district homeless liaison or other appropriate staff person to be an unaccompanied youth; or

(2) believed to qualify as an unaccompanied youth, by:

(A) the director of an emergency shelter program funded by the State;

(B) the director of a runaway or homeless youth program funded by the U.S. Department of Health and Human Services or the U.S. Department of Housing and Urban Development or designee;

(C) a continuum of care lead agency or designee;

(D) the Chief Juvenile Defender or designee; or

(E) the Vermont Network Against Domestic and Sexual Violence or designee.

(d) Proof of certification.

(1)(A) The Department shall contract with a community organization that serves homeless and runaway youth in Vermont to develop a standardized

form that shall be used by the entities specified in subsection (c) of this section to certify qualifying unaccompanied youths. The front of the form shall include the circumstances that qualify the youth; the date the youth was certified; the name, title, and signature of the certifying individual; and confirmation from the certifying individual that the individual has completed a human trafficking training in the past two years. This section shall be reproduced in its entirety on the back of the form.

(B) The Department shall post the certification form and information about this section on its website, including who is eligible for certification and which individuals and entities can complete the certification form pursuant to this section.

(2) Without the consent of a parent or guardian, a certified unaccompanied youth may use the completed form to:

(A) apply at no charge for a nondriver identification card pursuant to 23 V.S.A. § 115, a learner's permit pursuant to 23 V.S.A. § 617, or an operator's license or operator's privilege card pursuant to 23 V.S.A. § 608;

(B) obtain a vital event certificate at no charge pursuant to 18 V.S.A. § 5017;

(C) consent to care by health care professionals licensed or certified in Vermont, including medical care; dental care; mental health care services, including psychological counseling and treatment, psychiatric treatment, and substance use prevention and treatment services; and surgical diagnosis and treatment, including medical diagnosis and treatment, such as preventive care and care provided in a health care facility, as defined in 18 V.S.A. § 9432, for:

(i) the youth; or

(ii) the youth's child, if the certified unaccompanied youth is unmarried, is the parent of the child, and has actual custody of the child;

(D) enter into a contract for housing or obtain admission to a shelter or transitional housing;

(E) obtain employment, pursuant to 21 V.S.A. chapter 5, subchapter 4;

(F) purchase an automobile and obtain an automobile liability policy that meets the requirements of 23 V.S.A. chapter 11;

(G) apply for a student loan;

(H) obtain admission to high school or postsecondary school and participate in school activities, including extracurricular activities and field trips;

(I) open an account at a State- or federally chartered bank or credit union;

(J) receive services for victims of domestic or sexual violence, as appropriate; and

(K) participate in a court diversion program pursuant to 3 V.S.A. §§ 163 and 164 or the Youth Substance Awareness Safety Program pursuant to 7 V.S.A. § 656.

(e) Use of certification form. A health care professional shall accept the completed form as proof of the youth's status as a certified unaccompanied youth. Entities that provide housing, services, or benefits authorized under this section may keep a copy of the form or card in the youth's medical file.

(f) Consent of a parent or guardian.

(1) A certification issued pursuant to subsection (c) of this section shall authorize an unaccompanied youth to obtain benefits and services listed in subsection (d) of this section. A person, provider, or health care professional shall not require the consent of a parent or guardian as a condition of providing a benefit or service authorized under subsection (d) of this section.

(2) For the purposes of implementing subdivision (d)(2)(I) of this section, the Commissioner of Financial Regulation shall ensure that minimum youth certification requirements are met for the purpose of making it legally permissible for a bank, credit union, or insurance company to contract with an unaccompanied youth without the consent of a parent or guardian and with the understanding that the unaccompanied youth may not have a permanent physical address.

(g) Immunity for liability. Any entity, provider, or health care professional who relies in good faith on a certification form presented by a person who claims to be a certified unaccompanied youth pursuant to this section shall be immune from liability for such reliance, unless the entity, provider, or health care professional acted with gross negligence.

(h) Applicability of Compact. Nothing in this section shall be construed as altering the Interstate Compact for Juveniles.

Sec. 4a. 13 V.S.A. § 1311 is amended to read:

§ 1311. UNLAWFUL SHELTERING; AIDING A RUNAWAY CHILD

* * *

(b) A person commits the crime of unlawfully sheltering or aiding a runaway child if the person:

(1) knowingly shelters a runaway child;

(2) intentionally aids, helps, or assists a child to become a runaway child; or

(3) knowingly takes, entices, or harbors a runaway child, with the intent of committing a criminal act involving the child or with the intent of enticing or forcing the child to commit a criminal act.

(c) Exempt from the prohibitions of subdivisions (b)(1) and (2) of this section are:

(1) a shelter, or the directors, agents, or employees of a shelter, designated by the Commissioner for Children and Families pursuant to 33 V.S.A. § 5304, provided that the requirements of 33 V.S.A. § 5303(b) are satisfied; ~~and~~

(2) a person who has taken the child into custody pursuant to 33 V.S.A § 5251 or 5301; and

(3) a person providing assistance pursuant to 33 V.S.A. § 4908.

* * *

* * * Unaccompanied Youth; Vital Event Certificates * * *

Sec. 5. 18 V.S.A. § 5017 is amended to read:

§ 5017. FEES FOR COPIES

(a) For a certified copy of a vital event certificate, the fee shall be $10.00.

(b) The State Registrar shall waive the fee for certified copies of vital event certificates issued to:

(1) an individual attesting to a lack of fixed, regular, and adequate nighttime residence; ~~and~~

(2) an individual between 18 and 24 years of age who resided in a foster home or residential child care facility between 16 and 18 years of age pursuant to placement by a child-placing agency; and

(3) an unaccompanied youth who has obtained a certification pursuant to 33 V.S.A. § 4908.

* * * Unaccompanied Youth; Nondriver Identification Cards * * *

Sec. 6. 23 V.S.A. § 115 is amended to read:

§ 115. NONDRIVER IDENTIFICATION CARDS

(a)(1) Any Vermont resident may make application to the Commissioner and be issued an identification card that is attested by the Commissioner as to

true name, correct age, residential address unless the listing of another address is requested by the applicant or is otherwise authorized by law, and any other identifying data as the Commissioner may require that shall include, in the case of minor applicants, the written consent of the applicant's parent, guardian, or other person standing in loco parentis.

* * *

(3) The Commissioner shall require payment of a fee of $29.00 at the time application for an identification card is made, except that an initial nondriver identification card shall be issued at no charge to:

(A) an individual who surrenders the individual's license in connection with a suspension or revocation under subsection 636(b) of this title due to a physical or mental condition; or

(B) an individual under 23 years of age who was in the care and custody of the Commissioner for Children and Families pursuant to 33 V.S.A. § 4903(4) in Vermont after attaining 14 years of age; and

(C) an unaccompanied youth who has obtained a certification pursuant to 33 V.S.A. § 4908.

* * *

* * * Unaccompanied Youth; License and Privilege Cards * * *

Sec. 7. 23 V.S.A. § 608 is amended to read:

§ 608. FEES

* * *

(c)(1) Individuals under 23 years of age who were in the care and custody of the Commissioner for Children and Families pursuant to 33 V.S.A. § 4903(4) in Vermont after attaining 14 years of age shall be provided with operator's licenses or operator privilege cards at no charge.

(2) No additional fee shall be due for a motorcycle endorsement for an individual under 23 years of age who was in the care and custody of the Commissioner for Children and Families pursuant to 33 V.S.A. § 4903(4) in Vermont after attaining 14 years of age.

(d) Individuals receiving Supplemental Security Income or Social Security Disability Income and individuals with a disability as defined in 9 V.S.A. § 4501 shall be provided with operator's licenses or operator privilege cards for the following fees:

(1) Original issuance: $20.00.

(2) Renewal every four years: $20.00.

(3) Replacement of lost, destroyed, or mutilated card or a new name is required: $10.00.

(e)(1) An unaccompanied youth who has obtained a certification pursuant to 33 V.S.A. § 4908 shall be provided with operator's licenses or operator privilege cards at no charge.

(2) No additional fee shall be due for a motorcycle endorsement for an unaccompanied youth who has obtained a certification pursuant to 33 V.S.A. § 4908.

* * * Unaccompanied Youth; Learner's Permit * * *

Sec. 8. 23 V.S.A. § 617 is amended to read:

§ 617. LEARNER'S PERMIT

* * *

(b)(1) Notwithstanding the provisions of subsection (a) of this section, any licensed person may apply to the Commissioner of Motor Vehicles for a learner's permit for the operation of a motorcycle in the form prescribed by the Commissioner. The Commissioner shall offer both a motorcycle learner's permit that authorizes the operation of three-wheeled motorcycles only and a motorcycle learner's permit that authorizes the operation of any motorcycle. The Commissioner shall require payment of a fee of $24.00 at the time application is made, except that no fee shall be charged for an unaccompanied youth who has obtained a certification pursuant to 33 V.S.A. § 4908 or for an individual under 23 years of age who was in the care and custody of the Commissioner for Children and Families pursuant to 33 V.S.A. § 4903(4) in Vermont after attaining 14 years of age.

(2) After the applicant has successfully passed all parts of the applicable motorcycle endorsement examination, other than a skill test, the Commissioner may issue to the applicant a learner's permit that entitles the applicant, subject to subsection 615(a) of this title, to operate a three-wheeled motorcycle only, or to operate any motorcycle, upon the public highways for a period of 120 days from the date of issuance. The fee for the examination shall be $11.00, except that no fee shall be charged for an unaccompanied youth who has obtained a certification pursuant to 33 V.S.A. § 4908 or for an individual under 23 years of age who was in the care and custody of the Commissioner for Children and Families pursuant to 33 V.S.A. § 4903(4) in Vermont after attaining 14 years of age.

(3) A motorcycle learner's permit may be renewed only twice upon payment of a $24.00 fee. An unaccompanied youth who has obtained a certification pursuant to 33 V.S.A. § 4908 and an individual under 23 years of age who was in the care and custody of the Commissioner for Children and Families pursuant to 33 V.S.A. § 4903(4) in Vermont after attaining 14 years of age shall not be charged a fee for the renewal of a motorcycle learner's permit.

* * *

(d)(1) An applicant shall pay $24.00 to the Commissioner for each learner's permit or a duplicate or renewal thereof.

(2) An unaccompanied youth who has obtained a certification pursuant to 33 V.S.A. § 4908 and an applicant under 23 years of age who was in the care and custody of the Commissioner for Children and Families pursuant to 33 V.S.A. § 4903(4) in Vermont after attaining 14 years of age shall not be charged a fee for a learner's permit or a duplicate or renewal thereof.

* * *

* * * Transportation of Children * * *

Sec. 9. 33 V.S.A. § 5123 is amended to read:

§ 5123. TRANSPORTATION OF A CHILD

(a) As used in this section:

(1) "Least restrictive" has the same meaning as in section 5130 of this chapter.

(2) "Mechanical restraint" has the same meaning as in section 5130 of this chapter.

(3) "Physical restraint" has the same meaning as in section 5130 of this chapter.

(4) "Secure transport" means transport in a vehicle with disabled internal controls for rear door handles and window switches, requiring the driver to open them from the outside, or with a safety partition installed to separate the driver from the passenger compartment. "Secure transport" includes any vehicle being driven by a law enforcement officer.

(5) "Soft restraint" has the same meaning as in section 5130 of this chapter.

(6) "Waist shackles" means a mechanical restraint device, typically a chain, used around the waist and to which the child's wrists may be chained or cuffed.

(b) The Commissioner for Children and Families shall ensure that all reasonable and appropriate measures consistent with public safety are made to transport or escort a child subject to this chapter in a manner that:

(1) ~~reasonably avoids~~ prevents physical and psychological trauma;

(2) respects the privacy of the child; and

(3) represents the least restrictive means necessary for the safety of the child.

~~(b)~~(c) The Commissioner for Children and Families shall have the authority to ~~select the person or persons who may transport a child under the Commissioner's care and custody~~ designate the professional or law enforcement officers transporting children and shall authorize the method of transport. A contract for transportation services shall include the requirements in this section. Transportation services with noncontracted law enforcement officers shall only be authorized in emergency situations or by court order.

~~(c)~~(d) The Commissioner shall ~~ensure supervisory review of every decision to transport a child using mechanical restraints. When transportation with restraints for a particular child is approved, the reasons for the approval shall be documented in writing~~ provide education materials complying with this section that outline the legal requirements for the secure transportation of children to individuals designated pursuant to subsection (c) of this section and shall obtain verification that all designated individuals have reviewed the education materials.

~~(d)~~(e) Secure transport shall only be used when the Department determines and documents why it is necessary to prevent the risk of serious physical harm to the child or others, based upon an individualized risk assessment.

~~(e)~~(f) It is the policy of the State of Vermont that mechanical restraints are not routinely used on children subject to this chapter unless circumstances dictate that such methods are necessary. Soft restraints shall be the first option for restraint, and other mechanical restraints shall not be utilized as a substitute for soft restraints if the soft restraints are deemed adequate for safety.

(g) An entity contracted pursuant to subsection (c) of this section shall provide documentation to the Department for the use of restraints when:

(1) the entity believes that the risk of serious physical harm to the child or others requires the use of soft restraints before or during the transport, including a description as to why less restrictive interventions could not reasonably be attempted or why the attempted use of less restrictive interventions was unsuccessful;

(2) the entity believes that the risk of serious physical harm to the child or others was such that soft restraints were not adequate for safety and shall include a description as to which restraint was used and why soft restraints were deemed inadequate for preventing the risk of serious physical harm to the child or others; or

(3) the use of waist shackles was determined to be the sole means of preventing serious physical harm to the child or others and shall include a description as to why waist shackles were the sole means of preventing the risk of serious physical harm to the child or others.

(h) Documentation for the use of restraints shall be completed prior to transport unless the circumstances that required their use occurred during the course of the transport, in which case the documentation shall occur after completion of the transport.

(i) The use of waist shackles shall be prohibited on children 12 years of age or younger. The use of waist shackles on children 13 years of age or older shall be assessed and determined to be the sole means of preventing serious physical harm to the child or others and documented accordingly. Only designated law enforcement agencies shall use waist shackles on a child transported pursuant to this section.

(j) The Commissioner shall ensure supervisory review by the Department of all documentation required by this section.

(k)(1) Annually, on or before January 15, the Department for Children and Families shall submit a written report to the House Committee on Human Services; the Senate Committee on Health and Welfare; and the Office of the Child, Youth, and Family Advocate addressing the number of secure transports of children during the previous year, including, for those transported with restraints:

(A) the age, gender, and racial background of the children transported;

(B) the number of children transported using mechanical restraints;

(C) whether the transport was conducted by law enforcement or a private agency;

(D) when applicable, the type of mechanical restraint;

(E) the type of custody children were in when transport occurred; and

(F) the purpose of the transport.

(2) Once the Department has upgraded its technological capacity in a manner that enables it to collect responsive data, information specific to subdivisions (1)(B), (C), (E), and (F) of this subsection shall be collected and included in the annual report with regard to all secure transports.

(l) Annually, on or before January 15, the Department of State's Attorneys and Sheriffs shall submit a written report to the House Committee on Human Services; the Senate Committee on Health and Welfare; the Department for Children and Families; and the Office of the Child, Youth, and Family Advocate addressing the number of court-ordered transports of minors conducted by the State transport deputies pursuant to 24 V.S.A. § 290(b) during the previous year, including:

(1) the date of birth of transported minors;

(2) whether restraint was used during transport;

(3) if restraint was used, the type of restraint;

(4) whether the minor's case was a delinquency, youthful offender, or criminal proceeding; and

(5) the purpose of the transport.

Sec. 10. REPORT; RESTRAINT IN TRANSPORTATION OF CHILDREN

(a) On or before December 15, 2027, the Department for Children and Families shall submit a written report to the House Committee on Human Services and to the Senate Committee on Health and Welfare addressing how the Department is effectuating the policies set forth in 33 V.S.A. § 5123(d) and 2017 Acts and Resolves No. 85, Sec. E.314, including:

(1) contracting with law enforcement or private agencies for the transport of children;

(2) Departmental oversight and supervisory review of the secure transport of children, including transport provided by private agencies or law enforcement officers;

(3) the mechanism used by the Department to collect and review data on the application of mechanical restraints during the transport of children in compliance with 33 V.S.A. § 5123(c);

(4) materials and requirements for designated contractors;

(5) written policies used to effectuate the law; and

(6) other information the Department deems relevant.

(b) As used in this section, "restraint" has the same meaning as in 33 V.S.A. §5130.

Sec. 11. USE OF FORCE POLICY

The Vermont Criminal Justice Council, in consultation with the Department of Vermont State's Attorneys and Sheriffs; the Office of the Child, Youth, and Family Advocate; Disability Rights Vermont; and the Departments for Children and Families and of Disabilities, Aging, and Independent Living shall conduct a formal review to determine whether its use of force policy should include an appendix to adequately address the transportation by law enforcement of children under 18 years of age that is in alignment with the public policy considerations for the transport of children in the custody of the Department for Children and Families pursuant to 33 V.S.A. § 5123.

* * * Restraint and Seclusion * * *

Sec. 12. 33 V.S.A. § 5130 is added to read:

§ 5130. NON-TRANSPORT RELATED RESTRAINT AND SECLUSION

(a) As used in this section:

(1) "Chemical restraint" means any medication used to manage behavior or restrict freedom of movement that is not a standard treatment or dosage for the individual's condition.

(2) "Child" or "children" means a child or children in the Department's custody or receiving care or services in a program regulated or licensed by the Department.

(3) "Mechanical restraint" means a type of restraint using a mechanical device, material, or equipment, or garment attached to the child's body, that restricts freedom of movement or immobilizes or reduces the ability of a child to move the child's arms, legs, body, or head freely.

(4) "Physical restraint" means a type of restraint using a manual or physical hold that restricts freedom of movement or immobilizes or reduces the ability of a child to move the child's arms, legs, body, or head freely. A physical restraint shall not include a light touch to encourage a response or to provide direction or guidance, provided the child is able to move away freely.

(5) "Prone restraint" means a physical intervention technique where an individual is held face down on the individual's stomach. "Prone restraint" does not include a physical restraint that involves a momentary initial hold in a prone position while transitioning to an evidence-based, safer form of restraint that is not considered to be a prohibited form of physical restraint.

(6) "Seclusion" means involuntary confinement of a child in a segregated room or area from which the child is prevented or from which the child reasonably believes that the child is prevented from leaving, whether the door is locked or not. "Seclusion" does not include a voluntary time out under staff supervision for a short period of time in an unlocked room at the child's request.

(7) "Strip search" means a search that requires a child to remove or arrange some clothing so as to permit a visual inspection of the child's breasts, buttocks, or genitalia. "Strip search" does not include a pat down through the child's clothing to determine whether contraband is present.

(8) "Least restrictive" means the minimum intervention necessary to prevent harm to the child or to another, maximizing a child's autonomy, ensuring that restrictions are proportionate to the risk of harm, and ensuring involuntary measures are only permitted as a last resort when less intrusive methods have failed.

(9) "Soft restraint" means a mechanical restraint device that uses soft material or fabric that is padded and designed to safely fit around the limbs of an individual to limit mobility in order to prevent self-harm or harm to others.

(10) "Secure residential program" means a secure residential treatment program that employs locked or inoperable doors and windows to prevent a child from leaving the building.

(b) The Department shall not use or authorize the use of prone restraints, mechanical restraints, chemical restraints, or strip searches on a child.

(c) Seclusion or physical restraint shall not be used for punishment, disciplinary purposes, the protection of property, or any other reason other than as a safety measure of last resort to prevent a serious and immediate risk of harm to the child or others.

(d) A staff member shall use other less restrictive interventions, unless less restrictive interventions have failed or would be ineffective in stopping imminent danger of physical injury or property damage.

(e) After attempting to use less restrictive interventions, a staff member trained in accordance with rule may physically restrain a child or place a child in seclusion if the staff member:

(1) determines that the child's behavior poses a serious and immediate risk of physical harm to the child or others;

(2) conducts the physical restraint or seclusion in a manner that respects the child's privacy and limits physical and psychological trauma; and

(3) after initiation of the intervention, explains to the child the reasons for the physical restraint or seclusion and informs the child of the circumstances that allow release from the physical restraint or seclusion.

(f) If a child is placed in physical restraint or seclusion pursuant to subsection (e) of this section, the child shall be released immediately when there is no longer a serious and immediate risk of physical harm to the child or others.

(g)(1) Restraint or seclusion lasting more than 10 minutes shall require supervisory approval and oversight. Restraint or seclusion lasting more than 30 minutes shall require clinical and administrative consultation, approval, and oversight. A child shall not be held for more than one hour in restraint or seclusion without an in-person assessment by a clinician and authorization by the administrator on duty.

(2) A child in seclusion shall be provided constant uninterrupted supervision by a qualified staff member employed by the program who is familiar to the child.

(h) Nothing in this section shall be construed to:

(1) include a locked bedroom during regular sleeping hours in a secure residence as seclusion; or

(2) conflict with any law providing greater or additional protections to minors.

(i) Notice of the use of restraint or seclusion on a child in the Department's custody shall be provided to the Department; the child's parent or guardian; the child's guardian ad litem; and the child's attorney, if applicable, within 24 hours.

(j) The program or staff member using seclusion or restraint shall document its use and provide a copy of each recorded use of seclusion or restraint, including a copy of any audio or visual recording, to the Commissioner. Upon request, the audio or video shall be provided through secure means of transmission and shall include blurring to protect the identity of any other children in the program who are not in custody of the Department. The documentation shall include a description of the child's specific behaviors justifying the use of the intervention. The Department shall forward complete documentation of each use of restraint or seclusion to the Office of the Child, Youth, and Family Advocate within two business days.

(k) The Department shall collect the following data on the use of seclusion and physical restraint, by placement type; program name; and the age, gender, and racial background of the child:

(1) the specific types of the seclusion or physical restraint used; and

(2) the length of time a child was secluded or physically restrained, as applicable.

(l)(1) Prior to contracting with any program for the care of a child in the Department's custody, the Department shall conduct a review of any records, from the prior five years regarding the safety of children in the program's care, including any violations of the program's licensing status and any resulting remediation.

(2) The Department shall remove any Vermont child from risk of harm and shall initiate a search for alternative providers if an out-of-state residential provider is determined to be in violation of the standards in the contract regarding restraint and seclusion or in violation of its state's licensing entity.

(m) Notwithstanding subsection (b) of this section, a child detained in a secure residential program may be restrained with mechanical restraints for a momentary initial hold to enable relocation of the child to a less restrictive method of intervention if necessitated to prevent serious and immediate harm to the child or others, except that under no circumstances shall a garment adjacent to the child's body that restricts freedom of movement or immobilizes or reduces the ability of a child to move the child's arms, legs, body, or head freely be utilized. The procedures and standards established under this section, including notice and reporting requirements, shall apply.

(n) Notwithstanding subsection (b) of this section, a child detained in a secure residential program may be subjected to a strip search if a pat search has led to probable cause to believe that the child has possession of contraband that poses a threat of serious bodily harm to the child or others and the child has refused to voluntarily turn over the contraband. The child shall be given the opportunity before and at any time after the commencement of a search to voluntarily relinquish the suspected contraband, whereupon the search will be discontinued. Notice and reporting requirements shall be the same as for use of restraint or seclusion under this section. Body cavity searches shall not be permitted under any circumstances.

(o) The Department shall post on the Family Division's scorecard or another prominent location on its website the rates of restraint and seclusion used on children in licensed programs and the number of uses of secure transport and of restraint used during transport. The Department shall update this information at least annually.

(p) The Department shall develop and adopt rules pursuant to 3 V.S.A. chapter 25, in collaboration with the Office of the Child, Youth, and Family Advocate and in consultation with stakeholders implementing this section, including requirements for staff training; standards for supervisory oversight, recordkeeping, and reporting by residential programs; oversight responsibilities of the Department; and any other necessary standards.

Sec. 13. 33 V.S.A. § 5130(l) is amended to read:

(l)(1) Prior to contracting with any program for the care of a child in the Department's custody, the Department shall conduct a review of any records, from the prior five years regarding the safety of children in the program's care, including any violations of the program's licensing status and any resulting remediation.

(2) When contracting with an out-of-state program, the Department shall include a requirement that the program adhere to the provisions of this section.

(3) The Department shall remove any Vermont child from risk of harm and shall initiate a search for alternative providers if an out-of-state residential provider is determined to be in violation of the standards in the contract regarding restraint and seclusion or in violation of its state's licensing entity.

Sec. 14. REPORT; CHILDREN IN CORRECTIONAL FACILITIES

(a) On or before January 1, 2027, the Departments for Children and Families and of Corrections shall submit a written report to the House Committees on Human Services and on Corrections and Institutions and to the Senate Committees on Health and Welfare and on Institutions regarding the use of restraint and seclusion on minors detained in Department of Corrections' facilities and potential means for reducing physical and psychological trauma from restraint and seclusion. In preparing the required report, the Departments shall consult with a work group composed of the Office of the Child, Youth, and Family Advocate; the Office of the Defender General, Juvenile Division; Voices for Vermont's Children; the Vermont Federation of Families for Children's Mental Health; Disability Rights Vermont; and a young adult with lived experience of being detained in a Department of Corrections facility, appointed by the Office of the Child, Youth, and Family Advocate.

(b) Members of the work group who are not participating in their professional capacity shall be entitled to per diem compensation and reimbursement of expenses as permitted under 32 V.S.A. § 1010 for not more than five meetings. These payments shall be made from monies appropriated to the Office of the Child, Youth, and Family Advocate.

* * * Judicial Review of Placements for Children Previously Under the Custody of the Department for Children and Families * * *

Sec. 15. PROPOSAL TO EXTEND SUPPORTS FOR CHILDREN OVER 17 YEARS OF AGE

On or before November 1, 2026, the Department for Children and Families shall submit a written report, in consultation with the Judicial Branch, to the House Committee on Human Services and to the Senate Committee on Health and Welfare with recommendations for court oversight processes that meet federal requirements to allow access to federal funds for programs that may support youth up to 21 years of age and that ensures sustainable use of judicial resources. The report shall include any recommendations for legislative action.

* * * Prenatal Engagement and Family Support Working Group * * *

Sec. 16. PRENATAL ENGAGEMENT AND FAMILY SUPPORT WORKING GROUP

(a) Creation. There is created the Prenatal Engagement and Family Support Working Group to examine the Department for Children and Families' current practice of using a pregnancy calendar to monitor and track certain pregnant individuals in Vermont and provide recommendations on alternatives to a pregnancy calendar and ways to support pregnant individuals in need of services.

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

(1) the Deputy Commissioner of the Family Services Division of the Department for Children and Families;

(2) the Vermont Child, Youth, and Family Advocate or designee;

(3) the Executive Director of Vermont Family Network or designee;

(4) the Executive Director of Vermont Legal Aid or designee;

(5) the President of Planned Parenthood of Northern New England or designee;

(6) the Executive Director of the Vermont Parent Representation Center or designee;

(7) the Executive Director of Recovery Partners Vermont or designee;

(8) the Executive Director of Voices for Vermont's Children or designee;

(9) the Director of the Department of Health's Maternal and Child Health Division or designee;

(10) a representative, appointed by Children of Recovering Mothers' Team at the Kidsafe Collaborative;

(11) the Director of the Office of the Defender General's Juvenile Division or designee;

(12) an individual with lived experience of being monitored by the Department while pregnant, appointed by the Speaker of the House; and

(13) an individual with lived experience of being monitored by the Department while pregnant, appointed by the Senate Committee on Committees.

(c) Powers and duties. The Working Group shall study the Department for Children and Families' current practice of using a pregnancy calendar to monitor and track certain pregnant individuals in Vermont and provide recommendations on alternatives to a pregnancy calendar and ways to support pregnant individuals in need of services.

(d) Assistance. For the purposes of scheduling meetings and providing administrative assistance, the Working Group shall have the assistance of the Department for Children and Families.

(e) Report. On or before November 15, 2026, the Working Group shall submit a written report to the House Committee on Human Services, the Senate Committee on Health and Welfare, and the House and Senate Committees on Judiciary with its findings and any recommendations for legislative action.

(f) Meetings.

(1) The Vermont Child, Youth, and Family Advocate or designee shall call the first meeting of the Working Group to occur on or before August 1, 2026.

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

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

(4) The Working Group shall cease to exist on February 1, 2027.

(g)(1) Compensation and reimbursement. Members of the Working Group who are not otherwise compensated for attendance at meetings shall be entitled to per diem compensation and expenses as permitted under 32 V.S.A. § 1010 for not more than five meetings.

(2) Members of the Working Group who are not participating in their professional capacity shall be entitled to per diem compensation and reimbursement of expenses as permitted under 32 V.S.A. § 1010 for not more than five meetings. These payments shall be made from monies appropriated to the Department for Children and Families.

* * * Effective Dates * * *

Sec. 17. EFFECTIVE DATES

(a) This section and Sec. 10 (report; restraint in transportation), Sec. 11 (use of force policy), Sec. 14 (report; children in correctional facilities), and Sec. 15 (proposal to extend supports for children over 17 years of age) shall take effect on passage.

(b) Sec. 9 (transportation of a child) and Sec. 12 (restraint and seclusion) shall take effect on January 1, 2027.

(c) Sec. 2 (33 V.S.A. § 4902), Sec. 3 (33 V.S.A. § 4907), and Sec. 13 (33 V.S.A. § 5130(l)) shall take effect on July 1, 2028.

(d) All remaining sections shall take effect on July 1, 2026.

Pending the question, Shall the House concur in the Senate proposal of amendment?, **Rep. Steady of Milton** demanded the Yeas and Nays, which demand was sustained by the Constitutional number. The Clerk proceeded to call the roll and the question, Shall the House concur in the Senate proposal of amendment?, was decided in the affirmative. Yeas, 133. Nays, 2.

Those who voted in the affirmative are:

Arsenault of Williston
Austin of Colchester
Bailey of Hyde Park
Bartholomew of Hartland
Bartley of Fairfax
Berbeco of Winooski
Birong of Vergennes
Bishop of Colchester
Black of Essex
Bluemle of Burlington
Bosch of Clarendon
Bos-Lun of Westminster
Boutin of Barre City
Boyden of Cambridge
Brady of Williston
Branagan of Georgia
Brigham of St. Albans Town
Brown of Richmond
Burditt of West Rutland
Burke of Brattleboro
Galfetti of Barre Town
Garofano of Essex
Goldman of Rockingham
Goodnow of Brattleboro
Goslant of Northfield
Graning of Jericho
Greer of Bennington
Gregoire of Fairfield
Hango of Berkshire
Harple of Glover
Harvey of Castleton
Higley of Lowell
Holcombe of Norwich
Hooper of Randolph
Houghton of Essex Junction
Howard of Rutland City
Howland of Rutland Town
Hunter of Manchester
James of Manchester
Kascenska of Burke
Morris of Springfield
Morrissey of Bennington
Morrow of Weston
Mrowicki of Putney
Nelson of Derby
Nigro of Bennington
North of Ferrisburgh
Noyes of Wolcott
Nugent of South Burlington
O'Brien of Tunbridge
Ode of Burlington
Oliver of Sheldon
Olson of Starksboro
Page of Newport City
Parsons of Newbury
Pezzo of Colchester
Pinsonault of Dorset
Pouech of Hinesburg
Powers of Waterford
Priestley of Bradford

Burkhardt of South Burlington
Canfield of Fair Haven
Carris Duncan of Whitingham
Casey of Montpelier
Casey of Hubbardton
Charlton of Chester
Cina of Burlington
Coffin of Cavendish
Cole of Hartford
Conlon of Cornwall
Cooper of Pownal
Corcoran of Bennington
Critchlow of Colchester
Demar of Enosburgh
Dickinson of St. Albans Town
Dobrovich of Williamstown
Dolan of Essex Junction
Dolgin of St. Johnsbury
Duke of Burlington
Durfee of Shaftsbury
Eastes of Guilford
Emmons of Springfield
Feltus of Lyndon
Keyser of Rutland City
Kleppner of Burlington
Kornheiser of Brattleboro
Krasnow of South Burlington
Labor of Morgan
LaLonde of South Burlington
Laroche of Franklin
Lipsky of Stowe
Long of Newfane
Long of Milton
Lueders of Lincoln
Luneau of St. Albans City
Maguire of Rutland City
Malay of Pittsford
Marcotte of Coventry
Masland of Thetford
McCann of Montpelier
McCoy of Poultney
McGill of Bridport
Micklus of Milton
Mihaly of Calais
Minier of South Burlington
Morgan, L. of Milton
Morgan, M. of Milton
Pritchard of Pawlet
Quimby of Lyndon
Rachelson of Burlington
Satcowitz of Randolph
Scheu of Middlebury
Scully of Burlington
Sibilia of Dover
Soucy of Barre Town
Southworth of Walden
Squirrell of Underhill
Stevens of Waterbury
Stone of Burlington
Sweeney of Shelburne
Tagliavia of Corinth
Taylor of Mendon
Tomlinson of Winooski
Torre of Moretown
Walker of Swanton
Waszazak of Barre City *
Waters Evans of Charlotte
Wells of Brownington
White of Waitsfield
White of Bethel
Winter of Ludlow
Wood of Waterbury *
Yacovone of Morristown

Those who voted in the negative are:

Nielsen of Brandon
Steady of Milton

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

Burrows of West Windsor
Burtt of Cabot
Campbell of St. Johnsbury
Chapin of East Montpelier
Christie of Hartford
Dodge of Essex
Donahue of Northfield
Headrick of Burlington
Hoyt of Hartford
Kimbell of Woodstock
Lalley of Shelburne
LaMont of Morristown
Logan of Burlington
Sheldon of Middlebury

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

"Madam Speaker:

At fifteen, I did not receive medical care, mental health care, food assistance, access to education, and so many other necessary supports because I was an unaccompanied youth. This is one of the most important and necessary bills we have passed this biennium – for myself, and for so many of the kids who are suffering in Barre City."

Rep. Wood of Waterbury provided the following vote explanation:

"Madam Speaker:

This bill only helps youth who have already lost the help of whatever family they may have had."

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

S. 202

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

An act relating to portable solar energy generation devices

The Senate concurred in the House proposal of amendment with further proposal of amendment thereto as follows:

First: In Sec. 2, 30 V.S.A. § 256, by striking out subsection (g) in its entirety and inserting in lieu thereof a new subsection (g) to read as follows:

(g) A tenant shall provide at least 10 days' notice to the landlord of the tenant's intent to install a plug-in photovoltaic device in compliance with subsection (a) of this section in the building. The landlord shall respond within 10 days with any reasonable restrictions on the installation of the device, including requiring the tenant to pay for any required electrical work and hiring a licensed electrician to do the work. If the landlord does not respond within 10 days, the tenant may proceed with installation. A tenant shall not perform or hire someone to perform electrical work on the premises for the installation of a plug-in photovoltaic device without the landlord's permission. A landlord shall not be compelled to perform or pay for electrical work on the premises to allow for the installation of a plug-in photovoltaic device.

Second: In Sec. 5, 9 V.S.A. § 2795, in subsection (a), by striking out subdivision (6) in its entirety and inserting in lieu thereof a new subdivision (6) to read as follows:

(6) In the rules, the Commissioner shall adopt minimum efficiency and water conservation standards for each product that is subject to a standard under 10 C.F.R. §§ 430 and 431 as those provisions existed on January 19, ~~2017~~ 2025 and amended in a final rule entitled "Energy Conservation Program: Energy Conservation Standards for Expanded Scope Electric Motors" signed on January 8, 2025, excluding any motor incorporated into a product to which a federal energy conservation standard applies under 10 C.F.R. § 430 or 431. The minimum standard and the testing protocol for each product shall be the same as adopted in those sections of the Code of Federal

Regulations, except that for faucets, showerheads, and urinals, the minimum standard and testing protocol shall be as otherwise set forth in this section.

Pending the question, Shall the House concur in the Senate proposal of amendment to the House proposal of amendment?, **Rep. James of Manchester** moved to concur in the Senate proposal of amendment to the House proposal of amendment with further proposal of amendment thereto in Sec. 5, 9 V.S.A. § 2795, in subsection (a), by striking out subdivision (6) in its entirety and inserting in lieu thereof a new subdivision (6) to read as follows:

(6) In the rules, the Commissioner shall adopt minimum efficiency and water conservation standards for each product that is subject to a standard under 10 C.F.R. §§ 430 and 431 as those provisions existed on January 19, ~~2017~~ 2025. The minimum standard and the testing protocol for each product shall be the same as adopted in those sections of the Code of Federal Regulations, except that for faucets, showerheads, and urinals, the minimum standard and testing protocol shall be as otherwise set forth in this section.

Which proposal of amendment was considered and concurred in.

Third Reading;
Bill Passed in Concurrence with Proposal of Amendment

S. 208

Senate bill, entitled

An act relating to standards for law enforcement identification

Was taken up, read the third time, and passed in concurrence with proposal of amendment.

Third Reading;
Bill Passed in Concurrence with Proposal of Amendment

S. 212

Senate bill, entitled

An act relating to potable water supply and wastewater system connections

Was taken up, read the third time, and passed in concurrence with proposal of amendment.

Recess

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

Called to Order

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

Third Reading; Bill Passed in Concurrence

S. 214

Senate bill, entitled

An act relating to the provision of prekindergarten education in geographically isolated school districts

Was taken up, read the third time, and passed in concurrence.

Proposal of Amendment Amended; Amendment Offered and Withdrawn; Third Reading; Bill Passed in Concurrence with Proposal of Amendment; Rules Suspended, Messaged to the Senate Forthwith

S. 326

Senate bill, entitled

An act relating to miscellaneous amendments to laws relating to motor vehicles

Was taken up and, pending third reading of the bill, **Rep. Burke of Brattleboro** moved to amend the House proposal of amendment in Sec. 22, inspection manual; amendment, after subdivision (c)(3), by inserting a new subsection to be subsection (d) to read as follows:

(d) Nothing in this section shall be construed to permit the Department of Motor Vehicles to amend the rules relating to emissions inspections for motor vehicles.

Which was agreed to.

Pending third reading of the bill, **Rep. Tomlinson of Winooski** moved to further amend the House proposal of amendment after Sec. 11, 23 V.S.A. § 2158, fees for towing; public property funding, by inserting a Sec. 11a to read as follows:

Sec. 11a. 23 V.S.A. § 2154 is amended to read:

§ 2154. IDENTIFICATION AND RECLAMATION OF ABANDONED MOTOR VEHICLES

(a) The Department shall make a reasonable attempt to locate and provide notice to an owner of an abandoned motor vehicle.

* * *

(3) The Department shall maintain and keep current on its website a list of vehicles for which an application for a certificate of abandoned motor vehicle has been filed and contact information for Department personnel to whom evidence of ownership may be presented under subsection (b) of this section. At a minimum and to the extent permitted by federal law, the list shall include the vehicle's make; registration plate number or public vehicle identification number, or both if available; model; model year; and the name and contact information of the person who applied for the certificate of abandoned motor vehicle.

* * *

Which was agreed to.

Pending third reading of the bill, **Rep. Noyes of Wolcott** moved to further amend the House proposal of amendment as follows:

First: After Sec. 22, inspection manual; amendment, by inserting four new sections to be Secs. 22a, 22b, 22c, and 22d and their reader assistance heading to read as follows:

* * * Inspection of Motor Vehicles * * *

Sec. 22a. 23 V.S.A. § 1222 is amended to read:

§ 1222. INSPECTION OF REGISTERED VEHICLES

(a)(1) ~~Except for school~~ School buses~~, which~~ shall be inspected as prescribed in section 1282 of this title~~, and motor~~.

(2) Motor buses, as defined in subdivision 4(17) of this title, ~~which~~ shall ~~be inspected~~ undergo a safety and emissions inspection twice during the calendar year at six-month intervals~~, all~~ to determine whether those vehicles are properly equipped and in good mechanical condition.

(3) All other commercial motor vehicles shall be inspected as required by federal law and regulations.

(4) All other motor vehicles registered in this State shall undergo a safety inspection every two years and either a visual emissions inspection once each year ~~and all~~ or, for motor vehicles that ~~are registered in this State and~~ are 16 model years old or less ~~shall undergo~~, an emissions or on board diagnostic (OBD) systems inspection once each year as applicable.

(5) Any motor vehicle~~, trailer, or semi-trailer~~ not currently inspected in this State shall be inspected as provided pursuant to this subsection within 15 days following the date of its registration in the State of Vermont.

* * *

Sec. 22b. 23 V.S.A. § 1222 is amended to read:

§ 1222. INSPECTION OF REGISTERED VEHICLES

(a)(1) School buses shall be inspected as prescribed in section 1282 of this title.

* * *

(4) All other motor vehicles registered in this State shall, every two years, undergo a safety inspection ~~every two years~~ and either a visual emissions inspection ~~once each year~~ or, for motor vehicles that are 16 model years old or less, an emissions or on board diagnostic (OBD) systems inspection ~~once each year~~ as applicable.

* * *

Sec. 22c. DEPARTMENT OF ENVIRONMENTAL CONSERVATION; STATE IMPLEMENTATION PLAN; INSPECTION AND MAINTENANCE; REVISION

The Department of Environmental Conservation shall amend the Inspection and Maintenance State Implementation Plan (SIP) to permit emissions inspections of noncommercial motor vehicles every other year. Upon completion of the amendment, the Department shall seek approval from the U.S. Environmental Protection Agency of the amended SIP.

Sec. 22d. DEPARTMENT OF MOTOR VEHICLES; INSPECTION FEES; REPORT

On or before January 15, 2027, the Department of Motor Vehicles shall submit a proposal for amendments to 23 V.S.A. § 1230 to revise the amount of the fees paid to the Department for each inspection certificate issued to ensure that the provisions of Secs. 22a and 22b of this act do not result in a loss of revenue to the Department.

Second: By striking out Sec. 29, effective date, and its reader assistance heading in their entireties and inserting in lieu thereof a reader assistance heading and a new Sec. 29 to read as follows:

* * * Effective Dates * * *

Sec. 29. EFFECTIVE DATES

(a) Sec. 22b shall take effect upon the effective date of an amended Inspection and Maintenance State Implementation Plan approved by the U.S. Environmental Protection Agency as provided pursuant to Sec. 22c.

(b) The remaining sections shall take effect on July 1, 2026.

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

Thereafter, the bill was read the third time and passed in concurrence with proposal of amendment.

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

Message from the Senate No. 62

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

Madam Speaker:

I am directed to inform the House that:

The Senate has considered House proposals of amendment to Senate bills of the following titles:

S. 189. An act relating to establishing a process for the elimination of certain hospital services.

S. 209. An act relating to prohibiting civil arrest in sensitive locations.

And has concurred therein.

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

H. 642. An act relating to youthful offender proceedings.

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

Senator Hashim
Senator Vyhovsky
Senator Mattos

The Governor has informed the Senate that on the 19th day of May, 2026, he approved and signed bills originating in the Senate of the following titles:

S. 89. An act relating to expanding survivor benefits.

S. 157. An act relating to recovery residence certification.

S. 255. An act relating to establishing a pilot Law Enforcement Governance Council in Windham County.

Bill Committed

H. 674

House bill, entitled

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

Was taken up and pending the question, Shall the bill pass, notwithstanding the Governor's refusal to approve the bill?, **Rep. Marcotte of Coventry** moved to commit the bill to the Commerce and Economic Development, which was agreed to.

Recess

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

Message from the Governor

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

Madam Speaker:

I am directed by the Governor to inform the House of Representatives that on the 20th day of May, 2026, he signed bills originating in the House of the following titles:

H. 270 **An act relating to confidentiality in peer support sessions for emergency service providers**

H. 385 **An act relating to remedies and protections for victims of coerced debt**

Called to Order

At three o'clock and forty-six minutes in the afternoon, the Speaker called the House to order.

Senate Proposal of Amendment to House Proposal of Amendment Concurred in

S. 298

The Senate concurred in the House proposal of amendment with further proposal of amendment thereto on Senate bill, entitled

An act relating to creating the Vermont Voting Rights Act

The Senate concurred in the House proposal of amendment with further proposal of amendment thereto as follows:

First: By striking out Sec. 4, 17 V.S.A. § 2414, in its entirety and inserting in lieu thereof a new Sec. 4 to read as follows:

Sec. 4. CANDIDATES FOR STATE, LEGISLATIVE, AND COUNTY OFFICE; DISCLOSURE FORM

Through May 30, 2027:

(1) The State Ethics Commission shall provide informational resources to candidates and answer candidates' questions regarding the requirements of 17 V.S.A. § 2414, how to accurately complete and submit the candidate disclosure form, and the penalties for failing to properly file the disclosure form pursuant to 17 V.S.A. § 2415. The Commission shall make available on its web page the disclosure form, preprepared responses to frequently asked questions, and any informational resources and materials that it deems necessary to adequately inform candidates of how to comply with the provisions of 17 V.S.A. §§ 2414 and 2415.

(2) The Office of the Secretary of State shall provide hyperlinks from its web page connecting to the disclosure form and other materials and resources required of the State Ethics Commission pursuant to subdivision (1) of this section.

Second: By adding a new section, to be Sec. 4a, to read as follows:

Sec. 4a. MANAGEMENT OF CANDIDATE DISCLOSURE FORMS; REPORT

On or before January 30, 2027, the State Ethics Commission and the Secretary of State's Office shall report to the House Committee on Government Operations and Military Affairs and the Senate Committee on Government Operations their combined and shared recommendations on how to best manage candidate disclosure forms required under 17 V.S.A. §§ 2414 and 2415.

Third: By adding a new section, to be Sec. 4b, to read as follows:

Sec. 4b. 17 V.S.A. § 2901 is amended to read:

§ 2901. DEFINITIONS

As used in this chapter:

* * *

(13) "Political committee" or "political action committee" means any formal or informal committee of one or more individuals or a corporation, labor organization, public interest group, or other entity, not including a political party, that accepts contributions ~~or~~ and makes expenditures in any amounts in any two-year general election cycle for the purpose of supporting or opposing one or more candidates, influencing an election, or advocating a position on a public question in any election, and includes a legislative leadership political committee.

* * *

Which proposal of amendment was considered and concurred in.

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

S. 328

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

An act relating to housing and common interest communities

Was taken up for immediate consideration.

Rep. Charlton of Chester, for the Committee on General and Housing, to which had been referred the Senate bill, reported in favor of its passage in concurrence with proposal of amendment by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Common Interest Community Resources * * *

Sec. 1. 3 V.S.A. § 119 is added to read:

§ 119. COMMON INTEREST COMMUNITY RESOURCES

The Secretary of State shall provide on its website or otherwise distribute to the public information about Vermont's common interest communities. This information shall include the governing statutes.

* * * Service-Supported Housing * * *

Sec. 2. 3 V.S.A. § 3098 is added to read:

§ 3098. SERVICE-SUPPORTED HOUSING ADVISORY COUNCIL

(a) The Service-Supported Housing Advisory Council is created for the purpose of identifying opportunities for increased alignment between human

services programs and policies serving individuals who receive Medicaid-funded Developmental Disability Services and housing capital and support services programs.

(b) The Advisory Council shall be overseen by the Department of Disabilities, Aging, and Independent Living and shall be composed of the following individuals:

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

(2) the Secretary of Human Services or designee;

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

(4) the State Treasurer or designee;

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

(6) two members, appointed by the Developmental Disabilities Housing Initiative;

(7) the Executive Director of the Vermont Developmental Disabilities Council or designee;

(8) two members, appointed by Green Mountain Self-Advocates; and

(9) one member, appointed by Vermont Care Partners.

(c)(1) The Advisory Council shall meet at least monthly.

(2) The Commissioner of Disabilities, Aging, and Independent Living shall convene the first meeting of the Advisory Council, during which the Advisory Council shall elect a chair from among its members.

(d) The Advisory Council shall have the administrative, technical, and legal assistance of the Department of Disabilities, Aging, and Independent Living.

(e) When requested by the Vermont Housing and Conservation Board, the Advisory Council shall provide advice to the Board regarding the expenditure of funds for the production of permanently affordable housing for individuals who are eligible to receive Medicaid-funded Developmental Disability Services.

(f)(1) The Advisory Council shall report annually on or before November 15 to the House Committees on General and Housing and on Human Services and the Senate Committees on Economic Development, Housing and General Affairs and on Health and Welfare regarding:

(A) administrative and programmatic reforms carried out to better align support-services and housing development programs and policies, including examples of projects or progress enabled by those changes;

(B) a housing needs assessment for individuals served by the Developmental Disabilities Services System of Care, including a summary of the number of units and an overview of the types of housing needed to support this population;

(C) activities undertaken pursuant to this section; and

(D) recommendations for future legislative action and funding sources, including actionable recommendations for changes in State laws or policies that are obstacles to the creation of housing needed by individuals who are eligible to receive Medicaid-funded Developmental Disability Services.

(2) The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the annual report to be made under this subsection.

* * * Vermont State Treasurer Credit Facility * * *

Sec. 3. 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.

* * *

(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) (c)~~ 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)(1) 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.

(2) The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the annual report to be made under this subsection.

* * * 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) utilization of 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) creating and adopting building codes for off-site construction, including incorporation of elements of visitable and adaptable standards for building design.

(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, 2029, 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.

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

* * * Vermont Economic Development Authority * * *

Sec. 5. 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:

* * *

(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 portions or phases of a multiunit housing development that:

(i) the Agency determines is being primarily developed for occupancy by persons and families of low and moderate income as defined in subdivision 601(11) of this title; or

(ii) utilizes funding issued by the Agency, whether in the form of debt or tax credits.

* * *

* * * VHIP * * *

Sec. 6. 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.

* * *

(j) Annual report. Annually, on or before November 15, the Department shall submit a report to the House Committees on Human Services and on General and Housing and the Senate Committee on Economic Development, Housing and General Affairs regarding the following:

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

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

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

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

* * * Special Assessment Bonds * * *

Sec. 7. 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.

* * * Municipal Plans * * *

Sec. 8. 24 V.S.A. § 4382 is amended to read:

§ 4382. THE PLAN FOR A MUNICIPALITY

(a) A plan for a municipality shall be consistent with the goals established in section 4302 of this title and compatible with approved plans of other municipalities in the region and with the regional plan and shall include the following:

* * *

(10) A housing element that shall include a recommended program for public and private actions to address housing needs and targets as identified by the regional planning commission pursuant to subdivision 4348a(a)(9) of this title. The housing element shall also include an analysis of any regulatory and physical constraints preventing the development, redevelopment, or rehabilitation of sufficient housing to meet the housing needs and targets, and a description of what actions the municipality may take to accommodate the projected housing needs. The program shall use data on year-round and seasonal dwellings and include specific actions to address the housing needs of persons with low income and persons with moderate income and account for permitted residential development as described in section 4412 of this title. Progress toward the construction of the housing units identified as needed to meet projected housing targets shall be documented within the housing element and updated as appropriate when the plan is amended or readopted according to section 4385 or 4387 of this title, as the case may be.

* * *

* * * Municipal Zoning * * *

Sec. 9. 24 V.S.A. § 4412 is amended to read:

§ 4412. REQUIRED PROVISIONS AND PROHIBITED EFFECTS

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

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

* * *

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

* * *

* * * Reports * * *

Sec. 10. OFFICE OF LEGISLATIVE COUNSEL; COMMON INTEREST COMMUNITY REPORT

(a) On or before November 15, 2026, the Office of Legislative Counsel shall provide a written report to the House Committee on General and Housing and the Senate Committee on Economic Development, Housing and General Affairs outlining any legal, conventional financing, and funding compliance issues related to requiring common interest communities to:

(1) authorize leasing of residential units;

(2) authorize commercial purposes within a dwelling unit; and

(3) permit the construction of accessory dwelling units on land reserved for the exclusive use of a unit owner.

(b) In developing the report, the Office shall work with and identify external partners with knowledge and expertise in common interest communities across the State.

Sec. 11. VERMONT HOUSING AND CONSERVATION BOARD; FARMWORKER HOUSING REPORT

On or before January 15, 2027, the Vermont Housing and Conservation Board shall submit a written report to the General Assembly with information on the progress made towards meeting the goals identified in the *Farmworker Housing Needs Assessment* of 2021. The report shall describe the farmworker housing program established by the Board following the initial report, evaluate the program's impact on farmworker housing in Vermont, and identify barriers to improving and expanding farmworker housing.

Sec. 12. DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT; CORPORATE PURCHASE OF HOMES REPORT

(a)(1) On or before November 15, 2026, the Department of Housing and Community Development shall submit a report to the House Committee on General and Housing and the Senate Committee on Economic Development, Housing and General Affairs with information on the purchase in Vermont of single- and two-family residences by institutional real estate investors. As part of the report, the Department shall provide the following information:

(A) bills introduced in other states implementing restrictions or limitations on the corporate purchase of single- or two-family residences;

(B) the number of covered entities operating in Vermont;

(C) the number of single- and two-family residences owned by covered entities in Vermont;

(D) the number of single- and two-family residences purchased by a covered entity in Vermont between 2020 and 2026; and

(E) proposed methods of enforcement to ensure effective implementation of any statutory restriction on the corporate purchase of single- or two-family residences.

(2) In the event the Department cannot provide the information required by subdivisions (1)(B)–(D) of this subsection, the Department shall identify methods of gathering the information for future use.

(b) As used in this section:

(1)(A) "Covered entity" means an institutional real estate investor or an entity that receives funding from an institutional real estate investor for the purchase of a single-family residence or two-family residence. A loan provided in exchange for a mortgage of the residence that is being purchased shall not be considered funding for the purposes of this subdivision (1), provided that such mortgage shall be of a type for which members of the general public can apply.

(B) "Covered entity" does not include:

(i) an organization that is described in section 501(c)(3) of the Internal Revenue Code and exempt from tax under section 501(a) of the Internal Revenue Code;

(ii) a land bank;

(iii) a community land trust; or

(iv) a creditor or its loan servicer acquiring ownership of real property in full or partial satisfaction of a secured debt.

(2)(A) "Institutional real estate investor" means an entity or combined group that, directly or indirectly:

(i) owns 10 or more single-family residences or two-family residences, or both;

(ii) manages or receives funds pooled from investors and acts as a fiduciary with respect to one or more investors; and

(iii) has $30,000,000.00 or more in net value or assets under management on any day during the taxable year.

(B) An entity is considered owning a single-family residence or two-family residence if it directly owns the single-family residence or two-family residence or indirectly owns 10 percent or more of the single-family residence or two-family residence.

(3) "Single-family residence" means a residential property consisting of one dwelling unit, provided that the term does not include:

(A) any single-family residence that is to be used as the principal residence of any person who has an ownership interest in the covered entity that seeks to purchase the single-family residence; or

(B) any single-family residence constructed, acquired, or operated with federal, state, or local appropriated funding sources.

(4) "Two-family residence" means a residential property consisting of two dwelling units, provided that the term does not include:

(A) any two-family residence in which one of the dwelling units is to be used as the principal residence of any person who has an ownership interest in the covered entity that seeks to purchase the two-family residence; or

(B) any two-family residence constructed, acquired, or operated with federal, State, or local appropriated funding sources.

* * * Fiscal Year 2024 Appropriation to VHCB * * *

Sec. 13. 2023 Acts and Resolves No. 78, Sec. B.1102 is amended to read:

Sec. B.1102 AFFORDABLE HOUSING DEVELOPMENT – FISCAL YEAR 2024 ONE-TIME APPROPRIATIONS

* * *

(c) In fiscal year 2024, the amount of $50,000,000 General Fund is appropriated to the Vermont Housing and Conservation Board (VHCB):

(1) $10,000,000 to provide support and enhance capacity for emergency shelter and permanent homes for those experiencing homelessness or who need supportive housing. The funds shall be used to expand Vermont's shelter capacity, provide homes for those experiencing homelessness, create housing for individuals eligible to receive Medicaid-funded Developmental Disability Services, and decrease reliance on the General Assistance Emergency Housing hotel and motel program. The Vermont Housing and Conservation Board shall consult with the Agency of Human Services to ensure new investments in homes and shelters are paired with appropriate support services for residents, including services supported through Medicaid. Funded projects may utilize a range of housing options, including the expansion of shelter capacity, the conversion of hotels to housing, the creation of permanent supportive housing, and the utilization of manufactured homes on infill sites.

* * *

* * * Effective Date * * *

Sec. 14. 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: By striking out Sec. 4, off-site construction accelerator pilot, in its entirety and inserting in lieu a new Sec. 4 to read as follows:

Sec. 4. OFF-SITE CONSTRUCTION ACCELERATOR PILOT

(a)(1) The Office of the State Treasurer may develop and administer a pilot demonstration project that explores the possibility of reducing housing development costs through modular construction.

(2) The Treasurer may utilize requests for information or requests for proposal to identify participating modular construction manufacturers and developers and to determine manufacturer and developer needs and priorities.

(3) In contracting with a manufacturer or developer under this pilot program, the State Treasurer shall be exempt from the requirements of 3 V.S.A. chapter 14.

(4) In order to fund off-site constructed housing under the pilot program authorized by this section, the Treasurer may utilize funds authorized under 10 V.S.A. § 10 subject to the requirements of that section.

(b) The pilot may consider the following elements:

(1) bulk purchasing for a single development or aggregation of multiple developments;

(2) creating a loan loss reserve for construction loans;

(3) utilization of off-site construction, including panelized or volumetric modular construction; and

(4) establishing a statewide procurement consortium for bulk orders of modular units and materials.

(c)(1) As part of the pilot, the Office of the State Treasurer may 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 section, 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) On or before January 15, 2027, the Treasurer 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.

Second: By adding a reader assistance heading and two new sections to be Secs. 5a and 5b to read as follows:

* * * Vermont Housing Finance Agency * * *

Sec. 5a. INTENT TO CODIFY RENTAL HOUSING REVOLVING LOAN PROGRAM

The intent and purpose of Sec. 5b of this act is to codify in statute the Rental Housing Revolving Loan Program originally enacted in 2023 Acts and Resolves No. 47, as amended by 2025 Acts and Resolves No. 69. The Program designed and implemented by the Vermont Housing Finance Agency shall remain in effect under 10 V.S.A. § 629. Loans issued through the Program prior to July 1, 2026, shall remain in effect in accordance with the executed terms and conditions.

Sec. 5b. 10 V.S.A. chapter 25 is amended to read:

CHAPTER 25. VERMONT HOUSING FINANCE AGENCY

* * *

Subchapter 3. Powers and Duties

* * *

§ 629. RENTAL HOUSING REVOLVING LOAN PROGRAM

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

(b) Loans; eligibility; criteria.

(1) The Agency shall adopt processes, procedures, and guidelines to implement the Program consistent with this section, including a simple application process that is accessible to small developers, builders, and contractors.

(2)(A) To be eligible for a subsidized loan through the Program, a project shall create two or more new rental housing units, which may include market rate and affordable units, provided that at least 25 percent of the units in the project are affordable to a household earning up to 150 percent of the applicable area median income.

(B) Projects may include new construction, acquisition with substantial rehabilitation, and preservation of naturally occurring affordable housing.

(3) A loan is available only for the costs of the project allocable to the affordable units.

(4)(A) The Agency shall calculate the maximum amount of a loan, which shall not exceed the lesser of:

(i) 35 percent of the costs of the project allocable to the affordable units; or

(ii) the following amounts based on area median income bands:

(I) $150,000.00 per unit for each unit that is affordable to a household earning up to 80 percent of area median income; and

(II) $100,000.00 per unit for each unit that is affordable to a household earning from 81 to 150 percent of area median income.

(B) The Agency shall adopt and implement a method to adjust the values specified in subdivision (A)(ii) of this subdivision (4) at least annually for inflation and may adopt a smoothing mechanism to adjust the maximum loan values within each band based on levels of affordability.

(5) The Agency shall determine the term and interest rate of a loan. The Agency may adopt one or more mechanisms to provide an enhanced subsidy to incentivize projects, including:

(A) a lower interest rate;

(B) an interest-only option with deferred principal repayment; and

(C) partial loan forgiveness.

(6) The Agency shall adopt a Program plan that allows for an enhanced subsidy for a project that meets one or more of the following criteria:

(A) The project receives five percent or more of the total funding from an employer or employer-capitalized loan or grant.

(B) The project receives five percent or more of the total funding from a municipal or regional housing fund, local fiscal recovery fund, or other form of community investment.

(C) The project utilizes tax-exempt bond funding or federal low-income housing tax credits for at least 20 percent of the project's total units.

(D) The project is small in scale and provides infill development within a historic settlement pattern.

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

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

(i) seven years; or

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

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

(c) Program design.

(1) When designing and implementing the Program, the Agency shall consult stakeholders and experts in the field.

(2) The Program shall include:

(A) a streamlined and appropriately scaled application process;

(B) an outreach and education plan, including specific tactics to reach and support eligible applicants, especially those from underserved regions or sectors; and

(C) an equitable system for distributing investment statewide on the basis of need according to a system of priorities that includes consideration of:

(i) geographic distribution;

(ii) community size;

(iii) community economic need; and

(iv) whether an application has already received an investment or is from an applicant in a community that has already received Program funding.

(3) The Agency shall use its best efforts to ensure that:

(A) investments are targeted to the geographic communities or regions with the most pressing economic and employment needs; and

(B) the allocation of investments provides equitable access to the benefits to all eligible geographical areas.

(d) Revolving funds. The Agency shall retain payments of principal, interest, and any fees in a revolving loan fund, the amounts of which it shall use to issue future loans through the Program.

(e) Annual report. The Agency shall include information on the status of the Program as part of the annual report required by section 639 of this title.

* * *

Third: By adding two new sections to be Secs. 7a and 7b to read as follows:

Sec. 7a. 24 V.S.A. § 1896(c) is amended to read:

(c) Notwithstanding any charter provision or other provision, all property taxes assessed within a district shall be subject to the provision of subsection (a) of this section. Special assessments levied under chapters 76A or 87 of this title or under a municipal charter shall not be considered property taxes for the purpose of this section if the proceeds are used exclusively for operating expenses related to properties within the district, and not for improvements within the district, as defined in subdivision 1891(4) of this title, or if the special assessments secure a special assessment bond issued pursuant to section 3257 of this title.

Sec. 7b. 24 V.S.A. § 1910b(f) is amended to read:

(f) Notwithstanding any charter provision or other provision, all property taxes assessed within a housing development site shall be subject to the provisions of this section. Special assessments levied under chapter 76A or 87 of this title or under a municipal charter shall not be considered property taxes

for the purpose of this section if the proceeds are used exclusively for operating expenses related to properties within the housing development site and not for improvements within the housing development site or if the special assessments secure a special assessment bond issued pursuant to section 3257 of this title.

Rep. Dickinson of St. Albans Town, for the Committee on Appropriations, recommended that the bill pass in concurrence with proposal of amendment as recommended by the Committee on General and Housing, when amended as recommended by the Committee on Ways and Means, and when further amended as follows:

First: In Sec. 2, 3 V.S.A. § 3098, by adding in a new subsection to be subsection (g) to read as follows:

(g) Members of the Advisory Council who are not otherwise compensated for their time shall be entitled to per diem compensation as permitted under 32 V.S.A. § 1010 for meetings of the Advisory Council. Payments to members of the Advisory Council authorized under this subsection shall be made from monies appropriated to the Department of Disabilities, Aging, and Independent Living's base budget.

Second: By striking out Sec. 13 in its entirety and inserting in lieu thereof a new Sec. 13 to read as follows:

Sec. 13. [Deleted.]

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

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

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

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

S. 197

On motion of **Rep. McCoy of Poultney**, the rules were suspended and Senate bill, entitled

An act relating to payment reform for primary care

Pending entry the Notice Calendar, was taken up for immediate consideration.

Rep. Goldman of Rockingham, for the Committee on Health Care, to which had been referred Senate bill, reported in favor of its passage in concurrence with proposal of amendment by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. LEGISLATIVE INTENT; PURPOSES

(a) It is the intent of the General Assembly to invest in primary care and to establish a program of universal primary care that:

(1) is accessible to and affordable for all Vermonters; and

(2) will promote the public good by:

(A) improving the patient experience of care;

(B) improving population health;

(C) reducing costs; and

(D) improving the well-being of clinicians and staff.

(b) The purposes of this bill are to:

(1) obtain the information necessary to develop a framework for implementation of universal primary care;

(2) optimize the Blueprint for Health;

(3) determine whether the Blueprint is an appropriate mechanism through which to provide universal primary care; and

(4) explore other approaches to universal primary care and whether they may be more suitable than the Blueprint in meeting Vermont's needs.

Sec. 2. 18 V.S.A. chapter 13, subchapter 1 is amended to read:

Subchapter 1. Blueprint for Health

§ 701. DEFINITIONS

As used in this chapter:

(1) "Blueprint for Health" or "Blueprint" means the State's program for integrating a system of health care for patients, improving the health of the overall population, and improving control over health care costs by promoting health maintenance, prevention, and care coordination and management.

* * *

(8) "Health insurance plan" ~~has the same meaning as~~ means a major medical insurance plan as defined in 8 V.S.A. § 4011.

(9) "Health insurer" ~~shall have the same meaning as in section 9402 of this title~~ means any person that offers, issues, renews, or administers a health insurance plan or other health benefit plan in this State and includes, to the extent permitted under federal law, third-party administrators that administer a health benefit plan offering coverage in this State or that provide administrative services only for a health benefit plan offering coverage in this State.

* * *

§ 706. HEALTH INSURER PARTICIPATION; PAYMENTS TO PRACTICES

(a) As set forth in 8 V.S.A. § 4025, health insurance plans shall be consistent with the Blueprint for Health as determined by the Commissioner of Financial Regulation.

(b)(1) Health insurers shall participate in the Blueprint for Health as a condition of doing business in this State as provided for in this section and in 8 V.S.A. § 4025.

(2) In order to facilitate development of the sustainable payment models necessary for the Blueprint's success, health insurers shall submit to the Agency of Human Services at least quarterly, or more frequently upon the Agency's request, all information that the Director of the Blueprint deems necessary to perform a comprehensive fiscal analysis of the total cost of care within Vermont and to implement one or more payment models that address health care capacity, volume, quality, and clinical outcomes.

(c)(1) The Blueprint payment reform methodologies shall include per-person per-month payments to ~~medical home~~ participating practices, including medical homes and primary care providers, by each health insurer and Medicaid for their attributed patients and for contributions to the shared costs of operating Blueprint initiatives, including the community health teams. Per-person per-month payments to practices shall be:

(A) based on the official National Committee for Quality Assurance's ~~Physician Practice Connections~~-Patient Centered Medical Home (NCQA ~~PPC~~-PCMH) score or another quality standard identified by the Director of the Blueprint in consultation with the Blueprint Payment Implementation Workgroup, to the extent practicable ~~and shall be~~;

(B) provided in addition to ~~their normal~~ a practice's typical fee-for-service or other payments; and

(C) from health insurers, in amounts at least equal to Medicaid payments beginning in 2027.

(2) Consistent with recommendations of the Blueprint Executive Committee, the Director of the Blueprint may recommend to the ~~Commissioner of Vermont Health Access~~ Secretary of Human Services changes to the payment amounts or to the payment reform methodologies described in subdivision (1) of this subsection, including by providing for enhanced payment to health care professional practices ~~that operate as a medical home~~, including medical homes and primary care ~~naturopathic physicians'~~ practices; payment toward the shared costs for community health teams; or other payment methodologies required by the Centers for Medicare and Medicaid Services (CMS) for participation by Medicaid or Medicare. In formulating recommendations, the Director shall strive to achieve or maintain parity across payers and payment methodologies and to adjust payment methodologies annually as needed to adequately support practices in maintaining NCQA PCMH status or meeting other requirements for participation in Blueprint programs.

(3) Health insurers shall modify payment methodologies and amounts to health care professionals and providers as required for the establishment of the model described in sections 703–705 of this title and this section, including any requirements specified by the Centers for Medicare and Medicaid Services (CMS) in approving federal participation in the model to ensure consistency of payment methods in the model.

(4) In the event that the Secretary of Human Services is denied permission from the Centers for Medicare and Medicaid Services (CMS) to include financial participation by Medicare, health insurers shall not be required to cover the costs associated with individuals covered by Medicare.

(d) ~~An~~ A health insurer may appeal a decision to require a particular payment methodology or payment amount to the ~~Commissioner of Vermont Health Access~~ Secretary of Human Services or designee, who shall provide a hearing in accordance with 3 V.S.A. chapter 25. ~~An~~ A health insurer aggrieved by the decision of the ~~Commissioner~~ Secretary or designee may appeal to the Superior Court for the Washington District within 30 days after the ~~Commissioner issues his or her~~ Secretary or designee issues a decision.

* * *

Sec. 3. BLUEPRINT PAYMENTS TO PRACTICES; PRIMARY CARE; REPORT

(a) On or before January 15, 2027, the Director of the Blueprint for Health, in consultation with the Blueprint Executive Committee and the Vermont Steering Committee for Comprehensive Primary Health Care, shall report to the House Committee on Health Care and the Senate Committee on Health and Welfare regarding changes to the payment amounts or payment methodologies, or both, that would be necessary to transition the Blueprint's per-person per-month payments to primary care practices to include payment for the routine primary care needs of attributed patients who are covered by participating health plans. The report shall:

(1) establish definitions of "primary care services" and "primary care provider" and define which services should be considered routine primary care;

(2) address any differences in methodology for different practice types;

(3) make recommendations regarding risk-adjustment and attribution methodologies;

(4) describe the ways in which the methodology will balance capacity, volume, quality, and outcomes;

(5) include mechanisms for ensuring that health plans make accurate and appropriate payments to primary care practices in a timely manner;

(6) make recommendations regarding participation or quality measurement requirements, or both;

(7) provide an analysis of including cost-sharing amounts for individuals covered by participating health plans in the methodology, including the extent to which such inclusion would be permissible for a high-deductible health plan without losing its eligibility to be paired with a health savings account;

(8) provide an analysis of ways to incorporate a primary care spending allocation target into the methodology;

(9) provide an operational plan, a description of any additional legislation needed in order to implement the methodology, and a proposed timeline for implementation;

(10) provide a description of the ways in which the Blueprint can optimize the delivery of the services within each of its current initiatives, the costs associated with enhancing each initiative to its highest level, and the amount of additional per-person per-month spending that would be needed to support the enhanced delivery of these services across all Blueprint initiatives**;** and

(11) recommend a process for moving to the health care claims tax established in 32 V.S.A. chapter 243 as the mechanism to fund the Blueprint as identified in the report submitted to the General Assembly in accordance with 2023 Acts and Resolves No. 51, Sec. 5, including providing a potential timeline for implementation.

(b) The Director of the Blueprint or designee shall be available upon request from July through December 2026 to provide updates to the Health Reform Oversight Committee on the development of the report required by subsection (a) of this section.

Sec. 4. PRIMARY CARE SPENDING; AGENCY OF HUMAN SERVICES; REPORT

On or before January 15, 2027, the Agency of Human Services, in consultation with the Green Mountain Care Board, shall report to the House Committee on Health Care and the Senate Committee on Health and Welfare the baseline per-person per-month spending on primary care services for Vermont residents overall and by each health insurer, third-party administrator administering a health plan or providing administrative services only for a health plan, Medicaid, and Medicare. The Agency shall use the definitions of primary care providers and services established pursuant to Sec. 3(a) of this act.

Sec. 5. PRIMARY CARE SPENDING TARGETS; REPORT

The Agency of Human Services shall establish a target for the amount of per-person per-month spending on Vermont residents that should be for primary care services and shall develop a transitional schedule that increases the target over time. On or before January 1, 2028, the Agency of Human Services shall provide the spending targets and transitional schedule, as well any recommendations for adjustments to the targets that are needed to reflect payer-specific differences, such as age and health status, to the House Committee on Health Care and the Senate Committee on Health and Welfare.

Sec. 6. DISTRIBUTION OF DUTIES FOR HEALTH CARE REGULATION AND HEALTH CARE REFORM; REPORT

(a) The Agency of Human Services, Green Mountain Care Board, and Department of Financial Regulation, in collaboration with the Office of the Health Care Advocate, shall evaluate the roles their respective organizations play in health care regulation and health care reform in this State, including with respect to hospital transformation efforts, health insurance rate review, management of the Office of Health Care Reform, operation of the Blueprint for Health, and administration of other programs and initiatives. The Agency, Board, and Department shall identify where each health care regulation and health care reform function should be most appropriately located in order to optimize collaboration, information sharing, and efficient operations in furtherance of attaining the principles for health care reform set forth in 2011 Acts and Resolves No. 48 and as codified at 18 V.S.A. § 9371; improving access to high-quality, affordable health care services; accomplishing health care transformation; and safeguarding hospital sustainability and insurer solvency.

(b) On or before January 15, 2027, the Agency, Board, and Department shall each provide specific recommendations on the distribution of responsibilities resulting from their efforts pursuant to subsection (a) of this section, including areas of agreement and disagreement, gaps and overlaps identified, and any legislative changes needed to achieve their preferred organizational structures, to the House Committee on Health Care and the Senate Committees on Health and Welfare and on Finance. The Agency, Board, and Department shall also be available upon request from July through December 2026 to provide updates to the Health Reform Oversight Committee on their efforts and the development of the report required by subsection (a) of this section.

Sec. 7. TRANSITIONING CARE TO COMMUNITY SETTINGS; REPORT

On or before January 15, 2027, the Agency of Human Services, in consultation with the Vermont Steering Committee for Comprehensive Primary Health Care, the Blueprint for Health, the Vermont Association of Hospitals and Health Systems, the Vermont Medical Society, Bi-State Primary Care Association, and other interested stakeholders, shall report to the House Committee on Health Care and the Senate Committee on Health and Welfare with recommendations for ways to accelerate the appropriate transition of patients from hospital care to care delivered in a community setting, including ways to reduce the extent to which primary care services are delivered to patients in an inpatient hospital setting following surgery or other acute care, when care delivered by a primary care provider in the community would be as or more effective and less costly. The recommendations shall include opportunities to use community health teams through the Blueprint for Health to coordinate patients' care transitions. The Agency shall incorporate the recommendations into the Statewide Health Care Delivery Strategic Plan as appropriate.

Sec. 8. REGIONAL UNIVERSAL PRIMARY CARE PROGRAM; REPORT

The Office of the State Treasurer, in consultation with the Agency of Human Services, shall collaborate with other northeastern states to explore the potential to establish a regional universal primary care program that would be available to all residents of the member states. On or before January 15, 2027, the State Treasurer shall report to the House Committee on Health Care and the Senate Committee on Health and Welfare regarding the Office's outreach efforts, interest from other northeastern states, any legal or regulatory obstacles identified, and recommendations for next steps.

Sec. 9. 8 V.S.A. § 4092(i) is amended to read:

(i)(1) On a periodic basis but not less than once per calendar year, each health insurer shall notify all individuals covered under its health insurance plans of any changes in pharmaceutical coverage and provide access to the preferred drug list maintained by the health insurer or its pharmacy benefit manager.

(2) Not less than 60 days prior to removing a prescription drug from its formulary or from the formulary maintained by a pharmacy benefit manager on its behalf, a health insurer shall notify all individuals covered under its health insurance plans who filled a prescription for that prescription drug within the previous 12-month period that coverage for the drug will be discontinued and of the date on which the coverage will end.

Sec. 10. 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 reform for primary care"

Rep. Holcombe of Norwich, for the Committee on Ways and Means, recommended that the bill pass in concurrence with the proposal of amendment recommended by the Committee on Health Care.

Rep. Yacovone of Morristown, for the Committee on Appropriations, recommended that the bill pass in concurrence with the proposal of amendment recommended by the Committee on Health Care.

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

Pending the question, Shall the House propose to the Senate to amend the bill as recommended by the Committee on Health Care?, **Reps. Kornheiser of Brattleboro and Kimbell of Woodstock** moved to amend the report of the Committee on Health Care as follows:

First: In Sec. 3, Blueprint payments to practices; primary care; report, in subsection (a), by adding "and" after the semicolon in subdivision (9), by substituting a period for "; and" at the end of subdivision (10), and by striking out subdivision (11) in its entirety

Second: By adding a new section to be Sec. 3a to read as follows:

Sec. 3a. FUNDING FOR BLUEPRINT FOR HEALTH; HEALTH CARE CLAIMS TAX; REPORT

On or before January 15, 2027, the Agency of Human Services, in consultation with the Department of Taxes, shall recommend to the House Committees on Health Care and on Ways and Means and the Senate Committees on Health and Welfare and on Finance a process by which funding for the Blueprint for Health may be transitioned from the mechanisms established in 18 V.S.A. chapter 13, subchapter 1 to the health care claims tax established in 32 V.S.A. chapter 243, as identified in the report that the Director of the Blueprint submitted to the General Assembly in accordance with 2023 Acts and Resolves No. 51, Sec. 5. The Agency's recommendations shall include any modifications to the tax rates established in 32 V.S.A. § 10402 that would be necessary to fully support the operation of the Blueprint, as amended by Sec. 2 of this act, and a potential timeline for implementation.

Which was agreed to. Thereupon the report of the Committee on Health Care, as amended, was agreed to and third reading ordered.

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

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

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

H. 578

On motion of **Rep. McCoy of Poultney**, the rules were suspended and House bill, entitled

An act relating to penalties and procedures for animal cruelty offenses

Appearing on the Notice Calendar, was taken up for immediate consideration.

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

Sec. 1. 13 V.S.A. § 351 is amended to read:

§ 351. DEFINITIONS

As used in this chapter:

* * *

(21) "Sexual conduct" means:

(A) any act between a person and animal that involves contact between the mouth, sex organ, or anus of a person and the mouth, sex organ, or anus of an animal; ~~or~~

(B) without a bona fide veterinary or animal husbandry purpose, the insertion, however slight, of any part of a person's body or of any instrument, apparatus, or other object into the vaginal or anal opening of an animal;

(C) without a bona fide veterinary or animal husbandry purpose, a person touching or fondling a sex organ or anus of an animal, either directly or through clothing; or

(D) without a bona fide veterinary or animal husbandry purpose, any intentional transfer or transmission of semen by a person upon any part of an animal.

* * *

(25) "Working with" means working or volunteering in any capacity, including as an independent contractor, that requires the person to be in contact with an animal, including at a commercial boarding or training establishment, shelter, animal control facility, pet shop, grooming facility, commercial breeding service, veterinary hospital or clinic, animal welfare society, or any nonprofit organization incorporated for the purpose of providing for or promoting the welfare, protection, and humane treatment of animals.

Sec. 2. 13 V.S.A. § 352 is amended to read:

§ 352. CRUELTY TO ANIMALS

A person commits the crime of cruelty to animals if the person:

(1) Intentionally kills or attempts to kill any animal belonging to another person without first obtaining legal authority or consent of the owner.

(2) Overworks, overloads, tortures, torments, abandons, administers poison to, cruelly harms or mutilates an animal, or exposes a poison with intent that it be taken by an animal.

(3) Ties, tethers, or restrains an animal, either a pet or livestock, in a manner that is inhumane or is detrimental to its welfare. Livestock and poultry husbandry practices are exempted.

(4) Deprives an animal that a person owns, possesses, or acts as an agent for of adequate food, water, shelter, rest, sanitation, or necessary medical attention or transports an animal in overcrowded vehicles.

(5)(A) Owns, possesses, keeps, or trains an animal engaged in an exhibition of fighting; possesses, keeps, or trains any animal with intent that it be engaged in an exhibition of fighting; or permits any such act to be done on premises under ~~his or her~~ the person's charge or control.

(B) Owns, possesses, ships, transports, delivers, or keeps a device, equipment, or implement for the purpose of training or conditioning an animal for participation in animal fighting or enhancing an animal's fighting capability.

(6) Acts as judge or spectator at events of animal fighting or bets or wagers on the outcome of such fight.

(7) As poundkeeper, officer, or agent of a humane society or as an owner or employee of an establishment for treatment, board, or care of an animal, knowingly receives, sells, transfers, or otherwise conveys an animal in ~~his or her~~ the person's care for the purpose of research or vivisection.

(8) Intentionally torments or harasses an animal owned or engaged by a police department or public agency of the State or its political subdivisions or interferes with the lawful performance of a police animal.

(9) Knowingly sells, offers for sale, barters, or displays living baby chicks, ducklings, or other fowl that have been dyed, colored, or otherwise treated so as to impart to them an artificial color or fails to provide poultry with proper brooder facilities.

(10) Uses a live animal as bait or lure in a race, game, or contest or in training animals in a manner inconsistent with 10 V.S.A. Part 4 or the rules adopted thereunder.

(11)(A) Engages in sexual conduct with an animal.

(B) Possesses, sells, transfers, purchases, or otherwise obtains an animal with the intent that it be used for sexual conduct.

(C) Organizes, promotes, conducts, aids, abets, or participates in as an observer an act involving any sexual conduct with an animal.

(D) Causes, aids, or abets another person to engage in sexual conduct with an animal.

(E) Permits sexual conduct with an animal to be conducted on premises under ~~his or her~~ the person's charge or control.

(F) Advertises, offers, or accepts the offer of an animal with the intent that it be subject to sexual conduct in this State.

(G) Knowingly possesses, films, or distributes obscene visual images of sexual conduct with an animal.

(12) Possesses, owns, cares for, resides with, has custody of, or works with an animal while the person is prohibited from possessing owning, caring for, having custody of, or working with an animal by a court order.

(13) Knowingly refuses to comply with a court order issued pursuant to subdivision 353(b)(1)(E) of this title to permit periodic unannounced visits by a humane officer or the Director of Animal Welfare.

Sec. 3. 13 V.S.A. § 352a is amended to read:

§ 352a. AGGRAVATED CRUELTY TO ANIMALS

A person commits the crime of aggravated cruelty to animals if the person:

(1) kills an animal by intentionally causing the animal undue pain or suffering;

(2) intentionally, maliciously, and without just cause tortures, mutilates, or cruelly beats an animal; ~~or~~

(3) intentionally injures or kills an animal that is in the performance of official duties while under the supervision of a law enforcement officer; or

(4)(A) engages in sexual conduct with an animal in the presence of a minor or in which a minor is a participant;

(B) possesses, sells, transfers, purchases, or otherwise obtains an animal with the intent that it be used for sexual conduct in the presence of a minor or in which a minor is a participant;

(C) organizes, promotes, conducts, aids, abets, or participates in an act involving any sexual conduct with an animal in the presence of a minor or in which a minor is a participant as an observer;

(D) causes, aids, or abets another person to engage in sexual conduct with an animal in the presence of a minor or in which the minor is a participant;

(E) permits sexual conduct with an animal in the presence of a minor or in which a minor is a participant that is conducted on premises under the person's charge or control;

(F) advertises, offers, or accepts the offer of an animal with the intent that it be subject to sexual conduct in this State in the presence of a minor or in which the minor participates; or

(G) knowingly possesses, films, or distributes obscene visual images of sexual conduct with an animal in the presence of a minor or in which the minor participates.

Sec. 4. 13 V.S.A. § 353 is amended to read:

§ 353. DEGREE OF OFFENSE; SENTENCING UPON CONVICTION

(a) Penalties.

(1) Except as provided in subdivision (3), (4), or (5) of this subsection, cruelty to animals under section 352 of this title shall be punishable by a sentence of imprisonment of not more than one year or a fine of not more than $2,000.00, or both. Second and subsequent convictions shall be punishable by a sentence of imprisonment of not more than two years or a fine of not more than $5,000.00, or both.

(2) Aggravated cruelty under section 352a of this title shall be punishable by a sentence of imprisonment of not more than five years or a fine of not more than $5,000.00, or both. Second and subsequent offenses shall be

punishable by a sentence of imprisonment of not more than ~~ten~~ 10 years or a fine of not more than $7,500.00, or both.

(3) An offense committed under subdivision 352(5) or (6) of this title shall be punishable by a sentence of imprisonment of not more than five years or a fine of not more than $5,000.00, or both.

(4)(A) Except as provided in subdivision (B) of this subdivision (4), a person found in violation of subdivision 352(3), (4), or (9) of this title pursuant to this subdivision (A) shall be imprisoned not more than one year or fined not more than $2,000.00, or both. Second and subsequent convictions shall be punishable by a sentence of imprisonment of not more than two years or a fine of not more than $5,000.00, or both.

(B) In lieu of a criminal citation or arrest, a law enforcement officer may issue a civil citation to a person who violates subdivision 352(3), (4), or (9) of this title if the person has not been previously adjudicated in violation of this chapter. A person adjudicated in violation of subdivision 352(3), (4), or (9) of this title pursuant to this subdivision (B) shall be assessed a civil penalty of not more than $500.00. At any time prior to the person admitting the violation and paying the assessed penalty, the State's Attorney may withdraw the complaint filed with the Judicial Bureau and file an information charging a violation of subdivision 352(3), (4), or (9) of this title in the Criminal Division of the Superior Court.

(C) Nothing in this subdivision (4) shall be construed to require that a civil citation be issued prior to a criminal charge of violating subdivision 352(3), (4), or (9) of this title.

(5) A person who violates subdivision 352(1) of this title by intentionally killing or attempting to kill an animal belonging to another or subdivision 352(2) of this title by torturing, administering poison to, or cruelly harming or mutilating an animal shall be imprisoned not more than two years or fined not more than $5,000.00, or both.

(b)(1) In addition to any other sentence the court may impose, the court may require a defendant convicted of a violation under section 352 or 352a of this title to:

~~(1)~~(A) ~~Forfeit~~ For a first violation, forfeit any rights to the animal subjected to cruelty, and to any other animal~~, except livestock or poultry~~ owned, possessed, residing or domiciled with, or in the custody of the defendant. Livestock or poultry shall not be subject to forfeiture under this subdivision (A) unless the person was convicted of abusing livestock or poultry.

~~(2)~~(B) Repay the reasonable costs incurred by any person, municipality, or agency for providing care for the animal prior to judgment. ~~If the court does not order a defendant to pay all the applicable costs incurred or orders only partial payment, it shall state on the record the reasons for that action.~~

~~(3)~~(C)(i) ~~Forfeit~~ For a first violation of section 352 of this title, forfeit any future right to own, possess, ~~or~~ care for, reside with, have custody of, or work with any animal for a period ~~that the court deems appropriate~~ of up to five years.

(ii) For a first violation of section 352a of this title, forfeit any future right to own, possess, care for, reside with, have custody of, or work with any animal for a period of up to 10 years.

(iii) A person shall not be required to forfeit any future right to own, possess, care for, have custody of, or work with livestock or poultry under this subdivision (C) unless the person was convicted of abusing livestock or poultry.

~~(4)~~(D)(i)(I) ~~Participate in~~ complete an available animal cruelty prevention ~~programs~~ program that is approved by the Director of Animal Welfare;

(II) ~~or educational programs, or both, or~~ complete an animal abuse education accountability program, if any are approved by the Director of Animal Welfare; and

(III) ~~obtain~~ undergo a psychiatric or psychological ~~counseling,~~ evaluation, and, if the screening indicates that therapy is needed, obtain psychiatric, psychological, or mental health treatment with a licensed clinician, remotely or within a reasonable distance from the defendant's residence. ~~If a juvenile is adjudicated delinquent under section 352 or 352a of this title, the court may order the juvenile to undergo a psychiatric or psychological evaluation and to participate in treatment that the court determines to be appropriate after due consideration of the evaluation. The court may impose the costs of such programs or counseling upon the defendant when appropriate.~~

(ii) The court may impose the costs of programs or counseling ordered pursuant to this subdivision (D) upon the defendant when appropriate.

~~(5)~~(E) Permit periodic unannounced visits ~~for a period up to one year~~ by a humane officer or the Director of Animal Welfare to inspect the care and condition of any animal ~~permitted by the court to remain~~ in the care, custody, or possession of the defendant during the period, and for up to one year after expiration of the period, that the defendant is prohibited from owning, possessing, caring for, residing with, having custody of, or working with an animal by an order issued pursuant to subdivision (C) of this subdivision (b)(1)

or subdivision (2) of this subsection (b). Such period may be ~~extended~~ modified by the court upon motion made by the State.

(2) In addition to any other sentence the court may impose, the court shall require a defendant convicted of a violation under section 352 or 352a of this title to:

(A) For a second or subsequent violation, forfeit any rights to the animal subjected to cruelty, and to any other animal possessed, residing or domiciled with, or in the custody of the defendant. Livestock or poultry shall not be subject to forfeiture under this subdivision (A) unless the person was convicted of abusing livestock or poultry.

(B)(i) For a second or subsequent violation of section 352 of this title, forfeit any future right to own, possess, care for, reside with, have custody of, or work with any animal for a period of not less than five years.

(ii) For a second or subsequent violation of section 352a of this title, forfeit any future right to own, possess, care for, reside with, have custody of, or work with any animal for a period of not less than 10 years.

(iii) A person shall not be required to forfeit any future right to own, possess, care for, have custody of, or work with livestock or poultry under this subdivision (B) unless the person was convicted of abusing livestock or poultry.

(c) Upon an order of forfeiture of an animal under this section or section 354 of this title, the court shall order custody of the animal remanded to a humane society or other individual deemed appropriate by the court, for further disposition in accordance with accepted practices for humane treatment of animals. A transfer of rights under this section constitutes a transfer of ownership and shall not constitute or authorize any limitation upon the right of the humane society, individual, or other entity, to whom rights are granted to dispose of the animal.

(d)(1) A person who is prohibited from owning, possessing, caring for, residing with, having custody of, or working with an animal by an order issued pursuant to subdivision (b)(1)(C) or (b)(2) of this section may petition the court for an order that the person be relieved from the prohibition imposed by that section. When the petition is filed, the petitioner shall provide notice and a copy of the petition to the office that prosecuted the case, who shall be the respondent in the matter. The petition shall be filed in the Criminal Division of the unit where the offense or the adjudication occurred.

(2) The court may grant a petition filed under this section without hearing if neither the State's Attorney nor the Attorney General files an objection within 30 days after receiving notice of the petition or if the petitioner and the respondent stipulate to the granting of the petition.

(3) In determining a petition filed under this section, unless the petition is granted pursuant to subdivision (2) of this subsection, the court may consider any relevant factors, including:

(A) whether the person committed any subsequent animal cruelty offenses or other criminal offenses;

(B) whether the person successfully completed any required conditions of probation;

(C) whether the person completed animal cruelty prevention programs or educational programs, and whether the programs were approved by the Director of Animal Welfare; and

(D) whether the person obtained psychiatric, psychological, or mental health counseling from a licensed clinician.

(4) The court shall grant a petition filed under this section if it finds that the petitioner has demonstrated by a preponderance of the evidence that the interests of justice are no longer served by prohibiting the petitioner from owning, possessing, caring for, residing with, having custody of, or working with an animal.

(5) If a petition filed under this section is granted, the court shall vacate the order prohibiting the person from owning, possessing, caring for, residing with, having custody of, or working with an animal.

(6) If the court denies the petition, the petitioner may appeal the denial to the Vermont Supreme Court. The appeal shall be on the record.

(7) If the court denies a petition filed under this section, no further petition shall be brought for at least two years, unless a shorter duration is authorized by the court.

Sec. 5. 13 V.S.A. § 354 is amended to read:

§ 354. ENFORCEMENT; POSSESSION OF ABUSED ANIMAL; SEARCHES AND SEIZURES; FORFEITURE

(a) The Secretary of Agriculture, Food and Markets shall, if practicable, be consulted prior to any enforcement action brought pursuant to this chapter that involves livestock and poultry. Law enforcement may consult with the Secretary in person or by electronic means, and the Secretary shall assist law enforcement in determining whether the practice or animal condition, or both,

represent acceptable livestock or poultry husbandry practices. Failure to conduct the consultation shall not be grounds for dismissal of the enforcement action or exclusion of evidence.

(b) Any humane officer as defined in section 351 of this title may enforce this chapter. As part of an enforcement action, a humane officer may seize an animal ~~being cruelly treated in violation of this chapter~~ pursuant to this subsection.

(1) Voluntary surrender. A humane officer may accept animals voluntarily surrendered by the owner anytime during the cruelty investigation. The humane officer shall have a surrendered animal examined and assessed within 72 hours, or as soon as reasonably practicable, by a veterinarian licensed to practice in the State of Vermont. Failure to have the animal examined and assessed within 72 hours, or as soon as reasonably practicable, shall not be grounds for dismissal of the enforcement action or exclusion of evidence.

(2) Search and seizure using a search warrant. A humane officer having probable cause to believe an animal is being subjected to cruel treatment in violation of this subchapter may apply for a search warrant pursuant to the Vermont Rules of Criminal Procedure to authorize the officer to enter the premises where the animal is kept and seize the animal. The application and affidavit for the search warrant shall be reviewed and authorized by an attorney for the State when sought by an officer other than an enforcement officer defined in 23 V.S.A. § 4(11). A veterinarian licensed to practice in Vermont ~~must~~ shall, if practicable, accompany the humane officer during the execution of the search warrant. Failure to be accompanied by a veterinarian during the execution of the search warrant shall not be grounds for dismissal of the enforcement action or exclusion of evidence.

(3) Seizure without a search warrant. If the humane officer witnesses a situation in which the humane officer determines that an animal's life is in jeopardy and immediate action is required to protect the animal's health or safety, the officer may seize the animal without a warrant. The humane officer shall immediately take an animal seized under this subdivision to a licensed veterinarian for medical attention to stabilize the animal's condition and to assess the health of the animal.

(c) A humane officer shall provide suitable care at a reasonable cost for an animal seized under this section, and have a lien on the animal for all expenses incurred. A humane officer may arrange for the euthanasia of a severely injured, diseased, or suffering animal upon the recommendation of a licensed veterinarian. A humane officer may arrange for euthanasia of an animal seized under this section when the owner is unwilling or unable to provide necessary

medical attention required while the animal is in custodial care or when the animal cannot be safely confined under standard housing conditions. An animal not destroyed by euthanasia shall be kept in custodial care and provided with necessary medical care until final disposition of the criminal charges except as provided in subsections ~~(d) through (h)~~ (d)–(l) of this section. The custodial caretaker shall be responsible for maintaining the records applicable to all animals seized, including identification, residence, location, medical treatment, and disposition of the animals.

(d) ~~If an animal is seized under this section, the State may institute a civil proceeding for forfeiture of the animal in the territorial unit of the Criminal Division of the Superior Court where the offense is alleged to have occurred. The proceeding shall be instituted by a motion for forfeiture if a criminal charge has been filed or a petition for forfeiture if no criminal charge has been filed, which shall be filed with the court and served upon the animal's owner. The civil forfeiture proceeding is intended to run independently from any criminal prosecution and shall not be delayed pending disposition of any criminal proceeding.~~

~~(e)(1) A preliminary hearing shall be held within 21 days of institution of the civil forfeiture proceeding. If the defendant requests a hearing on the merits, the court shall schedule a final hearing on the merits to be held within 21 days of the date of the preliminary hearing. Time limits under this subsection shall not be construed as jurisdictional.~~

~~(2) If the defendant fails to respond to the notice for preliminary hearing, the court shall enter a default judgment ordering the immediate forfeiture of the animal in accordance with the provisions of subsection 353(c) of this title. A motion to reopen a default judgment shall be filed in writing with the court no later than 30 days after entry of a default judgment. A default judgment shall not be reopened unless good cause is shown.~~

~~(f)(1) At the hearing on the motion for forfeiture, the State shall have the burden of establishing by clear and convincing evidence that the animal was subjected to cruelty, neglect, or abandonment in violation of section 352 or 352a of this title. The court shall make findings of fact and conclusions of law and shall issue a final order. If the State meets its burden of proof, the court shall order the immediate forfeiture of the animal in accordance with the provisions of subsection 353(c) of this title.~~

(1) Unless a person claiming an ownership interest in the animal requests a forfeiture hearing pursuant to subdivision (3)(A) of this subsection and posts security pursuant to subdivision (3)(B) of this subsection or requests that the security be reduced or waived on the basis of financial hardship, title to an animal seized pursuant to subsection (b) of this section shall be forfeited

pursuant to subsection 353(c) of this title 14 days after seizure if the procedures of this subsection are followed.

(2) The humane officer who seizes an animal pursuant to this section shall give notice of this section at the time of the seizure by delivering a copy of it to a person who is present and claims an ownership interest in the animal. The officer shall also give notice of this section by conspicuously posting a copy of it at the time of the seizure in a prominent and accessible place at the location where the animal is seized. For any person who is known to claim an ownership interest in the animal and who is not present at the time of the seizure, the humane officer shall make reasonable efforts, within 96 hours following the seizure, to give notice of this section by personal service or by registered mail addressed to the last known address of the person. The notice shall include:

(A) a description of the animal seized; the authority and purpose for the seizure; the time, place, and circumstances under which the animal was seized; and the contact information for the authority with legal custody of the animal;

(B) a statement that any person claiming an ownership interest in the animal at the time of seizure may post security and request a forfeiture hearing concerning the seizure and that failure to do so within 14 days following the date of the seizure will result in forfeiture of title and disposition of the animal;

(C) a statement of the amount due as security and how to pay it;

(D) a statement that the security required by this section may be reduced or waived by the court on the basis of financial hardship to the defendant; and

(E) a form that may be used to request a forfeiture hearing under subdivision (3)(A) of this subsection (d) and a financial hardship exemption under subsection (j) of this section.

(3)(A) The court shall hold a forfeiture hearing if a request is made within 14 days after the seizure by a person claiming an ownership interest in the animal at the time of the seizure. If the defendant has requested that the security be reduced or waived on the basis of financial hardship, the court shall grant or deny the request at or before the hearing. The hearing shall be held within 30 days after the request, unless the 30-day period is extended by the court for good cause shown, in the territorial unit of the Criminal Division of the Superior Court where the offense is alleged to have occurred.

(B) A person who requests a forfeiture hearing pursuant to this subdivision (3) shall post security in an amount needed to cover food and necessary veterinary care for the animal for an initial 40-day period, with an additional amount equal to the estimated cost of care and keeping of the animal for a subsequent 30-day period due every 30 days thereafter until the owner relinquishes the animal or until the court issues an order of forfeiture. The initial security shall be posted within 14 days following the seizure unless the person requests that the security be reduced or waived by the court on the basis of financial hardship. The court shall collect and transfer the security to the Animal Welfare Fund established pursuant to 20 V.S.A. § 3203. The Director of Animal Welfare shall make payment, not to exceed the security received, to the custodial caretaker upon receipt of proof of expenditure of funds by the caretaker for food and necessary veterinary care for the animal.

(C) The State shall have the burden of establishing by a preponderance of the evidence that the animal was subjected to cruelty, neglect, or abandonment in violation of section 352 or 352a of this title. The court shall make findings of fact and conclusions of law and shall issue a final order promptly. The findings shall include the total amount of all costs incurred by the custodial caretaker and the amount the person claiming an interest in the animal is able to pay. If the State meets its burden of proof, the court shall order the immediate forfeiture of the animal, and any offspring of the animal that were born while the animal was in custody, in accordance with the provisions of subsection 353(c) of this title.

(D) Notwithstanding subdivision (B) of this subdivision (d)(3), the court may order the animal returned to the petitioner if the court finds by a preponderance of the evidence that the petitioner:

(i) is not the defendant in a cruelty case involving the animal;

(ii) did not participate in or expressly or impliedly consent to the alleged cruel treatment of the animal;

(iii) did not have any express or implied knowledge that the defendant was likely to treat the animal cruelly; and

(iv) will provide adequate care to the animal if it is returned, including any immediately necessary veterinary care or follow-up care needed in connection with the reason for seizure.

~~(2)~~(E) Affidavits of law enforcement officers, humane officers, animal control officers, veterinarians, or expert witnesses of either party shall be admissible evidence that may be rebutted by witnesses called by either party. The affidavits shall be delivered to the other party at least five business days prior to the hearing. Upon request of the other party or the court made at least

two business days prior to the hearing, the party offering an affidavit shall make the affiant available by telephone at the hearing. The court may allow any witness to testify ~~by telephone~~ remotely in lieu of a personal appearance and shall adopt rules with respect to such testimony.

~~(3)~~(F) No testimony or other information presented by the defendant in connection with a forfeiture proceeding under this section or any information directly or indirectly derived from such testimony or other information may be used for any purpose, including impeachment and cross-examination, against the defendant in any criminal case, except a prosecution for perjury or giving a false statement.

(G) The rules of evidence shall apply in the forfeiture hearing unless otherwise provided by this section.

(e) If an order of forfeiture is not entered after the hearing, the animal shall be returned to the person claiming an interest in the animal upon payment to the custodial caretaker of all actual costs of care and keeping during the period of impound, including veterinary care, less any security paid, provided that the payment of costs shall not be required if the court finds that there was no reasonable basis for the seizure. If payment of the costs required by this subsection is not made within 14 days after the final order, the custodial caretaker's costs, not to exceed the amount of remaining security posted pursuant to subdivision (d)(3)(B) of this section, shall be reimbursed from the Animal Welfare Fund established pursuant to 20 V.S.A. § 3203, and title to the animal shall be forfeited unless a financial hardship reduction or waiver request is pending or has been granted.

~~(g)(1)~~(f) If ~~the defendant is convicted of criminal charges under this chapter or if~~ an order of forfeiture is entered against an owner under this section, the security posted pursuant to this section shall be applied to the actual costs incurred by the custodial caretaker in caring and keeping the animal through the date of forfeiture, including food, boarding, and the cost of any veterinary services. Any excess shall be returned to the person who posted the security. The defendant or owner shall be required to repay all reasonable costs incurred by the custodial caretaker for caring for the animal, including veterinary expenses. The Restitution Unit within the Center for Crime Victim Services is authorized to collect the funds owed by the defendant or owner on behalf of the custodial caretaker or a governmental agency that has contracted or paid for custodial care in the same manner as restitution is collected pursuant to section 7043 of this title. The restitution order shall include the information required under subdivision 7043(e)(2)(A) of this title. ~~The court shall make findings with respect to the total amount of all costs incurred by the custodial caregiver.~~

~~(2)(A) If the defendant is acquitted of criminal charges under this chapter and a civil forfeiture proceeding under this section is not pending, an animal that has been taken into custodial care shall be returned to the defendant unless the State institutes a civil forfeiture proceeding under this section within seven business days of the acquittal.~~

~~(B) If the court rules in favor of the owner in a civil forfeiture proceeding under this section and criminal charges against the owner under this chapter are not pending, an animal that has been taken into custodial care shall be returned to the owner unless the State files criminal charges under this section within seven business days after the entry of final judgment.~~

~~(C) If an animal is returned to a defendant or owner under this subdivision, the defendant or owner shall not be responsible for the costs of caring for the animal.~~

~~(h)~~(g)(1) A forfeiture order issued under this section may be appealed as a matter of right to the Supreme Court if a notice of appeal is filed within seven days after the order is issued and the appellant posts security pursuant to subdivision (2) of this subsection. The order shall not be stayed pending appeal.

(2) The appellant shall post security in an amount needed to cover food and necessary veterinary care for the animal for an initial 40-day period from the date that the forfeiture order was issued, with an additional amount equal to the estimated cost of care and keeping of the animal for a subsequent 30-day period due every 30 days thereafter until the owner relinquishes the animal or until final disposition of the case. Failure to timely pay the full amount shall result in forfeiture to title to the animal unless a financial hardship reduction or waiver request is pending or has been granted. The court shall collect and transfer the security to the Animal Welfare Fund established pursuant to 20 V.S.A. § 3203. The Director of Animal Welfare shall make payment, not to exceed the security received, to the custodial caretaker upon receipt of proof of expenditure of funds by the caretaker for food and necessary veterinary care for the animal.

~~(i)~~(h) The provisions of this section are in addition to and not in lieu of the provisions of section 353 of this title.

~~(j)~~(i) It is unlawful for a person to interfere with a humane officer, the Director of Animal Welfare, or the Secretary of Agriculture, Food and Markets engaged in official duties under this chapter. A person who violates this subsection shall be prosecuted under section 3001 of this title.

(j) The security required by this section may be reduced or waived by the court on the basis of financial hardship to the defendant.

(k) A humane officer or animal shelter or rescue organization shall be immune from civil or criminal liability for seizing or providing care or treatment to an animal in good faith reliance on the provisions of this section. This subsection shall not apply to gross negligence or intentional misconduct by the humane officer or animal shelter or rescue organization.

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

Sec. 6. 20 V.S.A. § 3202 is amended to read:

§ 3202. ESTABLISHMENT OF DIVISION OF ANIMAL WELFARE; POWERS AND DUTIES

* * *

(e) The Division of Animal Welfare shall adopt rules pursuant to 3 V.S.A. chapter 25 to:

(1) provide for the receipt and management of security posted in animal forfeiture proceedings and transferred to the Fund by the court pursuant to 13 V.S.A. § 354(d)(3)(B) and 13 V.S.A. § 354(g)(2); and

(2) make distributions and reimbursements from the Fund for the purposes authorized by 13 V.S.A. § 354.

Sec. 7. 20 V.S.A. § 3203 is amended to read:

§ 3203. ANIMAL WELFARE FUND

(a) The Animal Welfare Fund is established within the Department of Public Safety to fund the expenses incurred by the Division of Animal Welfare in implementing the requirements of this chapter. The Director of Animal Welfare shall administer the Fund.

(b) The Fund shall consist of:

(1) 67 percent of the revenue collected from the surcharge assessed under subsection 3581(f) of this title; ~~and~~

(2) appropriations made by the General Assembly; and

(3) security posted in animal forfeiture proceedings and transferred to the Fund by the court pursuant to 13 V.S.A. § 354(d)(3)(B) and 13 V.S.A. § 354(g)(2).

(c) All balances in the Fund at the end of the fiscal year shall be carried forward. Interest earned by the Fund shall remain in the Fund.

(d) The Director of Animal Welfare shall have the authority to make distributions and reimbursements from the Fund for the purposes authorized by 13 V.S.A. § 354.

Sec. 8. TRANSITION; SECURITY AMOUNT

(a) On or before December 1, 2026, the Director of Animal Welfare shall report to the House Committees on Judiciary and on Ways and Means and the Senate Committees on Finance and on Judiciary on the proposed amount of the security and the proposed payment schedule, including proposed statutory language. Until legislation establishing the amount of the security and the payment schedule takes effect, the amount of security under 13 V.S.A. § 354(d) and (g) shall be required pursuant to this section.

(b) For all animals other than livestock, including domestic pets and poultry, security shall be required in the amount of:

(1) $1.00 per animal per day for food; and

(2) if the seizing officer determines that immediate veterinary care is required to protect the animal's health or safety, $250 per animal for veterinary services.

(c) For livestock, security shall be required in the amount of:

(1) $2.50 per animal per day for food; and

(2) if the seizing officer determines that immediate veterinary care is required to protect the animal's health or safety, $500 per animal for veterinary services.

Sec. 9. EFFECTIVE DATE

This act shall take effect on July 1, 2026.

Which proposal of amendment was considered and concurred in.

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

H. 727

On motion of **Rep. McCoy of Poultney**, the rules were suspended and House bill, entitled

An act relating to sustainable data center deployment

Appearing on the Notice Calendar, was taken up for immediate consideration.

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

Sec. 1. 30 V.S.A. chapter 5, subchapter 3 is added to read:

Subchapter 3. Data Centers

§ 281. SHORT TITLE

This subchapter shall be known and may be cited as the "Vermont Sustainable Data Centers Act."

§ 282. PURPOSE

The purpose of this subchapter is to establish a regulatory framework that ensures responsible growth of an emerging industry in a manner that financially benefits existing electric ratepayers and protects them from additional costs and promotes sustainable climate, environmental, community, and equity outcomes consistent with State policies.

§ 283. DEFINITIONS

As used in this subchapter:

(1) "Data center" means a facility that uses or is able to use 20 megawatts or more of power and is engaged in providing data processing, hosting, and related services as described under code 518210 of the 2022 North American Industry Classification System.

(2) "Electric company" means the retail electric company that provides or will provide electric service to a data center pursuant to a large load service equity contract under section 284 of this subchapter.

(3) "Facility" means all buildings, equipment, structures, and other stationary items that are owned or operated by the same person or by any person that controls, is controlled by, or is under common control with such person and that are located on:

(A) a single site or contiguous or adjacent sites; or

(B) multiple nonadjacent sites that function as a single integrated operation by virtue of shared infrastructure or unified operational protocols, under a central management system.

§ 284. LARGE LOAD SERVICE EQUITY CONTRACT; APPROVAL

(a) For the purpose of ensuring just and reasonable rates for all ratepayer classes and precluding the risk of financial exposure to electric companies and their existing ratepayers, a data center shall be served by an electric company pursuant to a large load service equity contract approved by the Public Utility Commission.

(b) The large load service equity contract shall:

(1) include a method for allocating costs that is equal or proportional to the costs of providing electric service to the data center, including providing for equitable contributions to the embedded costs and the stability, efficiency, reliability, and resiliency of the electricity network;

(2) ensure that other ratepayer classes are insulated from all costs associated with data center deployment, including expenses for new generation, transmission, and distribution infrastructure, as well as energy capacity and resource adequacy costs;

(3) specify the duration of the contract, which shall be for a minimum of 10 years, and the date or the estimated date that the electric company will begin to provide electric service to the data center;

(4) obligate the data center to pay a minimum amount or percentage based on the data center's projected electricity usage for the duration of the contract to ensure compliance with subdivision (1) of this subsection;

(5) include a reasonable charge for demand in excess of the data center's projected electricity demand at the time the contract is entered into;

(6) include a collateral requirement sufficient to prevent the risk of stranded costs;

(7) include provisions requiring implementation of demand-side management operational measures for the purpose of maintaining grid stability, efficiency, reliability, and resiliency, including demand response and flexible load management practices that, at a minimum, satisfy the requirements of section 285 of this subchapter;

(8) address load curtailment procedures and priorities during grid emergencies;

(9) include provisions for the collection of gross receipts taxes, energy efficiency charges, and any other fees or charges that may be applicable to electricity revenues; and

(10) meet any other terms or conditions required by the Commission that are consistent with the purpose of this section and in the public interest.

(c)(1) The Commission shall not approve a large load service equity contract unless the Commission first finds that it will promote the general good of the State and that its terms:

(A) will not adversely affect the stability, efficiency, reliability, and resiliency of the electric power system;

(B) will result in an economic benefit to the State and its residents;

(C) are consistent with the principles for resource selection expressed in the electric company's approved least-cost integrated plan;

(D) are consistent with the Electrical Energy Plan approved by the Department under section 202 of this title, or that there exists good cause to permit a variance;

(E) will ensure that the data center will be served economically by existing or planned transmission facilities without any undue adverse effect on Vermont utilities or other retail ratepayer classes; and

(F) are consistent with environmental justice and equity policy as established pursuant to 3 V.S.A. chapter 72.

(2) The Commission's findings pursuant to this subsection shall be in writing and shall include a stated rationale for each.

(d)(1) The Commission shall conduct a periodic review of a large load service equity contract approved under this section. The purpose of the review shall be to verify the data center's ongoing compliance with all established contract terms, conditions, and regulatory obligations.

(2) Reviews shall be performed at intervals not to exceed two years. However, the Commission may initiate a review at any time upon a finding of good cause or when deemed necessary to protect the public interest.

(e) A data center shall not be eligible to participate in an energy savings account or a customer credit program pursuant to subdivision 209(d)(3)(C) of this title or a self-managed energy efficiency program pursuant to subsection 209(j) of this title.

§ 285. DEMAND-SIDE MANAGEMENT

(a) Purpose. The purpose of this section is to minimize any adverse impact of data center operations on Vermont's electric system, other ratepayers, and the environment. It aims to minimize peak demand increases, reduce associated costs, and enhance the grid's stability, efficiency, reliability, and resiliency while minimizing climate pollution emissions and maximizing benefits to Vermonters.

(b) Site suitability analysis and project design.

(1) Site suitability analysis. Prior to submitting a permit application under 10 V.S.A. chapter 151, the owner or operator of a proposed data center shall conduct a site suitability analysis. This analysis shall be developed in consultation with the electric company and the efficiency utility appointed by the Public Utility Commission under subdivision 209(d)(2)(A) of this title.

The analysis shall provide a preliminary assessment of the facility's capacity to:

(A) comply with the required commercial building energy standards adopted under section 53 of this title;

(B) maximize the deployment of on-site renewable energy generation, battery storage, and demand response assets; and

(C) implement a waste heat recovery system capable of providing thermal energy to adjacent municipal or residential buildings.

(2) Project design. In the design and construction of the data center, the owner or operator shall ensure compliance with State energy efficiency requirements and best practices and maximize the potential of the site and any structures on the site to host renewable energy.

(c) Combustion-based backup generation.

(1) A data center shall use combustion-based backup generation only during emergency situations involving power failures and interruptions. Otherwise, the data center shall prioritize to the greatest extent practicable the use of battery storage and on-site renewable energy generation.

(2) As used in this subsection, "combustion-based backup generation" includes any electrical generation system that emits air contaminants as defined in 10 V.S.A. § 552 during combustion.

(d) Distributed renewable generation. Taking into consideration the site suitability analysis and project design requirements under subsection (b) of this section and any other relevant factors, a data center shall maximize the construction and operation of on-site renewable energy generation to the greatest extent technically feasible. A renewable energy plant that directly emits air contaminants as defined in 10 V.S.A. § 552(2) from fuel combustion does not qualify under this subsection, unless it is a thermal energy plant. A data center shall transfer any renewable energy certificates or environmental attributes generated from the operation of plants constructed pursuant to this subsection to the electric company.

(e) Energy transformation payment.

(1) Because of the unique and significant demands a data center has on Vermont's electric system, it shall contribute proportionally to State initiatives that reduce fossil fuel consumption and greenhouse gas emissions. Accordingly, a data center shall make an annual payment directly into a fund managed by the electric company. The payments shall be used to finance energy transformation projects as defined in subdivision 8002(28) of this title

and, to the extent practicable, such projects shall be deployed in the community hosting the data center and the surrounding communities.

(2) The amount of the payment shall be equal to 60 percent of the data center's electricity usage for the prior calendar year multiplied by the alternative compliance payment rate established in subdivision 8005(a)(6)(A)(ii) of this title. Payments shall be made in advance at the start of each calendar year based on projected electricity usage. Any difference between projected and actual usage shall be reconciled in the following year's payment.

(3) In the event funds generated by this subsection are used to support projects that are also supported by the electric company under subdivision 8005(a)(3) of this title, or by any other regulated entity, the Commission shall prorate the reduction in fossil fuel consumption and greenhouse gas emissions credited to the regulated entity.

(f) Virtual power plant.

(1) A data center shall participate in a virtual power plant managed by the electric company, if available and technically feasible, otherwise it shall design and implement a self-managed virtual power plant in coordination with the electric company to optimize energy generation and consumption. Data center funds used to develop or implement a virtual power plant under this subsection shall be in addition to any support or incentives provided under subsection (e) of this section or through any ratepayer-funded or State-funded program supporting the deployment or operation of assets participating in such virtual power plant.

(2) As used in this subsection, "virtual power plant" means a network of distributed energy resources, such as batteries, demand response assets, renewable energy generation, and controllable loads, that are coordinated through software to function like a traditional power plant.

§ 286. QUARTERLY AND ANNUAL REPORTS

(a) Data center quarterly reports. Within three months after a data center becomes operational, and in a form and manner determined by the Commission, the data center shall begin submitting quarterly reports to the Commission and the Department of Public Service. Each quarterly report shall include the data center's water and energy usage, including its peak usage per day, and an itemization of the data center's payments toward shared infrastructure constructed to support the data center. The reports are subject to public inspection and copying under the Public Records Act.

(b) Department annual report. Annually, beginning on or before January 15, 2028, and provided at least one data center has entered into a large load service equity contract pursuant to this subchapter, the Commissioner of Public Service shall include in the Department's annual report published pursuant to subsection 202b(e) of this title findings and recommendations related to the energy, environmental, and economic impacts of data center construction and operation in Vermont, as well as any significant developments within the region, such as significant laws or regulations with respect to data centers enacted or adopted in other states in the region, known data center construction in the region, and any known impact on ratepayers from such construction in that state or region.

§ 287. RULES

The Commission may adopt rules it deems necessary to implement and enforce the provisions of this subchapter consistent with its purpose and in the public interest.

Sec. 2. 10 V.S.A. § 6001 is amended to read:

§ 6001. DEFINITIONS

As used in this chapter:

* * *

(3)(A) "Development" means each of the following:

* * *

(xiv) The construction of improvements on a tract or tracts of land for a data center as defined in 30 V.S.A. § 283(1), including on land within a Tier 1A area, notwithstanding anything to the contrary in section 6034 of this title.

* * *

Sec. 3. 10 V.S.A. § 6086c is added to read:

§ 6086c. WATER USE; COOLING; PERMITTING; QUALITY

(a) As used in this section:

(1) "Closed-loop cooling system" means a sealed cooling process in which the same water or coolant circulates continuously within a data center's cooling system without withdrawal of water from municipal public water supplies, groundwater, or surface water and without discharge of wastewater to municipal wastewater systems, groundwater, or surface waters, except for de minimis discharges authorized under a discharge permit issued by the Agency of Natural Resources.

(2) "Data center" has the same meaning as in 30 V.S.A. § 283(1).

(3) "Per- and polyfluoroalkyl substances" or "PFAS" means any chemical substance or mixture containing a chemical substance that structurally contains at least one of the following three substructures:

(A) R-(CF2)-CF(R′)R″, where both the CF2 and CF moieties are saturated carbons;

(B) R-CF2OCF2-R′, where R and R′ can either be F, O, or saturated carbons; or

(C) CF3C(CF3)R′R″, where R′ and R″ can either be F or saturated carbons.

(b)(1) A data center shall identify to the District Commission reviewing the data center's application for a permit under this chapter how the data center will cool the facility.

(2) If water is used to cool a data center, the data center shall use a closed-loop cooling system or an alternative cooling system that is approved by a District Commission and that shall not use more water than a comparable closed-loop cooling system for the data center. Before approving an alternative cooling system, a District Commission shall find that the alternative cooling system will minimize groundwater use or surface water use and will not unreasonably burden a public water supply, surface water, or groundwater resource.

(3) If water is used to cool a data center through a closed-loop cooling system or through an alternative cooling system approved by a District Commission, a data center shall identify where the data center will obtain water to cool the facility and where the cooling water will be discharged.

(c) If a data center proposes to use groundwater to cool the data center, the data center shall obtain a groundwater withdrawal permit under section 1418 of this title for any withdrawal of groundwater by the data center notwithstanding the permitting threshold of withdrawal of more than 57,600 gallons of groundwater a day. A closed-loop cooling system is not exempt from the groundwater withdrawal permit under subdivision 1418(b)(6) of this title.

(d) If a data center proposes to use surface water to cool the facility, the data center shall obtain a surface water withdrawal permit pursuant to section 1043 of this title. The rules adopted by the Secretary to implement section 1043 of this title shall require a data center to cease withdrawals under drought conditions.

(e)(1) A data center shall obtain all applicable water quality and water resource protection permits from the Agency of Natural Resources, including stormwater, stream alteration, direct discharge, surface water withdrawal, groundwater withdrawal, wetland, and river corridor development permits.

(2)(A) If a data center proposes to use more than 150,000 gallons a day of surface water for cooling or other purposes, the Agency in reviewing the application for a surface water withdrawal permit required under section 1042 of this title shall assess the impacts on water quality, aquatic biota, State endangered and threatened species, instream flow habitat, impingement, streambank erosion, littoral habitat, and wetlands.

(B) The issuance of a surface water withdrawal permit by the Agency after completion of the assessments required under subdivision (2)(A) of this subsection (e) shall create a rebuttable presumption that the data center will not result in undue water pollution under the requirements of subdivision 6086(a)(1) of this title.

(C) The Agency may by rule reduce the amount of surface water proposed for withdrawal by a data center for which the Agency would be required to complete the assessment under subdivision (2)(A) of this subsection (e).

(f) A data center that discharges waste into a surface water of the State shall monitor the discharge for the maximum number of PFAS that are detectable under U.S. Environmental Protection Agency standard methods approved as of January 1, 2026. A data center shall not discharge waste that exceeds the criteria established under the Vermont Water Quality Standards. If no criteria have been established under the Vermont Water Quality Standards for PFAS and the data center is withdrawing surface water or groundwater for purposes of operating the data center's cooling system, the data center shall monitor the withdrawn water for PFAS at the point of withdrawal. When the data center discharges waste from the cooling system to surface water, PFAS in the discharged waste shall not exceed the level of PFAS detected in the surface water or groundwater withdrawn for purposes of operating the cooling system at the data center.

Sec. 3a. AGENCY OF NATURAL RESOURCES REPORT ON DISCHARGES OF PFAS FROM DATA CENTERS TO SURFACE WATERS OF THE STATE

On or before January 1, 2027, the Secretary of Natural Resources shall submit to the House Committee on Environment and the Senate Committee on Natural Resources and Energy a recommended standard for authorizing per-

and polyfluoroalkyl substances in the discharge of waste from the cooling systems of data centers to surface waters of the State.

Sec. 4. REPORT ON REGIONAL RENEWABLE ENERGY MARKET CONDITIONS; PUBLIC UTILITY COMMISSION

(a) On or before January 15, 2027, the Public Utility Commission shall prepare a written report on projected regional renewable electric generation market conditions. In developing the report, the Commission shall examine the cost and availability of new regional renewable electric generation resources during the years 2027–2035.

(b) In preparing the report, the Commission shall provide an opportunity for written input from interested stakeholders, including retail electricity providers, renewable energy developers, regional transmission organizations, consumer advocates, and any other members of the public. In addition, the Commission may consult with the Department of Public Service and other relevant state, regional, or federal entities, as the Commission deems appropriate. Preparation of the report is not subject to the contested case procedures established under 3 V.S.A. chapter 25.

(c) The Commission shall submit the report to the House Committees on Environment and on Energy and Digital Infrastructure and the Senate Committees on Finance and on Natural Resources and Energy.

Sec. 5. RECOMMENDATION ON DATA CENTER DECOMMISSIONING

(a) The Commissioner of Public Service, in consultation with the Secretary of Natural Resources, the Chair of the Land Use Review Board, and any other interested stakeholders deemed appropriate by the Commissioner, shall recommend a regulatory model for data center decommissioning. As used in this section, "data center" has the same meaning as in Sec. 1, 30 V.S.A. § 283(1), of this act.

(b) The recommended regulatory model developed pursuant to this section shall ensure responsible data center decommissioning in a manner that protects and preserves the environment and the public health and welfare. The model shall include standards and procedures that address:

(1) approval of a decommissioning plan by the appropriate regulatory entity, with a clear delineation of authority if more than one entity is involved in the approval process;

(2) regulatory oversight of the decommissioning process, including through site visits and inspections;

(3) a bond requirement or other financial assurance to ensure a data center is solely responsible for the costs associated with implementation of an approved decommissioning plan;

(4) guidelines for data sanitization, the physical destruction of highly sensitive storage devices, and a documented chain of custody for information technology assets, including compliance with the Storage Device Sanitization and Destruction Manual, Policy Manual 9-12, prepared by the National Security Agency and the Central Security Service of the U.S. Department of Defense;

(5) guidelines for environmental compliance, hazardous material handling, environmental remediation, and site restoration;

(6) a timeline for commencing and completing the decommissioning process after the abandonment, closure, destruction, or permanent cessation of operations of a data center; and

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

(c) On or before December 15, 2026, the Commissioner shall submit recommendations for a data center decommissioning regulatory model in the form of draft legislation to the House Committees on Energy and Digital Infrastructure and on Environment and the Senate Committees on Finance and on Natural Resources and Energy.

Sec. 6. EFFECTIVE DATE; APPLICATION

This act shall take effect on passage and shall apply to any data center not operational on the effective date of this act as well as to any data center that uses less than 20 MW of power that is operational on the effective date of this act to the extent such data center seeks to expand its capacity and meet the threshold requirements of Sec. 1, 30 V.S.A. § 283(1).

Which proposal of amendment was considered and concurred in.

Adjournment

At five o'clock and ten minutes in the afternoon, on motion of **Rep. McCoy of Poultney**, the House adjourned until tomorrow at ten o'clock in the forenoon.