

# Journal of the House

Wednesday, May 27, 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.

**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. 313

**Rep. Marcotte of Coventry**, for the Committee on Commerce and Economic Development, to which had been referred Senate bill, entitled

An act relating to transforming Vermont's career technical education system

Reported in favor of its passage in concurrence with proposal of amendment by striking out all after the enacting clause and inserting in lieu thereof the following:

### Sec. 1. FINDINGS

The General Assembly finds that:

(1) Vermont has unmet workforce needs and skills gaps, while a growing percentage of the decreasing school-aged population is not continuing on to further their education.

(2) To help reverse these trends, every student should graduate with a plan for what comes next after high school, whether that is continued education or training, military service, or entering the workforce.

(3) A growing body of research shows that the fulfillment of this vision requires the creation of a career navigation system that includes intentional, coordinated, and equitable local, regional, and statewide programming from elementary school through high school. The system should ensure that students gain awareness of post-high school career and education opportunities through career exploration, personalized guidance, work-based learning, flexible pathways programming, and credentials of value that support successful transitions beyond high school.

(4) CTE is an essential tool to realize this vision. CTE engages students in hands-on instruction and applied learning that builds practical skills, develops career readiness, and provides pathways to industry-recognized credentials and postsecondary credit. Vermont's CTE system must ensure that every student, regardless of geography, identity, or school, has access to high-quality career technical education opportunities.

## Sec. 2. CAREER TECHNICAL EDUCATION SYSTEM

### TRANSFORMATION; LEGISLATIVE INTENT

To realize a strong statewide career preparation system, it is the intent of the General Assembly to transform Vermont's career technical education (CTE) system as follows:

(1) Provide universal access to CTE, ensuring that every student can participate in CTE programming, including pretech and foundations courses, by:

(A) increasing exposure to and early awareness of CTE in middle school and the first two years of high school;

(B) addressing barriers such as transportation, scheduling conflicts, and awareness;

(C) providing consistency in admissions policies while allowing for program-specific requirements related to readiness, sequencing, and safety; and

(D) ensuring that no student may be placed on a waitlist or prevented from accessing CTE for lack of capacity where there is a viable alternative program that aligns with the student's intended program of study and meets program requirements, including sequencing and safety concerns, through the provision of transportation, supported through a state-level funding or coordination mechanism.

(2) Enable flexible delivery models, expanding beyond regional technical centers to offer multiple pathways for students to access CTE programming and graduate with required high school courses by:

(A) delivering programs at sending high schools or in a hybrid format where appropriate, provided that program quality, industry alignment, and access to necessary equipment and facilities are maintained; and

(B) utilizing shared resources and technology to improve educational access and limit transportation needs.

(3) Align the CTE system with workforce needs by designing and evaluating programs based on current and emerging Vermont labor market demands, continue robust evaluation of the system through the Comprehensive Local Needs Assessment process, and utilize statewide research from Vermont's Most Promising Jobs and VT Labor Market Information to assess student outcomes in continuing to the workforce.

(4) Create a sustainable, student-centered funding system that removes disincentives for participation and supports program growth and innovation. Flexible delivery models and access must be taken into consideration to ensure the sustainability of program delivery.

(5) Explore the viability and impact of CTE centers becoming diploma-conferring institutions or comprehensive high schools. In situations where this is not possible, high schools shall be required to award the credits recommended by a CTE center.

(6) Maintain a strong adult CTE system by building robust adult and continuing education pathways within CTE that meet Vermont's upskilling, reskilling, and workforce development needs while connecting seamlessly with secondary programs and regional workforce partners. Such a system shall have a governance and funding model that promotes coordination, quality, program consistency, and sustainability.

(7) Coordinate CTE governance by establishing governance approaches that strengthen collaboration across districts, improve consistency and program quality, and better support positive student outcomes. CTE governance should align with the ongoing education transportation process, with the above goals as the lens through which decisions are made.

### Sec. 3. CAREER TECHNICAL EDUCATION; GUIDANCE

On or before September 18, 2026, the Agency of Education, in collaboration with the Vermont Association of Career and Technical Directors and the Vermont Superintendents Association, shall issue guidance on the following topics, which shall reflect the current career technical education system as it exists on July 1, 2026, in an effort to provide clarity to the field prior to updates to the career and technical education rules:

(1) updates to definitions, including definitions for "CTE programs," "credentials," "embedded academics," and "satellite models";

(2) credit standards and competency-based pathways;

(3) work-based learning sequencing aligned with Occupational Safety and Health Administration standards and federal hazard orders;

(4) minimum safety, space, and equipment standards;

- (5) data and reporting alignment with Perkins V; and
- (6) explicit allowance for differentiated regional delivery models.

Sec. 4. 16 V.S.A. § 1532 is amended to read:

§ 1532. MINIMUM STANDARDS; MEASUREMENT OF STANDARDS;  
RULES

- (a) The State Board shall adopt by rule:

\* \* \*

- (b) The following shall be adopted by procedure or rule:

\* \* \*

(c) The State Board shall review the rules and procedures adopted pursuant to this section not less than every five years and shall update the rules and procedures as necessary.

Sec. 5. AGENCY OF EDUCATION RECOMMENDATIONS; LICENSING  
OF CAREER AND TECHNICAL EDUCATION EDUCATORS;  
ENFORCEMENT INTERVENTION PATHWAY; FLEXIBLE  
PATHWAYS; REPORT

On or before January 15, 2027, the Agency of Education shall submit a written report to the House Committees on Commerce and Economic Development and on Education and the Senate Committees on Economic Development, Housing and General Affairs and on Education, with recommendations for the following:

(1) In collaboration with the Standards Board for Professional Educators, recommendations regarding career technical education (CTE) educator endorsement requirements that will balance the need for increased access to CTE educators with industry expertise and experience with the need for ensuring CTE educators are qualified to provide education in their specialty fields, without unintentionally creating additional barriers or complexity. Such recommendations shall include both necessary statutory changes as well as recommended changes to applicable State Board of Education rules.

- (2) A pre-enforcement intervention pathway that is responsible for:

(A) supporting interpretation and implementation of CTE rules and statute;

(B) providing early-state mediation between CTE centers and sending districts;

(C) documenting patterns of noncompliance or systemic barriers; and

(D) escalating unresolved or repeated issues for formal enforcement.

(3) Updates to the Flexible Pathways Initiative created within the Agency pursuant to 16 V.S.A. § 941 that alleviate statewide inconsistencies with how flexible pathways are accessed and how personalized learning plans are created, updated, and utilized, including:

(A) recommendations for a statewide framework for career navigation consistent with the requirements of 16 V.S.A. chapter 23, subchapter 2, including:

(i) grade-level competency standards for students in prekindergarten through grade 12 related to career exploration and planning that are designed to ensure that each student develops the knowledge, skills, and experiences necessary to graduate with a clear, actionable, and adaptable plan for career and educational next steps; and

(ii) evidence-informed educational resources, activities, and curricula that support opportunities for awareness and exploration of and planning for career and education pathways both in and out of the classroom setting;

(B) recommendations for statewide professional development programming to help individuals within the public education system who have direct contact with students build role-specific knowledge and skills necessary to support students in developing post-high school career and education plans;

(C) recommendations for a model career navigation policy that is integrated within comprehensive system improvement efforts to strengthen prekindergarten through grade 12 academic proficiency and that:

(i) establishes a framework for school districts to embed grade-level competencies related to career exploration directly into core academic instruction, ensuring that career-aligned learning supports the attainment of rigorous student performance standards;

(ii) ensures that students engage in meaningful career education exploration and planning activities that reinforce academic growth and the real-world application of classroom learning; and

(iii) utilizes a process by which each student develops and updates a personalized learning plan in accordance with 16 V.S.A. § 941(b)(2), serving as a primary tool for tracking both academic proficiency and evolving career interests; and

(D) an analysis of data collection system capabilities and gaps related to flexible pathways, personalized learning plans, and college and career readiness.

#### Sec. 6. COMPREHENSIVE HIGH SCHOOLS REDEFINED; INTENT

(a) 16 V.S.A. § 1522(14) defines a comprehensive high school as “a public or independent school other than a career technical center that provides secondary career technical education approved under section 1533 of this title.” As Vermont works to transform its career technical education (CTE) system to increase the access, quality, and opportunity of CTE programming available to Vermont students, the concept of a comprehensive high school could be expanded to achieve these goals. It is the intent of the General Assembly to move toward a model of comprehensive high schools that would offer all opportunities available to students within the public education system, to be defined as “a public or independent school other than a career technical center that fully integrates the provision of career technical education with the provision of general education in one school building or on one school campus, with a single budget for both CTE education and general education.”

(b) Any recommendations issued to the General Assembly regarding how to achieve regional high schools, how to achieve more comprehensive high schools, or how to embed career technical education within secondary schools shall consider the definition of comprehensive high school the General Assembly intends to move toward pursuant to subsection (a) of this section, or any other model that creates high schools that share operational costs, expand opportunities, and improve educational equity across a broad geographical area, to guide such recommendations.

Sec. 7. 16 V.S.A. § 1545 is amended to read:

#### § 1545. CREDITS AND GRADES EARNED

(a) ~~Grades~~ Credits or proficiencies and grades earned in a course offered within a CTE program approved by the State Board shall not be altered by any public school or approved or recognized independent school in Vermont and shall be applied by the school toward any State graduation requirements in accordance with rules adopted by the State Board. Any State Board rules regarding earning of credits or proficiencies shall allow flexibility with respect to the integration of CTE education and other academic courses.

(b) The credits or proficiencies earned for a career technical education program approved by the State Board shall be honored by any public or independent school within Vermont. If necessary to enable a student to participate in career technical education and graduate with ~~his or her~~ the student's class, the credits or proficiencies earned shall be applied toward any school district or independent school graduation requirements exceeding the minimum number of credits or proficiencies required by the State Board. The school board of the high school from which the student wishes to graduate shall ~~make a determination as to whether the credits shall be applied~~ apply credits or proficiencies earned for a career technical education program approved by the State Board toward graduation requirements. A decision of a school board may be appealed to the Secretary who shall construe this section to favor participation in career technical education.

(c) For any student attending the Vermont Academy for Science and Technology pursuant to subsection 4011(e) of this title, the credits or proficiencies and grades earned shall, upon request of the student or the student's parent or guardian, be applied toward graduation requirements at the Vermont high school that the student attended prior to enrolling in the Academy.

## Sec. 8. CAREER AND TECHNICAL EDUCATION GOVERNANCE

### LEGISLATIVE WORKING GROUP; DRAFT LEGISLATION

(a) Creation. There is created the Career and Technical Education Governance Legislative Working Group to study and make recommendations to transform Vermont's career and technical education governance structure.

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

(1) four current members of the House of Representatives, not all from the same political party, who shall be appointed by the Speaker of the House as follows:

(A) one member of the House Committee on Appropriations;

(B) one member of the House Committee on Commerce and Economic Development;

(C) one member of the House Committee on Education; and

(D) one member of the House Committee on Ways and Means;

(2) four current members of the Senate, not all from the same political party, who shall be appointed by the Committee on Committees as follows:

(A) one member of the Senate Committee on Appropriations;

(B) one member of the Senate Committee on Economic Development, Housing and General Affairs;

(C) one member of the Senate Committee on Education; and

(D) one member of the Senate Committee on Finance.

(c) Powers and duties. The Working Group, in consultation with the Agency of Education, Vermont Association of Career and Technical Directors, and any other relevant stakeholders, shall study and make recommendations regarding how to incorporate Vermont's career technical education (CTE) governance system within the larger education governance system. The recommendations shall include:

(1) a transition plan that ensures no disruption to safety, access, or programming, including recommendations for whether the transition shall maintain the four separate CTE governance models while working towards one education governance system, or whether some other governance model or models should be used during the transition to one governance system and, if so, the transition costs and sources of funding associated with such a transition;

(2) a timeline to move from the current public education governance and CTE systems to one system that incorporates governance for both general education and CTE;

(3) recommendations for how State aid to school construction may be leveraged to achieve one education governance system;

(4) recommendations for locations of comprehensive high schools, as that term is defined in 16 V.S.A. § 1522(14);

(5) recommendations for the funding of adult education and secondary credential program participants' access to secondary career technical education, including the source of funding and the flow of funds;

(6) recommendations for how to fund and integrate adult career technical education into the education system in a way that allows for robust programmatic offerings open to all adult learners without a high school diploma;

(7) recommendations for ensuring that students will not be placed on a waitlist or prevented from accessing CTE due to lack of capacity where there is a viable alternative program that aligns with the student's intended program of study and meets program requirements, including sequencing and safety concerns, through the provision of coordinated transportation; and

(8) recommendations for ensuring Adult Diploma Program participants have access to the educational programs that best serve their needs, including career technical education, while also complying with federal and State requirements for adult education, as well as recommendations for how access to such educational programs shall be funded.

(d) Assistance. For purposes of scheduling meetings, preparing recommended legislation, and fiscal analysis, the Working Group shall have the assistance of the Office of Legislative Operations, the Office of Legislative Counsel, and the Joint Fiscal Office.

(e) Proposed legislation. On or before December 15, 2026, the Working Group shall submit its findings and recommendations in the form of proposed legislation to the General Assembly.

(f) Meetings.

(1) The Office of Legislative Counsel shall call the first meeting of the Working Group to occur on or before August 15, 2026.

(2) The Working Group shall select co-chairs from among its members at the first meeting, one a member of the House and the other a member of the Senate.

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

(4) The Working Group shall cease to exist on January 15, 2027.

(g) Compensation and reimbursement. For attendance at meetings during adjournment of the General Assembly, a legislative member of the Working Group serving in the member's capacity as a legislator shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 23 for not more than six meetings. These payments shall be made from monies appropriated to the General Assembly.

#### Sec. 9. EFFECTIVE DATE

This act shall take effect on passage.

**Rep. Conlon of Cornwall**, for the Committee on Education, recommended that the bill pass in concurrence with the proposal of amendment recommended by the Committee on Commerce and Economic Development and when further amended as follows:

First: In Sec. 5, Agency of Education recommendations; licensing of career and technical education educators; enforcement intervention pathway; flexible pathways; report, in subdivision (2)(B), following “providing early-” by striking out the word “state” and inserting in lieu thereof the word “stage”

Second: In Sec. 5, Agency of Education recommendations; licensing of career and technical education educators; enforcement intervention pathway; flexible pathways; report, by adding a new subdivision to be subdivision (4) to read as follows:

(4) Recommendations for ensuring Adult Diploma Program (ADP) participants have access to the educational programs that best serve their needs, including career technical education, while also complying with federal and State requirements for adult education, as well as recommendations for how access to such educational programs shall be funded through the use of State funds. If federal or State law is identified as a barrier, the report shall cite the applicable law and explain how it is a barrier to ADP participants' access to the educational program at issue.

Third: By striking out Sec. 8 in its entirety and inserting in lieu thereof a new Sec. 8 to read as follows:

Sec. 8. [Deleted.]

**Rep. Kascenska of Burke**, for the Committee on Appropriations, recommended that the bill pass in concurrence with the proposal of amendment recommended by the Committee on Commerce and Economic Development, when further amended as recommended by the Committee on Education.

The bill, having appeared on the Notice Calendar was taken up, read the second time, and the report of the Committee on Commerce and Economic Development was amended as recommended by the Committee on Education.

Pending the question, Shall the House propose to the Senate to amend the bill as recommended by the Committee on Commerce and Economic Development, as amended?, **Reps. Bartley of Fairfax, Krasnow of South Burlington, and Mihaly of Calais** moved to further amend the report of the Committee on Commerce and Economic Development as follows:

First: By adding a new section to be Sec. 8a to read as follows:

Sec. 8a. 21 V.S.A. § 471 is amended to read:

§ 471. DEFINITIONS

As used in this subchapter:

\* \* \*

(5) “Employee” means a person who, in consideration of direct or indirect gain or profit, has been continuously employed by the same employer for a period of one year for an average of at least 30 hours per week or meets the service requirement set forth in 29 C.F.R. § 825.801 (airline flight crew

employees) or 29 C.F.R. § 825.110(c)(3) (full-time teachers, as defined in 29 C.F.R. § 825.102, of an elementary or secondary school system or institution of higher education).

\* \* \*

Second: By adding a new section to be Sec. 8b to read as follows:

Sec. 8b. 21 V.S.A. § 495d is amended to read:

§ 495d. DEFINITIONS

As used in this subchapter:

\* \* \*

(15) “Crime victim” means any of the following:

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

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

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

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

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

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

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

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

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

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

\* \* \*

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

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

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

Third: By adding a new section to be Sec. 8c to read as follows:

Sec. 8c. 21 V.S.A. § 495g is amended to read:

§ 495g. ~~PROVISION APPLICABLE TO COLLEGE PROFESSORS~~

~~Nothing in this subchapter shall be construed to prohibit any institution of higher education as defined by section 1201(a) of the federal Higher Education Act of 1965 from retiring any employee who is serving under a contract of unlimited tenure, who attains 70 years of age. Any employee whose tenure contract is terminated may, in the discretion of the institution, be allowed to continue in the employ of the institution on a nontenured basis. [Repealed.]~~

Fourth: By adding a new section to be Sec. 8d to read as follows:

Sec. 8d. 21 V.S.A. § 383 is amended to read:

§ 383. DEFINITIONS

As used in this subchapter:

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

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

\* \* \*

(H) outside salespersons; and

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

(J) elected and appointed municipal officers.

\* \* \*

Fifth: By adding a new section to be Sec. 8e to read as follows:

Sec. 8e. 21 V.S.A. § 495q is added to read:

§ 495q. AGREEMENTS WITH HEALTH CARE PROVIDERS

(a) Any provision in a contract or agreement that creates or establishes the terms of a partnership, employment, or any other form of professional relationship with a health care provider regarding the health care provider's provision of health care services in Vermont shall be void and unenforceable if the provision:

(1) includes a restriction on the right of the health care provider to provide health care services in any geographical area for any period of time after the termination of such partnership, agreement, or professional relationship;

(2) limits the ability of a separating health care provider to provide notice of the provider's change of employment to individuals to whom the separating provider provided direct health care services;

(3) restricts a health care provider from making disparaging statements about another party to the contract or agreement or about another person specified in the agreement as a third-party beneficiary of the agreement;

(4) is inconsistent with Vermont law; or

(5) requires litigation arising from the performance of the contract or agreement in Vermont to be conducted in another state.

(b) The notice provided in subdivision (a)(2) of this section may include the following information:

(1) that the health care provider is continuing to practice the provider's profession;

(2) the health care provider's new professional contact information; and

(3) the recipient's right to choose a health care provider.

(c) The provisions in subsection (a) of this section do not apply to restrictions that limit a health care provider who contracts with a third-party company for nonclinical business support services from opening a business within a specific territory supported by a different third-party company providing nonclinical services.

(d) "Health care provider" means a person licensed, certified, or authorized by law to provide professional health care service in this State to an individual during that individual's medical care, treatment, or confinement.

(e) An employer shall not discharge or in any other manner retaliate against an employee who exercises or attempts to exercise the employee's rights under this section. The provisions against retaliation in subdivision 495(a)(8) of this subchapter and the penalty and enforcement provisions of section 495b of this subchapter shall apply to this section.

(f) This section shall apply to contracts and agreements entered into on or after July 1, 2026.

Which was agreed to. Thereupon, the report of the Committee on Commerce and Economic Development, as amended, was agreed to and third reading ordered.

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

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

#### **Recess**

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

#### **Message from the Senate No. 68**

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:

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. 955.** An act relating to next steps in transforming Vermont's education system.

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

Senator Bongartz  
Senator Hardy  
Senator Mattos

**Called to Order**

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

**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. 278**

**Rep. Boyden of Cambridge**, for the Committee on Government Operations and Military Affairs, to which had been referred Senate bill, entitled

An act relating to cannabis

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:

\* \* \* Packaging Limit \* \* \*

Sec. 1. 7 V.S.A. § 881 is amended to read:

§ 881. RULEMAKING; CANNABIS ESTABLISHMENTS

(a) The Board shall adopt rules to implement and administer this chapter in accordance with subdivisions (1)–(8) of this subsection.

\* \* \*

(3) Rules concerning product manufacturers shall include:

(A) requirements that a single package of a cannabis product shall not contain more than ~~400~~ 200 milligrams of THC, except in the case of:

\* \* \*

\* \* \* Transaction Limit \* \* \*

Sec. 2. 7 V.S.A. § 907 is amended to read:

§ 907. RETAILER LICENSE

\* \* \*

(b) In a single transaction, a retailer may provide ~~one ounce~~ two ounces of cannabis or the equivalent in cannabis products, or a combination thereof, to a person 21 years of age or older upon verification of a valid government-issued photograph identification card.

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\* \* \*

Sec. 3. 18 V.S.A. § 4230 is amended to read:

§ 4230. CANNABIS

(a) Possession and cultivation.

(1) No person shall knowingly and unlawfully possess more than ~~one ounce~~ two ounces of cannabis or more than ~~five~~ 10 grams of hashish or cultivate more than two mature cannabis plants or four immature cannabis plants. A person who violates this subdivision shall be assessed a civil penalty as follows:

\* \* \*

(2)(A) No person shall knowingly and unlawfully possess more than two ounces ~~or more~~ of cannabis or ~~ten~~ 10 grams or more of hashish or more than three mature cannabis plants or six immature cannabis plants. For a first offense under this subdivision (2), a person shall be provided the opportunity to participate in the Court Diversion Program unless the prosecutor states on the record why a referral to the Court Diversion Program would not serve the ends of justice. A person convicted of a first offense under this subdivision shall be imprisoned not more than six months or fined not more than \$500.00, or both.

\* \* \*

Sec. 4. 18 V.S.A. § 4230a is amended to read:

§ 4230a. CANNABIS POSSESSION BY A PERSON 21 YEARS OF AGE  
OR OLDER

(a)(1) Except as otherwise provided in this section, a person 21 years of age or older who possesses ~~one ounce~~ two ounces or less of cannabis or ~~five~~ 10 grams or less of hashish and two mature cannabis plants or fewer or four immature cannabis plants or fewer or who possesses paraphernalia for cannabis use shall not be penalized or sanctioned in any manner by the State or any of its political subdivisions or denied any right or privilege under State law. The ~~one-ounce~~ two-ounce limit of cannabis or ~~five~~ 10 grams of hashish that may be possessed by a person 21 years of age or older shall not include cannabis cultivated, harvested, and stored in accordance with section 4230e of this title.

\* \* \*

\* \* \* Event Permit; Pilot Program \* \* \*

Sec. 5. 7 V.S.A. § 912 is added to read:

§ 912. EVENT PERMIT

(a) Authorization. The Board may grant event permits to licensed cannabis establishments in good standing. The holder of an event permit is authorized to oversee and administer a commercial event pursuant to this section and procedures adopted by the Board. Notwithstanding section 833 of this title, persons 21 years of age or older may consume cannabis or cannabis products at an event authorized pursuant to this section.

(b) Eligibility. A licensed cannabis establishment is eligible to apply for an event permit, provided that the establishment submits a fee and application demonstrating to the Board's satisfaction:

(1) that the establishment has received written approval from the local cannabis control commission created pursuant to 7 V.S.A. § 863, or the municipal legislative body if no local cannabis control commission exists, which may include conditions and limitations appropriate to protect the public, manage traffic, and abate nuisance;

(2) a security plan to ensure that intoxicated persons or persons under 21 years of age cannot access the space subject to the permit, that the premises are secured from diversion or inversion, and that the premises lawfully may be used for the purpose intended;

(3) a product sale plan that describes quantities and types of cannabis and cannabis products that will be offered for sale and how the cannabis will be transported, monitored, secured, displayed, and sold in conformity with State law and Board rule;

(4) capacity to administer and enforce the required plans, and confirmation that the applicant has secured the services of a county law enforcement agency or private security provider licensed pursuant to 26 V.S.A. chapter 59, if required by the Board;

(5) proof of commercially reasonable insurance for the proposed event;  
and

(6) compliance with any other health and safety requirements that the Board may prescribe for the particular event or event location, including limits on attendees or types of products that may be consumed at the event site.

(c) Restrictions. Annually, the Board shall issue not more than five permits for public events and five permits for private events. An event permit shall be valid for a single event not to exceed 24 hours held at a single access-

controlled location. An event permit shall not be issued for a location at which alcoholic beverages are sold or furnished for on-premises consumption. A cannabis retailer that holds an event permit shall not conduct sales at the licensed retail location and the permitted event contemporaneously, except for sales conducted from a permitted event location that is contiguous with the licensed retail location. The holder of an event permit shall sell only registered adult-use cannabis and cannabis products at the event.

(d) Noncompliance; penalties. Deviation from security and sales plans, product tracking and taxation requirements, or permit terms shall be a violation subject to adverse licensing action consistent with Board rules.

(e) Fee. Cannabis establishments shall be assessed a fee of \$500.00 to apply for an event permit, of which 50 percent shall be distributed to the host municipality and 50 percent shall be deposited in the Cannabis Regulation Fund.

(f) Procedures. The Board shall adopt procedures pursuant to 3 V.S.A. § 835 to govern the event permits issued pursuant to this section, including application procedures and associated forms, the permittee selection process, security requirements, and event site restrictions. For the permittee selection procedures, the Board shall include a requirement that permits are issued equitably among cannabis establishment license categories.

(1) For each procedure proposed to be adopted or amended pursuant to this section, the Board shall publish the proposed procedure on the Board's website and hold not fewer than two public hearings at which members of the public may seek additional information or submit oral or written comments concerning the proposed procedure.

(2) The Board shall not be required to initiate rulemaking pursuant to 3 V.S.A. § 831(c) in relation to a procedure adopted pursuant to this section. A procedure adopted pursuant to this section shall have the force of law and be binding on all persons who apply for and hold an event permit pursuant to this section.

Sec. 6. [Deleted.]

Sec. 7. 32 V.S.A. § 7902 is amended to read:

§ 7902. CANNABIS EXCISE TAX

\* \* \*

(b) The tax imposed by this section shall be paid by the purchaser to the retailer or ~~integrated licensee holder~~ of an event permit. Each retailer or ~~integrated licensee permit holder~~ shall collect from the purchaser the full amount of the tax payable on each taxable sale.

\* \* \*

Sec. 8. 32 V.S.A. § 7904 is amended to read:

§ 7904. RETURNS; RECORDS

(a) Any retailer or ~~integrated licensee~~ holder of an event permit required to collect the tax imposed by this chapter shall, on or before the 25th day of every month, return to the Department of Taxes, under oath of a person with legal authority to bind the retailer or ~~integrated licensee~~ permit holder, a statement containing its name and place of business, the total amount of sales subject to the cannabis excise tax made in the preceding month, and any information required by the Department of Taxes, along with the total tax due. Retailers and ~~integrated licensees~~ permit holders shall not remit the tax collected to the Department of Taxes in cash absent the issuance of a waiver by the Commissioner of Taxes, and the Commissioner may require that returns be submitted electronically.

(b) Every retailer and ~~integrated licensee~~ permit holder shall maintain, for not less than three years, accurate records showing all transactions subject to tax liability under this chapter. The records are subject to inspection by the Department of Taxes at all reasonable times during normal business hours.

Sec. 9. 32 V.S.A. § 7906 is amended to read:

§ 7906. LICENSE

(a) Any retailer or ~~integrated licensee~~ holder of an event permit required to collect tax imposed by this chapter must apply for and receive a cannabis retail tax license from the Commissioner for each place of business within the State where ~~he or she~~ the retailer or permit holder sells cannabis or cannabis products prior to commencing business. The Commissioner shall issue without charge a license, or licenses, empowering the retailer or ~~integrated licensee~~ permit holder to collect the cannabis excise tax, provided that a retailer's or ~~integrated licensee's~~ permit holder's application is properly submitted and the retailer or ~~integrated licensee~~ permit holder is otherwise in compliance with applicable laws, rules, and provisions.

\* \* \*

Sec. 10. CANNABIS CONTROL BOARD; RULES AND REPORT

(a) On or before July 1, 2027, the Cannabis Control Board shall initiate rulemaking pursuant to 3 V.S.A. chapter 25 to adopt rules governing the event permit established in Sec. 5 of this act.

(b) On or before November 15, 2027, the Cannabis Control Board shall submit a written report to the House Committee on Government Operations and Military Affairs and the Senate Committee on Economic Development, Housing and General Affairs concerning the event permit established in Sec. 5 of this act. The report shall include a concise assessment of the benefits, challenges, and administrative viability of the event permit program. The Board may recommend best practices for security, inventory tracking, tax enforcement, permit administration, local government coordination, and optimizing market access for small cultivators. The Board shall recommend updates to the statute governing event permits, including whether the statute should be repealed on the date set by this act.

\* \* \* Outdoor Cultivator Fees \* \* \*

Sec. 10a. 7 V.S.A. § 910 is amended to read:

§ 910. CANNABIS ESTABLISHMENT FEE SCHEDULE

The following fees shall apply to each person or product licensed by the Board:

(1) Cultivators.

(A) Outdoor cultivators.

(i) Outdoor cultivator tier 1. Outdoor cultivators with up to 1,000 square feet of plant canopy or fewer than 125 cannabis plants in an outdoor cultivation space shall be assessed an annual licensing fee of ~~\$750.00~~ \$375.00.

(ii) Outdoor cultivator tier 2. Outdoor cultivators with up to 2,500 square feet of plant canopy in an outdoor cultivation space shall be assessed an annual licensing fee of ~~\$1,875.00~~ \$925.00.

(iii) Outdoor cultivator tier 3. Outdoor cultivators with up to 5,000 square feet of plant canopy in an outdoor cultivation space shall be assessed an annual licensing fee of ~~\$4,000.00~~ \$2,000.00.

(iv) Outdoor cultivator tier 4. Outdoor cultivators with up to 10,000 square feet of plant canopy in an outdoor cultivation space shall be assessed an annual licensing fee of ~~\$8,000.00~~ \$4,000.00.

(v) Outdoor cultivator tier 5. Outdoor cultivators with up to 20,000 square feet of plant canopy in an outdoor cultivation space shall be assessed an annual licensing fee of ~~\$18,000.00~~ \$9,000.00.

~~(vi) Outdoor cultivator tier 6. Outdoor cultivators with up to 37,500 square feet of plant canopy in an outdoor cultivation space shall be assessed an annual licensing fee of \$34,000.00.~~

\* \* \*

\* \* \* Municipal Authority \* \* \*

Sec. 11. 7 V.S.A. § 863 is amended to read:

§ 863. REGULATION BY LOCAL GOVERNMENT

(a)(1) ~~Prior to a cannabis retailer or the retail portion of an integrated licensee operating within a municipality, the municipality shall affirmatively permit the operation of such cannabis establishments by majority vote of those present and voting by Australian ballot at an annual or special meeting warned for that purpose. A municipality may place retailers or integrated licensees, or both, on the ballot for approval. A proposal to hold a vote pursuant to this subsection may be made by the legislative body of the municipality or by petition of five percent of the voters of the municipality.~~

(2) A vote to permit the operation of a licensed cannabis retailer ~~or integrated licensee~~ within the municipality shall remain in effect until rescinded by majority vote of those present and voting by Australian ballot at a subsequent annual or special meeting warned for that purpose. A rescission of the permission to operate a licensed cannabis retailer ~~or integrated licensee~~ within the municipality under this subdivision shall not apply to a licensed cannabis retailer ~~or integrated licensee~~ that is operating within the municipality at the time of the vote.

(b)(1) A municipality that hosts any cannabis establishment may establish a cannabis control commission composed of commissioners who may be members of the municipal legislative body.

(2) The local cannabis control commission may issue and administer local control licenses under this subsection for cannabis establishments within the municipality but shall not assess a fee for a local control license issued to a cannabis establishment. The commissioners may condition the issuance of a local control license upon compliance with any bylaw adopted pursuant to 24 V.S.A. § 4414 or ~~upon~~ ordinances regulating signs or public nuisances adopted pursuant to 24 V.S.A. § 2291, except that ordinances may not regulate public nuisances as applied to:

(A) tier 1 manufacturers; or

(B) outdoor cultivators that are regulated in the same manner as the Required Agricultural Practices under subdivision 869(f)(2) of this title.

(3) The commission may suspend or revoke a local control license for a violation of any condition placed upon the license.

(4) The Board shall adopt rules relating to a municipality's issuance of a local control license in accordance with this subsection and the local commissioners shall administer the rules furnished to them by the Board as necessary to carry out the purposes of this section.

\* \* \*

(d) A municipality shall not:

(1) ~~prohibit adopt an ordinance or bylaw that completely prohibits the operation of a cannabis establishment establishments within the municipality through an ordinance adopted pursuant to 24 V.S.A. § 2291 or a bylaw adopted pursuant to 24 V.S.A. § 4414, or regulate a cannabis establishment establishments in a manner that has the effect of completely prohibiting the operation of a cannabis establishment establishments within the municipality;~~

\* \* \*

\* \* \* Distribution of Local License Fees to Municipalities \* \* \*

Sec. 12. 7 V.S.A. § 846 is amended to read:

§ 846. FEES; AUTHORITY

\* \* \*

(c) Distribution to municipalities. After reduction for costs of administration and collection, the Board shall pay local license fees on a ~~quarterly~~ an annual basis to the municipality for which the fees were collected.

\* \* \* Two-Year Employee Identification Cards \* \* \*

Sec. 13. 7 V.S.A. § 910 is amended to read:

§ 910. CANNABIS ESTABLISHMENT FEE SCHEDULE

The following fees shall apply to each person or product licensed by the Board:

\* \* \*

(8) Employees. Cannabis establishments licensed by the Board shall be assessed ~~an annual~~ a biennial licensing fee of ~~\$50.00~~ \$100.00 for each employee. Employee licenses shall be valid for two years.

(9) Products. Cannabis establishments licensed by the Board shall be assessed an annual product licensing fee of \$50.00 for every type of cannabis and cannabis product that is sold in accordance with this chapter. The Board may issue longer product 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.

\* \* \*

\* \* \* Repeal of Integrated License Provisions \* \* \*

Sec. 14. 7 V.S.A. § 861 is amended to read:

§ 861. DEFINITIONS

As used in this chapter:

\* \* \*

(8) “Cannabis establishment” means a cannabis cultivator, propagation cultivator, wholesaler, product manufacturer, retailer, or testing laboratory, ~~or integrated licensee~~ licensed by the Board to engage in commercial cannabis activity in accordance with this chapter.

\* \* \*

(24) ~~“Integrated licensee” means a person licensed by the Board to engage in the activities of a cultivator, wholesaler, product manufacturer, retailer, and testing laboratory in accordance with this chapter. [Repealed.]~~

\* \* \*

Sec. 15. 7 V.S.A. § 866 is amended to read:

§ 866. YOUTH

\* \* \*

(c) The Board, in consultation with the Department of Health, shall adopt rules in accordance with section 881 of this title to:

\* \* \*

(3) require that cannabis products sold by licensed retailers ~~and integrated licensees~~ are contained in child-resistant packaging; and

(4) require that cannabis and cannabis products sold by licensed retailers ~~and integrated licensees~~ are packaged with labels that clearly indicate that the contents of the package contain cannabis and should be kept away from persons under 21 years of age.

\* \* \*

Sec. 16. 7 V.S.A. § 881 is amended to read:

§ 881. RULEMAKING; CANNABIS ESTABLISHMENTS

(a) The Board shall adopt rules to implement and administer this chapter in accordance with subdivisions (1)–(8) of this subsection.

\* \* \*

(2)(A) Rules concerning cultivators shall include:

\* \* \*

(v) labeling requirements for cannabis sold to retailers and ~~integrated licensees~~, including health warnings developed in consultation with the Department of Health;

\* \* \*

~~(7) Rules concerning integrated licensees shall include the provisions provided in subdivisions (1)-(6) of this subsection and any additional provisions the Board deems appropriate for safe regulation of integrated licensees in accordance with this chapter. [Repealed.]~~

(8) Rules concerning propagators shall include:

\* \* \*

(E) labeling requirements for cannabis sold to retailers and ~~integrated licensees~~;

\* \* \*

Sec. 17. 7 V.S.A. § 901 is amended to read:

§ 901. GENERAL PROVISIONS

\* \* \*

(d)(1) There shall be ~~seven~~ six types of licenses available:

\* \* \*

(E) a retailer license; and

(F) a testing laboratory license; and

~~(G) an integrated license.~~

\* \* \*

(3)(A) Except as provided in subdivisions (B) and (C) of this subdivision (3), an applicant and its affiliates may obtain a maximum of one type of each type of license as provided in subdivisions (1)(A)–(F) of this subsection (d). Each license shall permit only one location of the establishment.

~~(B) An applicant and its affiliates that control a dispensary registered on April 1, 2022 may obtain one integrated license provided in subdivision (1)(G) of this subsection (d) or a maximum of one of each type of license provided in subdivisions (1)(A)–(F) of this subsection (d). An integrated licensee may not hold a separate cultivator, propagator, wholesaler, product~~

~~manufacturer, retailer, or testing laboratory license, and no applicant or its affiliates that control a dispensary shall hold more than one integrated license. An integrated license shall permit only one location for each of the types of activities permitted by the license: cultivation, propagator, wholesale operations, product manufacturing, retail sales, and testing. [Repealed.]~~

\* \* \*

(e) A dispensary that obtains a retailer license ~~or an integrated license~~ pursuant to this chapter shall maintain the dispensary and retail operations in a manner that protects patient and caregiver privacy in accordance with rules adopted by the Board.

\* \* \*

Sec. 18. 7 V.S.A. § 904 is amended to read:

§ 904. CULTIVATOR LICENSE

(a) A cultivator licensed under this chapter may:

(1) cultivate, process, package, label, transport, test, and sell cannabis to a licensed wholesaler, product manufacturer, retailer, ~~integrated licensee~~, and dispensary;

\* \* \*

(3) possess and sell cannabis products to a licensed wholesaler, product manufacturer, retailer, ~~integrated licensee~~, and dispensary.

\* \* \*

Sec. 19. 7 V.S.A. § 904a is amended to read:

§ 904a. SMALL CULTIVATORS

\* \* \*

(d) Upon licensing, a small cultivator may sell cannabis to a licensed dispensary at any time for sale to patients and caregivers pursuant to the dispensary license ~~or to the public pursuant to an integrated license~~, including the time period before retail sales are permitted for licensed cannabis retailers.

Sec. 20. 7 V.S.A. § 910 is amended to read:

§ 910. CANNABIS ESTABLISHMENT FEE SCHEDULE

The following fees shall apply to each person or product licensed by the Board:

\* \* \*

~~(6) Integrated licensees. Integrated licensees shall be assessed an annual licensing fee of \$100,000.00. [Repealed.]~~

\* \* \*

Sec. 21. 7 V.S.A. § 974 is amended to read:

§ 974. RULEMAKING

(a)(1) The Board shall adopt rules to implement and administer this chapter. In adoption of rules, the Board shall strive for consistency with rules adopted for cannabis establishments pursuant to chapter 33 of this title where appropriate.

(2) Rules shall include:

\* \* \*

(U) labeling requirements for cannabis sold to retailers ~~and integrated licensees~~, including health warnings developed in consultation with the Department of Health;

\* \* \*

Sec. 22. 7 V.S.A. § 987 is amended to read:

§ 987. CANNABIS BUSINESS DEVELOPMENT FUND

(a) There is established the Cannabis Business Development Fund, which shall be managed in accordance with 32 V.S.A. chapter 7, subchapter 5.

(b) The Fund shall comprise:

(1) ~~a one-time contribution of \$50,000.00 per integrated license to be made on or before October 15, 2022; and [Repealed.]~~

\* \* \*

Sec. 23. [Deleted.]

\* \* \* Household Income; Cannabis Business Expenses Deduction \* \* \*

Sec. 24. 32 V.S.A. § 6061 is amended to read:

§ 6061. DEFINITIONS

As used in this chapter unless the context requires otherwise:

\* \* \*

(5) “Modified adjusted gross income” means “federal adjusted gross income”:

\* \* \*

(F) With the inclusion of any federal deduction or credit that the claimant would have been allowed for the cultivation, testing, processing, or sale of cannabis or cannabis products as authorized under 7 V.S.A. chapter 33 or 37, but for 26 U.S.C. § 280E.

\* \* \*

\* \* \* Outdoor Cannabis Cultivation; Use Value Appraisal Program \* \* \*

Sec. 25. 7 V.S.A. § 869 is amended to read:

§ 869. CULTIVATION OF CANNABIS; ENVIRONMENTAL AND LAND  
USE STANDARDS; REGULATION OF CULTIVATION

\* \* \*

(f) Notwithstanding subsection (a) of this section, a cultivator licensed under this chapter who ~~initiates cultivation of~~ cultivates cannabis outdoors ~~on a parcel of land~~ as defined in rule by the Cannabis Control Board pursuant to section 881 of this chapter shall:

\* \* \*

(3) be eligible to enroll in the Use Value Appraisal Program under 32 V.S.A. chapter 124 for the cultivation of cannabis;

(4) be exempt under 32 V.S.A. § 9741(3), (25), and (50) from the tax on retail sales imposed under 32 V.S.A. § 9771; and

\* \* \*

Sec. 26. 32 V.S.A. § 3102 is amended to read:

§ 3102. CONFIDENTIALITY OF TAX RECORDS

\* \* \*

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

\* \* \*

(25) To the Cannabis Control Board for the purposes of administering the Cannabis Excise Tax under chapter 207 of this title, the Sales and Use Tax under chapter 233 of this title, and the exemptions to those taxes.

\* \* \*

\* \* \* Cannabis Cultivator Cooperatives \* \* \*

Sec. 27. 7 V.S.A. § 904c is added to read:

§ 904c. CANNABIS CULTIVATOR COOPERATIVE CORPORATIONS

Licensed cannabis cultivators may form a cannabis cultivator cooperative corporation pursuant to 11 V.S.A. chapter 7 in the same manner as other associations or persons engaged in the production of the agricultural or handcraft products.

\* \* \* Commercial Cannabis Compact \* \* \*

Sec. 27a. COMMERCIAL CANNABIS COMPACT; INTENT

The General Assembly finds that the medical and commercial cannabis industry has grown significantly throughout the United States since Vermont transitioned to a recreational cannabis market in 2022. The General Assembly further finds that recent statements from federal officials, including provisions of Executive Order 14370, 90 F.R. 60541, “Increasing Medical Marijuana and Cannabidiol Research,” indicate a shifting federal posture on regulated cannabis markets. Accordingly, it is the intent of the General Assembly to prepare for the possibility of regional or interstate cannabis markets by authorizing the Governor to form agreements with other states that have commercial cannabis markets.

Sec. 27b. 7 V.S.A. § 834 is added to read:

§ 834. COMMERCIAL CANNABIS COMPACT

(a) As used in this section:

(1) “Agreement” means an agreement relating to commercial cannabis authorized pursuant to this section and entered into between this State and another state or states.

(2) “Contracting state” means a state of the United States, including a district, commonwealth, territory, or possession subject to the legislative authority of the United States, with which the Governor has entered into an agreement pursuant to this section.

(3) “Foreign licensee” means the holder of a cannabis license issued pursuant to the laws of another State that has entered into an agreement pursuant to this section.

(4) “Vermont license” means a cannabis license issued by the Board.

(b) The Governor is authorized to enter into an agreement with another state or states authorizing medical or commercial cannabis activity, or both, between entities licensed under the laws of the contracting state and entities operating with a Vermont license, provided that:

(1) the commercial cannabis activities are lawful and subject to licensure under the laws of the contracting state; and

(2) with respect to the interstate transportation of cannabis or cannabis products, the agreement prohibits the following:

(A) the transportation of cannabis and cannabis products by any means other than those authorized under the laws of the contracting state and the regulations of the Board; and

(B) the transportation of cannabis and cannabis products through the jurisdiction of a state, district, commonwealth, territory, or possession of the United States that does not authorize that transportation.

(c) Notwithstanding any other law, a foreign licensee may engage in commercial cannabis activity with a Vermont licensee and a Vermont licensee may engage in commercial cannabis activity with a foreign licensee, subject to the requirements and limitations set forth in this section.

(d) A foreign licensee shall not engage in commercial cannabis activity within the boundaries of this State without a Vermont license, or engage in commercial cannabis activity within a local jurisdiction without proper authorization issued by the local jurisdiction.

(e) An agreement shall require that the contracting state impose requirements on foreign licensees with regard to cannabis and cannabis products to be sold or otherwise transferred or distributed within this State that meet or exceed the requirements applicable to Vermont licensees, including:

(1) enforceable public health and safety standards that are equivalent to the requirements of the Board;

(2) mandatory participation in a system administered by this State to regulate and track cultivation, manufacturing, distribution, transportation, sale, and destruction of cannabis and cannabis products from seed to sale;

(3) standards for testing of cannabis or cannabis products that meet or exceed the standards applicable to testing laboratories licensed by the Board;

(4) requirements for the packaging and labeling of cannabis and cannabis products that meet or exceed the packaging and labeling requirements established pursuant to Board rules;

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(5) requirements for quality assurance and inspection of cannabis or cannabis products that meet or exceed the requirements applicable to cannabis or cannabis products cultivated, manufactured, or sold by Vermont licensees;

(6) restrictions on marketing, labeling, and advertising within this State by foreign licensees that meet or exceed the restrictions of Vermont licensees pursuant to this title; and

(7) a process for identification of adulterated or misbranded cannabis products, and the destruction of those products, using standards that meet or exceed the standards and procedures adopted by the Board.

(f) An agreement shall require that the contracting state impose restrictions upon advertising, marketing, labeling, or sale within the contracting state that meet or exceed restrictions established pursuant to this title and the rules adopted by the Board.

(g) An agreement shall provide for collection of all taxes applicable to the medical or commercial cannabis activity.

(h) An agreement shall include provisions requiring the Board and any other appropriate regulatory authorities of the contracting state to address public health and welfare emergencies concerning cannabis or cannabis products that are sold or intended for sale within this State, including for prompt recall or embargo of adulterated or misbranded cannabis products.

(i) An agreement shall include provisions requiring appropriate regulatory authorities of each state to investigate instances of alleged noncompliance with the commercial cannabis regulatory rules and regulations upon request by the other state and in accordance with mutually agreed-upon procedures. An agreement shall include provisions requiring the contracting state to reasonably cooperate with this State's investigations concerning foreign licensees and requiring the Board to reasonably cooperate with investigations by the contracting state concerning persons or entities holding Vermont licenses.

(j) An agreement shall include appropriate provisions reflecting Board programs and efforts to promote the inclusion and support of individuals and communities in the cannabis industry who are linked to populations and neighborhoods that were negatively or disproportionately impacted by cannabis criminalization.

(k) Prior to the execution of an agreement or amendment to an agreement, the Governor shall:

(1) Submit the proposed agreement or amendments to the Board and the Joint Fiscal Committee for review and comment. The Board and Committee shall have 60 days to review the proposed agreement or amendment and to

submit written recommendations to the Governor. The Governor shall consider all recommendations submitted by the Board and Committee and may revise the proposed agreement or amendment to incorporate the recommendations. If the Governor does not incorporate any recommendations, the Governor shall set forth, in writing, the reasons for not incorporating the recommendations.

(2) Post the proposed agreement or amendment on the Governor's and Board's internet websites for public comment for 30 days. The Governor shall consider any comments received.

(1) An agreement entered into pursuant to this section shall not take effect unless one of the following occurs:

(1) federal law is amended to allow for the interstate transfer of cannabis or cannabis products between authorized commercial cannabis businesses;

(2) federal law is enacted that specifically prohibits the expenditure of federal funds to prevent the interstate transfer of cannabis or cannabis products between authorized commercial cannabis businesses;

(3) the U.S. Department of Justice issues an opinion or memorandum allowing or tolerating the interstate transfer of cannabis products between authorized commercial cannabis businesses; or

(4) the Attorney General issues a written opinion that implementation of agreements entered into under this section will not result in significant legal risk to this State based on review of federal judicial decisions and administrative action.

(m) The Board shall notify the Governor and the General Assembly upon the occurrence of an event described in subsection (l) of this section and shall post the notification on the Board's website.

(n) The Board may adopt emergency rules pursuant to 3 V.S.A. § 844 governing the procedures for admission of a foreign licensee to conduct commercial cannabis activities within the State. Notwithstanding 3 V.S.A. § 844(b), the Board's emergency rules shall be effective for one year from the date of adoption. Within 90 days after adopting the emergency rules, the Board shall report to the House Committee on Government Operations and Military Affairs and the Senate Committee on Economic Development, Housing and General Affairs concerning its recommendations for necessary updates to Vermont's cannabis laws and a proposal for permanent rules governing commercial cannabis activities subject to an agreement.

Sec. 28. [Deleted.]

\* \* \* Repeals \* \* \*

Sec. 29. REPEALS

(a) 7 V.S.A. § 909 (integrated license) is repealed on July 1, 2026.

(b) 7 V.S.A. § 862 (cannabis establishment chapter not applicable to hemp or therapeutic use of cannabis) is repealed on July 1, 2026.

(c) 7 V.S.A. § 912 (cannabis event permit) is repealed on July 1, 2028.

\* \* \* Residential Rental Agreements; Prohibiting Restrictions on Cannabis Possession or Use \* \* \*

Sec. 30. 9 V.S.A. § 4468b is added to read:

§ 4468b. RENTAL AGREEMENTS; CANNABIS RESTRICTIONS

PROHIBITED

A rental agreement shall not contain a provision that prohibits a tenant from possessing cannabis or cannabis products within the rental premises or using cannabis or cannabis products within a dwelling unit, except that a rental agreement may prohibit the use of lighted cannabis or cannabis products intended for inhalation within the rental premises. This section shall not apply to any rental agreements that are required by federal law to prohibit the possession or use of cannabis within the rental premises.

Sec. 31. 18 V.S.A. § 4230a is amended to read:

§ 4230a. CANNABIS POSSESSION BY A PERSON 21 YEARS OF AGE OR OLDER

\* \* \*

(b)(1) Cannabis possessed or consumed in violation of State law is contraband pursuant to subsection 4242(d) of this title and subject to seizure and forfeiture.

(2) This section does not:

\* \* \*

(E) prohibit a landlord from banning ~~possession or use of~~ lighted cannabis or cannabis products intended for inhalation in a lease agreement; or

\* \* \*

\* \* \* Effective Dates \* \* \*

Sec. 32. EFFECTIVE DATES

(a) This section shall take effect on passage.

(b) Notwithstanding 1 V.S.A. § 214, Sec. 24 (household income; cannabis business expenses deduction) shall take effect retroactively on January 1, 2025, for household income received beginning in the 2025 calendar year and shall apply to property tax credit claims filed on and after January 1, 2026.

(c) Sec. 10a (cannabis establishment fee schedule) shall take effect on January 1, 2027, provided that on or before that date the General Assembly has appropriated or transferred a minimum of \$105,000.00 to the Cannabis Regulation Fund for purposes of replacing the reduction in fee revenue from outdoor cultivators.

(d) Sec. 13 (cannabis establishment fee schedule) shall take effect on July 1, 2027.

(e) All other sections shall take effect on July 1, 2026.

**Rep. Waszazak of Barre City**, for the Committee on Ways and Means, recommended that the bill pass in concurrence with the proposal of amendment recommended by the Committee on Government Operations and Military Affairs.

**Rep. Nigro of Bennington**, for the Committee on Appropriations, recommended that the bill pass in concurrence with the proposal of amendment recommended by the Committee on Government Operations and Military Affairs.

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

Pending the question, Shall the House propose to the Senate to amend the bill as recommended by the Committee on Government Operations and Military Affairs?, **Rep. Birong of Vergennes** moved to amend the report of the Committee on Government Operations and Military Affairs as follows:

First: By striking out Sec. 1, 7 V.S.A. § 881, in its entirety and inserting in lieu thereof a new Sec. 1 to read as follows:

Sec. 1. [Deleted.]

Second: By striking out Sec. 11, 7 V.S.A. § 863, in its entirety and inserting in lieu thereof a new Sec. 11 to read as follows:

Sec. 11. 7 V.S.A. § 863 is amended to read:

§ 863. REGULATION BY LOCAL GOVERNMENT

(a)(1) ~~Prior to a cannabis retailer or the retail portion of an integrated licensee operating within a municipality, the municipality shall affirmatively permit the operation of such cannabis establishments by majority vote of those~~

present and voting by Australian ballot at an annual or special meeting warned for that purpose. A municipality may place retailers ~~or integrated licensees, or both,~~ on the ballot for approval.

(2) A vote to permit the operation of a licensed cannabis retailer ~~or integrated licensee~~ within the municipality shall remain in effect until rescinded by majority vote of those present and voting by Australian ballot at a subsequent annual or special meeting warned for that purpose. A rescission of the permission to operate a licensed cannabis retailer ~~or integrated licensee~~ within the municipality under this subdivision shall not apply to a licensed cannabis retailer ~~or integrated licensee~~ that is operating within the municipality at the time of the vote.

\* \* \*

Third: By inserting a new section to be Sec. 12a to read as follows:

Sec. 12a. 7 V.S.A. § 847 is amended to read:

§ 847. APPEALS

\* \* \*

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

Fourth: In Sec. 32, effective dates, by striking out subsection (c) in its entirety and inserting in lieu thereof a new subsection (c) to read as follows:

(c) Sec. 10a (cannabis establishment fee schedule) shall take effect on July 1, 2027.

Which was agreed to.

Pending the question, Shall the House propose to the Senate to amend the bill as recommended by the Committee on Government Operations and Military Affairs, as amended?, **Rep. Nugent of South Burlington** moved to further amend the report of the Committee on Government Operations and Military Affairs in Sec. 5, 7 V.S.A. § 912, by striking out subsection (c) in its entirety and inserting in lieu thereof a new subsection (c) to read as follows:

(c) Restrictions. Annually, the Board shall issue not more than five permits for public events and five permits for private events. An event permit shall be issued only for events being held at locations within a municipality that has voted affirmatively to permit the operation of cannabis retail establishments. An event permit shall be valid for a single event not to exceed 24 hours held at a single access-controlled location. An event permit shall not be issued for a location at which alcoholic beverages are sold or furnished for on-premises consumption. A cannabis retailer that holds an event permit shall not conduct

sales at the licensed retail location and the permitted event contemporaneously, except for sales conducted from a permitted event location that is contiguous with the licensed retail location. The holder of an event permit shall sell only registered adult-use cannabis and cannabis products at the event.

Which was agreed to.

Pending the question, Shall the House propose to the Senate to amend the bill as recommended by the Committee on Government Operations and Military Affairs, as amended?, **Reps. Tagliavia of Corinth and Boyden of Cambridge** moved to further amend the report of the Committee on Government Operations and Military Affairs as follows:

First: In Sec. 5, 7 V.S.A. § 912, by striking out subsection (a) in its entirety and inserting in lieu thereof a new subsection (a) to read as follows:

(a) Authorization. The Board may grant event permits to licensed cannabis retail establishments in good standing. The holder of an event permit is authorized to oversee and administer a commercial event pursuant to this section and procedures adopted by the Board. No cannabis or cannabis products shall be consumed at an event authorized by this section.

Second: In Sec. 5, 7 V.S.A. § 912, in subsection (b), in the first sentence, after “A licensed cannabis” by inserting the word “retail”

Third: In Sec. 5, 7 V.S.A. § 912, by striking out subdivision (b)(6) in its entirety and inserting in lieu thereof a new subdivision (b)(6) to read as follows:

(6) compliance with any other health and safety requirements that the Board may prescribe for the particular event or event location, including limits on attendees.

Fourth: In Sec. 5, 7 V.S.A. § 912, in subsection (c), by striking out the first sentence in its entirety and inserting in lieu thereof a new sentence to read “Annually, the Board shall issue not more than ten permits for public events.”

Fifth: In Sec. 5, 7 V.S.A. § 912, in subsection (e), after the first usage of the word “Cannabis” by inserting the word “retail”

Sixth: In Sec. 5, 7 V.S.A. § 912, in subsection (f), by striking out the second sentence in its entirety.

Which was agreed to. Thereupon, the report of the Committee on Government Operations and Military Affairs, as amended, was agreed to and third reading ordered.

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

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

### **Recess**

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

### **Message from the Governor**

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

Madam Speaker:

I am directed by the Governor to inform the House of Representatives that on the 27th day of May, 2026, he signed bills originating in the House of the following titles:

- H. 635**     **An act relating to eliminating Department of Corrections supervisory fees**
- H. 778**     **An act relating to dam safety**

### **Called to Order**

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

### **Recess**

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

### **Message from the Senate No. 69**

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 bills originating in the House of the following titles:

- H. 542.** An act relating to terminating testing of schools in Vermont for polychlorinated biphenyls.

**H. 710.** An act relating to defining electricity generating facilities.

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

### Called to Order

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

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

#### H. 928

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

An act relating to technical corrections to fish and wildlife statutes

Was taken up for immediate consideration.

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

First: In Sec. 1, 10 V.S.A. § 4502, in subsection (b), in subdivision (2), by striking out subdivision (SS) in its entirety and inserting in lieu thereof a new subdivision (SS) to read as follows:

(SS) ~~Appendix § 37, section 9.0. Feeding deer [Repealed.]~~

Second: In Sec. 1, 10 V.S.A. § 4502, in subsection (b), in subdivision (3), by striking out subdivision (O) in its entirety and inserting in lieu thereof a new subdivision (O) to read as follows:

(O) Appendix § 7, sections 4.0, 4.1, 4.2, 5.3, 6.1, 6.2, 6.3(b), 6.3(d), 6.3(e), 7.1, 7.2, 7.3, and 7.4, and 8.2. Bear, unauthorized taking management rule

Third: In Sec. 1, 10 V.S.A. § 4502, in subsection (b), in subdivision (3), by striking out subdivision (P) in its entirety and inserting in lieu thereof a new subdivision (P) to read as follows:

(P) Appendix § 22, sections 4.1, 4.2, 4.3, 4.4, 5.1, 5.2, 5.4, 6.4, and 6.5. Turkey season, excluding: requirements for youth turkey hunting season; and size of shot used or possessed seasons

Fourth: In Sec. 1, 10 V.S.A. § 4502, in subsection (b), in subdivision (3), by striking out subdivision (U) in its entirety and inserting in lieu thereof a new subdivision (U) to read as follows:

(U) Appendix § 37, sections 5.1, 6.1, 6.2, 7.1, 7.2, 7.4, 8.1, 8.2, 8.4, 9.1, 9.2, 9.4, 9.5, 12.2, and 14. Deer management rule, excluding

~~requirements for youth deer hunting weekend; requirements for novice season; limitations on feeding of deer; reporting big game; and section 11.0, ban of urine and other natural lures~~

Fifth: In Sec. 4, 1999 Acts and Resolves No. 1, Sec. 87a, by striking out subdivision (A)(ii)(II) in its entirety and inserting in lieu thereof a new subdivision (A)(ii)(II) to read as follows:

(II) Plan and Involve the Community. Involve Vermont citizens and municipalities ~~in~~ when developing and updating every 10 years a the long-term comprehensive plan for management of portions of the lands which are transferred to it.

Sixth: In Sec. 3, 10 V.S.A. § 4255 (license fees), by inserting a new subsection to be subsection (p) to read as follows:

(p) The Commissioner may assess the following fees for the use of Department of Fish and Wildlife lands and facilities. All fees or charges collected for the use of Department of Fish and Wildlife lands and facilities shall be deposited in the Fish and Wildlife Fund:

(1) Rental of the Edward F. Kehoe Education Center:

(A) Partnering organizations and municipalities:

(i) Education Center day use (per day for use of all facilities):  
\$300.00

(ii) Damage deposit (refundable if all requirements are met):  
\$150.00 per rental

(iii) Cabin rental (rate is for four persons, \$5.00 per additional person):  
\$60.00 per night

(B) School groups (K–12) day use: \$5.00 per student

(C) Private entity: Education Center day use (per day for use of all facilities): \$600.00

(D) Weddings: \$5,000.00, or \$4,000.00 if  
a certified wedding planner  
is used for the event

(2) Rental of Buck Lake Conservation Camp:

(A) Partnering organizations and municipalities:

(i) Education Center day use (per day/all facilities): \$300.00

(ii) Damage deposit (refundable if all requirements met):

\$150.00 per rental

(B) Private entity:(i) Education Center day use (per day/all facilities): \$600.00(ii) Cabin rentals (rate is for four persons, \$5.00 per additional person): \$60.00 per night(3) Controlled waterfowl hunt (Dead Creek Wildlife Management Area or Mud Creek Wildlife Management Area): \$10.00 per person(4) Meeting rooms:(A) Grand Isle Fish Culture Station: \$25.00 per day(B) Gordon Center Training Facility, overnight accommodations: \$25.00 per person per night(5) Special use permit: \$50.00 minimum–\$10,000.00 maximum(6) License: \$50.00 minimum–\$10,000.00 maximum

Which proposal of amendment was considered and concurred in.

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

**H. 915**

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

An act relating to establishing an extended producer responsibility program for beverage containers

Was taken up for immediate consideration.

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

Sec. 1. 10 V.S.A. chapter 53 is amended to read:

CHAPTER 53. BEVERAGE CONTAINERS; DEPOSIT-REDEMPTION  
SYSTEM

§ 1521. DEFINITIONS

As used in this chapter:

(1) “Beverage” means beer or other malt beverages and mineral waters, mixed wine drink, soda water and carbonated soft drinks in liquid form and intended for human consumption. “Beverage” also means liquor and ready-to-drink spirits beverage.

(2) ~~“Biodegradable material” means material that is capable of being broken down by bacteria into basic elements. [Repealed.]~~

(3) ~~“Container” means the individual, and separate, bottle, can, or jar, or earthen composed of glass, aluminum or other metal, paper, plastic polyethylene terephthalate, high density polyethylene, or any combination of those materials, and containing a consumer product beverage. This definition shall does not include containers made of biodegradable material beverage containers with a volume greater than three liters.~~

(4) ~~“Dealer” means any person, including any operator of a vending machine or retailer, who engages in the sale of beverages in beverage containers to consumers in the State.~~

(5) ~~“Deposit initiator” means the first distributor or manufacturer to collect the deposit on a beverage container sold to any person within the State. If no person initiates a deposit, the first distributor in the State shall be the deposit initiator.~~

(6) ~~“Distributor” means every person who engages in the sale of consumer products beverages in containers to a dealer in this State, including any manufacturer who engages in such sales. Any dealer or retailer who sells, at the retail level, beverages in containers without having purchased them from a person otherwise classified as a distributor shall be is a distributor.~~

(7) ~~“Fair compensation” means the compensation from the producer responsibility organization to the point of redemption in the amount that covers the point of redemption’s reasonable costs of operating redemption services and a reasonable rate of return.~~

(5)(8) ~~“Manufacturer” means every person bottling, canning, packing, or otherwise filling containers for sale to distributors or dealers.~~

(9) ~~“Mixed wine drink” means a beverage containing wine and more than 15 percent added plain, carbonated, or sparkling water and that contains added natural or artificial blended material, such as fruit juices, flavors, flavoring, adjuncts, coloring, or preservatives; a beverage that contains not more than 16 percent alcohol by volume; or another similar product marketed as a wine cooler.~~

(10) ~~“Point of redemption” means a location included in the plan adopted under section 1532 of this title that redeems beverage containers under this chapter. A point of redemption includes manually sorting containers, mechanically sorting containers, and bag drops.~~

(11) “Point of redemption with immediate return of deposit” means a point of redemption that immediately provides a person with a deposit when a beverage container is presented for redemption.

~~(6)~~(12) “Recycling” means the process of sorting, cleansing, treating, and reconstituting waste and other discarded materials for the purpose of reusing the materials in the same or altered form.

~~(7)~~(13) “Redemption center” means a store or other location where any person may, during normal business hours, redeem the amount of the deposit for any empty beverage container labeled or certified pursuant to section 1524 of this title.

(14) “Redemption rate” means the number of beverage containers redeemed for the deposit divided by the number of beverage containers sold and may not include in its calculation any unredeemed beverage containers collected or processed by municipal or other recycling programs.

(15) “Retailer” means a store or other licensed entity, including vending machines, where containers are sold at the retail level for off-premise consumption.

~~(8)~~(16) “Secretary” means the Secretary of Natural Resources.

~~(9) “Mixed wine drink” means a beverage containing wine and more than 15 percent added plain, carbonated, or sparkling water and that contains added natural or artificial blended material, such as fruit juices, flavors, flavoring, adjuncts, coloring, or preservatives; that contains not more than 16 percent alcohol by volume; or other similar product marketed as a wine cooler.~~

~~(40)~~(17) “Liquor” means spirits as defined in 7 V.S.A. § 2.

#### § 1522. BEVERAGE CONTAINERS; DEPOSIT

(a) Except with respect to beverage containers that contain liquor, a deposit of ~~not less than~~ five cents shall be paid by the consumer on each beverage container sold at the retail level and refunded to the consumer upon return of the empty beverage container. With respect to beverage containers of volume greater than 50 ml. that contain liquor, a deposit of 15 cents shall be paid by the consumer on each beverage container sold at the retail level and refunded to the consumer upon return of the empty beverage container. The difference between liquor bottle deposits collected and refunds made is hereby retained by the Liquor Control Enterprise Fund for administration of this subsection.

(b) A retailer or a person operating a redemption center who redeems beverage containers shall be reimbursed by the ~~manufacturer or distributor of such~~ deposit initiator of the beverage containers in an amount that is ~~three and~~

~~one-half four and one-half~~ cents per container for containers of beverage brands that are part of a commingling program and ~~four~~ five cents per container for containers of beverage brands that are not part of a commingling program. Beginning on March 1, 2029, a retailer or a person operating a redemption center shall be reimbursed for beverage containers that are covered by a stewardship plan approved by the Secretary under this chapter according to the fair compensation requirements of the plan.

\* \* \*

~~(d) Containers shall be redeemed during no fewer than 40 hours per week during the regular operating hours of the establishment. [Repealed.]~~

#### § 1522a. RULES

~~The Secretary may adopt rules, in accordance with 3 V.S.A. chapter 25, necessary for the administration of this chapter. These rules may include the following:~~

~~(1) Provisions to ensure that beverage containers not labeled in accordance with section 1524 of this title are not redeemed.~~

~~(2) Provisions to ensure that beverage containers are commingled.~~

~~(3) Administrative penalties for the failure by a redemption center or retailer to remove beverage containers that are not labeled prior to pickup by a distributor or manufacturer. Penalties may include nonpayment of the deposit and handling fee established under section 1522 of this title for a reasonable period of time and for the number of beverage containers that were not labeled.~~

~~(4) Any other provision that may be necessary for the implementation of this chapter. [Repealed.]~~

#### § 1523. ACCEPTANCE OF BEVERAGE CONTAINERS

(a) Except as provided in section 1522 of this title:

(1) A retailer shall not refuse to accept from any person any empty beverage containers, labeled in accordance with section 1524 of this title, of the kind, size, and brand sold by the retailer, ~~or~~ and a retailer or a redemption center shall not refuse to pay to that a person the refund value of a beverage container as established by section 1522 of this title, except as provided in subsection (b) subsections (b) or (c) of this section.

(2) A manufacturer or distributor ~~may~~ shall not refuse to pick up from a retailer that sells its product or a person operating a certified redemption center any empty beverage containers, labeled in accordance with section 1524 of this title, of the kind, size, and brand sold by the manufacturer or distributor, or

refuse to pay the retailer or a person operating a redemption center the refund value of a beverage container as established by section 1522 of this title.

(b) A retailer, with the prior approval of the Secretary, may refuse to redeem beverage containers if a redemption center or centers are established that serve the public need.

(c) A retailer or a person operating a redemption center may refuse to redeem beverage containers that are not clean, or are broken, and shall not redeem beverage containers that are not labeled in accordance with section 1524 of this title.

\* \* \*

#### § 1524. LABELING

(a)(1) Every beverage container sold or offered for sale at retail in this State shall clearly indicate by embossing ~~or on the normal product label,~~ imprinting on the normal product label, or ~~in the case of a metal beverage container on the top of the container,~~ other approved method secured to the container the word "Vermont" or the letters "VT" and the refund value of the container in not less than one-eighth inch type size or such other alternate indications as may be approved by the Secretary.

(2) The label shall be on the top lid of the beverage container, the side of the beverage container, or in a clearly visible location on the beverage container. This subsection does not prohibit including names or abbreviations of other states with deposit legislation comparable to this chapter.

(b) The Commissioner of Liquor and Lottery may allow, in the case of liquor bottles, a conspicuous, adhesive sticker to be attached to indicate the deposit information required in subsection (a) of this section, provided that the size, placement, and adhesive qualities of the sticker are as approved by the Commissioner. The stickers shall be affixed to the bottles by the manufacturer, except that liquor that is sold in the State in quantities less than 100 cases per year may have stickers affixed by personnel employed by the Division of Liquor Control.

(c) ~~This section shall not apply to permanently labeled beverage containers~~ Every beverage container sold or offered for sale in the State shall contain a Universal Product Code and a barcode displayed on the container.

\* \* \*

#### § 1527. ~~PENALTY~~ REDEMPTION OF LIQUOR BOTTLES

~~A person who violates a provision of this chapter shall be fined not more than \$1,000.00 for each violation~~ Notwithstanding any other provision of this

chapter to the contrary, redemption of beverage containers of volume greater than 50 ml that contain liquor shall be subject to the following requirements:

(1) Deposit. Beverage containers subject to this section shall have a deposit of 15 cents on each container sold at the retail level and returned to the consumer upon return of the empty beverage container.

(2) Handling fee. Distributors of beverage containers subject to this section shall pay a point of redemption that redeems a beverage container four and one-half cents per container.

(3) Redemption. A retailer shall not refuse to accept beverage containers subject to this section or refuse to pay a person the refund value established by subdivision (1) of this section for any container unless the container is not clean, broken, or has an exemption issued by the Secretary. The Department of Liquor and Lottery shall not refuse to pick up empty beverage containers subject to this section, pay the refund value, or pay the handling fee to a retailer or redemption center subject to this section.

(4) Coordination with producer responsibility organization. The Department of Liquor and Lottery may coordinate with and compensate the producer responsibility organization to collect beverages containers subject to this section at points of redemption that are a part of the collection plan developed by the producer responsibility organization. Containers collected at these points of redemption shall not be subject to the handling fee established by subdivision (2) of this section.

(5) Performance goals and reporting. The Department of Liquor and Lottery shall be subject to the redemption rate goals established in section 1534 of this title for beverage containers containing liquor. Beginning on January 15, 2027, and annually thereafter, the Commissioner of Liquor and Lottery shall report to the Secretary of Natural Resources:

(A) the amount and tonnage of liquor bottles that the Department of Liquor and Lottery collected in the previous calendar year; and

(B) the redemption rate for liquor bottles in the previous calendar year.

\* \* \*

#### § 1529. REDEMPTION CENTER CERTIFICATION

A person operating a redemption center ~~may~~ shall obtain a certification from the Secretary. A redemption center certification shall include the following:

(1) Specification of the name and location of the facility;

~~(2) If the certified redemption center redeems more than 250,000 containers per year, a requirement that the certified redemption center shall participate in an approved commingling agreement; and~~

~~(3) Additional conditions, requirements, and restrictions as the Secretary may deem necessary to implement the requirements of this chapter. This may shall include requirements concerning reporting, recording, and inspections of the operation of the site.~~

§ 1530. ABANDONED BEVERAGE CONTAINER DEPOSITS

~~(a) As used in this section, “deposit initiator” means the first distributor or manufacturer to collect the deposit on a beverage container sold to any person within the State.~~

~~(b) Beginning on January 1, 2020, and quarterly thereafter, every deposit initiator shall report to the Secretary of Natural Resources and the Commissioner of Taxes. The report shall be submitted on or before the 25th day of the calendar month succeeding the quarter ending on the last day of March, June, September, and December each year. The deposit initiator shall submit the report on a form provided by the Commissioner of Taxes. The report shall include:~~

~~(1) the number of beverage containers sold in the preceding quarter and the number of beverage containers returned in the preceding quarter;~~

~~(2) the amount of beverage container deposits received by the deposit initiator;~~

~~(3) the amount of refund payments made in the preceding quarter; and~~

~~(4) any additional information required by the Commissioner of Taxes.~~

~~(e)(b)(1) On or before January 1, 2020, and quarterly thereafter, at the time a report is filed pursuant to subsection (d) of this section, each deposit initiator shall remit to the Commissioner of Taxes any abandoned beverage container deposits from the preceding quarter. The amount of abandoned beverage container deposits for a quarter is the amount equal to the amount of deposits that the deposit initiator collected in the quarter less the amount of the total refund value paid out by the deposit initiator for beverage containers during the quarter.~~

(2) In any calendar quarter, the deposit initiator may submit to the Commissioner of Taxes a request for reimbursement of refunds paid under this chapter that exceed the amount of deposits collected in the quarter. The Commissioner of Taxes shall pay a request for reimbursement under this subdivision from the funds remitted to the Commissioner under subdivision (1) of this subsection, provided that:

(A) the Commissioner determines that the deposits collected by the deposit initiator are insufficient to pay the refunds on returned beverage containers; and

(B) a reimbursement paid by the Commissioner to the deposit initiator shall not exceed the amount paid by the deposit initiator under subdivision (1) of this subsection (c) less amounts paid to the initiator pursuant to this subdivision (2) in the previous four quarterly filings.

(3) Except as expressly provided otherwise in this chapter, all the administrative provisions of 32 V.S.A. chapter 151, including those relating to collection, enforcement, interest, and penalty charges, shall apply to the remittance of abandoned beverage container deposits.

(4) A deposit initiator may within 60 days after the date of mailing of a notice of deficiency, the date of a full or partial denial of a request for reimbursement, or the date of an assessment petition the Commissioner of Taxes in writing for a hearing and determination on the matter. The hearing shall be subject to and governed by 3 V.S.A. chapter 25. Within 30 days after a determination, an aggrieved deposit initiator may appeal a determination by the Commissioner of Taxes to the Washington Superior Court or the Superior Court of the county in which the deposit initiator resides or has a place of business.

(5) Notwithstanding any appeal, upon finding that a deposit initiator has failed to remit the full amount required by this chapter, the Commissioner of Taxes may treat any refund payment owed by the Commissioner to a deposit initiator as if it were a payment received and may apply the payment in accordance with 32 V.S.A. § 3112.

~~(d)~~(c) The Secretary of Natural Resources may prohibit the sale of a beverage that is sold or distributed in the State by a deposit initiator who fails to comply with the requirements of this chapter. The Secretary may allow the sale of a beverage upon the deposit initiator's coming into compliance with the requirements of this chapter.

~~(e)~~(d) Data reported to the Secretary of Natural Resources and the Commissioner of Taxes by a deposit initiator under this section shall be confidential business information exempt from public inspection and copying under 1 V.S.A. § 317(c)(9) but shall not be confidential return information under 32 V.S.A. § 3102, provided that the Commissioner of Taxes may use and disclose such information in summary or aggregated form that does not directly or indirectly identify individual deposit initiators except to the Secretary of Natural Resources in relation to the administration of this chapter.

§ 1531. MANUFACTURER AND DISTRIBUTOR PARTICIPATION IN  
PRODUCER RESPONSIBILITY ORGANIZATION

(a) No deposit initiator shall sell or distribute a beverage container in this State without participating in a Secretary-approved producer responsibility organization.

(b) On or before January 1, 2027, the deposit initiator of beverage containers sold or distributed within the State shall apply to the Secretary to form a producer responsibility organization to fulfill the requirements of deposit initiators under this chapter.

(c) The Secretary may approve, for a period not longer than 10 years, the producer responsibility organization, provided that:

(1) the producer responsibility organization or its subsidiary is registered under 26 U.S.C. § 501(c)(3) as a nonprofit entity;

(2) the producer responsibility organization has the capacity to administer the requirements of a stewardship plan required by section 1532 of this title; and

(3) the producer responsibility organization does not create any unreasonable barriers to joining the producer responsibility organization and shall take into the consideration the needs of small manufacturers that do not generate a significant volume of containers.

(d) After approval, the producer responsibility organization shall maintain a website that identifies:

(1) the name and principal business address of each manufacturer or distributor participating in the producer responsibility organization;

(2) the name of each beverage and the container size covered by the stewardship plan; and

(3) for each beverage container subject to the plan, a Universal Product Code and a barcode shall be displayed on the container.

(e) The producer responsibility organization may charge fees to deposit initiators to cover the costs of administration and implementation of this chapter. Deposit initiators shall pay all fees required by the producer responsibility organization and provide any data required by the producer responsibility organization. If a deposit initiator fails to meet these requirements, the producer responsibility organization may remove it from the producer responsibility organization.

(f) If the producer responsibility organization fails to implement the requirements of this chapter, the rules adopted by the Secretary, or an approved stewardship plan, the Secretary may dissolve the producer responsibility organization.

(g) If no producer responsibility organization is formed, the Secretary shall either require the formation of the producer responsibility organization or adopt and administer a plan that meets the requirements of section 1532 of this title. If the Secretary administers the plan adopted under section 1532 of this title, the Secretary shall charge each deposit initiator the costs of plan administration, the Agency's oversight costs, and a recycling market development assessment of 25 percent of the plan's total cost to be deposited in the Solid Waste Management Assistance Account of the Waste Management Assistance Fund, for the purpose of providing grants to develop markets to recycle materials.

(h) The producer responsibility organization shall reimburse the Secretary for the costs of overseeing the administration of the program under this chapter as follows:

(1) The Secretary shall annually provide an estimate of the costs of overseeing the administration of the program to the producer responsibility organization, including staff costs, compliance, and oversight of the system.

(2) The producer responsibility organization shall provide any comments to the Secretary's budget within 30 days following receipt. The Agency of Natural Resources shall respond to all comments provided by the producer responsibility organization and may make changes to its budget in response to those comments. These comments and the responses shall be provided to the General Assembly as a part of the Secretary's budget.

(3) Reimbursement of Agency of Natural Resources costs under this subsection shall be subject to the State budgeting process, and the producer responsibility organization shall not be required to reimburse any Agency cost unless that cost is approved as a part of the Agency's budget.

(i) Manufacturers and distributors of liquor are exempt from the requirements of this section and the requirement to implement a stewardship plan under section 1532 of this title.

#### § 1532. STEWARDSHIP PLAN; MINIMUM REQUIREMENTS

(a) Plan elements. On or before April 1, 2028, an approved producer responsibility organization shall submit a stewardship plan to the Secretary. A stewardship plan shall, at a minimum, meet all of the following requirements of this section:

(1) Convenience of collection.

(A) A plan shall ensure that consumers have convenient opportunities to redeem beverage containers. The plan shall take reasonable efforts to site points of redemption equitably across all regions of the State to allow for convenient and reasonable access of all Vermonters to redemption opportunities. A plan shall document how redemption services will be available to consumers as follows:

(i) at least three points of redemption per county, at least one of which provides an immediate return of a deposit to a consumer;

(ii) at least one point of redemption per municipality with a population of 7,000 or more persons that provides an immediate return of a deposit to a consumer unless the Secretary determines that requiring an immediate return of deposit would create an impediment to effective redemption under the plan; and

(iii) how sites of redemption are or will be sited in areas with high population density or located in centers designated under 24 V.S.A. chapter 76A.

(B) The producer responsibility organization may propose in its plan to remove retail redemption locations required by subdivision 1523(a)(2) of this title. When proposing to remove these retail locations, the producer responsibility organization shall document how the location is adequately served by other points of redemption. The Secretary shall not approve any reduction that reduces the points of redemption below the levels required under subdivisions (1)(A)(i) and (ii) of this subsection (a). The Secretary may require additional points of redemption based on the location of proposed or existing points of redemption, shopping patterns, and the convenience of redeeming beverage containers.

(C) The producer responsibility organization may not use only single-feed reverse vending machines or only mobile points of redemption as the point of redemption to satisfy the requirement under subdivision (1)(A)(i) of this subsection (a) except where the producer responsibility organization documents that the population and retail density of the county is adequately served by the use of these forms of collection.

(D) The producer responsibility organization shall ensure that points of redemption have the operational capacity to redeem beverage containers. This includes training on the use of equipment, providing service of equipment in a reasonable time if there are issues, and providing pick-up of collected containers from the point of redemption in a reasonable period from receiving a request.

(2) Fair operation and compensation to redemption centers. The plan shall satisfy all of the following requirements:

(A) The plan shall describe how all locations that redeem beverage containers are fairly compensated for their participation in the collection program provided that the producer responsibility organization shall pay each location that redeems beverage containers:

(i) four and one-half cents per container for all other means of redemption at a location; or

(ii) according to a separate compensation agreement negotiated between a redemption location or a group of redemption locations that redeems beverage containers and the producer responsibility organization.

(B) There shall not be barriers to the participation in the collection program for a redemption center, except for restrictions that are authorized by the Secretary.

(C) The plan shall describe how management and sorting of containers at points of redemption is minimized. The plan shall document how brand sorting will be eliminated at points of redemption.

(D) The plan shall describe how materials will be picked up from points of redemption on a timely basis.

(E) The plan shall maximize the use of existing infrastructure, when establishing points of redemption under subdivision (1) of this subsection (a).

(F) Consistent with guidelines developed by the Secretary, the producer responsibility organization shall use binding dispute resolution to resolve any disputes that arise surrounding negotiation of separate compensation agreements between the producer responsibility organization and points of redemption. This process shall be implemented using a neutral third-party decision maker agreed to by all parties.

(G) After the plan is effective for two years and six months, the producer responsibility organization shall submit a report on fair compensation to the Secretary. The report shall either describe how the producer responsibility organization has adjusted compensation for points of redemption or document why such an adjustment is not necessary.

(3) Redemption amount. The producer responsibility organization or a point of redemption operating under the plan shall pay a person presenting a beverage container for redemption the refund value of the beverage container as established by section 1522 of this title.

(4) Collection location standards. All locations that provide for redemption of beverage containers shall:

(A) provide timely redemption services that limit the need for persons redeeming containers to wait for redemption services;

(B) be at sites that are secure, sufficiently lighted, and managed to ensure the safety of persons redeeming containers at a location;

(C) be open and accepting beverage containers:

(i) in the case of a fixed point of redemption, at least 35 hours per week, including six consecutive hours on Saturday; or

(ii) in the case of a mobile point of redemption, at least 15 hours per week, including at least four consecutive hours on Saturday; and

(D) comply with all applicable laws related to the collection, transportation, and disposition of mandated recyclables.

(5) Education to consumers. The plan shall describe what education efforts will be undertaken to increase the number of beverage containers redeemed in the State.

(6) Consultation with stakeholders. The producer responsibility organization shall consult with stakeholders on the development of the plan. The plan shall include processes for regular consultation, which shall take place not less than annually, with stakeholders, including the Agency, redemption centers, municipal and private recycling organizations, bag drop and reverse vending technology providers, and other stakeholders. Prior to submitting a proposed plan to the Agency, the producer responsibility organization shall allow the public to comment on the proposed plan. The producer responsibility organization shall either make changes in response to those comments or provide a written response on why the change was not made to the stakeholders and the Agency.

(7) The Agency shall publish the proposed and final approved plan on the Agency's website.

(b) Reporting. At a frequency required by the Secretary but not less than annually, the producer responsibility organization shall report the following to the Secretary:

(1) the name, address, and business hours of each redemption center participating in the approved stewardship plan and the number of redemption centers added or removed from the plan over the preceding year;

(2) the amount, in containers and tons, and material type of beverage containers redeemed under the plan and the redemption rate of beverage containers;

(3) the location and amount of beverage container material that was recycled and what products that beverage container material was recycled into;

(4) the carbon impacts associated with the administration of the stewardship plan;

(5) the costs associated with administration of the stewardship plan, including the costs of collection, management, and transportation of redeemed containers and the amount received for commodities;

(6) a description of any improvements made in the reporting year to increase ease and convenience for consumers to return beverage containers for redemption;

(7) efforts taken by or on behalf of the manufacturer or distributor to reduce environmental impacts throughout the product life cycle and to increase reusability or recyclability at the end of the life cycle by material type;

(8) efforts taken by or on behalf of the producer responsibility organization to improve the environmental outcomes of the program by improving operational efficiency, such as reduction of truck trips through improved material handling or compaction or the increased use of refillable containers in a local refilling system;

(9) a description and copies of educational materials and educational strategies the producer responsibility organization uses for the purposes of this program; and

(10) any additional information required by the Secretary.

(c) Review of stewardship plan.

(1) Within 90 days after receipt of a plan submitted under this section, the Secretary shall review the plan and determine whether to approve the plan, deny the plan, or require an amendment to the plan. The Secretary may amend or add conditions to the plan as a part of the approval. The plan shall be approved after concluding that the plan meets the criteria established in this section and the elements of the plan will maximize diversion of recyclable materials, provide convenience to users, and create a more circular economy. If the plan is denied, the Secretary shall provide a basis for that denial and the producer responsibility organization shall submit a revised plan addressing these issues within 60 days following the notice of denial.

(2) At least six months prior to the expiration of the plan, the producer responsibility organization shall submit a renewal to the stewardship plan. Renewals shall address all elements considered in the original plan and shall be considered in the same manner as an original plan. The Secretary shall issue a final determination on an application for renewal not later than 90 days before the expiration of the plan.

(3) The Secretary's approval pursuant to this subsection shall be for a period not greater than five years.

(d) Plan implementation. The producer responsibility organization shall implement the approved plan on March 1, 2029.

(e) Revision of stewardship goals. If the producer responsibility organization fails to meet the beverage container redemption rate in section 1534 of this title for all other beverage containers, the Secretary may require the producer responsibility organization to implement activities to enhance the rate of redemption, including additional public education and outreach, additional redemption sites, or additional redemption opportunities.

#### § 1533. PROGRAM AND FISCAL AUDIT

(a) Program audit. Beginning on October 1, 2033, and every five years thereafter, the producer responsibility organization shall conduct an independent third-party program audit of the operation of the stewardship plan. The program audit shall examine how the product stewardship organization compensates redemption centers as a part of its report. The audit shall make recommendations to improve the operation of the collection program established by this chapter, including any recommendation to the compensation structure for redemption centers.

(b) Fiscal audit. Beginning on October 1, 2030, and annually thereafter, the producer responsibility organization shall conduct an independent third-party fiscal audit of the program. The fiscal audit shall provide a transparent fiscal analysis of the producer responsibility organization, its expenditures, the number of beverage containers collected, and the amount of unclaimed deposits. The audit shall also provide the redemption rate of beverage containers redeemed in the State. The Secretary shall approve the audit results and the redemption rate of beverage containers included in the audit.

(c) Submission to Secretary. The results of each audit required under subsections (a) and (b) of this section shall be submitted to the Secretary for purposes of reviewing performance of the stewardship plan and for oversight of the requirements of this chapter.

§ 1534. BEVERAGE CONTAINER REDEMPTION RATE GOAL;  
REPORT

(a) It is a goal of the State that the following minimum beverage container redemption rates shall be satisfied by the specified dates:

(1) Beginning on July 1, 2030: 75 percent.

(2) Beginning on July 1, 2033: 80 percent.

(b)(1) Beginning on December 1, 2030, and annually thereafter, the Secretary of Natural Resources shall submit to the House Committees on Environment and on Ways and Means and the Senate Committees on Natural Resources and Energy and on Finance a written report containing the current beverage container redemption rate in the State for the following two categories of beverage containers:

(A) liquor bottles; and

(B) all other beverage containers.

(2) Each annual report submitted under subdivision (1) of this subsection shall include a recommendation of whether the beverage container deposit for either of the beverage container categories should be increased to improve redemption of that category of beverage container.

§ 1535. RULEMAKING

The Secretary may adopt rules, in accordance with 3 V.S.A. chapter 25, necessary for the administration of this chapter.

§ 1536. ANTITRUST; CONDUCT AUTHORIZED

(a) Activity authorized. A manufacturer, distributor, group of manufacturers or distributors, or producer responsibility organization implementing or participating in an approved collection plan under this chapter for the collection, transport, processing, and management of beverage container is individually or jointly immune from liability for conduct under State laws relating to antitrust, restraint of trade, unfair trade practices, and other regulation of trade or commerce under 9 V.S.A. chapter 63, subchapter 1 to the extent that the conduct is reasonably necessary to plan, implement, and comply with the producer responsibility organization's chosen system for beverage containers.

(b) Limitations on antitrust activity. Subsection (a) of this section shall not apply to an agreement among manufacturers, distributors, groups of manufacturers or distributors, retailers, wholesalers, or the producer responsibility organization affecting the price of beverage containers or any

agreement restricting the geographic area in which or customers to whom beverage containers shall be sold.

Sec. 2. 10 V.S.A. § 1523 is amended to read:

§ 1523. ACCEPTANCE OF BEVERAGE CONTAINERS

(a) Except as provided in section 1522 of this title:

(1) A retailer shall not refuse to accept from any person any empty beverage containers, labeled in accordance with section 1524 of this title, ~~of the kind, size, and brand sold by the retailer,~~ and a retailer or a redemption center shall not refuse to pay to that person the refund value of a beverage container as established by section 1522 of this title, except as provided in subsections (b) or (c) of this section.

(2) ~~A manufacturer or distributor may~~ The producer responsibility organization shall not refuse to pick up from a retailer that sells its product or a person operating a certified redemption center any point of redemption included in the stewardship plan empty beverage containers, labeled in accordance with section 1524 of this title, ~~of the kind, size, and brand sold by the manufacturer or distributor,~~ or refuse to pay the retailer or a person operating a redemption center point of redemption the refund value of a beverage container as established by section 1522 of this title.

~~(b)(1)~~ (1) A retailer, ~~with the prior approval of the Secretary,~~ may refuse to redeem beverage containers if a ~~redemption center or centers are established that serve the public need~~ stewardship plan that meets the requirements of section 1532 of this title has been implemented by the producer responsibility organization in the State and the retailer's building is less than 5,000 square feet.

~~(2)~~ (2) A manufacturer that sells directly to a consumer from a retail location may refuse to redeem beverage containers if the retail location where the manufacturer or distributor sells beverage containers is less than 5,000 square feet.

~~(c)~~ (c) A retailer or a person operating a redemption center ~~may~~ point of redemption or producer responsibility organization shall refuse to redeem beverage containers that are not clean ~~or,~~ are broken ~~and shall not redeem beverage containers that,~~ are not labeled in accordance with section 1524 of this title, were known to have been purchased out of State, have already been redeemed, or are not registered with the producer responsibility organization pursuant to subsection 1531(d) of this title.

Sec. 3. 10 V.S.A. § 7714 is amended to read:

§ 7714. TYPE 3 PROCEDURES

(a) Purpose; scope.

(1) The purpose of this section is to establish the public notice and comment requirements that the Department must follow when adopting general permits, except for general permits governed by section 7712 of this chapter, and when considering other permits listed in this section.

(2) The procedures under this section shall be known as Type 3 Procedures. This section governs each of the following:

(A) Each general permit issued pursuant to the Secretary's authority under this title other than a general permit subject to section 7712 of this chapter. However, this section does not apply to a notice of intent under a general permit.

(B) Issuance of a dam safety order under chapter 43 of this title, except for an unsafe dam order under section 1095 of this title.

(C) An application or request for approval of:

(i) an aquatic nuisance control permit under chapter 50 of this title;

(ii) a change in treatment for a public water supply under chapter 56 of this title;

(iii) a collection plan for mercury-containing lamps under section 7156 of this title;

(iv) an individual plan for the collection and recycling of electronic waste under section 7554 of this title;

(v) a primary battery stewardship plan under section 7586 of this title;

(vi) a covered household products collection plan under section 7813 of this title; and

(vii) a stewardship plan required under chapter 53 of this title.

(b) Notice of application. The Secretary shall provide notice of an administratively complete application through the environmental notice bulletin.

(c) Notice of draft decision; comment period. The Secretary shall provide notice of the draft decision through the environmental notice bulletin and shall post the draft decision to the bulletin. The Secretary shall provide a public comment period.

(d) Public meeting. The Secretary shall hold a public meeting whenever any person files a written request for such a meeting. The Secretary otherwise may hold a public meeting at ~~his or her~~ the Secretary's discretion.

(e) Notice of final decision. The Secretary shall provide notice of the final decision through the environmental notice bulletin and shall post the final decision to the bulletin. The Secretary shall provide a response to comments.

Sec. 4. 10 V.S.A. § 1388 is amended to read:

§ 1388. CLEAN WATER FUND

(a) There is created a special fund to be known as the Clean Water Fund to be administered by the Secretary of Administration. The Fund shall consist of:

(1) revenues from the Property Transfer Tax surcharge established under 32 V.S.A. § 9602a;

(2) other gifts, donations, and impact fees received from any source, public or private, dedicated for deposit into the Fund and approved by the Secretary of Administration;

(3) the unclaimed beverage container deposits (escheats) remitted to the State under chapter 53 of this title, except as follows:

(A) in State fiscal year 2030, the Secretary may transfer up to \$1,000,000.00 to the Solid Waste Management Assistance Account of the fund created pursuant to section 6618 of this title for grants pursuant to subdivision 6618(b)(11) of this title;

(B) in State fiscal year 2031, the Secretary may transfer up to \$1,000,000.00 to the Solid Waste Management Assistance Account of the fund created pursuant to section 6618 of this title for grants pursuant to subdivision 6618(b)(11) of this title;

(C) in State fiscal year 2032, the Secretary may transfer up to \$750,000.00 to the Solid Waste Management Assistance Account of the fund created pursuant to section 6618 of this title for grants pursuant to subdivision 6618(b)(11) of this title; and

(D) in State fiscal year 2033, the Secretary may transfer up to \$750,000.00 to the Solid Waste Management Assistance Account of the fund created pursuant to section 6618 of this title for grants pursuant to subdivision 6618(b)(11) of this title;

(4) six percent of the revenues from the meals and rooms taxes imposed under 32 V.S.A. chapter 225; and

(5) other revenues dedicated for deposit into the Fund by the General Assembly.

(b) Notwithstanding any contrary provisions of 32 V.S.A. chapter 7, subchapter 5, unexpended balances and any earnings shall remain in the Fund from year to year.

Sec. 5. 10 V.S.A. § 6618 is amended to read:

§ 6618. WASTE MANAGEMENT ASSISTANCE FUND

(a) There is hereby created in the State Treasury a fund to be known as the Waste Management Assistance Fund to be expended by the Secretary of Natural Resources. The Fund shall have three accounts: one for Solid Waste Management Assistance, one for Hazardous Waste Management Assistance, and one for Electronic Waste Collection and Recycling Assistance. The Hazardous Waste Management Assistance Account shall consist of a percentage of the tax on hazardous waste under the provisions of 32 V.S.A. chapter 237, as established by the Secretary; the toxics use reduction fees under subsection 6628(j) of this title; and appropriations of the General Assembly. In no event shall the amount of the hazardous waste tax that is deposited to the Hazardous Waste Management Assistance Account exceed 40 percent of the annual tax receipts. The Solid Waste Management Assistance Account shall consist of the franchise tax on waste facilities assessed under the provisions of 32 V.S.A. chapter 151, subchapter 13; transfers from the Clean Water Fund; and appropriations of the General Assembly. The Electronic Waste Collection and Recycling Account shall consist of the program and implementation fees required under section 7553 of this title. All balances in the Fund accounts at the end of any fiscal year shall be carried forward and remain a part of the Fund accounts, except as provided in subsection (e) of this section. Interest earned by the Fund shall be deposited into the appropriate Fund account. Disbursements from the Fund accounts shall be made by the State Treasurer on warrants drawn by the Commissioner of Finance and Management.

(b) The Secretary may authorize disbursements from the Solid Waste Management Assistance Account for the purpose of enhancing solid waste management in the State in accordance with the adopted waste management plan. This includes:

\* \* \*

(11) The Secretary shall enter a grant agreement with the producer responsibility organization approved under chapter 53 of this title for bottle bill implementation. The grant shall be for four years and reimburse the cost of equipment and improvements to infrastructure documented by the producer responsibility organization in its approved stewardship plan. Grants shall be limited as follows: in fiscal year 2030, not more than \$1,000,000.00; in fiscal year 2031, not more than \$1,000,000.00; in fiscal year 2032, not more than \$750,000.00; and in fiscal year 2033, not more than \$750,000.00.

Sec. 6. AGENCY OF NATURAL RESOURCES REPORT;  
STATUS OF IMPLEMENTATION OF STEWARDSHIP PLAN FOR  
REDEMPTION OF BEVERAGE CONTAINERS

On or before January 1, 2030, the Secretary of Natural Resources shall submit to the House Committee on Environment and the Senate Committee on Natural Resources and Energy a report on the status of the implementation of a stewardship plan for the redemption of beverage containers by the producer responsibility organization required under 10 V.S.A. chapter 53. The report shall:

(1) summarize the approved stewardship plan for redemption of beverage containers, including how the plan complied with the statutory requirements for convenience of collection for consumers and fair compensation for points of redemption;

(2) describe how the producer responsibility organization has updated or plans to implement redemption technologies to modernize redemption services and improve the convenience and efficiency of redemption services in the State; and

(3) provide any other information that the Secretary deems relevant to the implementation and administration of the stewardship plan for redemption of beverage containers.

Sec. 7. 10 V.S.A. § 1532(a)(2) is amended to read:

(2) Fair operation and compensation to redemption centers. The plan shall satisfy all of the following requirements:

(A) The plan shall describe how all locations that redeem beverage containers are fairly compensated for their participation in the collection program ~~provided that the producer responsibility organization shall pay each location that redeems beverage containers:~~

~~(i) four and one-half cents per container for all other means of redemption at a location; or~~

~~(ii) according to a separate compensation agreement negotiated between a redemption location or a group of redemption locations that redeems beverage containers and the producer responsibility organization. The producer responsibility organization and a redemption location or groups of redemption locations shall negotiate how the redemption location or locations shall be compensated for collection of containers under the plan.~~

\* \* \*

#### Sec. 8. REPEALS

(a) In Sec. 1 of this act, 10 V.S.A. § 1529 (redemption center certification) is repealed on March 1, 2029.

(b) In Sec. 5 of this act, 10 V.S.A. § 6618(b)(11) (producer responsibility implementation grants) is repealed on October 1, 2033.

(c) 10 V.S.A. § 1528 (beverage registration) is repealed on March 1, 2029.

Sec. 9. 10 V.S.A. § 7182 is amended to read:

§ 7182. SALE OF COVERED HOUSEHOLD HAZARDOUS PRODUCTS;  
STEWARDSHIP ORGANIZATION REGISTRATION;  
MANUFACTURER REGISTRATION

\* \* \*

(b) Stewardship organization registration requirements.

(1) On or before July 1, 2025, a stewardship organization shall file a registration form with the Secretary. The Secretary shall provide the registration form to the stewardship organization. The registration form shall include:

(A) a description of how the stewardship organization meets the requirements of subsection 7184(b) of this title, including any reasonable requirements for participation in the stewardship organization; and

(B) the name, address, and contact information of a person for a nonmember manufacturer to contact regarding how to participate in the stewardship organization to satisfy the requirements of this chapter.

(2) Beginning on July 1, ~~2026~~ 2028, and annually thereafter, a stewardship organization shall renew its registration with the Secretary. A renewal registration shall include the following:

(A) a list of the manufacturers participating in the stewardship organization;

(B) a list of the brands of each manufacturer participating in the stewardship organization;

(C) a list of the covered household hazardous products of each manufacturer participating in the stewardship organization;

(D) the name, address, and contact information of a person responsible for ensuring compliance with this chapter;

(E) a description of how the stewardship organization meets the requirements of subsection 7184(b) of this title, including any reasonable requirements for participation in the stewardship organization; and

(F) the name, address, and contact information of a person for a nonmember manufacturer to contact regarding how to participate in the stewardship organization to satisfy the requirements of this chapter.

\* \* \*

Sec. 10. 10 V.S.A. § 7183 is amended to read:

§ 7183. COLLECTION PLANS

(a) Collection plan required. On or before July 1, 2026, any stewardship organization registered with the Secretary as representing manufacturers of covered household hazardous products shall coordinate and submit to the Secretary for review ~~one collection plan for all manufacturers~~ a collection plan that addresses how covered household hazardous products enrolled in that plan meet the requirements of this chapter.

\* \* \*

Sec. 11. 10 V.S.A. § 7187 is amended to read:

§ 7187. AGENCY RESPONSIBILITIES

(a) Review and approve collection plans. The Secretary shall review and approve or deny collection plans submitted under section 7183 of this title according to the public notice and comment requirements of section 7714 of this title.

\* \* \*

(h) Reimbursement of Agency oversight costs. The stewardship organization shall reimburse the Secretary for the costs of overseeing the administration of the program under this chapter as follows:

(1) The Secretary shall annually provide an estimate of the costs of overseeing the administration of the household hazardous products collection program to the stewardship organization, including staff costs, compliance, and oversight of the system.

(2) The stewardship organization shall provide any comments to the Secretary's budget within 30 days following receipt. The Agency of Natural

Resources shall respond to all comments provided by the stewardship organization and may make changes to its budget in response to those comments. These comments and the responses shall be provided to the General Assembly as a part of the Secretary's budget.

(3) Reimbursement of Agency of Natural Resources costs under this subsection shall be subject to the State budgeting process, and the stewardship organization shall not be required to reimburse any Agency cost unless that cost is approved as a part of the Agency's budget.

#### Sec. 12. TRANSITION

(a) Beginning on July 1, 2027, a group of manufacturers may register a new stewardship organization covering a class of household hazardous products and their packages when collected together. There shall be only one stewardship organization per class of products; however, there may be more than one stewardship program administering the requirements of 10 V.S.A. chapter 164B.

(b) Beginning on July 1, 2027, an approved stewardship organization covering a class of household hazardous products may submit a plan for the products covered by that approved stewardship organization. In addition to the elements covered by 10 V.S.A. § 7183, the plan shall describe any transition from the previously approved plan. The Secretary shall have 120 days to review and approve or reject any plan submitted under this section. That plan shall take effect on or before July 1, 2030.

#### Sec. 13. EFFECTIVE DATES

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

(1) in Sec. 1, 10 V.S.A. § 1524(c) (requiring a UPC label on containers) shall take effect on July 1, 2027;

(2) in Sec. 1, 10 V.S.A. § 1531(a) (prohibiting sale or distribution without participating in the producer responsibility organization) shall take effect on July 1, 2027;

(3) Sec. 2 (acceptance of beverage containers after plan implementation) shall take effect on March 1, 2029;

(4) in Sec. 5, 10 V.S.A. § 6618(b)(11) (capital implementation grants) shall take effect on July 1, 2029; and

(5) Sec. 7 (repeal of handling fees under the beverage container stewardship plan) shall take effect on July 1, 2030.

Which proposal of amendment was considered and concurred in.

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

**S. 328**

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

An act relating to housing and common interest communities

Was taken up for immediate consideration.

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

First: In Sec. 3, 10 V.S.A. § 10, by striking out subsection (a) in its entirety and inserting in lieu thereof a new subsection (a) to read as follows:

(a) Notwithstanding any provision of 32 V.S.A. § 433(a) to the contrary, the Vermont State Treasurer shall have the authority to establish a credit facility of up to ~~40~~ 12.5 percent of the State's average cash balance on terms acceptable to the Treasurer and consistent with prudent investment principles and guidelines pursuant to 32 V.S.A. § 433~~(b)-(e)~~(b) and (c) and the Uniform Prudent Investor Act, 14A V.S.A. chapter 9.

Second: In Sec. 4, off-site construction accelerator pilot, in subdivision (c)(2), after the words "Department of Housing and Community Development" by inserting ", the Vermont Economic Progress Council,"

Third: In Sec. 6, 10 V.S.A. § 699, by striking out subsection (a) in its entirety

Fourth: In Sec. 8, 24 V.S.A. § 4382, in subdivision (a)(10), by inserting ", labor," after the word "regulatory"

Fifth: By striking out Sec. 9, 24 V.S.A. § 4412, in its entirety and inserting in lieu thereof a new Sec. 9 to read as follows:

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

**§ 4412. REQUIRED PROVISIONS AND PROHIBITED EFFECTS**

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

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

\* \* \*

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

\* \* \*

(D) Bylaws shall designate appropriate districts and reasonable regulations for multiunit or multifamily dwellings. No bylaw shall have the effect of excluding these multiunit or multifamily dwellings from the municipality. In any district that allows year-round residential development, duplexes shall be ~~an allowed~~ a permitted use with dimensional standards that are not more restrictive than is required for a single-unit dwelling, including no additional land or lot area than would be required for a single-unit dwelling. In any district that is served by municipal sewer and water infrastructure that allows residential development, multiunit dwellings with four or fewer units shall be a permitted use on the same size lot as a single-unit dwelling, ~~unless that district specifically requires multiunit structures to have more than four dwelling units.~~

(E) Except for flood hazard and fluvial erosion area bylaws adopted pursuant to section 4424 of this title, no bylaw shall have the effect of excluding as a permitted use one accessory dwelling unit that is located within or appurtenant to a single-family dwelling ~~on an owner-occupied lot~~. A bylaw shall require a single-family dwelling with an accessory dwelling unit to be subject to the same review, dimensional, or other controls as required for a single-family dwelling without an accessory dwelling unit. The criteria for conversion of an existing detached nonresidential building to habitable space for an accessory dwelling unit shall not be more restrictive than the criteria used for a single-family dwelling without an accessory dwelling unit.

\* \* \*

(15) No bylaw shall require a duplex to be constructed on an owner-occupied lot.

Sixth: By adding a new section to be Sec. 9a to read as follows:

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

§ 4412. REQUIRED PROVISIONS AND PROHIBITED EFFECTS

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

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

\* \* \*

(D) Bylaws shall designate appropriate districts and reasonable regulations for multiunit or multifamily dwellings. No bylaw shall have the effect of excluding these multiunit or multifamily dwellings from the municipality. In any district that allows year-round residential development, duplexes shall be a permitted use with dimensional standards that are not more restrictive than is required for a single-unit dwelling, including no additional land or lot area than would be required for a single-unit dwelling. In any district that is served by municipal sewer and water infrastructure that allows residential development, multiunit dwellings with four or fewer units shall be a permitted use on the same size lot as a single-unit dwelling, unless that district specifically requires multiunit structures to have more than four dwelling units.

\* \* \*

~~(15) No bylaw shall require a duplex to be constructed on an owner-occupied lot. [Repealed.]~~

Seventh: By adding a reader assistance heading and new section to be Sec. 9b to read as follows:

\* \* \* State Community Investment Program \* \* \*

Sec. 9b. 24 V.S.A. § 5803 is amended to read:

§ 5803. DESIGNATION OF DOWNTOWN AND VILLAGE CENTERS

\* \* \*

(f) Benefits Steps. A center may receive the benefits associated with the steps in this section by meeting the established requirements. The Department shall review applications from municipalities to advance from Step One to Two and from Step Two to Three and issue written decisions. The Department shall issue a written administrative decision within 30 days following an application. If a municipal application is rejected by the Department, the municipality may appeal the administrative decision to the State Board. To maintain a downtown approved under chapter 76A after December 31, 2026,

the municipality shall apply for renewal following a regional planning approval by the LURB and meet the program requirements. Step Three designations that are not approved for renewal revert to Step Two. The municipality may appeal the administrative decision of the Department to the State Board. Appeals of administrative decisions shall be heard by the State Board at the next meeting following a timely filing stating the reasons for the appeal. The State Board's decision is final. The Department shall issue guidance to administer these steps.

\* \* \*

(2) Step Two.

(A) Requirements. Step Two is established to create a mid-level designation for villages throughout the State to increase planning and implementation capacity for community-scale projects. A center reaches Step Two if it:

\* \* \*

(iv) a portion of the center is listed or eligible for listing in the National Register of Historic Places, unless recognized by the program as a preexisting designated new town center.

\* \* \*

(3) Step Three.

(A) Requirements. Step Three is established to create an advanced designation for downtowns throughout the State to create mixed-use centers and join the Vermont Downtown Program. A center reaches Step Three if the Department finds that it meets the following requirements:

\* \* \*

(ii) Is A portion of the center is listed or eligible for listing in the National Register of Historic Places, unless recognized by the program as a preexisting designated new town center.

\* \* \*

Eighth: In Sec. 10, Office of Legislative Counsel; common interest community report, by striking out subsection (a) in its entirety and inserting in lieu thereof a new subsection (a) to read as follows:

(a) On or before November 15, 2026, the Office of Legislative Counsel shall provide a written report to the House Committee on General and Housing and the Senate Committee on Economic Development, Housing and General

Affairs outlining any legal, conventional financing, and funding compliance issues related to requiring common interest communities to:

- (1) authorize leasing of residential units;
- (2) authorize commercial purposes within a dwelling unit;
- (3) permit the construction of accessory dwelling units on land reserved for the exclusive use of a unit owner; and
- (4) permit the installation and use of vegetable gardens within a unit owner's designated exclusive use space.

Ninth: By striking out Sec. 14, effective date, and its accompanying reader assistance heading in their entirety and inserting in lieu thereof a new reader assistance heading and new Sec. 14 to read as follows:

\* \* \* Effective Dates \* \* \*

#### Sec. 14. EFFECTIVE DATES

This act shall take effect on July 1, 2026, except that Sec. 9a shall take effect on January 1, 2028.

Which proposal of amendment was considered and concurred in.

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

#### **H. 542**

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 terminating testing of schools in Vermont for polychlorinated biphenyls

Was taken up for immediate consideration.

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

Sec. 1. 2021 Acts and Resolves No. 74, Sec. E.709.1, as amended by 2022 Acts and Resolves No. 166, Sec. 8, and 2023 Acts and Resolves No. 78, Sec. C.111, is further amended to read:

#### Sec. E.709.1 ENVIRONMENTAL CONTINGENCY FUND; POLYCHLORINATED BIPHENYLS (PCBs) TESTING IN SCHOOLS

(a) Notwithstanding 10 V.S.A. § 1283, of the funds transferred in Sec. D.101(a) of this act to the Environmental Contingency Fund, the

Department of Environmental Conservation, in consultation with the Department of Health and the Agency of Education, shall use up to \$4,500,000 to complete air indoor quality testing for Polychlorinated Biphenyls (PCBs) in public schools and approved and recognized independent schools that were constructed or renovated before 1980. All schools subject to this subsection shall test for PCBs on or before ~~July 1, 2027~~ August 1, 2035.

Sec. 2. 10 V.S.A. § 6618a is added to read:

§ 6618a. SCHOOL POLYCHLORINATED BIPHENYL PROGRAM FUND

(a) There is created the School Polychlorinated Biphenyl Program Fund to be administered by the Secretary of Natural Resources to provide funding for the investigation, mitigation, and remediation of polychlorinated biphenyls (PCBs) at schools in Vermont. The Fund shall consist of:

(1) Reimbursements from a school for work related to a grant issued by the State for PCB investigation, mitigation, and remediation when that school recovers money from litigation or other awards. The reimbursement shall be limited to the amount of the grant awarded to the school or the amount of the recovery, whichever is less.

(2) Any litigation recovery by the State for the costs of addressing PCB contamination in schools, less attorney's fees and costs.

(3) Monies from time to time transferred to the Fund by the General Assembly.

(4) Other gifts, donations, or other monies received from any source, public or private, dedicated for deposit into the Fund and approved by the Secretary of Administration.

(b)(1) The Secretary of Natural Resources shall administer a program to issue grants to school districts to pay the costs, to the extent funds are available, of the following activities in order of the priority listed:

(A)(i) PCB investigations that are a part of a facilities master plan; or

(ii) indoor air quality testing of a school initiated voluntarily by a school district, provided that the school district notified the Secretary of Natural Resources of the testing and the school district conducts the testing according to the Department of Environmental Conservation's standards for testing;

(B) the development of PCB management plans;

(C) the costs of mitigation when results exceed the immediate action level;

(D) the costs of implementing any approved corrective action plan when, after mitigation efforts, the concentrations in the school exceed the immediate action level; and

(E) the costs of implementing a corrective action plan as a part of a school construction project.

(2) To the extent that funds are available, grants to school districts that are required to conduct investigation, mitigation, or remediation of PCB contamination in a school after Agency of Natural Resources testing shall be in an amount sufficient to pay for 100 percent of the costs at the school of investigation, remediation, or removal required by the Agency of Natural Resources Investigation and Remediation of Contaminated Properties Rule.

(c) Notwithstanding any contrary provisions of 32 V.S.A. chapter 7, subchapter 5, unexpended balances and interest earned by the Fund shall be retained in the Fund from year to year.

(d) If a school district in the State recovers money from litigation or other award for work covered under a grant issued under this section, the school district shall reimburse the State the amount of the recovery or the amount of the grant awarded to the school district under subsection (b) of this section, whichever amount is less.

(e) In addition to any other remedy, the State may recover from a manufacturer of PCBs monies expended or awarded by the State for PCB investigation, testing, assessment, remediation, or removal of PCBs in a school above the relevant action level.

Sec. 3. 16 V.S.A. § 3445 is amended to read:

§ 3445. APPROVAL AND FUNDING OF SCHOOL CONSTRUCTION PROJECTS

(a) Construction aid.

(1) Preliminary application for construction aid. A school district eligible for assistance under section 3447 of this title that intends to construct or purchase a new school, or make extensive additions or alterations to its existing school, and desires to avail itself of State school construction aid shall submit a written preliminary application to the Secretary. A preliminary application shall include information required by the Agency by rule and shall specify the need for and purpose of the project.

(2) Approval of preliminary application.

(A) When reviewing a preliminary application for approval, the Secretary shall consider:

(i) regional educational opportunities and needs, including school building capacities across school district boundaries, and available infrastructure in neighboring communities;

(ii) economic efficiencies;

(iii) the suitability of an existing school building to continue to meet educational needs; and

(iv) statewide educational initiatives.

(B) The Secretary may approve a preliminary application if:

(i)(I) the project or part of the project fulfills a need occasioned by:

(aa) conditions that threaten the health or safety of students or employees;

(bb) facilities that are inadequate to provide programs required by State or federal law or regulation;

(cc) excessive energy use resulting from the design of a building or reliance on fossil fuels or electric space heat; or

(dd) deterioration of an existing building; or

(II) the project results in consolidation of two or more school buildings and will serve the educational needs of students in a more cost-effective and educationally appropriate manner as compared to individual projects constructed separately;

(ii) the need addressed by the project cannot reasonably be met by another means;

(iii) the proposed type, kind, quality, size, and estimated cost of the project are suitable for the proposed curriculum and meet all legal standards;

(iv) the applicant achieves the level of “proficiency” in the school district quality standards regarding facilities management adopted by rule by the Agency; ~~and~~

(v) the applicant has completed a facilities master planning process that:

(I) engages robust community involvement;

- (II) considers regional solutions;
- (III) evaluates environmental contaminants; and
- (IV) produces a facilities master plan that unites the applicant's vision statement, educational needs, enrollment projections, renovation needs, and construction projects; and

(vi) if the applicant school district is applying for construction aid for a school building that was constructed or renovated before 1980, the applicant has completed indoor air quality testing for polychlorinated biphenyls that was conducted according to the Department of Environmental Conservation's standards for testing.

(3) Priorities. Following approval of a preliminary application and provided that the district has voted funds or authorized a bond for the total estimated cost of a project, the Agency, with the advice of the State Aid for School Construction Advisory Board, shall assign points to the project as prescribed by rule of the Agency so that the project can be placed on a priority list based on the number of points received.

\* \* \*

#### Sec. 4. AGENCY OF NATURAL RESOURCES REPORT ON FUNDING FOR PCB TESTING OF SCHOOLS

On or before January 15, 2027, the Agency of Natural Resources, in consultation with the Agency of Education, shall submit to the Senate Committee on Education and the House Committee on Education:

(1) an estimate of the additional cost to the State to complete testing, mitigation, and remediation for polychlorinated biphenyls at public schools and approved and recognized independent schools that were constructed or renovated before 1980; and

(2) a plan to fund the costs estimated necessary to complete testing, mitigation, and remediation.

#### Sec. 5. REPEAL

2023 Acts and Resolves No. 78, Sec. C.112(b)(1) and (2) (State funding of grants for investigation, remediation, and removal of PCB contamination at a school) is repealed.

#### Sec. 6. EFFECTIVE DATES

This act shall take effect on passage, except that Sec. 3 (approval and funding of school construction projects) shall take effect on July 2, 2026.

---

and that after passage the title of the bill be amended to read: “An act relating to testing of schools in Vermont for polychlorinated biphenyls”

Which proposal of amendment was considered and concurred in.

### **Recess**

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

### **Message from the Senate No. 70**

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 a bill originating in the House of the following title:

**H. 567.** An act relating to unclaimed property, State retirement systems, and capital debt.

And has passed the same in concurrence.

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

**H. 294.** An act relating to telecommunications services and wages in correctional facilities.

**H. 935.** An act relating to emergency management.

**H. 942.** An act relating to miscellaneous agricultural subjects.

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 report of the Committee of Conference upon the disagreeing votes of the two Houses upon House bill of the following title:

**H. 952.** An act relating to capital construction and State bonding budget adjustment.

And has accepted and adopted the same on its part.

**Called to Order**

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

**Rules Suspended, Immediate Consideration; Amendment Offered;  
Senate Proposal of Amendment Not Concurred in; Committee of  
Conference Requested and Appointed; Rules Suspended, Messaged to the  
Senate Forthwith**

**H. 710**

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 defining electricity generating facilities

Was taken up for immediate consideration.

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

Sec. 1. 30 V.S.A. § 8002 is amended to read:

§ 8002. DEFINITIONS

As used in this chapter:

\* \* \*

(18) "Plant" means an independent technical facility that generates electricity from renewable energy. ~~A group of facilities, such as wind turbines, shall be considered one plant if the group is part of the same project and uses common equipment and infrastructure such as roads, control facilities, and connections to the electric grid. Common ownership, contiguity in time of construction, and proximity of facilities to each other shall be relevant to determining whether a group of facilities is part of the same project. Multiple electricity-generating facilities, regardless of when each is constructed, shall be considered one plant if the facilities use the same electricity-generating technology and are located on the same parcel or contiguous parcels of land. However, such facilities shall be considered separate plants if:~~

(A) the facilities are for individual net metering or self-consumption  
and:

(i) are not located on the same parcel of land;

(ii) are wired to offset consumption on separate billing meters;

and

(iii) supply different retail customers;

(B) the facilities are for multi-owner individual net metering and:

(i) are located on the same parcel of land where a common interest community is located;

(ii) are wired to offset consumption on separate billing meters;  
and

(iii) supply different retail customers; or

(C) the facilities have separate points of interconnection and:

(i) a net-metering facility and a Standard Offer Program facility are not sited on the same parcel or contiguous parcels; and

(ii) for facilities under each program, the total capacity located on a parcel or contiguous parcels does not exceed the program's statutory capacity cap.

\* \* \*

(33) "Common interest community" means real estate described in a declaration with respect to which a person, by virtue of the person's ownership of a unit, is obligated to pay for a share of real estate taxes on; insurance premiums, maintenance, or improvement of; or services or other expenses related to common elements, other units, or other real estate than the unit described in the declaration.

(34) "Contiguous" means sharing a property boundary with another parcel of land or being adjacent to that parcel of land and the two parcels are separated only by a road, recreation path, railway line, stream, or river.

(35) "Electricity-generating technology" means a method or system used to convert energy from one form into electric power, including wind, hydropower or water, solar, or biomass.

(36) "Point of interconnection" means the point on the interconnecting utility's existing distribution system to which a facility proposes to interconnect.

## Sec. 2. LEGISLATIVE INTENT

It is the intent of the General Assembly that the amendments in Sec. 1, 30 VSA 8002, of this act are substantive and create new rights and liabilities in light of emerging issues and shall apply only to applications filed on or after the effective date of this act.

## Sec. 2a. PRIMARY AGRICULTURAL SOILS AND SOLAR REPORT

(a) On or before January 15, 2027, the Commissioner of Public Service, after consultation with the Secretary of Agriculture, Food and Markets, shall report back on the following questions:

(1) Over the last five years, how many acres of primary agricultural soils have been developed for any purpose? What share of this development is attributable to solar energy generation projects?

(2) How many acres of primary agricultural soils used for solar energy generation development were directly impacted by the project, as opposed to the acreage that is within the project's area of disturbance?

(3) How many acres of primary agricultural soils developed for solar energy generation were in active agricultural use immediately before development, and what was the agricultural usage?

(4) How many acres of primary agricultural soils developed for solar energy generation projects remain owned by farmers?

(5) How many acres of trees have been cleared for solar energy generation projects in this time frame, broken down by forest type?

(b) The Commissioner shall include in the report recommendations on how to encourage the siting of solar energy generation on land that has already been disturbed, including rooftops and parking lots, and potential financial structures that would make solar energy generation on those sites more financially feasible.

(c) The report shall be submitted to the House Committees on Agriculture, Food Resiliency, and Forestry and on Energy and Digital Infrastructure and the Senate Committees on Agriculture and on Natural Resources and Energy.

Sec. 3. 30 V.S.A. § 20 is amended to read:

## § 20. PARTICULAR PROCEEDINGS AND ACTIVITIES; PERSONNEL

(a)(1) The Commission or the Department of Public Service may authorize or retain legal counsel, official stenographers, expert witnesses, advisors and consultants, temporary employees, and other providers of research, scientific, financial, economic, actuarial, accounting, or engineering services:

\* \* \*

(F) To investigate, review, plan, oversee, or carry out the decommissioning and site restoration required by a certificate of public good issued to an electric generation or energy storage facility.

\* \* \*

Sec. 4. 30 V.S.A. § 248e is added to read:

§ 248e. ELECTRIC GENERATION AND ENERGY STORAGE FACILITY  
DECOMMISSIONING FUND

(a) There is created the Electric Generation and Energy Storage Facility Decommissioning Fund that shall be a special fund created pursuant to 32 V.S.A. chapter 7, subchapter 5 and shall be administered by the Chair of the Public Utility Commission. The Chair is authorized to collect surety fees for the Decommissioning Fund and to make disbursements from the Decommissioning Fund.

(b) Deposits to the Decommissioning Fund shall consist of all decommissioning surety fees collected for electric generation and energy storage facilities that have received a certificate of public good from the Commission and all monies drawn from decommissioning financial instruments. The Commission shall deposit into the Decommissioning Fund each decommissioning surety fee it receives under this subchapter.

(c) Disbursements from the Decommissioning Fund may be made by the Chair to undertake actions that the Commission considers necessary to investigate or mitigate, or both, the effects of an abandoned, nonoperational, or disclaimed electric generation or energy storage facility. Disbursements under this subsection may be made to:

(1) pay costs to third parties who initiate or complete facility decommissioning and site restoration where the holder of the certificate of public good is unknown, cannot be contacted, is unwilling to take action, is incapable of carrying out decommissioning or site restoration, or does not take timely action as ordered by the Commission;

(2) investigate ownership of or ascertain the holder of the certificate of public good for an electric generation or energy storage facility;

(3) take other appropriate remedial action;

(4) pay costs to persons retained by the Commission or the Department under subdivision 20(a)(1)(F) of this title; or

(5) return portions of the decommissioning surety fees as determined by a formula established by the Commission to individual certificate of public good holders upon satisfactory completion of decommissioning and Commission approval.

(d) For purposes of this section:

(1) “Chair” means the Chair of the Public Utility Commission.

(2) “Commission” means the Public Utility Commission.

(3) “Decommissioning” means to remove a facility safely from service and to restore the site to its condition before the facility was installed consistent with the facility’s certificate of public good and Commission rules and orders.

(4) “Decommissioning Fund” means the Electric Generation and Energy Storage Facility Decommissioning Fund established pursuant to this section.

(5) “Decommissioning surety fee” means the contribution assigned to a facility and determined by a funding formula established by the Commission, not to exceed the average cumulative cost of obtaining decommissioning financial instruments for the life of a facility. The “average cumulative cost” means the customary and reasonable market-based third-party costs; expenses and fees associated with obtaining, maintaining, renewing, and updating financial instruments; and staff and attorney time and expenses.

(6) “Department” means the Department of Public Service.

(e) Balances in the Decommissioning Fund shall be expended only for the purposes authorized in this section and shall not be used for the general obligations of government or for other governmental purposes. All balances in the Decommissioning Fund at the end of any fiscal year shall be carried forward and remain within the Decommissioning Fund. Interest earned by the Decommissioning Fund shall be credited to the Decommissioning Fund.

(f) The Commission shall have authority to adopt rules or issue orders implementing this section.

(g) The Commission shall provide to the Treasurer of the State of Vermont an annual accounting of the Decommissioning Fund.

#### Sec. 5. DECOMMISSIONING FUND REPORT

On or before February 15, 2027, the Public Utility Commission shall report back to the House Committee on Energy and Digital Infrastructure and the Senate Committees on Natural Resources and Energy and on Finance on the formula established for the decommissioning surety fees pursuant to 30 V.S.A. § 248e.

#### Sec. 6. EFFECTIVE DATE

This act shall take effect on July 1, 2026.

Pending the question, Shall the House concur in the Senate proposal of amendment?, **Rep. Burtt of Cabot** moved that the House concur in the Senate proposal of amendment with further proposal of amendment thereto by striking out Sec. 6 in its entirety and inserting in lieu thereof a new Sec. 6 to read as follows:

Sec. 6. EFFECTIVE DATE

This act shall take effect on July 1, 2026, except that Sec. 1, 30 V.S.A. § 8002, and Sec. 2, legislative intent, shall take effect on July 1, 2028.

Pending the question, Shall the House concur in the Senate proposal of amendment with further proposal of amendment thereto as offered by Rep. Burtt of Cabot?, **Rep. Burtt of Cabot** requested the vote be by division.

Thereupon, the amendment was disagreed to: Yeas, 42. Nays, 65.

Pending the question, Shall the House concur in the Senate proposal of amendment?, **Rep. Kleppner of Burlington** moved that the House refuse to concur and ask for a Committee of Conference, which was agreed to, and the Speaker appointed as members of the Committee of Conference on the part of the House:

**Rep. James of Manchester**  
**Rep. Sibilia of Dover**  
**Rep. Kleppner of Burlington**

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. 294**

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 telecommunications services and wages in correctional facilities

Was taken up for immediate consideration.

The Senate proposed to the House to amend the bill in Sec. 2, Department of Corrections; evaluation of telecommunications services; report, in subsection (b), by striking out subdivision (4) in its entirety and by renumbering the remaining subdivisions to be numerically correct.

Which proposal of amendment was considered and concurred in.

**Joint House Resolution Placed on Calendar****J.R.H. 12**

Offered by House Committee on Rules

Joint resolution authorizing limited remote joint committee voting through the remainder of calendar year 2026 and the application of the ADA thereto

***Resolved by the Senate and House of Representatives:***

That through the remainder of calendar year 2026, each member of a joint committee is authorized to vote remotely in that committee for not more than three days, *and be it further*

***Resolved:*** Such a member shall notify the committee chair or co-chairs, as applicable, and the committee clerk that the member is exercising this remote voting authority, and shall count toward a committee quorum, *and be it further*

***Resolved:*** The committee clerk shall record any vote cast by the member as a remote vote, and shall track the number of days the member exercises this remote voting authority, *and be it further*

***Resolved:*** That a member of a joint committee with a disability who is physically present at the site of a joint committee meeting, but who cannot access the joint committee meeting room due to the physical condition of the site, may vote remotely from the site and count toward a committee quorum, without using one of the member's remote voting days provided by this resolution, for cases in which the joint committee meeting cannot be moved to an accessible onsite location.

Was read by title and placed on the Action Calendar on the next legislative day pursuant to House Rule 52.

**Committee of Conference Appointed****S. 208**

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

An act relating to standards for law enforcement identification

The Speaker appointed as members of the Committee of Conference on the part of the House:

**Rep. LaLonde of South Burlington**

**Rep. Dolan of Essex Junction**

**Rep. Goodnow of Brattleboro**

**Adjournment**

At six o'clock and sixteen minutes in the evening, on motion of **Rep. McCoy of Poultney**, the House adjourned until tomorrow at nine o'clock and thirty minutes in the forenoon.