

Journal of the House

Friday, May 22, 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.

Pending Entry on the Notice Calendar Bill Referred to the Committee on Ways and Means

H. 954

House bill, entitled

An act relating to approval of an amendment to the charter of the Town of Stowe

Pending entry on the Notice Calendar, and pursuant to House Rule 35(a), materially affecting the revenue of one or more municipalities, was referred to the Committee on Ways and Means.

Joint Senate Resolution Adopted in Concurrence

J.R.S. 54

By Senator Baruth,

J.R.S. 54. Joint resolution relating to weekend adjournment on May 22, 2026, or May 23, 2026.

Resolved by the Senate and House of Representatives:

That when the two Houses adjourn on Friday, May 22, 2026, or Saturday, May 23, 2026, it be to meet again no later than Tuesday, May 26, 2026.

Was taken up, read, and adopted in concurrence.

Remarks Journalized

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

“Madam Speaker:

I stand here today to recognize a solemn and grounding observance coming up on Monday, Memorial Day.

While barbecues and days off mark the unofficial start of summer, we are here today to remember that this holiday carries a profound weight. It is not a day for celebrating triumph, but a day of quiet reverence for the more than 1.1 million Americans who have paid the ultimate sacrifice in service to our nation.

These men and women did not give up their lives for politics, nor did they step forward seeking medals or accolades. They answered the call of duty to defend the fundamental ideals of liberty, equality, and justice upon which this Country was founded. They gave up all their tomorrows so that we might have our today.

When we look at the Gold Star families among us, we are reminded that their loss is a constant reality, not just an annual memory. We carry a collective debt to these families, and to the fallen, that we can never fully repay.

But we *can* honor their sacrifice. We honor them by working together in this Chamber to build the kind of State and Country they died for—a place of opportunity, compassion, and unwavering freedom. We honor them by ensuring that the youth of tomorrow understand the true cost of the peace and prosperity we enjoy.

As we observe this Memorial Day, let us commit to living lives that are worthy of their sacrifice. Let us hold their memories in our hearts and let us carry their profound dedication into the work we do every single day.”

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

H. 932

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

An act relating to the regulation of forestry under Act 250

Was taken up for immediate consideration.

The Senate proposed to the House to amend the bill in Sec. 1, 10 V.S.A. § 6001, in subdivision (3), by striking out subdivision (F) in its entirety and inserting in lieu thereof a new subdivision (F) to read as follows:

(F) When development is proposed to occur on a parcel or tract of land that is devoted to logging and forestry, only those portions of the parcel or the tract that support the development shall be subject to regulation under this chapter. Permits issued under this chapter shall not impose conditions on, apply to, or restrict or conflict with the *Acceptable Management Practices for Maintaining*

Water Quality on Logging Jobs in Vermont on other portions of the parcel or tract of land that do not support the development.

Which proposal of amendment was considered and concurred in.

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

S. 325

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

An act relating to regional planning and Act 250 Tier jurisdiction

Was taken up for immediate consideration.

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

TO THE SENATE AND HOUSE OF REPRESENTATIVES:

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

S.325. An act relating to regional planning and Act 250 Tier jurisdiction.

Respectfully reports that it has met and considered the same and recommends that the Senate accede to the House proposal of amendment with further amendment thereto as follows:

First: In Sec. 6, 10 V.S.A. § 6081, by striking out subsection (t) in its entirety and inserting in lieu thereof a new subsection (t) to read as follows:

(t)(1) No permit or permit amendment is required for the construction of improvements for an accessory on-farm business for the storage or sale of qualifying products or the other eligible enumerated products as defined in 24 V.S.A. § 4412(11)(A)(i)(I).

(2) No permit or permit amendment is required for the construction of improvements for an accessory on-farm business for the preparation or processing of qualifying products as defined in 24 V.S.A. § 4412(11)(A)(i)(I), provided that more than 50 percent of the total annual sales of the prepared or processed qualifying products come from products produced on the farm where the business is located. ~~This subsection shall not apply to~~

(3) ~~No permit or permit amendment is required for the construction of improvements related to hosting events or farm stays as part of~~ for an accessory on-farm business of educational, recreational, or social events that feature agricultural practices or qualifying products, or both, as defined in

24 V.S.A. § 4412(11)(A)(i)(II). Types of events may include concerts and farm stays with five or fewer dwelling units. To qualify for this exemption, the accessory on-farm business shall not:

(A) have noise exceed 70 dB at the property boundaries; and

(B) have events that continue past 10:00 p.m.

(4) For purposes of this subsection, “feature agricultural practices or qualifying products” means that a host farm’s agricultural practices or its qualifying products are a substantial component of any educational, recreational, or social event the accessory on-farm business hosts.

Second: In Sec. 9, public engagement plan, in subsection (a), by striking out subdivisions (1) and (2) in their entirety and inserting in lieu thereof new subdivisions (1) and (2) to read as follows:

(1) ensure the engagement planning process does not presuppose outcomes or take positions on policy and political issues;

(2) utilize nonpartisan facilitation for statewide, democratic public engagement;

Third: In Sec. 9, public engagement plan, in subsection (b), by striking out subdivisions (1) and (2) in their entirety and inserting in lieu thereof new subdivisions (1) and (2) to read as follows:

(1) the risks of losing working lands, both agricultural and forestland, and the causes of those risks, and critical natural resources not already well-protected by current land use policy, permitting programs, or other regulatory tools, including agricultural soils, rare natural communities, forest blocks, habitat connectors of statewide significance, and headwaters; and

(2) equitable, efficient, and effective regulatory or nonregulatory tools to protect these working lands and critical natural resources and the barriers to land stewardship.

Fourth: In Sec. 10, 2 V.S.A. chapter 32, in section 1031, by striking out subsection (b) in its entirety and inserting in lieu thereof a new subsection (b) to read as follows:

(b) Composition. The Committee shall be composed of six members: three members of the House of Representatives, who shall not all be from the same party, appointed by the Speaker of the House; and three members of the Senate, who shall not all be from the same party, appointed by the Committee on Committees.

Fifth: In Sec. 10, 2 V.S.A. chapter 32, in section 1031, in subsection (c), by striking out the last sentence in its entirety and inserting in lieu thereof a new sentence to read as follows:

A quorum shall consist of four members.

Sixth: In Sec. 10, 2 V.S.A. chapter 32, in section 1031, by striking out subsection (g) in its entirety and inserting in lieu of thereof a new subsection (g) to read as follows:

(g) Duties. The Committee shall meet with the Land Use Review Board to ensure strong communication and coordination regarding the interpretation and implementation of the statutes amended as part of 2024 Acts and Resolves No. 181, how the permitting process under 10 V.S.A. chapter 151 is working, and how the new Board structure is working. The Committee shall also meet with the Agency of Natural Resources to learn about Agency efforts to improve and better coordinate its permitting processes and to coordinate efforts for further improvements to the process for applicants and outcomes for Vermonters.

Seventh: In Sec. 14, 24 V.S.A. § 4303, in subdivision (43), by striking out subdivision (E) in its entirety and inserting in lieu thereof a new subdivision (E) to read as follows:

(E) serves to strengthen agricultural and forest industries, including homesteading, small-scale agriculture and forestry, and the housing that supports these activities, while minimizing conflicts of development with these industries;

Eighth: In Sec. 20, 24 V.S.A. § 5808, by striking out subdivision (1) in its entirety and inserting in lieu thereof a new subdivision (1) to read as follows:

(1) a summary of the Community Investment Program's activities during the preceding fiscal year, including which municipalities received a designation or new Step, or other actions taken by the Board that confer eligibility for or priority access to State funding, tax credits, and other Program benefits;

Ninth: In Sec. 21, municipal appeals and discretionary review of housing; report, in subsection (a), by striking out subdivision (5) in its entirety and inserting in lieu thereof a new subdivision (5) to read as follows:

(5) data on housing that has been built in the areas exempt from Act 250 jurisdiction under 10 V.S.A. § 6081(dd), including the number of units; the type of units, including the number of affordable units, market-rate units, second homes, units for short-term rental, units for long-term rental, single-

unit dwellings, and multiunit dwellings; the price; and where the units were constructed; and

Tenth: By striking out Sec. 23, effective date, in its entirety and inserting in lieu thereof a new Sec. 23 to read as follows:

Sec. 23. EFFECTIVE DATE

This act shall take effect on July 1, 2026, except that in Sec. 6 (10 V.S.A. § 6081), subsection (t) shall take effect on July 1, 2027.

SEN. ANNE E. WATSON

SEN. SETH BONGARTZ

SEN. TERRY K. WILLIAMS

Committee on the part of the Senate

REP. AMY D. SHELDON

REP. LARRY LABOR

REP. ELA CHAPIN

Committee on the part of the House

Which was considered and adopted on the part of the House.

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

Recess

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

Called to Order

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

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. 323

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

An act relating to miscellaneous agricultural subjects

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

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

* * * Milk Producers * * *

Sec. 1. 6 V.S.A. § 2752 is amended to read:

§ 2752. REFUSAL TO PURCHASE; HEARING; SECRETARY'S ORDER

(a) A handler doing business in this State who has a contract either verbal or written with a producer residing in this State for the purchase of the producer's dairy products shall not refuse to purchase them from the producer except for violations of the sanitary rules or standards applicable to the market in which the dairy product is sold or marketed, without being deemed guilty of unfair discrimination. In the event that the refusal is to be based upon reasons of oversupply or other reasonable grounds, the refusal shall not become operative until the purchaser has given the producer at least 90 days' notice of intention to refuse the producer's product on these grounds, which shall be particularly set forth in writing so that the producer may be fully appraised of the refusal.

(b) If the producer desires to question the existence or validity of such grounds of refusal, ~~he or she~~ the producer may do so within 90 days after receiving the notice or refusal by requesting the Secretary of Agriculture, Food and Markets for a hearing, and the Secretary is hereby given jurisdiction to hear and determine the question. The producer shall make complaints of such contemplated refusal in writing to the Secretary, setting forth the substance of the refusal notice and requesting to be heard thereon. The Secretary shall then notify both the producer and the purchaser in writing, sent to them by registered mail, of the time and place of hearing thereon. The time of the hearing shall not be less than 10 nor more than 30 days from the date of the notice. Hearing shall be informal. Both parties shall have an opportunity to produce evidence.

* * *

(d) If a request for a hearing is made by a ~~purchaser~~ producer, refusal of the purchaser shall not become operative until hearing and decision in the purchaser's favor by the Secretary.

* * *

* * * Farm-to-School Program Contracts * * *

Sec. 2. 6 V.S.A. § 4721 is amended to read:

§ 4721. LOCAL FOODS GRANT PROGRAM

(a) There is created in the Agency of Agriculture, Food and Markets the Rozo McLaughlin Farm-to-School Program to execute, administer, and ~~award~~ provide local grants or contracts for the purpose of helping Vermont schools develop farm-to-school programs that will sustain relationships with local farmers and producers, enrich the educational experience of students, improve the health of Vermont children, and enhance Vermont's agricultural economy.

(b) A school, a school district, a consortium of schools, a consortium of school districts, a registered or licensed child care provider, or an organization administering or assisting the development of farm-to-school programs may apply to the Secretary of Agriculture, Food and Markets for a grant ~~award~~ or contract to:

* * *

(c) The Secretaries of Agriculture, Food and Markets and of Education and the Commissioner of Health, in consultation with farmers, child nutrition staff, educators, organizations administering or assisting the development of farm-to-school programs, and farm-to-school technical service providers, jointly shall adopt procedures relating to the content of ~~the grant application applications or contract bids~~ and the criteria for making awards.

* * *

(e) No ~~award~~ individual grant or contract shall be greater than 20 percent of the total annual ~~amount~~ funds available ~~for granting~~ except that a grant ~~an~~ award to the following entities may, at the discretion of the Secretary of Agriculture, Food and Markets, exceed the cap:

(1) Farm-to-School service providers; or

(2) school districts or consortiums of school districts that completed merger under 2010 Acts and Resolves No. 153, 2012 Acts and Resolves No. 156, or 2015 Acts and Resolves No. 46 on or before July 1, 2019, provided that ~~the grant is~~ funds are used for the purpose of expanding Farm-to-School projects to additional schools within the new school district.

* * * Pest Control Compact Repeal and Pesticide Exam Requirements * * *

Sec. 3. REPEAL

6 V.S.A. chapter 83 (Pest Control Compact) is repealed on July 1, 2026.

Sec. 4. 6 V.S.A. § 1112 is amended to read:

§ 1112. LICENSING PESTICIDE APPLICATORS; PESTICIDE COMPANIES; DEALERS

(a) The Secretary may adopt rules requiring persons selling Class A and B pesticides to be licensed under this chapter. In addition, the Secretary may adopt rules requiring companies that hire applicators or conduct pesticide applications to be licensed and applicators who use pesticides to be certified under this chapter. The Secretary may establish reasonable requirements for obtaining licenses and certificates. The fees for dealers, licensed companies, and applicator certificates under this chapter shall be as follows:

- (1) Class A Dealer License—\$50.00;
- (2) Class B Dealer License—\$50.00;
- (3) Pesticide Company License—\$75.00;
- (4) ~~Commercial and Noncommercial, and Government~~ Applicator Certification fee—\$30.00 per category or subcategory with a maximum of \$120.00;
- (5) ~~second and third time examination~~ Examination fee for dealer licenses and applicator certification—\$25.00; ~~and~~
- (6) Private Applicator—\$25.00; ~~and~~
- (7) ~~State Government, Municipal, and Public Education Institution~~ Applicators—\$30.00.

* * *

(e) There shall be no limitation on the frequency for retaking examinations for private, commercial, noncommercial, or government applicator certifications or dealer licenses.

* * * Seed Law Changes * * *

Sec. 5. 6 V.S.A. § 641 is amended to read:

§ 641. DEFINITIONS

(a) As used in this chapter:

- (1) “Agricultural seed” includes grass, forage, cereal, oil, fiber, and other kinds of crop seeds commonly recognized as agricultural seeds, lawn seeds, and combinations of such seeds, and may include noxious weed seeds used as agricultural seed.

(2) “Secretary” means the Secretary of Agriculture, Food and Markets or ~~his or her~~ the Secretary’s designee.

(3) “Agency” means the Agency of Agriculture, Food and Markets.

(4) “Flower seed” includes seed of herbaceous plants grown for their blooms, ornamental foliage, or other ornamental parts and commonly known and sold under the name of flower or wildflower seed in this State.

* * *

Sec. 6. 6 V.S.A. § 644 is amended to read:

§ 644. LABEL REQUIREMENTS FOR AGRICULTURAL, FLOWER, AND VEGETABLE SEEDS

(a) Each container of agricultural, flower, and vegetable seeds that is sold in this State for sowing purposes shall be labeled.

(1) All labels shall include:

* * *

(5) All bins and other bulk displays of agricultural, flower, grass, and vegetable seeds, or mixtures of the described seeds, shall be labeled with the same information that is required to be on containers of agricultural, flower, or vegetable seeds as applicable.

* * *

Sec. 7. 6 V.S.A. § 647 is amended to read:

§ 647. ADMINISTRATIVE PENALTIES

(a) The Secretary may assess administrative penalties, not to exceed \$250.00 for each offense, in any case ~~he or she~~ the Secretary determines that a person has committed any of the following violations:

(1) sold seed ~~products~~ without paying the seed ~~inspection fees for~~ hundredweight tonnage or seed registration fee under section 648 of this title;

(2) sold seed ~~products~~ within the State of Vermont found deficient in guarantee analysis and labeling as defined by rule; or

(3) violated a stop sale order.

* * *

* * * Consolidate VACP within VEDA * * *

Sec. 8. TRANSFER OF VERMONT AGRICULTURAL CREDIT PROGRAM

10 V.S.A. chapter 16A (Vermont Agricultural Credit Program) is repealed for the purpose of redesignation as 10 V.S.A. chapter 12, subchapter 16.

Sec. 9. 10 V.S.A. chapter 12, subchapter 16 is added to read:

Subchapter 16. Vermont Agricultural Credit Program

§ 280hh. DEFINITIONS

As used in this subchapter:

(1) “Agricultural facility” means land and rights in land, buildings, structures, machinery, and equipment that is used for, or will be used for, producing, processing, preparing, packaging, storing, distributing, marketing, or transporting agricultural or forest products that have been at least partially produced in this State, and working capital reasonably required to operate an agricultural facility.

(2) “Agricultural land” means real estate capable of supporting commercial farming or forestry, or both.

(3) “Agricultural products” means crops, livestock, forest products, and other farm or forest commodities produced as a result of farming or forestry activities.

(4) “Authority” means the Vermont Economic Development Authority established under section 213 of this title.

(5) “Cash flow” means, on an annual basis, all income, receipts, and revenues of the applicant or borrower from all sources and all expenses of the applicant or borrower, including all debt service and other expenses.

(6) “Farm operation” means the cultivation of land or other uses of land for the production of food, fiber, horticultural crops, silvicultural products, orchard crops, maple syrup, Christmas trees, forest products, or forest crops; the raising, boarding, and training of equines, and the raising of livestock; or any combination of the foregoing activities. “Farm operation” also means the storage, preparation, retail sale, and transportation of agricultural or forest commodities accessory to the cultivation or use of such land. “Farm operation” also means the operation of an agritourism business on a farm subject to regulation under the Required Agricultural Practices. “Farm operation” also means a business that provides specialty services to farmers,

such as foresters, farriers, hoof trimmers, or large animal veterinarians operating or proposing to operate mobile units.

(7) “Farm ownership loan” means a loan to acquire or enlarge a farm or agricultural facility; to make capital improvements, including construction, purchase, and improvement of farm and agricultural facility buildings, farm worker housing, or farmer housing that can be made fixtures to the real estate; to promote soil and water conservation and protection or provide housing; and to refinance indebtedness incurred for farm ownership or operating loan purposes, or both.

(8) “Farmer” means an individual directly engaged in the management or operation of an agricultural facility or farm operation for whom the agricultural facility or farm operation constitutes two or more of the following:

(A) is or is expected to become a significant source of the farmer’s income;

(B) the majority of the farmer’s assets; and

(C) an occupation in which the farmer is actively engaged, either on a seasonal or year-round basis.

(9) “Forest products business” means an enterprise that is engaged in managing, harvesting, trucking, processing, manufacturing, crafting, or distributing forest products at least partially derived from Vermont forests.

(10) “Livestock” includes cattle, sheep, goats, equines, fallow deer, red deer, reindeer, American bison, swine, poultry, pheasant, chukar partridge, coturnix quail, ferrets, camelids and ratites, cultured trout propagated by commercial trout farms, and bees.

(11) “Loan” means an operating loan or farm ownership loan, including a financing lease, provided that such lease transfers the ownership of the leased property to each lessee following the payment of all required lease payments as specified in each lease agreement.

(12) “Operating loan” means a loan to purchase livestock, farm or forestry equipment, or fixtures to pay annual operating expenses of a farm operation or agricultural facility; to pay loan closing costs; and to refinance indebtedness incurred for farm ownership or operating loan purposes, or both.

(13) “Program” means the Vermont Agricultural Credit Program established by this subchapter.

(14) “Project” or “agricultural project” means the creation, establishment, acquisition, construction, expansion, improvement, strengthening, reclamation, operation, or renovation of an agricultural facility or farm operation.

§ 280ii. VERMONT AGRICULTURAL CREDIT PROGRAM

(a) The Vermont Agricultural Credit Program provides an alternative source of sound and constructive credit to farmers and forest products businesses who are not having their credit needs fully met by conventional agricultural credit sources at reasonable rates and terms; or, in the alternative, the granting of the loan shall serve as a substantial inducement for the establishment or expansion of an eligible agricultural or forestry project within the State. The Program is intended to meet, either in whole or in part, the credit needs of eligible agricultural facilities and farm and forest operations in fulfillment of one or more of the purposes listed in this subsection by making direct loans and participating in loans made by other agricultural credit providers:

(1) to encourage diversification, cooperative farming, and the development of innovative techniques for farming and forest products businesses;

(2) to increase energy efficiency and reduce energy consumption in agricultural facilities, including the construction of water pollution control facilities that implement best management practices for farm waste abatement pursuant to 6 V.S.A. chapter 215;

(3) to encourage innovative and diversified processing, marketing, and distribution of Vermont agricultural products;

(4) to assist beginning farmers to start new farms and new agricultural facilities to commence or strengthen their operations;

(5) to assist or financially strengthen existing farms; and

(6) to refinance loans incurred by eligible borrowers for any of the purposes enumerated in subdivisions (1)–(5) of this subsection.

(b) No borrower shall be approved for a loan from the Authority that would result in the aggregate principal balances outstanding of all loans to that borrower exceeding \$5,000,000.00.

§ 280jj. GENERAL POWERS

(a) The Authority shall have the powers necessary to carry out the purposes and provisions of this Program and subchapter, including those general powers conferred on the Authority in section 216 of this title.

(b) The Authority shall have the powers necessary to dissolve the Vermont Agricultural Credit Corporation in accordance with 11B V.S.A. chapter 14. Upon dissolution of the Vermont Agricultural Credit Corporation, title to all property owned by the Vermont Agricultural Credit Corporation shall vest in the Authority.

§ 280kk. LOAN ELIGIBILITY STANDARDS

A farmer, forest products business, or a limited liability company, partnership, corporation, or other business entity with a minimum 20 percent ownership of which is vested in one or more farmers, forest products businesses, or a nonprofit corporation, shall be eligible to apply for a farm ownership or operating loan that shall be intended to expand the agricultural economy or forest economy of the State, provided the applicant is:

(1) an owner, prospective purchaser, or lessee of agricultural land in the State or of depreciable machinery, equipment, or livestock to be used in the State;

(2) a person of sufficient education, training, or experience in the operation and management of an agricultural facility or farm operation or forest products business of the type for which the applicant requests the loan;

(3) an operator or proposed operator of an agricultural facility, farm operation, or forest products business for whom the loan reduces investment costs to an extent that offers the applicant a reasonable chance to succeed in the operation and management of an agricultural facility or farm operation;

(4) a creditworthy person under such standards as the Authority may establish;

(5) able to provide and maintain adequate security for the loan by a mortgage on real property or a security agreement and perfected financing statement on personal property;

(6) able to demonstrate that the applicant is responsible and able to manage responsibilities as owner or operator of the farm operation, agricultural facility, or forest products business;

(7) able to demonstrate that the applicant has made adequate provision for insurance protection of the mortgaged or secured property while the loan is outstanding;

(8) a person who possesses the legal capacity to incur loan obligations;

(9) in compliance with such other reasonable eligibility standards as the Authority may establish;

(10) able to demonstrate that the project plans comply with all regulations of the municipality where it is to be located and of the State of Vermont;

(11) able to demonstrate that the making of the loan will be of public use and benefit;

(12) able to demonstrate that the proposed loan will be adequately secured by a mortgage on real property or by a security agreement on personal property; and

(13) able to demonstrate that there will be sufficient projected cash flow to service a reasonable level of debt, including the loan or loans, being considered by the Authority.

Sec. 10. 10 V.S.A. § 211(c) is amended to read:

(c) Therefore, the general public advantage requires:

* * *

(7) low-cost capital to assist Vermont ~~family~~ farmers to farm as ~~provided in subdivision 272(3) of this title;~~

* * *

Sec. 11. 10 V.S.A. § 212 is amended to read:

§ 212. DEFINITIONS

As used in this chapter, with the exception of subchapter 16:

* * *

Sec. 12. 10 V.S.A. § 216 is amended to read:

§ 216. AUTHORITY; GENERAL POWERS

The Authority is hereby authorized:

* * *

(17) To contribute to the capital of the Vermont Agricultural Credit Corporation Program established pursuant to ~~chapter 16A~~ subchapter 16 of this title chapter in an amount the Authority determines is necessary and appropriate.

* * *

Sec. 13. 10 V.S.A. § 220a is amended to read:

§ 220a. THE VERMONT JOBS FUND

(a) There is hereby created the Vermont Jobs Fund, hereinafter called the Fund, which shall be used by the Authority as a nonlapsing fund for the purposes of this chapter. To it shall be charged all operating expenses of the Authority not otherwise provided for and all payments of interest and principal required to be made by the Authority under this subchapter. To it shall be credited any appropriations made by the General Assembly for the purposes of this chapter and all payments required to be made to the Authority under this chapter, it being the intent of this section that the Fund shall operate as a revolving fund whereby all appropriations and payments made thereto may be applied and reapplied for the purposes of this chapter. Monies in the Fund may be loaned at interest rates to be set by the Authority for the following:

* * *

~~(b) Monies in the Fund may be loaned to the Vermont Agricultural Credit Program to support its lending operations as established in chapter 16A of this title at interest rates and on terms and conditions to be set by the Authority to establish a line of credit in an amount not to exceed \$100,000,000.00 to be advanced to the Vermont Agricultural Credit Program to support its lending operations as established in chapter 16A of this title.~~

~~(e)~~(b) Monies in the Fund may be loaned to the Vermont Small Business Development Corporation to support its lending operations as established pursuant to subdivision 216(14) of this title at interest rates and on terms and conditions to be set by the Authority.

~~(d)~~(c) Monies in the Fund may be loaned to the Vermont 504 Corporation to support its lending operations as established pursuant to subdivision 216(13) of this title at interest rates and on terms and conditions to be set by the Authority.

~~(e)~~(d) The Authority may loan money from the Fund to the Vermont Sustainable Energy Loan Fund established under subchapter 13 of this chapter at interest rates and on terms and conditions set by the Authority.

Sec. 14. 10 V.S.A. § 280a is amended to read:

§ 280a. ELIGIBLE PROJECTS; AUTHORIZED FINANCING PROGRAMS

(a) The Authority may develop, modify, and implement any existing or new financing program, provided that any specific project that benefits from such program shall meet the criteria contained in the Vermont Sustainable Jobs Strategy outlined in section 280b of this title. These programs may include:

* * *

(12) loans to agricultural enterprises or endeavors administered by the Authority under ~~chapter 16A~~ subchapter 16 of this ~~title~~ chapter and any programs created thereunder.

* * *

* * * Hemp Oversight * * *

Sec. 15. TRANSITION OF HEMP PROCESSOR OVERSIGHT

6 V.S.A. chapter 34 (hemp) is repealed.

Sec. 16. 7 V.S.A. chapter 31, subchapter 3 is added to read:

Subchapter 3. Hemp

§ 851. FINDINGS; PURPOSE

(a) Findings. The General Assembly finds that the federal legal status of most hemp products will be contingent upon an amendment to 7 U.S.C. § 1639o, to take effect in November 2026, pursuant to the Continuing Appropriations, Agriculture, Legislative Branch, Military Construction and Veterans Affairs, and Extensions Act of 2026, Pub. L. No. 119-37. The legality of hemp and hemp products in interstate commerce is unsettled and continues to evolve.

(b) Purpose. The purpose of this subchapter is to unify oversight of cannabis and hemp-derived cannabinoids under the Cannabis Control Board to more effectively prohibit illicit cannabis and cannabis product trade while positioning growers and processors of nonintoxicating hemp products to take advantage of national market opportunities that may exist. The purpose of this subchapter is also to support small-business hemp producers and processors in taking advantage of opportunities for the cultivation and sale of hemp and hemp products.

§ 852. DEFINITIONS

As used in this subchapter:

(1)(A) “Grow” means:

(i) planting, cultivating, harvesting, or drying of hemp; and

(ii) selling, storing, and transporting of hemp grown by a grower.

(B) “Grow” also means to produce.

(2) “Grower” means a person who is registered with the Board and the U.S. Department of Agriculture to produce hemp. “Grower” also means producer.

(3) “Hemp” means the plant Cannabis sativa L. and any part of the plant, including the seeds and all derivatives, extracts, cannabinoids, acids, salts, isomers, and salts of isomers, whether growing or not, with the federally defined tetrahydrocannabinol concentration level of hemp. Hemp is considered an agricultural commodity.

(4)(A) “Hemp product” or “hemp-infused product” means any product with the federally defined tetrahydrocannabinol concentration level for hemp derived from, or made by, processing hemp plants or plant parts, that is prepared in a form available for commercial sale, including cosmetics, personal care products, food intended for animal or human consumption, cloth, cordage, fiber, fuel, paint, paper, construction materials, plastics, and any product containing one or more hemp-derived cannabinoids, such as cannabidiol.

(B) Notwithstanding subdivision (A) of this subdivision (4), “hemp product” and “hemp-infused product” do not include any substance, manufacturing intermediary, or product that:

(i) is prohibited or deemed a regulated cannabis product by administrative rule of the Board; or

(ii) is not lawful in interstate commerce.

(C) A hemp-derived product or substance that is excluded from the definition of “hemp product” or “hemp-infused product” pursuant to subdivision (B) of this subdivision (4) is considered a cannabis product as defined by subdivision 831(3) of this title; provided, however, that a person duly licensed or registered by the Board lawfully may possess such products in conformity with the person’s active hemp processor license.

(5) “Process” means the storing, drying, trimming, handling, compounding, or converting of hemp by a processor for a single grower or multiple growers into hemp products or hemp-infused products. “Process” includes:

(A) transporting, aggregating, or packaging hemp from a single grower or multiple growers; or

(B) manufacturing hemp products or hemp-infused products from hemp concentrate.

(6) “Processor” means a person who is licensed by the Board to process hemp. A retail establishment selling hemp products or hemp-infused products is not a processor.

§ 853. HEMP; AN AGRICULTURAL PRODUCT

(a) Hemp is an agricultural product that may be grown as a crop produced, possessed, marketed, and commercially traded in Vermont pursuant to the provisions of this chapter and administrative rules of the Cannabis Control Board.

(b) The cultivation of hemp shall be subject to and comply with the Required Agricultural Practices adopted under 6 V.S.A. § 4810, as amended.

§ 854. HEMP REGISTRATION AND LICENSURE

(a) Producers. All persons engaged in the production of hemp shall register with the Board as growers and shall provide their location, the nature of their activities, and evidence that those activities conform to the requirements of federal law and regulation. A person shall apply for registration or renewal of registration on a form provided by the Board. The application shall be accompanied by the fee required under section 858 of this subchapter.

(b) Processors. All persons engaged in the processing of hemp, including trade in hemp-derived cannabinoids and process intermediaries, shall be licensed by the Board. A person shall apply for a license or renewal of a license on a form provided by the Board. The application shall be accompanied by the fee required under section 858 of this subchapter.

(c) Products. All hemp-derived products containing or reasonably expected to contain more than 0.4 mg tetrahydrocannabinol shall be registered with the Board prior to sale to any person within this State. A person shall apply for registration or renewal of registration on a form provided by the Board. The application shall be accompanied by the fee required under section 858 of this subchapter.

(d) All applicants. The Board may deny an application for licensure, registration, or renewal if the applicant:

- (1) fails to establish that its activities comply with State and federal law;
- (2) refuses the Board or its lawful designees entry upon its premises to inspect and confirm compliance, including by sampling hemp and hemp products for potency testing;
- (3) fails to submit information requested by the Board; or
- (4) fails to submit the fee required under section 858 of this subchapter.

§ 855. RULEMAKING AUTHORITY

(a) The Board may adopt rules to provide for the implementation of this subchapter, which may include rules to:

(1) require hemp to be tested during growth for tetrahydrocannabinol levels;

(2) authorize or specify the method or methods of testing hemp, including, where appropriate, the ratio of cannabidiol to tetrahydrocannabinol levels or a taxonomic determination using genetic testing;

(3) require inspection and supervision of hemp during sowing, growing season, harvest, storage, processing, and distribution;

(4) require labels or label information for hemp products in order to provide consumers with transparent and accurate product content or source information, to be free of false or misleading claims and claims contrary to the Federal Food, Drug, and Cosmetic Act, 21 U.S.C. §§ 301–399i, or to conform with federal requirements;

(5) establish sanitary requirements for licensed processing facilities;

(6) establish registration requirements for hemp-derived products sold or distributed in the State, including requirements that each product be sampled and tested by a laboratory recognized by the Board;

(7) require disclosure or labeling of the amount of cannabinoids known to be present in hemp products sold or distributed in the State;

(8) require that licensees and registrants, including out-of-state purveyors of registered hemp products, obtain and maintain commercially reasonable insurance, which for producers of consumer products in final form shall include product liability insurance;

(9) prohibit hazardous additives to hemp products, or specify additive limits, relative to substances that are toxic, not generally recognized as safe, or designed to make the product more addictive or more appealing to persons under 21 years of age or to mislead consumers;

(10) specify when a registered hemp product that contains more than 0.4 mg tetrahydrocannabinol must be restricted for sale to persons 21 years of age or older or restricted for sale in specified settings, or both;

(11) define “craft processors” as a class of small businesses with different needs and risks and exempt craft processor licensees from the requirements of this subchapter that the Board finds to be unnecessary to protect the public health, safety, and welfare;

(12) waive or reduce licensing fees for craft processor applicants pursuant to rule or readily accessible policy;

(13) exempt certain product categories from the requirement to register under this chapter;

(14) establish requirements for the consumer sale of any product containing tetrahydrocannabinol or other cannabinoids; or

(15) prohibit any person from making false, misleading, or unsubstantiated claims for cannabinoid-containing products.

(b) The Board shall adopt rules to:

(1) establish requirements for the licensure of processors of hemp, hemp-derived process intermediaries, and hemp products; and

(2) regulate the use of processing facilities and equipment to permit processors to use the same equipment for hemp and cannabis processing and to prevent cross contamination between hemp and cannabis.

§ 856. TEST RESULTS; ENFORCEMENT

(a) When notified that hemp, a hemp product, or a hemp-infused product has a tetrahydrocannabinol concentration exceeding the applicable federally defined tetrahydrocannabinol concentration level of hemp, the person licensed or registered with the Board to grow or process the hemp shall arrange for disposal, remediation, or destruction of the hemp, hemp product, or hemp-infused product in a manner consistent with applicable State and federal law.

(b) To enforce the provisions of this subchapter, the Board, upon presenting appropriate credentials, may conduct one or more of the following:

(1) Enter upon any premises where hemp is grown or processed and inspect premises, machinery, equipment and facilities, all hemp during any growth phase, or any hemp product or hemp-infused product during processing or storage. Inspection under this section may include taking samples, inspecting records, and inspecting equipment or vehicles used to grow, process, or transport hemp, hemp products, or hemp-infused products.

(2) Inspect any retail location offering hemp products or hemp-infused products. Inspection under this section may include taking samples of such products.

(3) Issue and enforce a written or printed “stop sale” order to the owner or custodian of any hemp, hemp product, or hemp-infused product subject to the requirements of this subchapter or rules adopted under this subchapter that the Board finds is in violation of any of the provisions of this subchapter or rules adopted under this subchapter. An order may prohibit further sale,

processing, and movement of the hemp, hemp product, or hemp-infused product until the Board has approved and issued a release from the “stop sale” order.

(A) This order shall include the reason for issuance, a description of the hemp or hemp products at issue, instructions to separate all hemp or hemp products subject to the order, and any recommended measures to remedy the basis or bases for the order.

(B) A person issued a “stop sale” order may appeal that order to the Board within 15 days after receipt. The person shall file any appeal by serving a letter on the Board, which shall state all grounds for the appeal and identify the hemp or hemp products affected by the appeal.

§ 857. ADMINISTRATIVE PENALTIES

(a) The Board may assess violations and administrative penalties against persons licensed or registered pursuant to this subchapter, as well as persons required to be licensed or registered pursuant to this subchapter who fail to obtain or maintain required credentials.

(b) The compliance and enforcement authorities and procedures applicable to cannabis establishments shall apply to persons licensed or registered under this subchapter.

(c) The Board may enforce a final administrative penalty by filing a civil collection action in any Superior Court.

§ 858. FEES

(a) The following fees shall apply to each license or registration application or each annual license or registration renewal under this subchapter:

(1) Producer: \$50.00.

(2) Processor: \$500.00.

(3) Product: \$75.00.

(b) Notwithstanding subsection (a) of this section, the Board may issue longer registrations, prorated at the same cost per year, for products it deems low risk and shelf-stable. The products may be defined and distinguished in readily accessible published guidance.

Sec. 17. 18 V.S.A. § 4201(15) is amended to read:

(15)(A) “Cannabis” means all parts of the plant *Cannabis sativa* L., except as provided by subdivision (B) of this subdivision (15), whether growing or harvested, and includes:

(i) the seeds of the plant;

- (ii) the resin extracted from any part of the plant; and
 - (iii) any compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin.
- (B) “Cannabis” does not include:
- (i) the mature stalks of the plant and fiber produced from the stalks;
 - (ii) oil or cake made from the seeds of the plant;
 - (iii) any compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks, fiber, oil, or cake;
 - (iv) the sterilized seed of the plant that is incapable of germination; or
 - (v) hemp or hemp products, as defined in ~~6 V.S.A. § 562~~ 7 V.S.A. § 852.

Sec. 18. 32 V.S.A. § 7811(b) is amended to read:

(b) The tax established in this section shall not be imposed on:

- (1) cannabis-related supplies sold by a dispensary registered under 7 V.S.A. chapter 37 to registered patients and registered caregivers, as those terms are defined in 7 V.S.A. § 972;
- (2) cannabis products, as defined in 7 V.S.A. § 831, that do not contain tobacco; or
- (3) hemp or hemp products, as defined in ~~6 V.S.A. § 562~~ 7 V.S.A. § 852, that do not contain tobacco.

Sec. 19. 7 V.S.A. § 845 is amended to read:

§ 845. CANNABIS REGULATION FUND

(a) There is established the Cannabis Regulation Fund, which shall be managed in accordance with 32 V.S.A. chapter 7, subchapter 5. The Fund shall be maintained by the Cannabis Control Board.

(b) The Fund shall be composed of:

- (1) all State application fees, annual license fees, renewal fees, and civil penalties collected by the Board pursuant to ~~chapters~~ chapter 31, subchapter 3 (hemp); chapter 33 (cannabis establishments); and chapter 37 (medical cannabis dispensaries) of this title;

* * *

Sec. 20. 7 V.S.A. § 834 is added to read:

§ 834. SALES RESTRICTIONS

(a) As used in this section, “unregistered hemp” or “unregistered cannabis” means a product required by State law or rule of the Cannabis Control Board to be registered with the Cannabis Control Board, including a product derived from the unregistered hemp or unregistered cannabis, that is not registered on the date a transaction occurs.

(b) No person shall cause unregistered hemp or unregistered cannabis purchased by mail or through a computer network, telephonic network, or other electronic network to be shipped to anyone other than a licensed cannabis laboratory in this State.

(c) No person shall, with knowledge or reason to know of the violation, provide substantial assistance to a person in violation of this section.

(d) A violation of this section is punishable as follows:

(1) A knowing or intentional violation of this section shall be punishable by imprisonment for not more than five years or a fine of not more than \$5,000.00, or both.

(2) In addition to or in lieu of any other civil or criminal remedy provided by law, upon a determination that a person has violated this section, the Attorney General may impose a civil penalty in an amount not to exceed \$5,000.00 for each violation. For purposes of this subsection, each shipment or transport of unregistered hemp or unregistered cannabis shall constitute a separate violation.

(3) The Attorney General may seek an injunction to restrain a threatened or actual violation of this section.

(4) In any action brought pursuant to this section, the State shall be entitled to recover the costs of investigation, expert witness fees, the action, and reasonable attorney’s fees.

(5) A person who violates this section engages in an unfair and deceptive trade practice in violation of the State’s Consumer Protection Act, 9 V.S.A. §§ 2451 et seq.

(6) If a court determines that a person has violated the provisions of this section, the court shall order any profits, gain, gross receipts, or other benefit from the violation to be disgorged and paid to the State Treasurer for deposit in the General Fund.

(7) Unless otherwise expressly provided, the penalties or remedies, or both, under this section are in addition to any other penalties and remedies available under any other law of this State.

* * * Natural Resources Conservation Council Mortgages * * *

Sec. 21. 10 V.S.A. § 723 is amended to read:

§ 723. POWERS OF SUPERVISORS

The supervisors shall have the following powers:

* * *

(5) To obtain options upon and to acquire by purchase, exchange, lease, gift, grant, or bequest, any property, real or personal; to maintain, administer and improve any properties acquired; to receive income from the properties and to expend the income in carrying out the purposes and provisions of this chapter; and to borrow money, mortgage, sell, lease, or otherwise dispose of any of its property or interests in property in furtherance of the purposes and the provisions of this chapter, ~~provided however, that real estate shall not be mortgaged, and provided however, that the sale, lease, or other disposition of real property of the district is approved by the written consent of the governor;~~

* * *

* * * CAFO Permit Working Group * * *

Sec. 22. 10 V.S.A. § 1354 is added to read:

§ 1354. CONCENTRATED ANIMAL FEEDING OPERATION PERMIT

PROGRAM WORKING GROUP

(a) Creation. The Secretary of Natural Resources, in coordination with the Secretary of Agriculture, Food and Markets, shall convene a working group of interested parties to provide advice and recommendations on the implementation of and transition to the Concentrated Animal Feeding Operation (CAFO) permit required under section 1353 of this title.

(b) Membership. The working group shall be composed of the following:

(1) five livestock farmers who are in good standing, appointed by the Speaker of the House as follows:

(A) one representative of the Champlain Valley Farmer Coalition;

(B) one representative of the Franklin and Grand Isle Farmers Watershed Alliance;

(C) one representative of the Connecticut River Watershed Farmers Alliance;

(D) one representative of the Vermont Dairy Producers Alliance; and

(E) one representative of farmers from the Northeast Kingdom;

(2) three agricultural technical service providers, appointed by the Governor;

(3) three representatives from the environmental advocate community, appointed by the Committee on Committees; and

(4) the executive director or designee from the Vermont Association of Conservation Districts.

(c) Assistance. The Agency of Natural Resources and the Agency of Agriculture, Food and Markets shall participate in the working group on an advisory and administrative capacity but shall not have appointed members on the working group and shall not be required to submit reports to the General Assembly. The working group shall have the administrative, technical, and legal assistance of the Agency of Natural Resources.

(d) Meetings.

(1) The Secretary of Natural Resources shall call the first meeting of the working group to occur on or before November 1, 2026.

(2) The working group shall select co-chairs from among its members at the first meeting. One of the co-chairs shall represent livestock farmers, and one co-chair shall represent the environmental advocate community.

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

(4) The working group shall meet at least quarterly, or more frequently at the request of the co-chairs or at the request of the Secretary of Natural Resources.

(5) The working group's meetings shall be open to the public in accordance with 1 V.S.A. chapter 5, subchapter 2. Notwithstanding 1 V.S.A. § 313, the working group may go into executive session in order to discuss a circumstance or an event regarding a specific farm or regarding a possible CAFO permit violation by a specific farm.

(e) Report. The working group annually shall report to the House Committees on Agriculture, Food Resiliency, and Forestry and on Environment and the Senate Committees on Agriculture and on Natural Resources and Energy. The report may take the form of testimony to committees from members of the working group.

(f) Definition. As used in this section, “good standing” means a farmer subject to the requirement of this subchapter or to the requirements of 6 V.S.A. chapter 215 and who:

(1) does not have an active enforcement violation that has reached a final order with the Secretary of Natural Resources or the Secretary of Agriculture, Food and Markets; and

(2) is in compliance with the terms of any current grant agreement or contract with the Agency of Natural Resources or the Agency of Agriculture, Food and Markets.

Sec. 23. CONCENTRATED ANIMAL FEEDING OPERATION;

TRAINING ON INSPECTION

(a) On or before March 1, 2027, the Secretary of Natural Resources shall contract with a third-party consultant to:

(1) assist the Secretary in the development of standards and procedures to be used by the Agency of Natural Resources and the Agency of Agriculture, Food and Markets when inspecting Concentrated Animal Feeding Operations (CAFOs) as required by 10 V.S.A. chapter 47, subchapter 3A; and

(2) provide training to the Agency of Natural Resources and Agency of Agriculture, Food and Markets staff on implementation of inspection of CAFOs. Farmers who qualify for a CAFO permit may voluntarily attend training sessions.

(b) When the Secretary of Natural Resources and the Secretary of Agriculture, Food and Markets commence inspections of CAFOs under 10 V.S.A. chapter 47, subchapter 3A, the third-party consultant shall accompany the Agency of Natural Resources’ inspectors on 10 inspections to ensure compliance with the inspection standards developed under subsection (a) of this section.

Sec. 24. CONTINGENCY OF FUNDING

The duty to implement Sec. 23 of this act (Concentrated Animal Feeding Operation; training on inspection) is contingent upon an appropriation of funds in fiscal year 2027 from the General Fund to the Agency of Natural Resources for the specific purposes described in Sec. 23 of this act.

* * * Effective Dates * * *

Sec. 25. EFFECTIVE DATES

(a) Secs. 15–20 (hemp oversight) shall take effect on passage.

(b) All other sections 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 Agriculture, Food Resiliency, and Forestry be amended as follows:

First: In Sec. 19, 7 V.S.A. § 845, in subsection (b), in subdivision (1), by striking out “, subchapter 3 (hemp)” and inserting in lieu thereof “(cannabis)”

Second: By adding one new section to be Sec. 16a to read as follows:

Sec. 16a. HEMP FEES REPORTING

On or before January 15, 2027, the Cannabis Control Board shall submit to the House Committees on Agriculture, Food Resiliency, and Forestry, on Ways and Means, and on Government Operations and Military Affairs and the Senate Committees on Agriculture, on Finance, and on Economic Development, Housing and General Affairs a report that includes the following information:

(1) a summary of all hemp fees in effect in fiscal year 2027, including any waivers, reductions, or alterations to the hemp fee schedule as set forth in 7 V.S.A. § 858;

(2) a summary of the revenue derived from each fee in fiscal year 2026;

(3) a comparison of fees in other jurisdictions;

(4) an analysis of policies or trends that might affect the viability of the fee amount; and

(5) a recommendation regarding how the hemp fee schedule as set forth in 7 V.S.A. § 858 may be adjusted to better promote the intent of the General Assembly to better support small-business hemp producers and processors.

Third: By adding one new section to be Sec. 16b to read as follows:

Sec. 16b. REPEAL

7 V.S.A. § 855(a)(12) (waiving or reducing licensing fees for craft processors) is repealed on January 1, 2028.

Rep. Stevens of Waterbury, for the Committee on Appropriations, recommended that the bill pass in concurrence with proposal of amendment as recommended by the Committee on Agriculture, Food Resiliency, and Forestry, when amended as recommended by the Committee on Ways and Means, and when further amended as follows:

First: By adding a reader assistance heading and one new section to be Sec. 24a to read as follows:

* * * Farm and Forestry Operations Security Special Fund * * *

Sec. 24a. 6 V.S.A. § 4643(e) is amended to read:

(e) All administratively complete applications shall be evaluated by the Review Board. Within 15 days following receipt of an administratively complete application, the Review Board by majority vote shall recommend to the Secretary whether to issue a payment to the applicant. ~~If the Review Board recommends an award under this section, the~~ The Secretary shall ~~issue the award~~ make a final award determination within 15 days following the date of the Review Board's recommendation.

Second: By adding one reader assistance heading and two new sections to be Sec. 24b and 24c to read as follows:

* * * Permitting Large and Medium Farm Operations * * *

Sec. 24b. 6 V.S.A. § 4851(i) is amended to read:

(i) ~~A Beginning on July 1, 2026, a person required to obtain a permit under this section shall submit not be required to pay an annual operating fee of \$2,500.00 to the Secretary. During any calendar year in which a person has an active Large Concentrated Animal Feeding Operation permit issued by the Agency of Natural Resources pursuant to the federal Clean Water Act and pays the required associated fee, that person shall not be required to pay the \$2,500.00 annual operating fee described in this section. The fees collected under this section shall be deposited in the Agricultural Water Quality Special Fund under section 4803 of this title.~~

Sec. 24c. 6 V.S.A. § 4858(e) is amended to read:

(e) Operating fee. ~~A Beginning on July 1, 2026, a person required to obtain a permit or coverage under this section shall submit not be required to pay an annual operating fee of \$1,500.00 to the Secretary. The fees collected under this section shall be deposited in the Agricultural Water Quality Special Fund under section 4803 of this title.~~

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

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

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

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

H. 937

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

An act relating to miscellaneous judiciary procedures

Was taken up for immediate consideration.

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

First: In Sec. 2, 7 V.S.A. § 656, after the second ellipses, by inserting the following:

(d) Issuance of notice of suspension.

(1) On behalf of the Commissioner of Motor Vehicles, a law enforcement officer issuing a notice of violation in accordance with subsection (c) of this section for a violation of subdivision (b)(1)(E) of this section shall also serve a notice of suspension of the person's operator's license and privilege to operate a motor vehicle in a form prescribed by the Court Administrator. The form shall include the following:

(A) the effective date of the suspension;

(B) the suspension's duration;

(C) an explanation of the consequences of the suspension;

(D) the option to operate a motor vehicle with an ignition interlock restricted driver's license or certificate in accordance with 23 V.S.A. § 1213;

(E) the projected date of reinstatement upon successful completion of the suspension; and

(F) the ability to review the imposition of the suspension pursuant to Rule 75 of the Vermont Rules of Civil Procedure.

* * *

Second: By striking out Sec. 3, 7 V.S.A. § 1005, in its entirety and inserting in lieu thereof a new Sec. 3 to read as follows:

Sec. 3. [Deleted.]

Third: In Sec. 5, 12 V.S.A. § 506, in subdivision (b)(3)(C), by striking out "affirmation" and inserting in lieu thereof "affirmative"

Fourth: By adding nine new sections to be Secs. 40a–40i to read as follows:

Sec. 40a. 28 V.S.A. § 102 is amended to read:

§ 102. COMMISSIONER OF CORRECTIONS; APPOINTMENT;
POWERS; RESPONSIBILITIES

* * *

(c) The Commissioner is charged with the following responsibilities:

* * *

(24) To provide and sustain trauma-informed family support services and programming pursuant to section 128 of this title.

(25) To provide notification and other services to victims. Notwithstanding any other provision of law requiring the Department to provide notification or other services to victims, a victim may decline any notification or other service provided by the Department.

Sec. 40b. 13 V.S.A. § 2029 is amended to read:

§ 2029. HOME IMPROVEMENT AND LAND IMPROVEMENT FRAUD

* * *

(b) A person commits the offense of home improvement or land improvement fraud when the person knowingly enters into a contract ~~or~~, agreement, or change order, written or oral, for \$1,000.00 or more, with an owner for home improvement or land improvement, or into several contracts ~~or~~, agreements, or change orders for \$2,500.00 or more in the aggregate, with more than one owner for home improvement or land improvement, and the person knowingly:

~~(1)(A) fails to perform the contract or agreement, in whole or in part;~~
~~and~~

~~(B) when the owner requests performance, payment, or a refund of payment made, the person fails to either:~~

~~(i) refund the payment;~~

~~(ii) make and comply with a definite plan for completion of the work that is agreed to by the owner; or~~

~~(iii) make the payment promises performance that the person does not intend to perform or knows will not be performed, in whole or in part;~~

(2) misrepresents a material fact relating to the terms of the contract ~~or~~, agreement, or change order or to the condition of any portion of the property involved;

(3) uses or employs any unfair or deceptive act or practice in order to induce, encourage, or solicit such person to enter into any contract ~~or~~, agreement, or change order or to modify the terms of the original contract ~~or~~, agreement, or change order; or

(4) when there is a declared state of emergency, charges for goods or services related to the emergency a price that exceeds two times the average price for the goods or services and the increase is not attributable to the additional costs incurred in connection with providing those goods or services.

* * *

Sec. 40c. 12 V.S.A. § 5606 is amended to read:

§ 5606. INDEMNIFICATION OF EMPLOYEES

(a) In any action defended by the Attorney General or the Attorney General's designee in which a judgment is rendered against an employee of the State for acts or omissions within the scope of his or her employment, or a settlement requires payment by such a person, and the right of action is based upon 42 U.S.C. § 1983 or a similar State statute, or under a similar federal statute where State law is incapable of establishing employee immunity, the State shall indemnify the employee for the amount of the employee's liability.

(b) The maximum liability of the State under this section shall be \$500,000.00 to any one person and the maximum aggregate liability shall be \$2,000,000.00 to all persons arising out of each occurrence.

* * *

Sec. 40d. 2023 Acts and Resolves No. 47, Sec. 44 is amended to read:

Sec. 44. TENANT REPRESENTATION PILOT PROGRAM

(a) Creation; purpose. Vermont Legal Aid shall create and administer a two-year Tenant Representation Pilot Program:

(1) to provide full representation to eligible and consenting tenants in ~~Lamoille and Windsor counties~~ Vermont who have been served with a summons and complaint for eviction; and

(2) to determine the impact of representation on the issuance of writs of possession and homelessness prevention.

(b) Tenant eligibility. Vermont Legal Aid may enter a notice of appearance on behalf of a residential tenant in ~~Lamoille or Windsor County~~ who is served with a summons and complaint in an ejectment action, consents to the representation, and meets the following criteria:

(1) household income equals or is less than 120 percent of State area median income;

(2) the cost of rent equals or exceeds 30 percent of household income;
or

(3) household expenses exceed income.

(c) Scope of representation.

(1) Full representation through the Program is limited to eviction.

(2) The pursuit of counterclaims shall be at the discretion of appointed counsel.

(d) Conflicts of interest.

(1) Vermont Legal Aid may subcontract to Legal Services Vermont if it is unable to provide tenant representation due to a conflict of interest as defined by the Vermont Rules of Professional Conduct.

(2) If Legal Services Vermont also has a conflict of interest, Vermont Legal Aid may subcontract to one or more private counsels who are members in good standing of the Vermont Bar.

(e) Report. Vermont Legal Aid shall provide interim reports on the progress of the Program on or before ~~November 15, 2023~~ November 30, 2025, and ~~November 15, 2024~~ November 30, 2026, and a final report on or before ~~July 30, 2025~~ July 31, 2027, which shall describe:

(1) the number of tenants represented;

(2) case outcomes, including:

(A) the number of cases fully or partially resolved through access to the Rent Arrears Assistance Fund;

(B) the number of cases fully or partially resolved through the Vermont Landlord's Association mediation program; and

(C) the number of cases fully or partially resolved through access to another resource identified through the Rental Housing Stabilization Services Program; and

(3) recommendations for policy changes and for pilot expansion.

(f) Implementation. The duty to implement this section is contingent upon an appropriation in fiscal year ~~2024~~ 2025 from the General Fund to the Agency of Human Services for a subgrant to Vermont Legal Aid to provide representation in eligible eviction cases ~~in the two pilot counties of Lamoille and Windsor beginning on July 1, 2023~~ November 1, 2024.

Sec. 40e. 2024 Acts and Resolves No. 181, Sec. 95. is amended to read:

Sec. 95. APPROPRIATION; TENANT REPRESENTATION PILOT PROGRAM

The sum of \$1,025,000.00 is appropriated from the General Fund to the Agency of Human Services in fiscal year 2025 for a grant to Vermont Legal Aid for the Tenant Representation Pilot Program established by 2023 Acts and Resolves No. 47, Sec. 44. These funds shall carry forward each fiscal year until fully expended or reverted by an act of the General Assembly.

Sec. 40f. 9 V.S.A. § 4555 is amended to read:

§ 4555. INFORMATION; DISCLOSURE AND CONFIDENTIALITY

(a)(1) Except as provided in this subsection, the Human Rights Commission's complaint files and investigative files shall be confidential.

(2) The Commission shall make the investigative file available to the charging party, the respondent, their attorneys, and any State or federal law enforcement agency seeking to enforce ~~anti-discrimination~~ antidiscrimination statutes, upon reasonable request, except that the Commission may refuse to disclose:

(A) the identities of nonparty witnesses to the investigation if good cause is shown to protect the witness's confidentiality; or

(B) records or information the release of which may be prohibited under State or federal law absent court order.

(3) For any complaint initiated pursuant to subsection 4554(b) of this title, any resulting investigative report shall not be confidential after the Commission has issued a final determination and after the parties have been notified of the Commission's determination, except that the Commission shall not proactively disclose any report and shall not disclose:

(A) the identities of nonparty witnesses to the investigation if good cause is shown to protect the witness's confidentiality;

(B) information the release of which may be prohibited under State or federal law absent court order; and

(C) the identity of the parties and any information that would identify the parties if the Commission finds that there are no reasonable grounds to believe that discrimination occurred.

(4) A party or entity denied information or records under subdivision (2)(A) or (B) of this subsection may seek the information or records by subpoena. The Commission and any affected person may contest the subpoena in court.

~~(4)~~(5) Any records or information described in subdivision (2)(A) or (B) of this subsection made available to a party or entity pursuant to a confidentiality agreement or court order requiring confidentiality shall be kept confidential in accordance with the agreement or order, unless disclosure is otherwise authorized by law or court order.

(b) Nothing said or done as part of conciliation efforts under this chapter may be made a matter of public record or used as evidence in a subsequent civil action without written consent of the parties. Final settlement agreements shall be public documents and the parties shall be so informed.

(c) If the Commission determines that there are reasonable grounds to believe that discrimination has occurred, that determination and the names of the parties may be made public after the parties have been notified of the Commission's determination. If the Commission finds that there are no reasonable grounds to find discrimination, the identity of the parties and any information that would identify the parties shall remain confidential. The Commission shall inform the parties about the provisions of this subsection. In all cases, even if the records are confidential, the facts may be used for educational purposes if sufficiently altered so that no person involved in a case can be identified.

Sec. 40g. APPLICATION TO PENDING INVESTIGATIONS

Sec. 40f of this act shall apply to any pending investigations by the Human Rights Commission.

Sec. 40h. 15 V.S.A. § 1103 is amended to read:

§ 1103. REQUESTS FOR RELIEF

(a) Any family or household member may seek relief from abuse by another family or household member on behalf of themselves or their children by filing a complaint under this chapter. A minor 16 years of age or older, or a minor of any age who is in a dating relationship as defined in subdivision 1101(3) of this chapter, may file a complaint under this chapter seeking relief on the minor's own behalf. The plaintiff shall submit an affidavit in support of the order.

(b) Except as provided in section 1104 of this title, the court shall grant relief only after notice to the defendant and a hearing. The plaintiff shall have the burden of proving abuse by a preponderance of the evidence.

(c)(1) The court shall make such orders as it deems necessary to protect the plaintiff or the children, or both, if the court finds that the defendant has abused the plaintiff, and:

(A) there is a danger of further abuse; or

(B) the defendant is currently ~~incarcerated~~ under the supervision of the Department of Corrections and has been convicted of one of the following: murder, attempted murder, kidnapping, domestic assault, aggravated domestic assault, sexual assault, aggravated sexual assault, stalking, aggravated stalking, lewd or lascivious conduct with a child, use of a child in a sexual performance, or consenting to a sexual performance.

* * *

Sec. 40i. 13 V.S.A. § 7551 is amended to read:

§ 7551. IMPOSITION OF BAIL, SECURED APPEARANCE BONDS, AND APPEARANCE BONDS

* * *

(b) Limitation on imposition of bail, secured appearance bonds, and appearance bonds.

(1) Except as provided in subdivision (2) of this subsection, no bail, secured appearance bond, or appearance bond may be imposed:

(A) at the initial appearance of a person charged with a misdemeanor if the person was cited for the offense in accordance with Rule 3 of the Vermont Rules of Criminal Procedure; or

(B) at the initial appearance or upon the temporary release pursuant to Rule 5(b) of the Vermont Rules of Criminal Procedure of a person charged with a violation of a misdemeanor offense that is eligible for ~~expungement~~ sealing pursuant to subdivision 7601(4)(A) of this title.

(2) In the event the court finds that imposing bail is necessary to mitigate the risk of flight from prosecution for a person charged with a violation of a misdemeanor offense that is eligible for ~~expungement~~ sealing pursuant to subdivision 7601(4)(A) of this title, the court may impose bail in a maximum amount of \$200.00. The \$200.00 limit shall not apply to an offense allegedly committed by a defendant who has been released on personal recognizance or conditions of release pending trial for another offense.

* * *

Which proposal of amendment was considered and concurred in.

Recess

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

Message from the Senate No. 65

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

Madam Speaker:

I am directed to inform the House that:

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

S. 198. An act relating to the regulation of tobacco products and tobacco substitutes.

And has concurred therein.

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

S. 326. An act relating to miscellaneous amendments to laws relating to motor vehicles.

And has concurred therein with a proposal of amendment in the passage of which the concurrence of the House is requested.

The Senate has considered bills originating in the House of the following titles:

H. 902. An act relating to approval of amendments to the charter of the City of Barre.

H. 953. An act relating to approval of an amendment to the charter of the Town of Panton.

And has passed the same in concurrence.

The Senate has considered bills originating in the House of the following titles:

H. 527. An act relating to extending the sunset of 30 V.S.A. § 248a.

H. 686. An act relating to expanding identification of certain lobbying advertisements.

H. 757. An act relating to manufactured homes and limited equity cooperatives.

H. 817. An act relating to mental health literacy and peer-to-peer supports in schools.

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

The Senate has considered the reports of the Committees of Conference upon the disagreeing votes of the two Houses upon House bills of the following titles:

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

H. 660. An act relating to fiscal year 2027 Opioid Abatement Special Fund appropriations.

H. 816. An act relating to regulating the use of artificial intelligence in the provision of mental health services.

And has accepted and adopted the same on its part.

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. 740. An act relating to the greenhouse gas inventory and registry.

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

Senator Watson
Senator Bongartz
Senator Williams

The Senate has on its part adopted concurrent resolutions originating in the House of the following titles:

H.C.R. 306. House concurrent resolution honoring George Springston for his exemplary roles in environmental and natural resources management.

H.C.R. 307. House concurrent resolution honoring Representative Kevin "Coach" Christie of Hartford for his inspirational civic leadership and extending future best wishes.

Called to Order

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

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. 190

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

An act relating to the Green Mountain Care Board, reference-based pricing, and studying the creation of a Public Employee Health Benefit Authority

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

Rep. Black of Essex, for the Committee on Health Care, to which had been referred the 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:

* * * Reference-Based Pricing * * *

Sec. 1. 18 V.S.A. § 9376(e) is amended to read:

(e) Reference-based pricing.

(1)(A) The Board shall establish reference-based prices that represent the maximum amounts that hospitals shall accept as payment in full for items provided and services delivered in Vermont. The Board may also implement reference-based pricing for services delivered outside a hospital by setting the minimum amounts that shall be paid for items provided and services delivered by nonhospital-based health care professionals. The Board shall consult with health insurers, hospitals, other health care professionals as applicable, the Office of the Health Care Advocate, and the Agency of Human Services in developing reference-based prices pursuant to this subsection (e), including on ways to achieve all-payer alignment on the design and implementation of reference-based pricing.

(B) The Board shall utilize reference-based pricing to reduce hospital prices incrementally until they are equal to national median prices by hospital type by calendar year 2030. The Board shall use the highest quality, nonpartisan data demonstrating hospital prices as a percentage of Medicare to evaluate progress toward reducing hospital prices in Vermont to the national median.

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

* * *

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

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

(C)(i) For provider contracts entered into, amended, or renewed on or after January 1, 2028, each hospital and health insurer shall begin expressing as a percentage of Medicare or of another benchmark, if another benchmark is deemed appropriate by the Green Mountain Care Board, the rates for items and services identified pursuant to a collaborative process between the Board and representatives of Vermont hospitals.

(ii) When making public the charges for items and services pursuant to 45 C.F.R. Part 180, each hospital shall include in its machine-readable files pricing information shown as a percentage of Medicare rates, as well as in dollars and cents, disaggregated by payer and by plan.

(iii) For purposes of subdivisions (i) and (ii) of this subdivision (3)(C), a hospital may express rates as a percentage of Medicare based on the actual reimbursement amounts the hospital receives from Medicare for items provided and services delivered to Medicare beneficiaries until such time as the Green Mountain Care Board adopts a rule establishing the methodology for determining Medicare rates for use as a benchmark in establishing reference-based prices pursuant to this subsection (e).

(D)(i) Each hospital shall apply for, obtain, and use a unique National Provider Identifier (NPI) on all claims filed after October 1, 2027, for reimbursement or payment of items provided and services delivered at an off-campus department of the hospital that is distinct from the NPI used for

services delivered at the main hospital campus or at any other off-campus hospital department.

(ii) As used in this subdivision (D):

(I) “Campus” has the same meaning as in 42 C.F.R. § 413.65.

(II) “Off-campus” means a facility located more than 250 yards from the main hospital campus.

* * *

Sec. 2. 18 V.S.A. chapter 221, subchapter 7 is amended to read:

Subchapter 7. Hospital Budgets and Budget Review

§ 9451. DEFINITIONS

As used in this subchapter:

* * *

(4)(A) “Medicare adjusted base rate” means the standardized Medicare payment amount for a hospital inpatient, outpatient, or professional service as determined under the Medicare program, calculated prior to the application of any hospital-specific, patient-specific, or policy-based payment adjustments and reflecting only the core payment methodology used by the Centers for Medicare and Medicaid Services to establish baseline payment levels, which include adjustments for geographic factors such as wages.

(B) For items provided and services delivered at a critical access hospital, the Medicare adjusted base rate shall be determined under the applicable Medicare prospective payment system, using the Medicare payment methodology that would apply if the hospital were not designated as a critical access hospital.

* * *

§ 9459. LIMITATIONS ON HOSPITAL REIMBURSEMENTS FOR QUALIFIED HEALTH BENEFIT PLANS AND PLANS COVERING SCHOOL EMPLOYEES

(a) As used in this section:

(1) “Health benefit association” has the same meaning as in 24 V.S.A. § 4947.

(2) “Hospital” means a general hospital licensed under chapter 43 of this title that is not:

(A) a critical access hospital;

(B) classified as a Medicare-dependent hospital under 42 C.F.R. § 412.108; or

(C) participating in the Rural Community Hospital Demonstration program through the Centers for Medicare and Medicaid Services.

(3) “Qualified health benefit plan” has the same meaning as in 33 V.S.A. § 1802.

(4) “Registered carrier” has the same meaning as in 33 V.S.A. § 1811.

(5) “School employee” has the same meaning as in 16 V.S.A. § 2101.

(b)(1) In establishing fiscal year 2027 hospital budgets, the Board may direct an amount equal to 3.5 percent of the hospitals’ combined commercial net patient revenue based on approved fiscal year 2026 hospital budgets toward reducing commercial reimbursement rates for qualified health benefit plans and for health benefit plans offered to school employees by a health benefit association pursuant to 24 V.S.A. § 4947 based on a percentage of the Medicare adjusted base rate determined by the Board for each item provided and service delivered in Vermont to enrollees in these plans.

(2) In establishing fiscal year 2028 and 2029 hospital budgets, the Board may limit commercial reimbursement rates for qualified health benefit plans and for health benefit plans offered to school employees by a health benefit association pursuant to 24 V.S.A. § 4947 to not more than the following percentages of the Medicare adjusted base rate for each item provided and service delivered in Vermont to enrollees in these plans:

(A) for hospital fiscal year 2028, not more than 300 percent of the Medicare adjusted base rate; and

(B) for hospital fiscal year 2029, not more than 250 percent of the Medicare adjusted base rate.

(c)(1) A registered carrier or health benefit association shall not reimburse or agree to reimburse a hospital more than the percentage of the Medicare adjusted base rate specified by the Green Mountain Care Board pursuant to subsection (b) of this section, if any, for the applicable hospital fiscal year for any item provided or service delivered in Vermont to an enrollee in a qualified health benefit plan or a health benefit plan offered to school employees by a health benefit association.

(2) In the event that a registered carrier or health benefit association reimburses a hospital for an item or service on a capitated or other non-fee-for-service basis, the carrier or association shall ensure that its reimbursement method is adjusted to account for the reimbursement limit set forth in subdivision (1) of this subsection.

(d) A hospital or hospital provider that is reimbursed in accordance with subsections (b) and (c) of this section shall not charge or collect from the patient any additional amounts other than the cost-sharing amounts authorized by the terms of the health benefit plan.

(e) To the extent that a hospital is required by the Board's budget order to reduce its commercial reimbursement rates by amounts greater than the reductions achieved pursuant to subsection (b) of this section, the hospital shall reduce its commercial reimbursement rates that exceed 500 percent of the Medicare adjusted base rate or, if the hospital does not have any commercial reimbursement rates that exceed 500 percent of the Medicare adjusted base rate, by reducing its commercial reimbursement rates that are the highest in relation to the Medicare adjusted base rate.

(f) Except as provided in subsections (b), (c), and (e) of this section, a hospital may increase the commercial reimbursement rates for one or more of its service lines, such as primary care, provided that in doing so the hospital remains compliant with the total budget ordered for the hospital by the Board pursuant to section 9456 of this subchapter.

(g)(1) In its reviews of premium rates in accordance with 8 V.S.A. § 4026, the Green Mountain Care Board shall ensure that the limitations on reimbursements established in this section are appropriately reflected in the premium rates for qualified health benefit plans.

(2) In its review of premium rates in accordance with 8 V.S.A. § 4026 and 24 V.S.A. chapter 121, subchapter 6, the Department of Financial Regulation shall ensure that the limitations on reimbursements established in this section are appropriately reflected in the premium rates for health benefit plans offered to school employees by a health benefit association.

Sec. 3. 18 V.S.A. § 9407 is amended to read:

§ 9407. OUTPATIENT PRESCRIPTION DRUGS; LIMITATIONS ON
HOSPITAL CHARGES

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

(2) For any prescription drug administered in an outpatient or office setting for which a hospital charged a health insurer ~~120~~ 130 percent or less of the ASP in effect as of April 1, 2025, the hospital shall not charge the health

insurer a greater percentage of the ASP, as calculated by the Centers for Medicare and Medicaid, for that drug than the percentage of the ASP that the hospital charged the health insurer as of April 1, 2025.

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

* * *

* * * Hospital Outsourcing * * *

Sec. 4. HOSPITAL OUTSOURCING; HOSPITAL BUDGETS;
PROVIDER TAXES; REPORT

(a) For fiscal year 2027 hospital budgets, the Green Mountain Care Board shall direct hospitals to provide such information as the Board may require regarding the clinical services that the hospital outsources to external entities.

(b) On or before January 15, 2027, the Green Mountain Care Board, after consulting with hospitals and their contracted independent providers and assessing the impact of outsourcing on access to and the quality and availability of care, shall provide findings and recommendations regarding hospital outsourcing to the House Committees on Health Care and on Ways and Means and the Senate Committees on Health and Welfare and on Finance. In addition, the Board, in collaboration with the Agency of Human Services, shall report on the extent to which hospital outsourcing affects provider tax revenue and recommend any necessary modifications to 33 V.S.A. chapter 19, subchapter 2 to appropriately reflect expenditures for patient care at Vermont hospitals.

* * * Excluding Reference-Based Pricing from Scope of Health Care
Professional Bargaining * * *

Sec. 5. 18 V.S.A. § 9409 is amended to read:

§ 9409. HEALTH CARE PROVIDER BARGAINING GROUPS

(a) The Green Mountain Care Board may approve the creation of one or more health care provider bargaining groups, consisting of health care providers who choose to participate. A bargaining group is authorized to negotiate on behalf of all participating providers with the Secretary of Administration, the Secretary of Human Services, the Green Mountain Care Board, or the Commissioner of Labor with respect to any matter in this chapter; chapter 13, 219, 220, or 222 of this title; 21 V.S.A. chapter 9; and 33 V.S.A. chapters 18 and 19 with respect to provider regulation, provider

reimbursement, administrative simplification, information technology, workforce planning, or quality of health care.

(b) The Green Mountain Care Board shall adopt by rule criteria for forming and approving bargaining groups and criteria and procedures for negotiations authorized by this section.

(c) The rules relating to negotiations shall include a nonbinding arbitration process to assist in the resolution of disputes. Nothing in this section shall be construed to limit the authority of the Secretary of Administration, the Secretary of Human Services, the Green Mountain Care Board, or the Commissioner of Labor to reject the recommendation or decision of the arbiter.

(d) Notwithstanding any provisions of this section to the contrary, the Green Mountain Care Board shall not be required to negotiate with a provider bargaining group or engage in a nonbinding arbitration process in connection with the Board's establishment of reference-based prices in accordance with subdivision 9375(b)(1)(A), subdivision 9375(b)(5), or section 9376 of this title.

* * * Appeals of Green Mountain Care Board Orders * * *

Sec. 6. 18 V.S.A. § 9381 is amended to read:

§ 9381. APPEALS

(a) ~~The Green Mountain Care Board shall adopt procedures for administrative appeals of its actions, orders, or other determinations. Such procedures shall that~~ provide for the issuance of a final order and for the creation of a record sufficient to serve as the basis for judicial review of the Board's final actions, orders, and other determinations pursuant to subsection (b) of this section.

(b) Any person aggrieved by a final action, order, or other determination of the Green Mountain Care Board may, ~~upon exhaustion of all administrative appeals available pursuant to subsection (a) of this section,~~ appeal to the Supreme Court pursuant to the Vermont Rules of Appellate Procedure.

* * *

* * * Data Infrastructure * * *

Sec. 7. 18 V.S.A. § 9411 is amended to read:

§ 9411. INTERACTIVE PRICE TRANSPARENCY DASHBOARD AND HEALTH SYSTEM PERFORMANCE TOOL

(a)(1) The Green Mountain Care Board shall develop and maintain a public, interactive, ~~Internet-based~~ internet-based price transparency dashboard that allows consumers to compare health care prices for certain health care services across the State. Using data from the Vermont Healthcare Claims Uniform Reporting and Evaluation System (VHCURES) established pursuant to section 9410 of this title, the dashboard shall provide the range of actual allowed amounts for selected health care services, showing both the amount paid by the health insurer or other payer and the amount of the member's responsibility, and shall allow the consumer to sort the information by geographic location, by health care provider, by payer type, and by the specific health care procedure or health care service. The Board shall provide a link on the dashboard to the statewide comparative hospital quality report published by the Commissioner of Health pursuant to section 9405b of this title.

~~(b)(2)~~ The Board shall update the information in the interactive price transparency dashboard at least annually.

~~(b)(1)~~ The Board shall develop and maintain a public, interactive tool that displays information on health system performance, including information regarding quality, access, and affordability.

(2) The Board shall update the information in the health system performance tool on a regular basis, to the extent operationally feasible.

Sec. 8. IMPLEMENTATION OF HEALTH SYSTEM PERFORMANCE TOOL

The Green Mountain Care Board shall develop the health system performance tool described in 18 V.S.A. § 9411(b), as added by Sec. 8 of this act, only if the Board receives sufficient funding from the federal government or another source for this purpose.

* * * Critical Access Hospitals; Medicare Outpatient Cost Sharing * * *

Sec. 9. CRITICAL ACCESS HOSPITALS; MEDICARE OUTPATIENT COST SHARING

(a) The General Assembly and the Green Mountain Care Board have recently become aware of a federal requirement that Medicare beneficiaries must bear financial responsibility for 20 percent of the amount charged for outpatient services delivered by critical access hospitals, not 20 percent of the amount that Medicare pays for the service. While the General Assembly understands that it cannot invalidate this federal requirement, it also recognizes both that this requirement has a significant, unfair, and negative financial impact on Medicare beneficiaries in the State's most rural communities and that Vermont's critical access hospitals are some of the State's most financially

vulnerable health care facilities. It is the intent of this section to provide information to Vermont's seniors and other Medicare beneficiaries about the federal requirement while a working group of interested stakeholders endeavors to develop appropriate and enduring solutions that do not undermine the financial sustainability of our critical access hospitals and that comply with federal law.

(b) On or before September 1, 2026, each critical access hospital shall do all of the following:

(1) Identify all the outpatient services for which the amount that the hospital charges equals five or more times the Medicare allowed amount for that service.

(2) Post prominently on its website and in outpatient departments of the hospital a disclosure about the federal requirement that Medicare beneficiaries must pay 20 percent of the charge for outpatient services at critical access hospitals, that Medicare beneficiaries may be able to receive care with reduced out-of-pocket costs from other providers, and how to contact the hospital's patient financial assistance department for more information. The hospital shall file its proposed disclosure materials with the Green Mountain Care Board for the Board's approval prior to posting.

(c) To the extent that the Green Mountain Care Board engages in efforts to address the Medicare outpatient cost-sharing issue in hospital fiscal year 2027, the Board shall consider any proposals from the critical access hospitals and other interested stakeholders and shall ensure that its actions are consistent with ongoing hospital transformation efforts and the principles for health care reform expressed in 18 V.S.A. § 9371.

* * * Effective Dates * * *

Sec. 10. EFFECTIVE DATES

This act shall take effect on passage, except that, notwithstanding any provision of 18 V.S.A. § 9407(a)(3) to the contrary, Sec. 3 (18 V.S.A. § 9407) shall take effect on October 1, 2026, and hospitals shall update the average sales prices for drugs on October 1, 2026, and again on January 1, 2027.

and that after passage the title of the bill be amended to read: "An act relating to reference-based pricing and the Green Mountain Care Board"

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. Dickinson of St. Albans Town, for the Committee on Appropriations, recommended that the report of the Committee on Health Care be amended as follows:

First: By striking out Sec. 2, 18 V.S.A. chapter 221, subchapter 7, in its entirety and inserting in lieu thereof a new Sec. 2 to read as follows:

Sec. 2. LIMITATIONS ON HOSPITAL REIMBURSEMENTS FOR
QUALIFIED HEALTH BENEFIT PLANS AND PLANS
COVERING SCHOOL EMPLOYEES FOR HOSPITAL FISCAL
YEAR 2027

(a) As used in this section:

(1) “Health benefit association” has the same meaning as in 24 V.S.A. § 4947.

(2)(A) “Medicare adjusted base rate” means the standardized Medicare payment amount for a hospital inpatient, outpatient, or professional service as determined under the Medicare program, calculated prior to the application of any hospital-specific, patient-specific, or policy-based payment adjustments and reflecting only the core payment methodology used by the Centers for Medicare and Medicaid Services to establish baseline payment levels, which include adjustments for geographic factors such as wages.

(B) For items provided and services delivered at a critical access hospital, the Medicare adjusted base rate shall be determined under the applicable Medicare prospective payment system, using the Medicare payment methodology that would apply if the hospital were not designated as a critical access hospital.

(3) “Qualified health benefit plan” has the same meaning as in 33 V.S.A. § 1802.

(4) “Registered carrier” has the same meaning as in 33 V.S.A. § 1811.

(5) “School employee” has the same meaning as in 16 V.S.A. § 2101.

(b) Notwithstanding any provision of 18 V.S.A. § 9375(b)(1)(A) to the contrary, for hospital fiscal year 2027, the Green Mountain Care Board may order hospitals to reduce their commercial reimbursement rates for qualified health benefit plans and for health benefit plans offered to school employees by a health benefit association pursuant to 24 V.S.A. § 4947 based on a percentage of the Medicare adjusted base rate determined by the Board for each item provided and service delivered in Vermont to enrollees in these plans.

(c)(1) A registered carrier or health benefit association shall not reimburse or agree to reimburse a hospital more than the percentage of the Medicare adjusted base rate specified by the Green Mountain Care Board pursuant to subsection (b) of this section, if any, for the applicable hospital fiscal year for any item provided or service delivered in Vermont to an enrollee in a qualified health benefit plan or a health benefit plan offered to school employees by a health benefit association.

(2) In the event that a registered carrier or health benefit association reimburses a hospital for an item or service on a capitated or other non-fee-for-service basis, the carrier or association shall ensure that its reimbursement method is adjusted to account for the reimbursement limit set forth in subdivision (1) of this subsection.

(d) A hospital or hospital provider that is reimbursed in accordance with subsections (b) and (c) of this section shall not charge or collect from the patient any additional amounts other than the cost-sharing amounts authorized by the terms of the health benefit plan.

(e) To the extent that a hospital is required by the Board's budget order to reduce its commercial reimbursement rates by amounts greater than the reductions achieved pursuant to subsection (b) of this section, the hospital shall reduce its commercial reimbursement rates that exceed 500 percent of the Medicare adjusted base rate or, if the hospital does not have any commercial reimbursement rates that exceed 500 percent of the Medicare adjusted base rate, by reducing its commercial reimbursement rates that are the highest in relation to the Medicare adjusted base rate.

(f)(1) In its reviews of premium rates in accordance with 8 V.S.A. § 4026, the Green Mountain Care Board shall ensure that the limitations on reimbursements established in this section are appropriately reflected in the premium rates for qualified health benefit plans.

(2) In its review of premium rates in accordance with 8 V.S.A. § 4026 and 24 V.S.A. chapter 121, subchapter 6, the Department of Financial Regulation shall ensure that the limitations on reimbursements established in this section are appropriately reflected in the premium rates for health benefit plans offered to school employees by a health benefit association.

Second: By striking out Sec. 3, 18 V.S.A. § 9407, in its entirety and inserting in lieu thereof a new Sec. 3 to read as follows:

Sec. 3. [Deleted.]

Third: By adding a reader assistance heading and a new section to be Sec. 4a to read as follows:

* * * Section 1332 Waiver for Reinsurance Program * * *

Sec. 4a. REINSURANCE; AUTHORIZATION TO PURSUE SECTION
1332 WAIVER

The Department of Vermont Health Access, in consultation with the Department of Financial Regulation, is authorized to submit a State Innovation Waiver pursuant to Section 1332 of the Patient Protection and Affordable Care Act of 2010, Pub. L. No. 111-148, as amended by the Health Care and Education Reconciliation Act of 2010, Pub. L. No. 111-152, to establish a program for reinsurance and seek federal pass-through funding of amounts attributable to premium tax credits under 26 U.S.C. § 36B.

Fourth: By striking out Sec. 10, effective dates, and its reader assistance heading in their entireties and inserting in lieu thereof a new Sec. 10 and reader assistance heading to read as follows:

* * * Effective Date * * *

Sec. 10. EFFECTIVE DATE

This act shall take effect on passage.

The bill, having appeared on the Notice Calendar, was taken up, read the second time, and the report of the Committee on Health Care amended as recommended by the Committee on Appropriations.

Pending the question, Shall the House propose to the Senate to amend the bill as recommended by the Committee on Health Care, as amended?, **Rep. McCoy of Poultney** demanded the Yeas and Nays, which demand was sustained by the Constitutional number. The Clerk proceeded to call the roll and the question, Shall the House propose to the Senate to amend the bill as recommended by the Committee on Health Care, as amended?, was decided in the affirmative. Yeas, 87. Nays, 44.

Those who voted in the affirmative are:

Arsenault of Williston	Emmons of Springfield	Minier of South Burlington
Austin of Colchester	Feltus of Lyndon	Morris of Springfield
Bartholomew of Hartland	Goldman of Rockingham	Morrow of Weston
Berbeco of Winooski	Goodnow of Brattleboro	Mrowicki of Putney
Birong of Vergennes	Graning of Jericho	North of Ferrisburgh
Bishop of Colchester	Greer of Bennington	Noyes of Wolcott
Black of Essex *	Harple of Glover	Nugent of South Burlington
Bluemle of Burlington	Headrick of Burlington	Ode of Burlington
Bos-Lun of Westminster *	Holcombe of Norwich	Olson of Starksboro
Boyden of Cambridge	Houghton of Essex Junction	Pezzo of Colchester

Brady of Williston	Howard of Rutland City	Pouech of Hinesburg
Brown of Richmond	Hoyt of Hartford	Priestley of Bradford
Burke of Brattleboro	Hunter of Manchester	Satcowitz of Randolph
Burkhardt of South Burlington	James of Manchester	Scheu of Middlebury
Burrows of West Windsor	Kimbell of Woodstock	Scully of Burlington
Campbell of St. Johnsbury	Kleppner of Burlington *	Sheldon of Middlebury
Carris Duncan of Whitingham	Kornheiser of Brattleboro	Sibilia of Dover
Casey of Montpelier	Krasnow of South Burlington	Squirrel of Underhill
Chapin of East Montpelier	LaLonde of South Burlington	Stevens of Waterbury
Cina of Burlington *	LaMont of Morristown	Stone of Burlington
Conlon of Cornwall	Lipsky of Stowe	Sweeney of Shelburne
Cooper of Pownal	Logan of Burlington	Tomlinson of Winooski
Corcoran of Bennington	Long of Newfane	Torre of Moretown
Critchlow of Colchester	Lueders of Lincoln	Waszazak of Barre City
Dolan of Essex Junction	Masland of Thetford	Waters Evans of Charlotte
Donahue of Northfield	McCann of Montpelier	White of Waitsfield *
Duke of Burlington	McGill of Bridport	White of Bethel
Durfee of Shaftsbury	Micklus of Milton *	Wood of Waterbury
Eastes of Guilford	Mihaly of Calais	Yacovone of Morristown *

Those who voted in the negative are:

Bailey of Hyde Park	Galfetti of Barre Town	McCoy of Poultney
Bartley of Fairfax	Goslant of Northfield	Morgan, M. of Milton
Bosch of Clarendon	Gregoire of Fairfield	Morrissey of Bennington
Boutin of Barre City	Hango of Berkshire	Nelson of Derby
Branagan of Georgia	Harvey of Castleton *	Nielsen of Brandon
Brigham of St. Albans Town	Higley of Lowell	Oliver of Sheldon
Burditt of West Rutland	Hooper of Randolph	Page of Newport City
Canfield of Fair Haven	Howland of Rutland Town	Powers of Waterford
Charlton of Chester	Kascenska of Burke	Pritchard of Pawlet
Coffin of Cavendish	Keyser of Rutland City	Quimby of Lyndon
Demar of Enosburgh	Labor of Morgan *	Soucy of Barre Town
Dickinson of St. Albans Town	Laroche of Franklin	Southworth of Walden
Dobrovich of Williamstown	Long of Milton	Steady of Milton *
Dolgin of St. Johnsbury	Luneau of St. Albans City	Tagliavia of Corinth
	Marcotte of Coventry	Taylor of Mendon

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

Burt of Cabot	Lalley of Shelburne	Parsons of Newbury
Casey of Hubbardton	Maguire of Rutland City	Pinsonault of Dorset
Christie of Hartford	Malay of Pittsford	Rachelson of Burlington
Cole of Hartford	Morgan, L. of Milton	Walker of Swanton
Dodge of Essex	Nigro of Bennington	Wells of Brownington
Garofano of Essex	O'Brien of Tunbridge	Winter of Ludlow

Rep. Black of Essex provided the following vote explanation:

“Madam Speaker:

I have spent this Biennium as the Chair of the House Committee on Health Care laser focused on one thing, ensuring that Vermonters have access to high quality health care that they can actually afford. I’m proud to vote yes on S.190. I have heard Vermonters, and I have done my part.”

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

“Madam Speaker:

S.190 provides policies that will control the cost of health care in Vermont. These will lower hospital costs and insurance premiums. This will help make health care in our State more affordable for all Vermonters, when they need it, close to home.”

Rep. Cina of Burlington provided the following vote explanation:

“Madam Speaker:

I vote yes to control costs and to preserve access to care in every corner of Vermont. The failure of a privatized, for-profit, insurance driven system can be resolved by fulfilling the promise of Act 48. Health care is a human right!”

Rep. Harvey of Castleton provided the following vote explanation:

“Madam Speaker:

The statutory purpose of the Green Mountain Care Board is to reduce the rate of growth in expenditures for all payers. S.190 fails to do that, putting it at odds with the very purpose of the GMCB.”

Rep. Kleppner of Burlington provided the following vote explanation:

“Madam Speaker:

Other rural states like Montana have saved tens of millions of dollars with reference-based pricing without affecting access. I am delighted we are taking this proven straightforward step to finally start reducing health care costs for Vermonters.”

Rep. Labor of Morgan provided the following vote explanation:

“Madam Speaker:

There are no assurances that reference-based pricing as described without guardrails. We are not being provided with enough financial information on just a hypothetical promise of sustainable money. We have a need for more information.”

Rep. Micklus of Milton provided the following vote explanation:

“Madam Speaker:

This bill does not help as many people as it should, but I voted yes because helping 15 percent of the people is better than 0 percent. The real answer is to open up our markets to other health care providers, and I hope we can pass legislation to make that occur.”

Rep. Steady of Milton provided the following vote explanation:

“Madam Speaker:

I have concerns about getting Vermonters’ hopes up when I never heard any actual cost savings from this bill, or how many Vermonters would actually benefit. If hospitals ended up with a loss, would they be able to increase the cost of patient services? This would hurt many Vermonters without solid answers. I vote no, there is no guarantee this bill will help.”

Rep. White of Waitsfield provided the following vote explanation:

“Madam Speaker:

S.190 takes the first step toward reference-based pricing in Vermont. Every health care professional I have spoken with about our health care crisis has said that we must adopt reference-based pricing to bring costs under control. This bill begins by addressing the cost of health care for teachers, individuals, and small businesses. Teacher health care costs are up no less than 25% in the last few years. This bill adjusts addresses educator health care costs, which are the largest contributor to property tax increases. This bill addresses affordability for all Vermonters, and I am proud to support it.”

Rep. Yacovone of Morristown provided the following vote explanation:

“Madam Speaker:

It’s been said before, if you always do what you always did, you will always get what you always got and I am tired of always getting the highest health insurance rates in the world! I stand proudly today in taking this step toward affordability for Vermonters.”

Thereupon, 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; Report of Committee of
Conference Adopted**

H. 660

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 fiscal year 2027 Opioid Abatement Special Fund appropriations

Was taken up for immediate consideration.

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

TO THE HOUSE OF REPRESENTATIVES AND THE SENATE:

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

H. 660 An act relating to fiscal year 2027 Opioid Abatement Special Fund appropriations

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

* * * Opioid Abatement Special Fund * * *

Sec. 1. APPROPRIATIONS; OPIOID ABATEMENT SPECIAL FUND

(a) In fiscal year 2027, the following sums shall be appropriated from the Opioid Abatement Special Fund established in 18 V.S.A. § 4774:

(1)(A) \$455,000.00 to the Department of Health to fund 26 outreach or case management staff positions within the preferred provider network for the provision of services that increase the motivation of and engagement with individuals with substance use disorder in settings such as police barracks, shelters, social service organizations, and elsewhere in the community.

(B) It is the intent of the General Assembly that these positions shall be funded annually by the Opioid Abatement Special Fund unless and until the Special Fund does not have sufficient monies to fund this expenditure.

(2)(A) \$1,600,000.00 to the Department of Health for recovery residences certified by the Vermont Alliance for Recovery Residences.

(B) It is the intent of the General Assembly that recovery residences be funded annually by the Opioid Abatement Special Fund unless and until the Special Fund does not have sufficient monies to fund this expenditure.

(3)(A) \$850,000.00 to the Department of Health for syringe services.

(B) It is the intent of the General Assembly that syringe services be funded annually by the Opioid Abatement Special Fund unless and until the Special Fund does not have sufficient monies to fund this expenditure.

(4) \$1,100,000.00 to the Department of Corrections to provide peer recovery center coaches in Vermont correctional facilities and in probation and parole offices to provide group and individual coaching and reentry support, which shall not be used to cover administrative expenses.

(5) \$250,000.00 to the Department for Children and Families' Office of Economic Opportunity to support long-term programs at shelters for individuals experiencing homelessness, including harm-reduction supports, transportation to recovery meetings and appointments, and clinical nursing programs.

(6)(A) \$1,200,000.00 to the Department of Health for both the creation of new opioid use disorder residential treatment beds at American Society of Addiction Medicine level 3.1 and for the creation of new recovery residence beds at National Alliance for Recovery Residences (NARR) certification level III or above with priority given to unserved and underserved regions of the State.

(B) It is a priority of the General Assembly to fund treatment as part of opioid use disorder recovery.

(7) \$248,000.00 to the Department of Health for the Prehospital Vermont EMS Buprenorphine Treatment (PREVENT) Program to expand training for emergency service providers on carrying buprenorphine and administering buprenorphine after administering naloxone.

(8) \$35,000.00 to the Department of Health to subsidize room and board for individuals in Rutland Mental Health Services' transitional housing program.

(9) \$237,646.00 to the Department of Health for distribution to Springfield Project ACTION to support public safety enhancement team coordinator positions in Bennington, Springfield, Brattleboro, St. Johnsbury, and central Vermont for the purposes of providing administrative support, meeting facilitation, data tracking, outreach event coordination, and sustainability planning.

(10) \$500,000.00 to the Department of Health for distribution to recovery centers, upon consultation with the Vermont Recovery Network to determine allocations to individual recovery centers.

(11) \$287,000.00 to the Department of Public Safety to provide funding for expanding the Public Safety Enhancement Team's harm reduction and strategic community intervention efforts.

(12) \$875,000.00 to the Department for Disabilities, Aging, and Independent Living to fund specialized employment services to individuals with opioid use disorder through HireAbility Vermont.

(b) Notwithstanding 32 V.S.A. § 703, unless reverted by a future act of the General Assembly, the appropriations made in accordance with this section shall carry forward until fully expended.

Sec. 2. LEGISLATIVE INTENT; OVERDOSE PREVENTION CENTER

(a) It is the intent of the General Assembly to consider the operational status and funding needs of Burlington's overdose prevention center during the fiscal year 2027 budget adjustment process. If the General Assembly finds that a location for the overdose prevention center has been procured by lease or purchase, the overdose prevention center is being fit up for its intended use, and the overdose prevention center is currently or will imminently become operational, it intends to appropriate up to \$1,100,000.00 to the Department of Health for purpose of awarding a grant to the City of Burlington for the work of the overdose prevention center.

(b) It is the intent of the General Assembly to continue to appropriate funds annually from the Opioid Abatement Special Fund through at least fiscal year 2028 for the purpose of awarding grants to the City of Burlington for the operation of the overdose prevention center, unless the Special Fund does not have sufficient monies to fund this expenditure.

Sec. 3. LEGISLATIVE INTENT; HIREABILITY

It is the intent of the General Assembly that in fiscal year 2028 and thereafter, HireAbility Vermont be funded using General Fund monies.

Sec. 4. 2023 Acts and Resolves No. 22, Sec. 14, as amended by 2024 Acts and Resolves No. 113, Sec. C.112, is further amended to read:

Sec. 14. APPROPRIATION; OPIOID ABATEMENT SPECIAL FUND

In fiscal year 2023, the following monies shall be appropriated from the Opioid Abatement Special Fund pursuant to 18 V.S.A. § 4774:

(1)(A) \$1,500,000 ~~divided equally between four opioid treatment programs~~ to cover costs associated with partnering with other health care

providers to expand satellite locations for the dosing of medications, including costs associated with the satellite locations' physical facilities, staff time at the satellite locations, and staff time at opioid treatment programs to prepare medications and coordinate with satellite locations;

(B) the satellite locations established pursuant to this subdivision (1) shall be located in Addison County, and eastern or southern Vermont, ~~and in a facility operated by the Department of Corrections;~~

(2) \$500,000 to establish a ~~second Chittenden Clinic Addiction Treatment Center~~ satellite location in northwestern Vermont;

* * *

Sec. 5. 18 V.S.A. § 4772 is amended to read:

§ 4772. OPIOID SETTLEMENT ADVISORY COMMITTEE

* * *

(c) Powers and duties. The Advisory Committee shall demonstrate broad ongoing consultation with individuals living with opioid use disorder about their direct experience with related systems, including medication for opioid use disorder, residential treatment, recovery services, harm reduction services, overdose, supervision by the Department of Corrections, and involvement with the Department for Children and Families' Family Services Division. To that end, the Advisory Committee shall demonstrate consultation with individuals with direct lived experience of opioid use disorder, frontline support professionals, the Substance Misuse Oversight Prevention and Advisory Council, the Health Equity Advisory Commission, and other stakeholders to identify spending priorities as related to opioid use disorder prevention, intervention, treatment, and recovery services and harm reduction strategies for the purpose of providing recommendations to the Governor, the Department of Health, and the General Assembly on prioritizing spending from the Opioid Abatement Special Fund. Each ongoing funding proposal considered by the Advisory Committee shall include a sustainability plan from the applicant to ensure consideration of future expenses and available resources apart from the Opioid Abatement Special Fund. The Advisory Committee shall consider:

(1) the impact of the opioid crisis on communities throughout Vermont, including communities' abatement needs and proposals for abatement strategies and responses;

(2) the perspectives of and proposals from opioid use disorder prevention coalitions, recovery centers, and medication for opioid use disorder providers; and

(3) the ongoing challenges of the opioid crisis on marginalized populations, including individuals who have a lived experience of opioid use disorder.

* * *

(e) ~~Presentation~~ Recommendations. Annually, the Advisory Committee shall vote on its recommendations. Recommendations shall be informed by outcomes and measurements reported by previous grantees. In developing its recommendations, the Advisory Committee shall consult with the Office of the Attorney General regarding allowable uses of the Special Fund. If the recommendations are supported by an affirmative vote of the majority, the Advisory Committee shall present its recommendations for expenditures from the Opioid Abatement Special Fund established pursuant to this subchapter to the Department of Health and concurrently submit its recommendations in writing to the House Committees on Appropriations and on Human Services and the Senate Committees on Appropriations and on Health and Welfare. The Advisory Committee's written recommendations shall address how each recommendation meets one or more of the criteria listed in subsections 4774(b) and (c) of this subchapter. The Advisory Committee shall give priority consideration to services requiring funding on an ongoing basis.

* * *

Sec. 6. 18 V.S.A. § 4774 is amended to read:

§ 4774. OPIOID ABATEMENT SPECIAL FUND

(a)(1) There is created the Opioid Abatement Special Fund, a special fund established and managed pursuant to 32 V.S.A. chapter 7, subchapter 5 and administered by the Department of Health. The Opioid Abatement Special Fund shall consist of all abatement account fund monies disbursed to the Department from the national abatement account fund, the national opioid abatement trust, the supplemental opioid abatement fund, or any other settlement funds that must be utilized exclusively for opioid prevention, intervention, treatment, recovery, ~~and~~ harm reduction services, co-occurring mental health conditions, and co-occurring substance use disorders.

(2) The Department shall submit a spending plan to the General Assembly, informed by the recommendations of the Opioid Settlement Advisory Committee established pursuant to section 4772 of this subchapter, annually on or before January 15 and once funding is appropriated by the General Assembly from the Opioid Abatement Special Fund, the Department shall request to have the funds formally released from the national abatement account fund, the national opioid abatement trust, the supplemental opioid abatement fund, or any other settlement funds that must be utilized exclusively

for opioid prevention, intervention, treatment, recovery, and harm reduction services, co-occurring mental health conditions, and co-occurring substance use disorders. The Department shall disburse monies from the Opioid Abatement Special Fund pursuant to 32 V.S.A. chapter 7, subchapter 3.

* * *

Sec. 7. APPROPRIATION REVIEW; FISCAL YEAR 2028 PROPOSAL
SUSPENSION

Notwithstanding 18 V.S.A. § 4772(e), the Opioid Settlement Advisory Committee shall not accept funding proposals or make funding recommendations from the Opioid Abatement Special Fund for fiscal year 2028, unless a program or initiative was previously identified in statute as intended for annual funding. It instead shall review the outcomes of programs and initiatives previously funded through the Opioid Abatement Special Fund to assess effectiveness, long-term sustainability, and the appropriateness of the Opioid Abatement Special Fund as a funding source, where applicable, to inform recommendations made in fiscal year 2029 and thereafter.

Sec. 8. QUARTERLY REPORTING; EXPENDITURE OF OPIOID
ABATEMENT SPECIAL FUND MONIES

The Department of Health shall submit to the General Assembly quarterly reports regarding expenditures from the Opioid Abatement Special Fund. Specifically, the reports shall identify funds appropriated from the Special Fund that remain unobligated or unspent, or both, and shall include an explanation as to why the funds have not been fully distributed. Reports due on October 1, 2026, and July 1, 2027, shall be submitted to the Joint Fiscal Committee. Reports due on January 1, 2027, and April 1, 2027, shall be submitted to the House Committees on Appropriations and on Human Services and to the Senate Committees on Appropriations and on Health and Welfare. The Department shall post reports required pursuant to this section on its website.

Sec. 9. REVERSIONS

Notwithstanding any provision of law to the contrary, in fiscal year 2027, the following amounts shall revert to the Opioid Abatement Special Fund from the accounts indicated:

<u>3420892313 VDH-Opioid Sp. Fund Prov Satellites</u>	<u>\$444,000.00</u>
<u>3420892313 VDH-Opioid Sp. Fund Wound Care</u>	<u>\$8,287.34</u>
<u>3420892501 VDH-Opioid Sp. Fund Stabilization Beds</u>	<u>\$1,000,000.00</u>

* * * Syringe Recovery Plan * * *

Sec. 10. PLAN; SYRINGE RECOVERY

On or before December 15, 2026, the Department of Health shall submit a plan to the House Committee on Human Services and to the Senate Committee on Health and Welfare containing recommendations for the implementation of one or more syringe recovery models throughout the State to enhance public health and safety. The plan shall require syringe service providers to report to the Department on the percentage of distributed syringes that are returned to the provider or otherwise collected.

* * * Substance Misuse Prevention Special Fund * * *

Sec. 11. APPROPRIATIONS; SUBSTANCE MISUSE PREVENTION
SPECIAL FUND

In fiscal year 2027, the following monies shall be appropriated from the Substance Misuse Prevention Special Fund established pursuant to 18 V.S.A. § 4812:

(1) \$288,935.00 to the Department of Health for distribution to Elevate Youth Services to support the creation of a low-barrier, drop-in teen center in Barre to provide food, activities, positive adults role models, peer counselors, prevention and recovery programming, and direct connection to treatments;

(2) \$124,999.00 to the Department of Health for distribution to the Greater Falls Connections to enhance youth engagement and education and to expand prevention-focused staffing and youth programming space in response to increasing community need;

(3) \$200,000.00 to the Department of Health for distribution to Interaction: Friends for Change to increase access to community-based therapy, housing, crisis, medical, recovery, and employment supports for youth in Windham County; and

(4) \$26,697.00 to the Department of Health for distribution to Winooski Partnership for Prevention to provide funding for staff time and stipends for partners to deliver medicine safety education to elementary-aged youth during school with family engagement.

Sec. 12. 18 V.S.A. § 4812 is amended to read:

§ 4812. SUBSTANCE MISUSE PREVENTION SPECIAL FUND

* * *

(e) As part of its annual budget presentation, the Department shall report to the House Committees on Appropriations and on Human Services and to the Senate Committees on Appropriations and on Health and Welfare on its specific spending proposal from the Substance Misuse Prevention Special Fund for the coming fiscal year. The report shall include an estimate of the monies in the Special Fund anticipated to remain unallocated at the end of the fiscal year.

* * * Effective Date * * *

Sec. 13. EFFECTIVE DATE

This act shall take effect on July 1, 2026.

and that after passage the title of the bill be amended to read: “An act relating to fiscal year 2027 Opioid Abatement Special Fund and Substance Misuse Prevention Special Fund appropriations”

SEN. VIRGINIA V. LYONS
SEN. MARTINE LAROCQUE GULICK
SEN. JOHN BENSON
Committee on the part of the Senate

REP. THERESA A. WOOD
REP. ERIC MAGUIRE
REP. TIFFANY BLUEMLE
Committee on the part of the House

Which was considered and adopted on the part of the House.

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

H. 757

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 manufactured homes and limited equity cooperatives

Was taken up for immediate consideration.

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

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

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

§ 1598. LIMITED EQUITY COOPERATIVES

* * *

~~(b)(1) A mobile home park organized as a limited equity cooperative shall be treated for the purposes of State funding and grants as if it were incorporated as a State nonprofit corporation for a public purpose and public benefit under the laws of this State. Nothing in this section shall be deemed to alter or change specific funding or grant requirements, including the definition of low or moderate income, as outlined in any program, funding, or grant source.~~

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

Second: By adding a reader assistance heading and a new section to be Sec. 8a to read as follows:

* * * Reports * * *

Sec. 8a. DEPARTMENT OF HOUSING AND COMMUNITY
DEVELOPMENT; MOBILE HOME PARK FUNDING; REPORT

(a) On or before November 15, 2026, the Department of Housing and Community Development, in consultation with the Agency of Administration, the Agency of Natural Resources, and the Agency of Transportation, shall submit a written report to the House Committee on General and Housing and the Senate Committee on Economic Development, Housing and General Affairs identifying all State funding grant and loan programs available to mobile home parks for infrastructure improvements with an analysis on the eligibility and regulatory barriers prohibiting access to the funds for mobile home parks registered as a limited equity cooperative under 11 V.S.A. chapter 14.

(b) The Office of the Secretary of State shall provide technical support as necessary to the Department of Housing and Community Development.

Third: By striking out Sec. 9, effective dates, in its entirety and inserting in lieu thereof a new Sec. 9 to read as follows:

Sec. 9. EFFECTIVE DATES

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

(1) Sec. 3a (repeal) shall take effect on July 1, 2027; and

(2) Secs. 5 and 6 (sales and use tax exemption) shall take effect on January 1, 2028.

Which proposal of amendment was considered and concurred in.

Recess

At six o'clock and fourteen minutes in the evening, the Speaker declared a recess until the fall of the gavel.

Called to Order

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

**Rules Suspended, Immediate Consideration; Favorable Report;
Second Reading; Bill Amended; Third Reading Ordered;
Rules Suspended, All Stages of Passage; Third Reading; Bill Passed;
Rules Suspended, Messaged to the Senate Forthwith**

H. 954

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

An act relating to approval of an amendment to the charter of the Town of Stowe

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

Rep. Waters Evans of Charlotte, for the Committee on Government Operations and Military Affairs, to which had been referred the bill, reported in favor of its passage.

Rep. Waszazak of Barre City, for the Committee on Ways and Means, recommended that the bill be amended by striking out Sec. 2, 24 App. V.S.A. chapter 153, in its entirety and inserting in lieu thereof a new Sec. 2 to read as follows:

Sec. 2. 24 App. V.S.A. chapter 153 is amended to read:

CHAPTER 153. TOWN OF STOWE**Subchapter 9. Taxes**

* * *

§ 904. LOCAL OPTION TAX

(a) The Selectboard is authorized to impose a two percent local option tax on sales, rooms, meals, and alcoholic beverages. A tax imposed pursuant to this section shall be collected and administered by the Department of Taxes pursuant to 24 V.S.A. § 138.

(b) Notwithstanding any contrary provision of 24 V.S.A. §138 or 32 V.S.A. § 3709, of any local option tax collected in excess of one percent, 50 percent shall be paid to the Local Option Municipal Transportation Special Fund established pursuant to 19 V.S.A. § 306b and 50 percent shall be paid to the Town.

(c) The local option tax authorized by this section supersedes any local option tax previously adopted and approved by the Town.

* * *

The bill, having appeared on the Notice Calendar, was taken up, read the second time, and amended as recommended by the Committee on Ways and Means. Thereupon, 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.

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

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

S. 64

Senate bill, entitled

An act relating to amendments to the scope of practice for optometrists

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

Adjournment

At seven o'clock and twenty-nine minutes in the evening, on motion of **Rep. McCoy of Poultney**, the House adjourned until Tuesday, May 26, 2026, at ten o'clock in the forenoon, pursuant to the provisions of J.R.S. 54.

Concurrent Resolutions Adopted

The following concurrent resolutions, having been placed on the Consent Calendar on the preceding legislative day, and no member having requested floor consideration as provided by Rule 16b of the Joint Rules of the Senate and House of Representatives, are hereby adopted on the part of the House:

H.C.R. 306

House concurrent resolution honoring George Springston for his exemplary roles in environmental and natural resources management

H.C.R. 307

House concurrent resolution honoring Representative Kevin "Coach" Christie of Hartford for his inspirational civic leadership and extending future best wishes

[The full text of the concurrent resolutions appeared in the House Calendar Addendum on the preceding legislative day and will appear in the Public Acts and Resolves of the 2026 Adjourned Session.]