

# Journal of the Senate

TUESDAY, MARCH 31, 2026

The Senate was called to order by the President.

## Devotional Exercises

A moment of silence was observed in lieu of devotions.

## Pledge of Allegiance

The President then led the members of the Senate in the pledge of allegiance.

## Message from the House No. 38

A message was received from the House of Representatives by Ms. Courtney Reckord, its Second Assistant Clerk, as follows:

Mr. President:

I am directed to inform the Senate that:

The House has passed a House bill of the following title:

**H. 949.** An act relating to homestead property tax yields, the nonhomestead property tax rate, and technical changes to education finance.

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

The House has adopted House concurrent resolutions of the following titles:

**H.C.R. 230.** House concurrent resolution recognizing April 2026 as National Child Abuse Prevention Month in Vermont and honoring Prevent Child Abuse Vermont for a half century of outstanding community leadership and service.

**H.C.R. 231.** House concurrent resolution honoring the outstanding achievements of the federal TRIO programs in Vermont.

**H.C.R. 232.** House concurrent resolution congratulating Malik Hines on his being named a National Afterschool Association's 2026 Next Generation of Afterschool Leader.

**H.C.R. 233.** House concurrent resolution honoring the 2026 nominees for the Boys & Girls Clubs of America's Vermont Youth of the Year award.

**H.C.R. 234.** House concurrent resolution designating April 9, 2026, as Alzheimer's Awareness Day at the State House.

**H.C.R. 235.** House concurrent resolution congratulating Sophia Parker of Addison on her selection as the 80th Miss Vermont.

**H.C.R. 236.** House concurrent resolution celebrating the importance of the manufacturing industry in the Vermont economy and designating April 2, 2026, as Manufacturing Day at the State House.

**H.C.R. 237.** House concurrent resolution congratulating the Vermont-associated 2026 Winter Olympics medal winners.

**H.C.R. 238.** House concurrent resolution congratulating the Vermont Association for the Blind and Visually Impaired on a century of advocating for and facilitating the realization of outstanding support services.

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

**Joint Senate Resolution Adopted on the Part of the Senate**

**J.R.S. 47.**

Joint Senate resolution of the following title was offered, read and adopted on the part of the Senate, and is as follows:

Offered by Senator Baruth,

**J.R.S. 47.** Joint resolution relating to weekend adjournment on April 3, 2026.

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

That when the two Houses adjourn on Friday, April 3, 2026, it be to meet again no later than Tuesday, April 7, 2026.

**Senate Resolution Introduced; Rules Suspended; Third Reading Ordered;  
Rules Suspended; Senate Resolution Adopted**

**S.R. 25**

Senate resolution of the following title was introduced, read the first time, and, under the rule, placed on the Calendar for notice the next legislative day:

Offered by the Committee on Economic Development, Housing and General Affairs,

Senate resolution reaffirming the abiding friendship between the State of Vermont and the Republic of China (Taiwan) on the 27th anniversary of the Vermont-Taiwan sister-state relationship and supporting enhanced Vermont-Taiwan bilateral relations and Taiwan's participation in international organizations.

*Whereas*, the United States and Taiwan share a vibrant and mutually beneficial bilateral relationship, based on their shared values of freedom, democracy, the rule of law, and a free market economy, and

*Whereas*, the U.S. government has encouraged economic, including trade, and cultural engagements and exchanges between the American and Taiwanese peoples, particularly at the state level, and

*Whereas*, in 2022, the United States and Taiwan launched the U.S.-Taiwan Initiative on 21st-Century Trade to strengthen the two nations' economic and trade relationship, and, in 2023, Congress enacted the United States-Taiwan Initiative on 21st-Century Trade First Agreement Implementation Act, Pub. L. No. 118-13, approving the first agreement under this initiative, and

*Whereas*, in 2025, Taiwan was America's fourth-largest trading partner, with U.S. exports valued at \$54.7 billion and imports from Taiwan worth roughly \$201.4 billion; and for the first time in over a quarter century, the United States was Taiwan's largest export market; and in the agriculture sector, U.S. exports to Taiwan totaled approximately \$2.3 billion, and

*Whereas*, 2026 marks the 250th anniversary of the United States' establishment as a republic based on democratic principles and the 30th anniversary of Taiwan's first direct presidential election, symbolizing this Asian nation's enduring commitment to democracy, and

*Whereas*, in 1999, the State of Vermont and Taiwan entered a sister-state relationship that has proven mutually beneficial in many ways, and

*Whereas*, the 2020 driver's license reciprocity agreement between the State of Vermont and Taiwan exemplifies the sister-state relationship in action, and

*Whereas*, in 2025, Vermont exports to Taiwan were worth approximately \$268 million, meaning Taiwan was Vermont's most valuable Asian export destination, and second worldwide, and Vermont imported an estimated \$76 million worth of goods from Taiwan, and

*Whereas*, establishing a Vermont trade office in Taiwan would further enhance this already successful and long-standing trade relationship, and

*Whereas*, the government of Taiwan has expressed interest in establishing memorandums of understanding with the State of Vermont, one pertaining to economic affairs to establish a clearer structural framework for the two jurisdictions' burgeoning business ties and a second related to education to expand educational exchanges and cooperation, particularly with respect to Mandarin language teaching, and

*Whereas*, in 1979, Congress enacted the Taiwan Relations Act, Pub. L. No. 96-8, which broadly addresses the U.S.-Taiwan relationship, and one of its provisions “provides for the continued membership of the people on Taiwan in any international financial institution or any other international organization,” and

*Whereas*, Taiwan’s participation and contributions in international organizations such as the International Civil Aviation Organization, the World Health Organization, and the United Nations Framework Convention on Climate Change would greatly benefit the United States and the international community, *now therefore be it*

***Resolved by the Senate:***

That the Senate of the State of Vermont reaffirms the abiding friendship between the State of Vermont and the Republic of China (Taiwan) on the 27th anniversary of the Vermont-Taiwan sister-state relationship and supports enhanced Vermont-Taiwan bilateral relations and Taiwan’s participation in international organizations, *and be it further*

***Resolved:*** That the Secretary of the Senate be directed to send a copy of this resolution to President Donald J. Trump; President Lai Ching-te of the Republic of China (Taiwan); Director-General Charles Liao of the Taipei Economic and Cultural Office in Boston; Governor Philip B. Scott; and the Vermont Congressional Delegation.

Thereupon, pending entry on the calender for notice, on motion of Senator Baruth the rules were suspended and the resolution was taken up for immediate consideration.

Thereupon, the resolution was read the second time by title only pursuant to Rule 43, and third reading of the resolution was ordered.

Thereupon, on motion of Senator Baruth, the rules were suspended and the resolution was placed in all remaining stages of its adoption.

Thereupon, the resolution was read the third time and adopted, on a roll call, Yeas 27, Nays 0.

Senator Ingalls having demanded the yeas and nays, they were taken and are as follows:

**Roll Call**

**Those Senators who voted in the affirmative were:** Baruth, Beck, Benson, Bongartz, Brennan, Brock, Chittenden, Clarkson, Collamore, Cummings, Hardy, Harrison, Hashim, Heffernan, Ingalls, Lyons, Major, Morley, Norris, Perchlik, Plunkett, Ram Hinsdale, Watson, Weeks, Westman,

White, Williams.

**Those Senators who voted in the negative were:** None.

**Those Senators absent and not voting were:** Gulick, Mattos, Vyhovsky.

**Bill Referred**

**H. 949.**

House bill of the following title was read the first time and referred:

An act relating to homestead property tax yields, the nonhomestead property tax rate, and technical changes to education finance.

To the Committee on Education.

**Bill Passed**

**S. 142.**

Senate bill of the following title was read the third time and passed:

An act relating to a pathway to licensure for internationally trained physicians and medical graduates.

**Bill Amended; Bill Passed**

**S. 190.**

Senate bill entitled:

An act relating to the Green Mountain Care Board, reference-based pricing, and hospital outsourcing of clinical care.

Was taken up.

Thereupon, pending third reading of the bill, Senator Hardy moved to amend the bill as follows

First: In Sec. 4, implementation of referenced-based pricing for certain public employee health plans; report, in subsection (b), by striking out “House Committee on Health Care and the Senate Committee on Health and Welfare” and inserting in lieu thereof “House Committees on Health Care and on Ways and Means and the Senate Committees on Health and Welfare and on Finance”

Second: In Sec. 5, hospital outsourcing; hospital budgets; provider taxes; report, in the first sentence of subsection (b), by striking out “House Committee on Health Care and the Senate Committee on Health and Welfare” and inserting in lieu thereof “House Committees on Health Care and on Ways and Means and the Senate Committees on Health and Welfare and on Finance”

Which was agreed to.

Thereupon, the bill was read the third time and passed, on a roll call, Yeas 23, Nays, 6.

Senator Weeks having demanded the yeas and nays, they were taken and are as follows:

### **Roll Call**

**Those Senators who voted in the affirmative were:** Baruth, Beck, Benson, Bongartz, Brennan, Chittenden, Clarkson, Cummings, Gulick, Hardy, Harrison, Hashim, Heffernan, Lyons, Major, Mattos, Morley, Perchlik, Plunkett, Ram Hinsdale, Watson, Westman, White.

**Those Senators who voted in the negative were:** Brock, Collamore, Ingalls, Norris, Weeks, Williams.

**The Senator absent and not voting was:** Vyhovsky.

### **Bill Amended; Third Reading Ordered**

#### **S. 193.**

Senator Hashim, for the Committee on Judiciary, to which was referred Senate bill entitled:

An act relating to establishing a forensic facility for certain criminal justice-involved persons.

Reported recommending that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 13 V.S.A. § 4815a is added to read:

§ 4815a. COMPETENCY RESTORATION SERVICES WITHIN  
FORENSIC FACILITY

(a) A person shall be transferred to the forensic facility established in section 4826 of this title if the person:

(1) has been charged with an offense punishable by a life sentence;

(2)(A) has been held without bail pursuant to section 7553 of this title;

or

(B) if the person is not held without bail pursuant to section 7553 of this title, the person's release would create a substantial risk of bodily injury to another person;

(3) is not currently receiving treatment through an order of hospitalization pursuant to 18 V.S.A. § 7619 or section 4822 of this title; and

(4) has been found not competent to stand trial.

(b)(1)(A) Upon admission, the forensic facility shall cause the person to be evaluated for competency to stand trial not less often than the shorter of either:

(i) every six months; or

(ii) upon the determination by the forensic facility's clinical services director that the person is likely competent to stand trial.

(B) The results of all evaluations shall be supplied to the court and the parties to the underlying criminal action.

(2)(A) At the request of a party, the court may order that a second or subsequent evaluation include an opinion on whether the person's competency can be restored. If the court finds that the person may be found likely competent to stand trial, the court shall immediately notify the State's Attorney and the person's counsel in the criminal case. If the court finds by clear and convincing evidence that the person cannot be restored to competency, the court shall order continued commitment of the person, taking into account the least restrictive conditions applicable, unless subdivision (B) of this subdivision (2) applies.

(B) If the court finds that the release of a person who cannot be restored to competency would not create a substantial risk of bodily injury to another person, the court shall:

(i) order the release of the person under a prescribed regimen of medical, psychiatric, or psychological care or treatment that the forensic facility's clinical services director has certified as appropriate and that has been found by the court to be appropriate; and

(ii) order, as an explicit condition of release, that the person comply with the prescribed regimen of medical, psychiatric, or psychological care or treatment together with any other conditions appropriate to protect the public.

(c) The person shall remain at the forensic facility until the person is restored to competency or until there is a final disposition of the charges against the person.

(d) The person shall receive competency restoration services while at the forensic facility according to a plan approved by the forensic facility's clinical services director. Such services shall include any appropriate combination of medication, education, accommodations, habilitation, or other services identified as necessary or proper to achieve and maintain competency to stand trial. The person's refusal to receive competency restoration services shall not be grounds for release or dismissal from the forensic facility.

(e) Competency restoration services shall be provided to the person at the forensic facility, or at another location as part of a discharge plan, until the person is restored to competency or until there is a final disposition of the charges against the person.

(f)(1) The Commissioner shall actively monitor compliance with orders issued pursuant to subdivision (2)(B) of subsection (b) and shall immediately return a person to the forensic facility if:

(A) the person was previously restored to competence pursuant to this section and released from the facility;

(B) the Commissioner has reason to believe that the person is again incompetent; and

(C) the person's continued release would create a substantial risk of bodily injury to another person.

(2) The Commissioner shall notify the court where the person was committed upon return of the person to the forensic facility. Upon readmission, the court shall hold a hearing at which the State's Attorney shall have the burden of establishing by clear and convincing evidence that the person is not competent. If the court finds that the person is not competent, the court shall order the person readmitted to the forensic facility for competency restoration treatment pursuant to this section. If the court finds that the person is competent, the court shall order the person restored to the status the person had when the person was returned to the facility.

(g) The Commissioner shall receive prior approval of the Criminal Division of the Superior Court where the person's underlying criminal charge is pending for any competency restoration plan involving involuntary medication. The court shall not approve involuntary medication unless the court finds that:

(1) the involuntary medication is medically appropriate;

(2) the involuntary medication serves the important governmental interests of bringing to trial an individual accused of a serious crime and ensuring a fair, timely prosecution;

(3) the involuntary medication significantly furthers these important governmental interests by making it substantially likely to render the defendant competent to stand trial; and

(4) any alternative, less intrusive treatments are unlikely to achieve the same results.

Sec. 2. 13 V.S.A. § 4817 is amended to read:

§ 4817. COMPETENCY TO STAND TRIAL; DETERMINATION;  
DISMISSAL

\* \* \*

(e) When a person has been found incompetent to stand trial for an alleged misdemeanor offense, the charges against the person shall be dismissed without prejudice if, after the finding of incompetence, the case remains inactive for a continuous period of time equal to or greater than the maximum sentence for the offense. Dismissal under this section shall not be required if the court finds that dismissing the case would be contrary to the interests of justice.

Sec. 3. 13 V.S.A § 4819a is added to read:

§ 4819a. FORENSIC FACILITY PLACEMENT FOR PERSONS  
ACQUITTED OF CERTAIN CRIMES

(a) A person who is charged with an offense punishable by a life sentence and is found not guilty only by reason of insanity at the time of the offense charged shall be committed to a forensic facility pursuant to this section. This section shall not be construed to prohibit the temporary transfer of a person requiring inpatient treatment through an order of hospitalization pursuant to 18 V.S.A. § 7619 or section 4822 of this title.

(b)(1) A hearing shall be held by the court where the person was tried within 48 hours following admission to the forensic facility, unless that period is extended by the court.

(2) Prior to the date of the hearing, the court shall order that a forensic risk assessment of the person be conducted that includes:

(A) the person's history and present dangerousness;

(B) a description of any tests that were employed and the results of the tests;

(C) the examiner's findings; and

(D) the examiner's opinion as to whether the person's release would create a substantial risk of bodily injury to another person.

(3)(A) At the hearing, the court shall order the person committed to the forensic facility if the State's Attorney establishes by clear and convincing evidence that the person is suffering from a qualifying condition that, upon the person's release, would create a substantial risk of bodily injury to another person.

(B) If the court finds that the State's Attorney has not established by clear and convincing evidence that the person is suffering from a qualifying condition that, upon the person's release, would create a substantial risk of bodily injury to another person, the court shall enter an order releasing the person pursuant to subdivision (e)(2) of this section.

(c) A person committed to the forensic facility pursuant to this section shall not be released until the court finds pursuant to subsection (e) of this section that the person is no longer suffering from a qualifying condition that, upon the person's release, would create a substantial risk of bodily injury to another person.

(d) The Commissioner of Corrections shall, taking into account the least restrictive conditions applicable, provide adequate care and individualized treatment at the forensic facility to persons ordered committed pursuant to this section. In order that the Commissioner may adequately determine the nature of the person's condition and needs, all persons committed pursuant to this section shall be promptly examined by qualified personnel in order to provide a proper evaluation, diagnosis, and treatment plan.

(e)(1)(A)(i) The State's Attorney shall petition the committing court for evaluation of the person not less often than the shorter of either:

(I) every six months after the date that the person is committed pursuant to subdivision (b)(3)(A) of this section; or

(II) certification to the Commissioner of Corrections by the forensic facility's clinical services director that the person is no longer suffering from a qualifying condition that, upon the person's release, would create a substantial risk of bodily injury to another person.

(ii) The Commissioner of Corrections shall provide all reports required under this section to the State's Attorney, who shall file them with the petition.

(B) A person committed pursuant to subdivision (b)(3)(A) of this section may petition the committing court for release on the grounds that the person is no longer suffering from a qualifying condition that, upon the person's release, would create a substantial risk of bodily injury to another person. A petition shall not be filed pursuant to this subdivision (B) until at least 90 days after the issuance of the commitment order.

(2) If the reviewing court finds by clear and convincing evidence that the person is no longer suffering from a qualifying condition that, upon the person's release, would create a substantial risk of bodily injury to another person, the court shall:

(A) order the release of the person under a prescribed regimen of medical, psychiatric, or psychological care or treatment that the forensic facility's clinical services director has certified as appropriate and that has been found by the court to be appropriate; and

(B) order, as an explicit condition of release, that the person comply with the prescribed regimen of medical, psychiatric, or psychological care or treatment together with any other conditions appropriate to protect the public.

(3) If the court finds that the person is suffering from a qualifying condition that, upon the person's release, would create a substantial risk of bodily injury to another person, the court shall deny the petition and order the person committed to the forensic facility for continued treatment pursuant to this section.

(f) The Commissioner shall actively monitor compliance with orders issued pursuant to subdivision (e)(2) of this section and shall immediately return the person to the forensic facility if the Commissioner determines that the person is noncompliant with the order and that the noncompliance may create a risk of bodily injury to another person. The Commissioner shall notify the court where the person was committed upon return of the person to the forensic facility. Upon readmission, the court shall hold a hearing at which the State's Attorney shall have the burden of establishing by a preponderance of the evidence that the person was noncompliant with the court's order for conditional release and that the noncompliance creates a risk of bodily injury to another person.

(g) At any hearing under this section, the victim may express the victim's views concerning the offense and preferences for the person's placement and care, and the court may consider the victim's testimony.

Sec. 4. 13 V.S.A. § 4826 is added to read:

§ 4826. FORENSIC FACILITY; DEFINITIONS

(a)(1) As used in this chapter:

(A) "Forensic facility" means a locked facility or placement that:

(i) the Department of Corrections provides for the secure evaluation, treatment, and care of persons involved in the legal system who do not require a hospitalization level of care; and

(ii) is required for the custody, control, correctional treatment, and rehabilitation of persons transferred pursuant to subsections 4815a(a) and 4819a(a) of this title.

(B) “Qualifying condition” means any condition whether mental, congenital, or traumatic, however acquired or developed, or any other circumstance that resulted in the person being determined:

- (i) incompetent to stand trial; or
- (ii) not guilty by reason of insanity.

(2) The evaluations required by this chapter may be conducted pursuant to contracts entered into between the Commissioner of General Services and evaluation providers.

(b) The Commissioner of Corrections shall establish and operate a locked secure forensic facility for the secure evaluation, treatment, and care of persons who have been transferred pursuant to subsections 4815a(a) and 4819a(a) of this title. The forensic facility shall not refuse any persons it is ordered to admit, and it shall not require any clinical or diagnostic prerequisites for admission. All forensic, clinical, and competency restoration services provided at the forensic facility shall be overseen by a clinical services director.

(c) Any records related to a person placed at the forensic facility shall be exempt from public inspection and copying under the Public Records Act and shall be kept confidential, except that:

(1) the records shall be made available to the parties in the underlying criminal case upon request; and

(2) the person’s health care providers may, with the person’s permission, view forensic facility records of the person’s psychiatric assessments at the facility, including assessments of the person’s competency to stand trial and criminal responsibility.

(d) Persons shall be admitted to and maintained at the forensic facility pursuant to sections 4815a and 4819a of this title, and in proceedings under those sections shall be entitled to have counsel appointed from Vermont Legal Aid to represent them.

(e) The Commissioner of Corrections shall regularly consult with the Commissioner of Mental Health when performing the duties required by this chapter for operating the forensic facility.

(f) The Commissioner shall adopt rules pursuant to 3 V.S.A. chapter 25 to implement this section.

## Sec. 5. RULEMAKING; FORENSIC FACILITY

Pending the adoption of permanent rules pursuant to 3 V.S.A. chapter 25 to implement the provisions of Secs. 1–4 of this act, the Commissioner of Corrections shall adopt emergency rules pursuant to 3 V.S.A. § 844 on or before January 1, 2027, which shall be deemed to meet the emergency rulemaking standard in 3 V.S.A. § 844(a).

Sec. 6. Rule 1101 of the Vermont Rules of Evidence is amended to read:

## RULE 1101. APPLICABILITY OF RULES

(a) Rules applicable. Except as otherwise provided in subdivision (b), these rules apply to all actions and proceedings in the courts of this state.

(b) Rules inapplicable. The rules other than those with respect to privileges do not apply in the following situations:

\* \* \*

(3) Miscellaneous Proceedings. Proceedings for extradition or rendition; inquest proceedings; except as otherwise provided by statute or rule promulgated by the Supreme Court, sentencing or granting or revoking probation; proceedings concerning competency restoration; granting or revoking conditional release from a forensic facility; finding probable cause for arrests without warrant and issuance of citations, warrants for arrest, criminal summonses, and search warrants.

\* \* \*

## Sec. 7. EFFECTIVE DATE

This act shall take effect on July 1, 2026.

And that when so amended the bill ought to pass.

Senator Lyons, for the Committee on Appropriations, to which the bill was referred, reported that the bill ought to pass when so amended.

Thereupon, the bill was read the second time and pending the question, Shall the bill be amended as recommended by the Committee on Judiciary?, Senators Lyons, Benson, Cummings, Gulick, Harrison, Major and Morley moved to amend the recommendation of amendment of the Committee on Judiciary as follows:

First: In Sec. 4, 13 V.S.A. § 4826, by striking out subsection (b) in its entirety and inserting in lieu thereof a new subsection (b) to read as follows:

(b) The Commissioner of Corrections shall establish and operate a locked secure forensic facility for the secure evaluation, treatment, and care of individuals who have been transferred pursuant to subsections 4815a(a) and 4819a(a) of this title. The forensic facility shall:

(1) be designed and operated in a manner that supports a therapeutic, recovery-oriented, and trauma-informed environment comparable to a community-based residential treatment setting, while maintaining appropriate levels of safety and security;

(2) not refuse any persons it is ordered to admit and shall not require any clinical or diagnostic prerequisites for admission;

(3) provide for the safe housing and management of persons, including the ability to separate the population by sex or gender and to otherwise address clinical, safety, or operational considerations as appropriate, including the possible operation of multiple facilities;

(4) employ a clinical services director to oversee all forensic, clinical, and competency restoration services provided to transferred persons;

(5) implement staff qualifications, licensure, training, and supervision requirements that are sufficient to ensure that persons transferred to the forensic facility have access to clinically appropriate care, treatment, services, and supports consistent with individual needs and with applicable professional standards;

(6) ensure that a registered nurse licensed pursuant to 26 V.S.A. chapter 28 or a physician licensed pursuant to 26 V.S.A. chapter 23 or 33 is available to provide care to transferred persons 24 hours a day, seven days a week; and

(7) ensure that persons receive clinically appropriate assessment and treatment planning, including the development of an initial person-specific treatment plan within 72 hours following transfer, which shall be reviewed periodically as clinically indicated.

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

Sec. 4a. 13 V.S.A. § 4826 is amended to read:

§ 4826. FORENSIC FACILITY; DEFINITIONS

\* \* \*

(g) Annually, on or before January 15, the Department of Corrections, in consultation with the Departments of Health, of Mental Health, and of Disabilities, Aging, and Independent Living, shall submit a written report to the House Committees on Corrections and Institutions, on Human Services, and on Judiciary and to the Senate Committees on Institutions, on Health and Welfare, and on Judiciary addressing:

(1) the number of persons served at the forensic facility during the previous calendar year; and

(2) the types of clinical services and treatment provided during the previous calendar year.

Third: By striking out Sec. 5, rulemaking; forensic facility, in its entirety and inserting in lieu thereof the following:

#### Sec. 5. RULEMAKING; FORENSIC FACILITY

The Commissioner of Corrections, in consultation with the Departments of Health, of Mental Health, and of Disabilities, Aging, and Independent Living, shall adopt rules pursuant to 3 V.S.A. chapter 25 to implement the provisions of Secs. 1, 3, and 4 of this act. Specifically, the rules shall establish:

(1) clinically appropriate standards governing the provision of services at the forensic facility, including requirements related to staffing patterns and ratios; staff qualifications; licensure and training; clinical supervision; and the delivery of safe, effective, evidence-informed care;

(2) standards for quality assurance and improvement; clinical oversight; documentation and reporting requirements; safety and risk management protocols; and mechanisms for monitoring compliance; and

(3) any other provisions necessary to ensure safe, effective, and clinically appropriate implementation of Secs. 1, 3, and 4 of this act, including potentially requiring the provision of forensic facility services in a unit that is separate from other correctional populations.

Fourth: By striking out Sec. 7, effective date, in its entirety and inserting in lieu thereof a new Sec. 7 and a Sec. 8 to read as follows:

#### Sec. 7. INTERIM REPORT; FORENSIC FACILITY

On or before October 1, 2026, the Department of Corrections, in collaboration with the Departments of Health, of Mental Health, and of Disabilities, Aging, and Independent Living, shall submit a written interim report to the House Committees on Corrections and Institutions, on Human Services, and on Judiciary and to the Senate Committees on Institutions, on Health and Welfare, and on Judiciary containing draft rules required pursuant to Sec. 5 of this act. The interim report shall also address:

(1) the status of and anticipated timeline for the adoption of rules under this act;

(2) forensic facility planning, including the specific proposed location of the forensic facility, space considerations and design elements necessary to support the provision of therapeutic services and security at the proposed location, and the timeline for any necessary fit-up of the forensic facility;

(3) initial staffing considerations, including anticipated staffing levels, required qualifications, and potential contracting needs; and

(4) an anticipated timeline for the development of a forensic facility, including preliminary cost estimates and initial operations.

#### Sec. 8. EFFECTIVE DATES

(a) This section, Sec. 2 (13 V.S.A. § 4817), Sec. 5 (rulemaking; forensic facility), and Sec. 7 (interim report; forensic facility) shall take effect on July 1, 2026.

(b) Sec. 4a (13 V.S.A. § 4826) shall take effect on July 1, 2029.

(c) All remaining sections shall take effect on January 1, 2028.

Which was agreed to.

Thereupon, the pending question, Shall the bill be amended as recommended by the Committee on Judiciary, as amended?, was agreed to and third reading of the bill was ordered.

### **Bill Amended; Third Reading Ordered**

#### **S. 198.**

Senator Chittenden, for the Committee on Economic Development, Housing and General Affairs, to which was referred Senate bill entitled:

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

Reported recommending that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 7 V.S.A. chapter 40 is amended to read:

#### CHAPTER 40. TOBACCO PRODUCTS

#### § 1001. DEFINITIONS

As used in this chapter:

\* \* \*

(5) “Tobacco license” means a license issued by the Division of Liquor Control under this chapter permitting the licensee to engage in the importation, distribution, wholesale sale, or retail sale, or a combination of these, of tobacco products, tobacco substitutes, substances containing nicotine or otherwise intended for use with a tobacco substitute, or tobacco paraphernalia.

\* \* \*

(8)(A) “Tobacco substitute” means products, including any product that meets all of the following conditions:

(i) The product is manufactured from, is derived from, or contains tobacco or nicotine, whether natural or synthetic, including nicotine alkaloids and nicotine analogs.

(ii) The product is intended for human consumption by smoking, chewing, inhaling, sucking, absorbing, or consuming in any other manner.

(iii) The product is not a tobacco product, as defined in this section.

(B) The term “tobacco substitute” includes electronic cigarettes or and other electronic or battery-powered devices, that contain or are designed to deliver nicotine or other substances into the body through the inhalation of vapor and that have not been approved by the U.S. Food and Drug Administration for tobacco cessation or other medical purposes. The term also includes nicotine pouches and any liquids, whether nicotine based or not, and delivery devices sold separately for use with a tobacco substitute.

(C) Cannabis products as defined in section 831 of this title or products that have been approved by the U.S. Food and Drug Administration for tobacco cessation or other medical purposes shall not be considered to be tobacco substitutes.

(9) “Licensed wholesale dealer” means a wholesale dealer licensed under the provisions of this chapter.

(10) “Wholesale dealer” means a person who imports or causes to be imported into the State any cigarettes, little cigars, roll-your-own tobacco, snuff, new smokeless tobacco, or other tobacco product for sale or who sells or furnishes any of these products to other wholesale dealers or retail dealers for the purpose of resale, but not by small quantity or parcel to consumers of these products.

(11) “Wholesale dealer’s license” means the license granted under the provisions of this chapter to a wholesale dealer for a wholesale outlet.

(12) “Wholesale outlet” means any premises where cigarettes, little cigars, roll-your-own tobacco, snuff, new smokeless tobacco, or other tobacco products are sold, transferred, displayed, or held for sale by a wholesale dealer.

(13) “Wholesale price” means the price at which a licensed wholesale dealer sells or furnishes cigarettes, little cigars, roll-your-own tobacco, snuff, new smokeless tobacco, or other tobacco products to any retail dealer.

§ 1002. LICENSE REQUIRED FOR RETAIL SALE; APPLICATION;  
FEE; ISSUANCE

(a)(1) Except as provided in subsection (h) of this section, no person shall engage in the retail sale of tobacco products, tobacco substitutes, or tobacco paraphernalia in the person’s place of business without a tobacco license obtained from the Division of Liquor Control.

(2) No person shall engage in the retail sale of tobacco substitutes without also obtaining a tobacco substitute endorsement from the Division of Liquor Control.

(3) Tobacco licenses and tobacco substitute endorsements shall expire at midnight, April 30, of each year.

(b)(1) The Board shall prepare and issue tobacco license and tobacco substitute endorsement forms and applications. ~~These shall be incorporated into the liquor license forms and applications prepared and issued under this title.~~

(2) The licenses issued under this section shall be entitled “LIQUOR LICENSE,” ~~“LIQUOR-TOBACCO LICENSE,”~~ or “TOBACCO LICENSE,” as applicable. The endorsements issued under this section shall be entitled “TOBACCO SUBSTITUTE ENDORSEMENT.”

(3) The Board shall also provide simple instructions for licensees, designed to assist them in complying with the provisions of this chapter.

(c) Each tobacco license and tobacco substitute endorsement shall be prominently displayed on the premises identified in the license.

(d)(1) For a license or endorsement required under this section, a person shall apply to the legislative body of the municipality and shall pay the following fees:

(A) to the Division of Liquor Control, the applicable liquor license fee provided in section 204 of this title for a liquor license and a tobacco license;

(B) to the legislative body of the municipality, a fee of ~~\$110.00~~ \$1,000.00 for a tobacco license or renewal; and

(C) to the legislative body of the municipality, a fee of ~~\$50.00~~ \$1,000.00 for a tobacco substitute endorsement as provided in subdivision (a)(2) of this section.

(2) The municipal clerk shall forward the application to the Division, and the Division shall issue the tobacco license and the tobacco substitute endorsement, as applicable, and shall forward all fees to the Commissioner for deposit in the Liquor Control Enterprise Fund.

(e) A person who sells tobacco products, tobacco substitutes, or tobacco paraphernalia without obtaining a tobacco license and a tobacco substitute endorsement, as applicable, in violation of this section shall be ~~guilty of a misdemeanor and fined~~ subject to a civil penalty of not more than \$200.00 ~~\$2,000.00~~ \$5,000.00 for the first offense and not more than ~~\$500.00~~ \$5,000.00 for each subsequent offense.

(f) No individual under 16 years of age may sell tobacco products, tobacco substitutes, or tobacco paraphernalia.

(g) No person shall engage in the importation, distribution, wholesale sale, or retail sale, or a combination of these, of tobacco products, tobacco substitutes, substances containing nicotine or otherwise intended for use with a tobacco substitute, or tobacco paraphernalia in the State unless the person is a licensed wholesale dealer ~~as defined in 32 V.S.A. § 7702~~ or has purchased the tobacco products, tobacco substitutes, substances containing nicotine or otherwise intended for use with a tobacco substitute, or tobacco paraphernalia from a licensed wholesale dealer.

(h) This section shall not apply to a cannabis establishment licensed pursuant to chapter 33 of this title to engage in the retail sale of cannabis products as defined in section 831 of this title but not engaged in the sale of tobacco products or tobacco substitutes.

\* \* \*

#### § 1002b. WHOLESALE DEALERS; LICENSE REQUIRED

(a) License required. Each wholesale dealer shall secure a license from the Division of Liquor Control before engaging in the business of selling tobacco products or tobacco substitutes in this State. Licensed wholesale dealers shall sell these products only to other Vermont licensed wholesale dealers or to retailers licensed pursuant to section 1002 of this chapter.

(b) Application for and issuance of license.

(1) A separate application and license shall be required for each wholesale outlet when a wholesale dealer owns or controls more than one such outlet.

(2) A wholesale license shall be issued by the Division upon application without charge, on forms prescribed by the Division, stating the name and address of the applicant, the address of the place of business at which the applicant proposes to engage in the wholesale business, the type of business, and such other information as the Division may require for the proper administration of this chapter. Each license issued pursuant to this section shall be prominently displayed on the premises covered by the license.

(c) Penalties for sales without license. Any licensed wholesale dealer who sells, offers for sale, or possesses with intent to sell tobacco products or tobacco substitutes without having first obtained a license as provided in this section shall be fined not more than \$2,000.00 for the first offense and not more than \$5,000.00 for each subsequent offense.

(d) Term of license. Each license issued under the provisions of this section shall be valid as long as the licensee continues to do business at the place named unless revoked or suspended by the Division as provided in subsection (e) of this section. If the business with respect to which the license was issued is sold or transferred or if the licensee ceases to do business at the place named, the license shall immediately be returned to the Division for cancellation.

(e) Revocation or suspension of license. The Division may revoke or suspend the license of any licensed wholesale dealer for failure to comply with any provision of this chapter, 11 V.S.A. chapter 15, 32 V.S.A. chapter 205, or 33 V.S.A. chapter 19, subchapter 1B.

\* \* \*

~~§ 1005. PERSONS UNDER 21 YEARS OF AGE; POSSESSION OF TOBACCO PRODUCTS; MISREPRESENTING AGE OR PURCHASING TOBACCO PRODUCTS; PENALTY~~

~~(a)(1) A person under 21 years of age shall not possess, purchase, or attempt to purchase tobacco products, tobacco substitutes, or tobacco paraphernalia unless:~~

~~(A) the person is an employee of a holder of a tobacco license and is in possession of tobacco products, tobacco substitutes, or tobacco paraphernalia to effect a sale in the course of employment; or~~

~~(B) the person is in possession of tobacco products or tobacco paraphernalia in connection with Indigenous cultural tobacco practices.~~

~~(2) A person under 21 years of age shall not misrepresent his or her age to purchase or attempt to purchase tobacco products, tobacco substitutes, or tobacco paraphernalia.~~

~~(b) A person who possesses tobacco products, tobacco substitutes, or tobacco paraphernalia in violation of subsection (a) of this section shall be subject to having the tobacco products, tobacco substitutes, or tobacco paraphernalia immediately confiscated and shall be further subject to a civil penalty of \$25.00. An action under this subsection shall be brought in the same manner as a traffic violation pursuant to 23 V.S.A. chapter 24.~~

~~(c) A person under 21 years of age who misrepresents the person's age by presenting false identification to purchase tobacco products, tobacco substitutes, or tobacco paraphernalia shall be subject to a civil penalty of not more than \$50.00 or provide up to 10 hours of community service, or both. [Repealed.]~~

\* \* \*

§ 1007. FURNISHING TOBACCO TO PERSONS INDIVIDUALS UNDER 21 YEARS OF AGE; PENALTIES; REPORT

(a) A person that sells or furnishes tobacco products, tobacco substitutes, or tobacco paraphernalia to a person under 21 years of age shall be subject to a civil penalty of not more than ~~\$100.00~~ \$1,000.00 for the first offense and ~~not more than \$500.00,~~ for any subsequent offense, a civil penalty and license suspension or revocation as set forth in subdivision (b)(2) of this section. An action under this section shall be brought in the same manner as for a traffic violation pursuant to 23 V.S.A. chapter 24 and shall be brought within 24 hours ~~of~~ following the occurrence of the alleged violation.

(b)(1) The Division of Liquor Control shall conduct or contract for compliance tests of tobacco licensees as frequently and as comprehensively as necessary to ensure consistent statewide compliance with the prohibition on sales to persons under 21 years of age of at least 90 percent for buyers who are between 17 and 20 years of age. An individual under 21 years of age participating in a compliance test shall not be in violation of section 1005 of this title.

(2) Any violation by a tobacco licensee of subsection 1003(a) of this title ~~and~~ or this section after a sale violation or during a compliance test conducted within six months ~~of~~ after a previous violation shall be considered a multiple violation and shall result in the following civil penalties and minimum license suspension suspensions or license revocation, in addition to any other penalties available under this title. ~~Minimum license suspensions for multiple violations shall be assessed as follows:~~

(A) ~~two violations~~ second violation: suspension for two consecutive weekdays and \$1,000.00 civil penalty;

(B) ~~three violations~~ 15-day third violation: suspension for 15 consecutive days and \$2,000.00 civil penalty;

(C) ~~four violations~~ 90-day fourth violation: suspension for 90 consecutive days and \$3,500.00 civil penalty; and

(D) ~~five violations~~ one-year suspension fifth violation: revocation of license and \$5,000.00 civil penalty.

\* \* \*

#### § 1009. CONTRABAND AND SEIZURE

(a) Any cigarettes or other tobacco products or tobacco substitutes that have been sold, offered for sale, or possessed for sale in violation of section 1003, 1010, or 1013 of this title, 20 V.S.A. § 2757, 32 V.S.A. § 7786, or 33 V.S.A. § 1919, and any commercial cigarette rolling machines possessed or utilized in violation of section 1011 of this title, shall be deemed contraband and shall be subject to seizure by the Commissioner, the Commissioner's agents or employees, the Commissioner of Taxes, or any agent or employee of the Commissioner of Taxes, or by any law enforcement officer of this State when directed to do so by ~~the either~~ Commissioner or by the Department of Liquor and Lottery. All cigarettes or other tobacco products items seized under this subsection shall be destroyed at the expense of the violator, and disposition shall be in compliance with the Agency of Natural Resources, Hazardous Waste Management Regulations (CVR 12-032-001).

(b)(1) Any person in possession of property considered contraband under this section shall be fined not more than \$1,000.00 nor less than \$500.00 per item.

(2) Any vehicle, aircraft or watercraft, or other conveyance in which property considered contraband under this section is found may be seized and subject to forfeiture and condemnation pursuant to sections 570 and 572-574 of this title.

## § 1010. INTERNET SALES

\* \* \*

(b) No person shall cause cigarettes, roll-your-own tobacco, little cigars, snuff, tobacco substitutes, substances containing nicotine or otherwise intended for use with a tobacco substitute, or tobacco paraphernalia, ordered or purchased by mail or through a computer network, telephonic network, or other electronic network, to be shipped to anyone other than a licensed wholesale dealer ~~or retail dealer~~ in this State.

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

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

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

(2) In addition to or in lieu of any other civil or criminal remedy provided by law, upon a determination that a person has violated this section, the Attorney General may impose a civil penalty in an amount not to exceed \$5,000.00 for each violation. For purposes of this subsection, each shipment or transport of cigarettes, roll-your-own tobacco, little cigars, ~~or snuff, tobacco substitutes, substances containing nicotine or otherwise intended for use with a tobacco substitute, or tobacco paraphernalia~~ shall constitute a separate violation.

\* \* \*

§ 1013. DECEPTIVE TOBACCO PRODUCTS AND TOBACCO  
SUBSTITUTES PROHIBITED

No person shall market, promote, label, brand, advertise, distribute, offer for sale, or sell a tobacco product or tobacco substitute by:

(1) imitating a product that is not a tobacco product or tobacco substitute, including:

(A) a food or brand of food commonly marketed to minors, including candy, desserts, cereal, and beverages;

(B) school supplies commonly used by minors, including erasers, highlighters, pens, and pencils;

(C) portable devices, including smartphones, smartwatches, video games or video game consoles, and inhalers; and

(D) a product based on or depicting a character, personality, or symbol known to appeal to minors, including a celebrity; a character in a comic book, movie, television show, or video game; or a mythical creature;

(2) concealing the nature of the tobacco product or tobacco substitute;  
or

(3) using terms for, describing, or depicting a product described in subdivision (1) of this section.

§ 1014. USE OF FUNDS FROM LICENSING FEES, PENALTIES, AND SETTLEMENTS

All penalties collected from violations of this chapter, all monies received by the State from settlements based on violations or alleged violations of Vermont laws relating to tobacco, and all revenue generated from licensing fees established in this chapter that exceed the amounts necessary for administration and enforcement of this chapter shall be deposited in the Tobacco Trust Fund established in 18 V.S.A. § 9502 and used for tobacco cessation and prevention activities.

Sec. 2. 3 V.S.A. § 167a is amended to read:

§ 167a. COMPLEX LITIGATION SPECIAL FUND

\* \* \*

(b) The Fund shall consist of:

(1) Such sums as may be appropriated or transferred by the General Assembly.

(2) Settlement monies other than consumer restitution collected by the Office of the Attorney General, except for those recoveries that by law are transferred or appropriated for other uses pursuant to 7 V.S.A. § 1014 or 9 V.S.A. § 2458(b)(4), and subject to the Fund balance cap in subsection (c) of this section.

\* \* \*

Sec. 3. 18 V.S.A. § 9502 is amended to read:

§ 9502. TOBACCO TRUST FUND

(a)(1) The Tobacco Trust Fund is established in the Office of the State Treasurer for the purposes of creating a self-sustaining, perpetual fund for tobacco cessation and prevention that is not dependent upon tobacco sales volume.

(2) The Trust Fund shall be composed of:

(A) transfers made by the General Assembly; ~~and~~

(B) penalties and settlement amounts for violations or alleged violations of tobacco laws and tobacco licensing fees pursuant to 7 V.S.A. § 1014; and

(C) contributions from any other source.

\* \* \*

Sec. 4. 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 Department of Liquor and Lottery, if such return or information is for purposes of investigating potential violations of and enforcing 7 V.S.A. chapter 40.

\* \* \*

Sec. 5. 32 V.S.A. § 7702 is amended to read:

§ 7702. DEFINITIONS

As used in this chapter unless the context otherwise requires:

(1) "Cigarette" means any product that contains nicotine, is intended to be burned or heated under ordinary conditions of use, and consists of or contains:

(A) any roll of tobacco wrapped in paper or in any substance not containing tobacco; ~~and~~

(B) tobacco, in any form, that is functional in the product, which, because of its appearance, the type of tobacco used in the filler, or its packaging and labeling, is likely to be offered to, or purchased by, consumers as a cigarette; or

(C) any roll of tobacco wrapped in substance containing tobacco that, because of its appearance, the type of tobacco used in the filler, or its packaging and labeling, is likely to be offered to, or purchased by, consumers as a cigarette described in subdivision (A) of this subdivision (1).

\* \* \*

(5) “Licensed wholesale dealer” ~~shall mean~~ means a wholesale dealer licensed under the provisions of ~~this chapter~~ 7 V.S.A. § 1002b.

\* \* \*

(15) “Other tobacco products” means any product manufactured from, derived from, or containing tobacco or nicotine, whether natural or synthetic, including nicotine alkaloids and nicotine analogs, that is intended for human consumption by smoking, chewing, inhaling, sucking, absorbing, or consuming in any other manner, including products sold as a tobacco substitute, as defined in 7 V.S.A. § 1001(8), and including any liquids, whether nicotine based or not, or delivery devices sold separately for use with a tobacco substitute, but shall not include cigarettes, little cigars, roll-your-own tobacco, snuff, new smokeless tobacco as defined in this section, or cannabis products as defined in 7 V.S.A. § 831.

(16) “Wholesale dealer” means a person who imports or causes to be imported into the State any cigarettes, little cigars, roll-your-own tobacco, snuff, new smokeless tobacco, or other tobacco product for sale or who sells or furnishes any of these products to other wholesale dealers or retail dealers for the purpose of resale, but not by small quantity or parcel to consumers ~~thereof~~ of these products.

(17) “Wholesale dealer’s license” ~~shall mean~~ means the license granted under the provisions of ~~this chapter~~ 7 V.S.A. § 1002b to a wholesale dealer for a wholesale outlet.

\* \* \*

Sec. 6. 32 V.S.A. § 7776 is amended to read:

§ 7776. COLLECTION OF CIGARETTE TAX THROUGH  
NONRESIDENT LICENSED WHOLESALE DEALERS

\* \* \*

(d) Any person complying with the provisions of this section shall thereupon become a licensed wholesale dealer within the meaning of 7 V.S.A. chapter 40 and this chapter and shall be subject to all provisions of ~~the chapter~~ both chapters applicable to wholesale dealers, including the furnishing of a bond specified in ~~subchapter 2~~ section 7703 of this chapter.

Sec. 7. 32 V.S.A. § 7821 is amended to read:

§ 7821. CRIMINAL PENALTIES

Any person who shall fail, neglect, or refuse to comply with or shall violate the provisions of this chapter relating to the tax on tobacco products or the rules adopted by the Commissioner under this chapter relating to such tax shall be guilty of a misdemeanor and upon conviction for a first offense shall be sentenced to pay a fine of not more than \$250.00 or to be imprisoned for not more than 60 days, or both, such fine and imprisonment in the discretion of the court, and for a second or subsequent offense shall be sentenced to pay a fine of not less than \$250.00 nor more than \$500.00 or be imprisoned for not more than six months, or both, such fine and imprisonment in the discretion of the court. This section shall not apply to violations of ~~sections 7731–7734 and section 7776~~ of this title.

Sec. 8. REDESIGNATION

32 V.S.A. § 7737 (licensed wholesale dealers; bonding) is redesignated as 32 V.S.A. § 7703.

Sec. 9. REPEALS

32 V.S.A. §§ 7731–7736 (licensure of wholesale dealers) are repealed.

Sec. 10. INVESTIGATOR POSITION CREATED; APPROPRIATION;  
REPORT

(a) One new permanent classified position, Investigator, is established in the Department of Liquor and Lottery to enforce, and to investigate potential violations of, Vermont laws relating to online sales and other direct-to-consumer sales and delivery of alcohol and tobacco products, including 7 V.S.A. §§ 277, 279, 280, and 1010.

(b)(1) The sum of \$160,000.00 is appropriated to the Department of Liquor and Lottery from the Tobacco Litigation Settlement Fund in fiscal year 2027 to fund the Investigator position established in subsection (a) of this section.

(2) It is the intent of the General Assembly that the position established in subsection (a) of this section should be funded from the Tobacco Litigation Settlement Fund for fiscal years 2027 and 2028. It is also the intent of the General Assembly that, beginning in fiscal year 2029, the funding for the Investigator position should be built into base funding for the Department of Liquor and Lottery's budget, with the amount of the salary and benefits for the Investigator position offset by an equivalent amount of the revenue generated to the Department or to the Office of the Attorney General, or both, by the Investigator's activities in enforcing and in investigating violations of Vermont law, with the remainder of the revenue deposited into the General Fund.

(c) If the revenue generated by the Investigator's activities becomes insufficient to cover the cost of the position in the future, the Department of Liquor and Lottery shall propose eliminating the position as part of its next budget or budget adjustment presentation to the General Assembly.

(d)(1) On or before March 15, 2027, the Department of Liquor and Lottery shall provide an update to the House Committees on Government Operations and Military Affairs and on Human Services and the Senate Committees on Economic Development, Housing and General Affairs and on Health and Welfare regarding the status of its implementation of the new Investigator position.

(2) Annually on or before December 15, the Department of Liquor and Lottery shall report to the House Committees on Government Operations and Military Affairs and on Human Services and the Senate Committees on Economic Development, Housing and General Affairs and on Health and Welfare on the impact of the Investigator's activities on compliance with Vermont's laws relating to direct-to-consumer sales and delivery of alcohol and tobacco products.

Sec. 11. TAXATION OF TOBACCO SUBSTITUTES; TAX STAMPS;  
REPORT

(a) The Department of Taxes, in collaboration with the Department of Liquor and Lottery and the Office of the Attorney General and in consultation with wholesale dealers and other interested stakeholders, shall:

(1) identify efficient and effective processes by which to impose taxes on tobacco substitutes, as defined in 7 V.S.A. § 1001, based on the concentration of nicotine they contain; and

(2) evaluate the continued use of tax stamps as evidence of payment of the excise tax on cigarettes, little cigars, and roll-your-own tobacco in this State and consider the advantages and disadvantages of alternative approaches of certifying tax compliance.

(b) On or before January 15, 2027, the Department of Taxes shall provide its findings and recommendations for taxing tobacco substitutes based on nicotine concentration and regarding the continued use of tax stamps, including proposed next steps and legislative needs, to the House Committees on Human Services and on Ways and Means and the Senate Committees on Economic Development, Housing and General Affairs; on Finance; and on Health and Welfare.

## Sec. 12. EFFECTIVE DATES

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

(1) in Sec. 1 (7 V.S.A. chapter 40), § 1002b (wholesale dealers; license required) shall take effect on July 1, 2027;

(2) in Sec. 5 (32 V.S.A. § 7702), the amendments to subdivisions (5) (definition of “licensed wholesale dealer”) and (17) (definition of “wholesale dealer’s license”) shall take effect on July 1, 2027;

(3) Secs. 6 (32 V.S.A. § 7776), 7 (32 V.S.A. § 7821), 8 (redesignation), and 9 (repeals) shall take effect on July 1, 2027; and

(4) the first report under Sec. 10(d)(2) shall be due on or before December 15, 2027.

and that after passage the title of the bill be amended to read: “An act relating to the regulation of tobacco products and tobacco substitutes”

And that when so amended the bill ought to pass.

Senator Chittenden, for the Committee on Finance, to which the bill was referred, reported that the bill be amended as recommended by the Committee on Economic Development, Housing and General Affairs with the following amendments thereto:

First: In Sec. 1, 7 V.S.A. chapter 40, in section 1002, in subdivision (d)(1), by striking out subdivisions (B) and (C) in their entireties and inserting in lieu thereof new subdivisions (B) and (C) to read as follows:

(B) to the legislative body of the municipality, a fee of ~~\$110.00~~ \$150.00 for a tobacco license or renewal; and

(C) to the legislative body of the municipality, a fee of ~~\$50.00~~ \$75.00 for a tobacco substitute endorsement as provided in subdivision (a)(2) of this section.

Second: In Sec. 1, 7 V.S.A. chapter 40, in section 1002b, by striking out subsection (b) in its entirety and inserting in lieu thereof a new subsection (b) to read as follows:

(b) Application for and issuance of license.

(1) A separate application and license shall be required for each wholesale outlet when a wholesale dealer owns or controls more than one such outlet. The license fee shall be \$1,245.00 for each outlet.

(2) A wholesale license shall be issued by the Division upon application on forms prescribed by the Division, stating the name and address of the applicant, the address of the place of business at which the applicant proposes to engage in the wholesale business, the type of business, and such other information as the Division may require for the proper administration of this chapter. Each license issued pursuant to this section shall be prominently displayed on the premises covered by the license.

Third: In Sec. 1, 7 V.S.A. chapter 40, in section 1002b, in subsection (c), by striking out “fined” following “shall be” and inserting in lieu thereof “subject to a civil penalty of”

And that when so amended the bill ought to pass.

Senator Perchlik, for the Committee on Appropriations, to which the bill was referred, reported the same without recommendation.

Thereupon, the bill was read the second time by title only pursuant to Rule 43, and the recommendation of the Committee on Economic Development, Housing and General Affairs was amended as recommended by the Committee on Finance.

Thereupon, pending the question, Shall the bill be amended as recommended by the Committee on Economic Development, Housing and General Affairs, as amended?, Senators Perchlik, Baruth, Brennan, Norris and Westman moved to amend the recommendation of amendment of the Committee on Economic Development, Housing and General Affairs, as amended, as follows:

First: In Sec. 1, 7 V.S.A. chapter 40, by striking out section 1014, use of funds from licensing fees, penalties, and settlements, in its entirety

Second: By striking out Secs. 2, 3 V.S.A. § 167a, and 3, 18 V.S.A. § 9502, in their entireties and inserting in lieu thereof new Secs. 2 and 3 to read as follows:

Sec. 2. [Deleted.]

Sec. 3. [Deleted.]

Third: By striking out Sec. 10, investigator position created; appropriation; report, in its entirety and inserting in lieu thereof a new Sec. 10 to read as follows:

Sec. 10. [Deleted.]

Fourth: In Sec. 12, effective dates, in subdivision (2), by inserting after the semicolon “and”; in subdivision (3), by striking out “; and” at the end and inserting in lieu thereof a period; and by striking out subdivision (4) in its entirety

Which was agreed to.

Thereupon, pending the question, Shall the bill be amended as recommended by the Committee on Economic Development, Housing and General Affairs, as amended?, Senators Chittenden and Brock moved to amend the recommendation of amendment of the Committee on Economic Development, Housing and General Affairs, as amended, as follows:

First: In Sec. 1, 7 V.S.A. chapter 40, by striking out section 1005 in its entirety and inserting in lieu thereof the following:

§ 1005. PERSONS UNDER 21 YEARS OF AGE; ~~POSSESSION OF~~  
~~TOBACCO PRODUCTS; MISREPRESENTING AGE OR~~  
~~PURCHASING TO PURCHASE~~ TOBACCO PRODUCTS;  
PENALTY

~~(a)(1) A person under 21 years of age shall not possess, purchase, or attempt to purchase tobacco products, tobacco substitutes, or tobacco paraphernalia unless:~~

~~(A) the person is an employee of a holder of a tobacco license and is in possession of tobacco products, tobacco substitutes, or tobacco paraphernalia to effect a sale in the course of employment; or~~

~~(B) the person is in possession of tobacco products or tobacco paraphernalia in connection with Indigenous cultural tobacco practices.~~

~~(2) A person under 21 years of age shall not misrepresent his or her age to purchase or attempt to purchase tobacco products, tobacco substitutes, or tobacco paraphernalia.~~

~~(b) A person who possesses tobacco products, tobacco substitutes, or tobacco paraphernalia in violation of subsection (a) of this section shall be subject to having the tobacco products, tobacco substitutes, or tobacco paraphernalia immediately confiscated and shall be further subject to a civil penalty of \$25.00. An action under this subsection shall be brought in the same manner as a traffic violation pursuant to 23 V.S.A. chapter 24.~~

~~(c) A person under 21 years of age who misrepresents the person’s age by presenting false identification to purchase tobacco products, tobacco substitutes, or tobacco paraphernalia shall be subject to a civil penalty of not more than \$50.00 \$100.00 or provide up to 10 hours of community service, or both. An action under this subsection shall be brought in the same manner as a traffic violation pursuant to 23 V.S.A. chapter 24.~~

Second: In Sec. 1, 7 V.S.A. chapter 40, in section 1007, by striking out subsection (a) in its entirety and inserting in lieu thereof a new subsection (a) to read as follows:

(a) A person that sells or furnishes tobacco products, tobacco substitutes, or tobacco paraphernalia to ~~a person~~ an individual under 21 years of age shall be subject to a civil penalty of not more than ~~\$100.00~~ \$150.00 for the first offense and ~~not more than \$500.00,~~ for any subsequent offense, a civil penalty and license suspension or revocation as set forth in subdivision (b)(2) of this section. An action under this section shall be brought in the same manner as for a traffic violation pursuant to 23 V.S.A. chapter 24 and shall be brought within 24 hours of following the occurrence of the alleged violation.

Third: By adding a new section to be Sec. 1a to read as follows:

Sec. 1a. 4 V.S.A. § 1102(b) is amended to read:

(b) The Judicial Bureau shall have jurisdiction of the following matters:

\* \* \*

(4) Violations of 7 V.S.A. § 1005, relating to ~~possession and procurement of tobacco products~~ misrepresentation of age by a person under 21 years of age to purchase tobacco products.

\* \* \*

Which was agreed to.

Thereupon, the recommendation of amendment of the Committee on Economic Development, Housing and General Affairs, as amended, was agreed to and third reading of the bill was ordered.

### **Bill Amended; Third Reading Ordered**

#### **S. 214.**

Senator Heffernan, for the Committee on Education, to which was referred Senate bill entitled:

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

Reported recommending that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 16 V.S.A. § 829 is amended to read:

§ 829. PREKINDERGARTEN EDUCATION

\* \* \*

(i) Notwithstanding any provision of law to the contrary, the NEK Choice School District may provide prekindergarten education to eligible prekindergarten students by paying tuition pursuant to this section to one or more prekindergarten programs operated by a public school in New Hampshire that is located in a school district within 25 miles of the Vermont border. The Essex North Supervisory Union shall be responsible for administering enrollment procedures and managing prekindergarten tuition payments pursuant to this section and State Board of Education rules. The superintendent may apply for and receive a waiver from the Agency of Education and Agency of Human Services of any rule provision that is impractical for the NEK Choice School District or the New Hampshire program by demonstrating that a substantially equivalent provision is offered.

## Sec. 2. EFFECTIVE DATE

This act shall take effect on July 1, 2026.

And that when so amended the bill ought to pass.

Senator Beck, for the Committee on Finance, to which the bill was referred, reported that the bill ought to pass when so amended.

Senator Brennan, for the Committee on Appropriations, to which the bill was referred, reported that the bill ought to pass when so amended.

Thereupon, the bill was read the second time by title only pursuant to Rule 43, the recommendation of amendment of the Committee on Education was agreed to, and third reading of the bill was ordered.

## **Adjournment**

On motion of Senator Baruth, the Senate adjourned until one o'clock in the afternoon on Wednesday, April 1, 2026.