

# Journal of the Senate

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FRIDAY, MAY 15, 2026

The Senate was called to order by the President.

## Devotional Exercises

A moment of silence was observed in lieu of devotions.

## Message from the House No. 65

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 concurred in the adoption of a proposed amendment to the Vermont Constitution entitled:

**Prop 4.** Declaration of rights; government for the people; equality of rights.

The House has considered joint resolution originating in the Senate of the following title:

**J.R.S. 53.** Joint resolution relating to weekend adjournment on May 15, 2026.

And has adopted the same in concurrence.

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

**H. 536.** An act relating to toxic heavy metals in baby food products.

**H. 739.** An act relating to prohibiting the use and sale of the herbicide paraquat.

And has severally concurred therein.

## Pages Honored

In appreciation of their many services to the members of the General Assembly, the President recognized the following-named pages who are completing their services today and presented them with letters of appreciation.

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Shepherd Finch of Chester  
Graham Gilman of Moretown  
Keira Hallmartel of Fairlee  
Lia Tarrant of Montpelier  
Maeve Wahlstrom of Whitingham  
Lula Walker of Montpelier  
Tamsin Wilson of Manchester Center

**Bill Referred to Committee on Appropriations**

**H. 710.**

House bill of the following title, appearing on the Calendar for notice, and carrying an appropriation or requiring the expenditure of funds, under the rule, was referred to the Committee on Appropriations:

An act relating to defining electricity generating facilities.

**Bill Passed in Concurrence with Proposal of Amendment**

**H. 907.**

House bill of the following title was read the third time and passed in concurrence with proposal of amendment:

An act relating to legislative review of reporting requirements.

**House Proposal of Amendment Concurred In with Amendment**

**S. 230.**

House proposal of amendment to Senate bill entitled:

An act relating to fair employment practices.

Was taken up.

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

Sec. 1. 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).

\* \* \*

Sec. 2. 21 V.S.A. § 495d is amended to read:

§ 495d. DEFINITIONS

As used in this subchapter:

\* \* \*

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

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

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

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

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

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

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

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

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

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

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

\* \* \*

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

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

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

Sec. 3. 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.]~~

Sec. 3a. 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.

\* \* \*

Sec. 3b. 21 V.S.A. § 495q is added to read:

§ 495q. AGREEMENTS NOT TO COMPETE; PROHIBITION

(a) Nonexempt employees. Agreements not to compete between an employer and a nonexempt employee, per the Fair Labor Standards Act, 29 U.S.C. §§ 201–219, are prohibited as presumptively coercive and a restraint on trade, unless bargained for as part of a collective bargaining agreement.

(b) Health care providers.

(1) 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:

(A) 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;

(B) 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;

(C) 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;

(D) is inconsistent with Vermont law; or

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

(2) The notice provided in subdivision (1)(B) of this subsection may include the following information:

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

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

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

(3) The provisions in subdivision (1) of this subsection 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.

(c) Retaliation and remedies. 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 provisions of section 495b of this subchapter shall apply to this section.

(d) Effective date. This section shall apply to agreements not to compete entered into on or after July 1, 2026.

#### Sec. 4. EFFECTIVE DATE

This act shall take effect on July 1, 2026.

Thereupon, pending the question, Shall the Senate concur in the House proposal of amendment?, Senator Chittenden moved that the Senate concur in the House proposal of amendment with a further proposal of amendment as follows:

First: By striking out Sec. 3b, 21 V.S.A. § 495q, in its entirety and inserting in lieu thereof a new Sec. 3b to read as follows:

Sec. 3b. 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.

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

**Sec. 3c. SOLICITATION AT CORRECTIONAL FACILITIES**

The Commissioner of Corrections or designee shall meet with representatives of the Vermont State Employees' Association to develop a proposal governing permissible and impermissible solicitation in parking lots at the Department of Corrections' facilities for consideration for adoption by the Secretary of Administration on or before January 1, 2027. The Commissioner of Buildings and General Services shall coordinate the meetings and provide assistance as appropriate.

Thereupon, the question, Shall the Senate concur in the House proposal of amendment with further proposal of amendment?, was decided in the affirmative.

**Senate Bill Recommitted**

**S. 218.**

Senate bill entitled:

An act relating to reducing chloride contamination of State waters.

Was taken up, and on motion of Senator Baruth, the bill was recommitted to the Committee on Natural Resources and Energy.

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**Third Reading Ordered****H. 740.**

Senator Watson, for the Committee on Natural Resources and Energy, to which was referred House bill entitled:

An act relating to the greenhouse gas inventory and registry.

Reported that the bill ought to pass in concurrence.

Senator Watson, for the Committee on Appropriations, to which the bill was referred, reported recommending that the bill ought to pass in concurrence.

Thereupon, during debate of the measure, Senator Watson raised a *point of order* that Senator Beck violated Sections 111 and 252 of Mason's Manual of Legislative Procedure which provides that "It is inappropriate for a member in debate to use the name of the executive for the purpose of influencing votes of the members".

Thereupon, the President found the point of order not well taken, but cautioned Senator Beck against use of the executive to influence votes of members.

Thereupon, the bill was read the second time by title only pursuant to Rule 43, and third reading of the bill was ordered, on a roll call, Yeas 17, Nays 12.

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, Bongartz, Chittenden, Clarkson, Cummings, Gulick, Hardy, Harrison, Hashim, Lyons, Major, Perchlik, Plunkett, Ram Hinsdale, Vyhovsky, Watson, White.

**Those Senators who voted in the negative were:** Beck, Benson, Brennan, Brock, Collamore, Heffernan, Ingalls, Mattos, Morley, Norris, Weeks, Williams.

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

**Proposal of Amendment; Third Reading Ordered****H. 578.**

Senator Vyhovsky, for the Committee on Judiciary, to which was referred House bill entitled:

An act relating to penalties and procedures for animal cruelty offenses.

Reported recommending that the Senate propose to the House to amend the bill by striking out all after the enacting clause and inserting in lieu thereof the following:

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

§ 351. DEFINITIONS

As used in this chapter:

\* \* \*

(21) “Sexual conduct” means:

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

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

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

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

\* \* \*

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

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

§ 352. CRUELTY TO ANIMALS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

§ 352a. AGGRAVATED CRUELTY TO ANIMALS

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

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

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

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

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

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

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

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

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

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

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

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

§ 353. DEGREE OF OFFENSE; SENTENCING UPON CONVICTION

(a) Penalties.

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

(2) Aggravated cruelty under section 352a of this title shall be punishable by a sentence of imprisonment of not more than five years or a fine of not more than \$5,000.00, or both. Second and subsequent offenses shall be punishable by a sentence of imprisonment of not more than ~~ten~~ 10 years or a fine of not more than \$7,500.00, or both.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

~~(5)(E) Permit periodic unannounced visits for a period up to one year by a humane officer or the Director of Animal Welfare to inspect the care and condition of any animal permitted by the court to remain in the care, custody, or possession of the defendant during the period, and for up to one year after expiration of the period, that the defendant is prohibited from owning, possessing, caring for, residing with, having custody of, or working with an animal by an order issued pursuant to subdivision (C) of this subdivision (b)(1) or subdivision (2) of this subsection (b). Such period may be extended modified by the court upon motion made by the State.~~

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(a) The Secretary of Agriculture, Food and Markets shall, if practicable, be consulted prior to any enforcement action brought pursuant to this chapter that involves livestock and poultry. Law enforcement may consult with the Secretary in person or by electronic means, and the Secretary shall assist law enforcement in determining whether the practice or animal condition, or both, represent acceptable livestock or poultry husbandry practices. Failure to conduct the consultation shall not be grounds for dismissal of the enforcement action or exclusion of evidence.

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

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

(2) Search and seizure using a search warrant. A humane officer having probable cause to believe an animal is being subjected to cruel treatment in violation of this subchapter may apply for a search warrant pursuant to the Vermont Rules of Criminal Procedure to authorize the officer to enter the premises where the animal is kept and seize the animal. The application and affidavit for the search warrant shall be reviewed and authorized by an attorney for the State when sought by an officer other than an enforcement officer defined in 23 V.S.A. § 4(11). A veterinarian licensed to practice in

Vermont ~~must~~ shall, if practicable, accompany the humane officer during the execution of the search warrant. Failure to be accompanied by a veterinarian during the execution of the search warrant shall not be grounds for dismissal of the enforcement action or exclusion of evidence.

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

(c) A humane officer shall provide suitable care at a reasonable cost for an animal seized under this section, and have a lien on the animal for all expenses incurred. A humane officer may arrange for the euthanasia of a severely injured, diseased, or suffering animal upon the recommendation of a licensed veterinarian. A humane officer may arrange for euthanasia of an animal seized under this section when the owner is unwilling or unable to provide necessary medical attention required while the animal is in custodial care or when the animal cannot be safely confined under standard housing conditions. An animal not destroyed by euthanasia shall be kept in custodial care and provided with necessary medical care until final disposition of the criminal charges except as provided in subsections ~~(d) through (h)~~ (d)–(l) of this section. The custodial caretaker shall be responsible for maintaining the records applicable to all animals seized, including identification, residence, location, medical treatment, and disposition of the animals.

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

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

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

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

(1) Unless a person claiming an ownership interest in the animal requests a forfeiture hearing pursuant to subdivision (3)(A) of this subsection and posts security pursuant to subdivision (3)(B) of this subsection or requests that the security be reduced or waived on the basis of financial hardship, title to an animal seized pursuant to subsection (b) of this section shall be forfeited pursuant to subsection 353(c) of this title 14 days after seizure if the procedures of this subsection are followed.

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

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

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

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

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

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

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

(B) A person who requests a forfeiture hearing pursuant to this subdivision (3) shall post security in an amount needed to cover food and necessary veterinary care for the animal for an initial 40-day period, with an additional amount equal to the estimated cost of care and keeping of the animal for a subsequent 30-day period due every 30 days thereafter until the owner relinquishes the animal or until the court issues an order of forfeiture. The amount of the security and the payment schedule shall be set in rules adopted by the Director of Animal Welfare pursuant to 20 V.S.A. § 3202(e). The initial security shall be posted within 14 days following the seizure unless the person requests that the security be reduced or waived by the court on the basis of financial hardship. The court shall collect and transfer the security to the Animal Welfare Fund established pursuant to 20 V.S.A. § 3203. The Director of Animal Welfare shall make payment, not to exceed the security received, to the custodial caretaker upon receipt of proof of expenditure of funds by the caretaker for food and necessary veterinary care for the animal.

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

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

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

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

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

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

(2)(E) Affidavits of law enforcement officers, humane officers, animal control officers, veterinarians, or expert witnesses of either party shall be admissible evidence that may be rebutted by witnesses called by either party. The affidavits shall be delivered to the other party at least five business days prior to the hearing. Upon request of the other party or the court made at least two business days prior to the hearing, the party offering an affidavit shall make the affiant available by telephone at the hearing. The court may allow any witness to testify ~~by telephone~~ remotely in lieu of a personal appearance and shall adopt rules with respect to such testimony.

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

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

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

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

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

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

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

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

(2) The appellant shall post security in an amount needed to cover food and necessary veterinary care for the animal for an initial 40-day period from the date that the forfeiture order was issued, with an additional amount equal to the estimated cost of care and keeping of the animal for a subsequent 30-day period due every 30 days thereafter until the owner relinquishes the animal or until final disposition of the case. Failure to timely pay the full amount shall

result in forfeiture to title to the animal unless a financial hardship reduction or waiver request is pending or has been granted. The calculation of the security shall be set in rules adopted by the Director of Animal Welfare pursuant to 20 V.S.A. § 3202(e). The court shall collect and transfer the security to the Animal Welfare Fund established pursuant to 20 V.S.A. § 3203. The Director of Animal Welfare shall make payment, not to exceed the security received, to the custodial caretaker upon receipt of proof of expenditure of funds by the caretaker for food and necessary veterinary care for the animal.

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

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

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

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

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

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

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

\* \* \*

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

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

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

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

§ 3203. ANIMAL WELFARE FUND

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

(b) The Fund shall consist of:

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

(2) appropriations made by the General Assembly; and

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

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

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

Sec. 8. TRANSITION; SECURITY AMOUNT

(a) Until the Director of Animal Welfare adopts rules pursuant to 13 V.S.A. § 354(d)(3)(B), the amount of security under 13 V.S.A. § 354(d) and (g) shall be required pursuant to this section.

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

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

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

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

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

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

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Sec. 9. EFFECTIVE DATE

This act shall take effect on July 1, 2026.

And that the bill ought to pass in concurrence with such proposal of amendment.

Senator Mattos, for the Committee on Finance, to which the bill was referred, reported recommending that the Senate propose to the House that the bill be amended as recommended by the Committee on Judiciary with further proposals of amendment as follows:

First: In Sec. 5, 13 V.S.A. § 354, in subdivision (d)(3)(B), by striking out “The amount of the security and the payment schedule shall be set in rules adopted by the Director of Animal Welfare pursuant to 20 V.S.A. § 3202(e).”

Second: In Sec. 5, 13 V.S.A. § 354, in subdivision (g)(2), by striking out “The calculation of the security shall be set in rules adopted by the Director of Animal Welfare pursuant to 20 V.S.A. § 3202(e).”

Third: In Sec. 6, 20 V.S.A. § 3202, in subdivision (e)(1), by striking out “, including the amount of security required”

Fourth: In Sec. 6, 20 V.S.A. § 3202, in subdivision (e)(2), by striking out “, including payment schedules”

Fifth: In Sec. 8, transition; security amount, by striking out “Until the Director of Animal Welfare adopts rules pursuant to 13 V.S.A. § 354(d)(3)(B).” and inserting in lieu thereof “On or before December 1, 2026, the Director of Animal Welfare shall report to the House Committees on Judiciary and on Ways and Means and the Senate Committees on Finance and on Judiciary on the proposed amount of the security and the proposed payment schedule, including proposed statutory language. Until legislation establishing the amount of the security and the payment schedule takes effect.”

And that the bill ought to pass in concurrence with such proposals of amendment.

Senator Watson, for the Committee on Appropriations, to which the bill was referred, reported recommending that the bill ought to pass in concurrence with proposal of amendment as recommended by the Committee on Judiciary, with further proposals of amendment by the Committee on Finance.

Thereupon, the bill was read the second time by title only pursuant to Rule 43, and the recommendation of proposal of amendment of the Committee on Judiciary was amended as recommended by the Committee on Finance.

Thereupon, the proposal of amendment recommended by the Committee on Judiciary, as amended, was agreed to and third reading of the bill was ordered.

**Proposal of Amendment; Third Reading Ordered****H. 727.**

Senator Watson, for the Committee on Natural Resources and Energy, to which was referred House bill entitled:

An act relating to sustainable data center deployment.

Reported recommending that the Senate propose to the House to amend the bill by striking out all after the enacting clause and inserting in lieu thereof the following:

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

Subchapter 3. Data Centers

§ 281. SHORT TITLE

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

§ 282. PURPOSE

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

§ 283. DEFINITIONS

As used in this subchapter:

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

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

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

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

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

§ 284. LARGE LOAD SERVICE EQUITY CONTRACT; APPROVAL

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

(b) The large load service equity contract shall:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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§ 285. DEMAND-SIDE MANAGEMENT

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

(b) Site suitability analysis and project design.

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

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

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

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

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

(c) Combustion-based backup generation.

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

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

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

(e) Energy transformation payment.

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

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

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

(f) Virtual power plant.

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

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

#### § 286. QUARTERLY AND ANNUAL REPORTS

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

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

#### § 287. RULES

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

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

#### § 6001. DEFINITIONS

As used in this chapter:

\* \* \*

(3)(A) “Development” means each of the following:

\* \* \*

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

\* \* \*

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

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

(a) As used in this section:

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

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

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

(A) R-(CF<sub>2</sub>)-CF(R’)R”, where both the CF<sub>2</sub> and CF moieties are saturated carbons;

(B) R-CF<sub>2</sub>OCF<sub>2</sub>-R’, where R and R’ can either be F, O, or saturated carbons; or

(C) CF<sub>3</sub>C(CF<sub>3</sub>)R’R”, where R’ and R” can either be F or saturated carbons.

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

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

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

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

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

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

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

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

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

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

monitor the withdrawn water for PFAS at the point of withdrawal. When the data center discharges waste from the cooling system to surface water, PFAS in the discharged waste shall not exceed the level of PFAS detected in the surface water or groundwater withdrawn for purposes of operating the cooling system at the data center.

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

On or before January 1, 2027, the Secretary of Natural Resources shall submit to the House Committee on Environment and the Senate Committee on Natural Resources and Energy a recommended standard for authorizing per- and polyfluoroalkyl substances in the discharge of waste from the cooling systems of data centers to surface waters of the State.

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

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

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

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

Sec. 5. RECOMMENDATION ON DATA CENTER DECOMMISSIONING

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

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

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

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

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

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

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

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

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

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

#### Sec. 6. EFFECTIVE DATE; APPLICATION

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

And that the bill ought to pass in concurrence with such proposal of amendment.

Senator Beck, for the Committee on Finance, to which the bill was referred, reported recommending that the bill ought to pass in concurrence with proposal of amendment as recommended by the Committee on Natural Resources and Energy.

Thereupon, the bill was read the second time by title only pursuant to Rule 43, and the proposal of amendment was agreed to, on a roll call, Yeas 26, Nays 3.

Senator Hashim 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, Bongartz, Brennan, Brock, Chittenden, Clarkson, Collamore, Cummings, Gulick, Hardy, Harrison, Hashim, Heffernan, Lyons, Major, Morley, Norris, Perchlik, Plunkett, Ram Hinsdale, Vyhovsky, Watson, Weeks, White, Williams.

**Those Senators who voted in the negative were:** Benson, Ingalls, Mattos.

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

Thereupon, third reading of the bill was ordered.

### **Appointments Confirmed**

Under suspension of the rules (and particularly, Senate Rule 93), as moved by Senator Collamore, the following Gubernatorial appointments were confirmed together as a group by the Senate, without reports given by the Committees to which they were referred and without debate:

Delaini, Dani of Brattleboro - Member State Infrastructure Bank Board - June 18, 2025 to February 28, 2026.

Hollar, John of Montpelier - Member Capitol Complex Commission - June 18, 2025 to February 28, 2027.

Jones, Suzanne S of Mendon - Member Medical Practice, Board of - August 12, 2025 to February 28, 2029.

Zalinger, Phil of Montpelier - Member Transportation Board - March 1, 2025 to February 29, 2028.

### **Senate Concurrent Resolution**

The following joint concurrent resolution, having been placed on the consent calendar on the preceding legislative day, and no Senator having requested floor consideration as provided by the Joint Rules of the Senate and House of Representatives, was adopted on the part of the Senate:

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Offered by Senators Lyons, Gulick, Baruth, Beck, Benson, Bongartz, Brennan, Brock, Chittenden, Clarkson, Collamore, Cummings, Hardy, Harrison, Hashim, Heffernan, Major, Mattos, Morley, Perchlik, Plunkett, Ram Hinsdale, Vyhovsky, Watson, Weeks, Westman and White,

Offered by Reps. Conlon and others,

**S.C.R. 13.**

Senate concurrent resolution honoring Middlebury College Professor Jessica Holmes for her exemplary public service as a member and interim chair of the Green Mountain Care Board.

**House Concurrent Resolutions**

The following joint concurrent resolutions having been placed on the consent calendar on the preceding legislative day, and no Senator having requested floor consideration as provided by the Joint Rules of the Senate and House of Representatives, were adopted in concurrence:

Offered by Reps. Morrissey and others,

Offered by Sens. Bongartz and Plunkett,

**H.C.R. 294.**

House concurrent resolution honoring Nicholas Monte, Bennington County's chocolatier extraordinaire.

Offered by Reps. Greer and others,

Offered by Sens. Bongartz and Plunkett,

**H.C.R. 295.**

House concurrent resolution honoring Patricia Gibbons for her extraordinary half-century teaching career in the Town of Bennington.

Offered by Reps. Greer and others,

Offered by Sens. Bongartz and Plunkett,

**H.C.R. 296.**

House concurrent resolution congratulating Inspirational Bible Book & Gifts of Bennington, Vermont's last remaining Christian bookstore, on its 50th anniversary.

Offered by Reps. Pritchard and others,

Offered by Sens. Bongartz, Collamore, Ingalls, Norris and Weeks,

**H.C.R. 297.**

House concurrent resolution honoring Vermont Fish and Wildlife Department Director of Fisheries Eric Palmer and extending future best wishes.

Offered by Reps. Greer and others,

**H.C.R. 298.**

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

Offered by Rep. Chapin,

Offered by Senator Cummings,

**H.C.R. 299.**

House concurrent resolution in memory of Elana Grace Korey and recognizing August 2, 2026, as 802 Day in Vermont.

Offered by Reps. Greer and others,

**H.C.R. 300.**

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

Offered by Reps. Goslant and others,

**H.C.R. 301.**

House concurrent resolution recognizing May 2026 as National Foster Care Month in Vermont.

Offered by Rep. Durfee,

Offered by Sens. Bongartz and Plunkett,

**H.C.R. 302.**

House concurrent resolution congratulating former Shaftsbury Selectboard Chair Arthur Whitman and his wife Kathy Whitman as the recipients of the 2026 Shaftsbury Ordinary Hero Award.

Offered by Reps. Wood and others,

**H.C.R. 303.**

House concurrent resolution extending best wishes for a speedy and complete recovery to the indomitable Representative Anne de la Blanchetai Donahue of Northfield.

Offered by Reps. Page and others,

Offered by Senator Westman,

**H.C.R. 304.**

House concurrent resolution celebrating the State House display of Julian Scott's Civil War masterpiece, The Fourth Vermont Forming Under Fire, and thanking those individuals who facilitated this historic artistic event.

Offered by All Members of the House,

**H.C.R. 305.**

House concurrent resolution honoring former Representative Francis Matthew (Topper) McFaun for his exemplary public and community service.

**Adjournment**

On motion of Senator Baruth, the Senate adjourned, to reconvene on Tuesday, May 19, 2026, at ten o'clock in the forenoon pursuant to J.R.S. 53.