Journal of the Senate

THURSDAY, MAY 28, 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. 83

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 considered Senate proposal of amendment to House bill entitled:

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

And has refused to concur therein and asks for a Committee of Conference upon the disagreeing votes of the two Houses;

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

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

Message from the House No. 84

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 considered Senate proposals of amendment to the following House bills:

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

H. 606. An act relating to firearms procedures.

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

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

And has severally concurred therein.

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

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

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

And has severally adopted the same on its part.

Pursuant to the request of the Senate for a Committee of Conference upon the disagreeing votes of the two Houses on Senate bill of the following title:

S. 208. An act relating to standards for law enforcement identification.

The Speaker has appointed as members of such committee on the part of the House:

Rep. LaLonde of South Burlington
Rep. Dolan of Essex Junction
Rep. Goodnow of Brattleboro.

Rules Suspended; Bill Referred to Committee on Finance

H. 211.

Pending entry on the Calendar for notice, on motion of Senator Baruth the rules were suspended and House bill entitled:

An act relating to data brokers and personal information.

was referred to the Committee on Finance pursuant to Rule 31.

Committee of Conference Appointed

H. 710.

An act relating to defining electricity generating facilities.

Was taken up. Pursuant to the request of the House, the President announced the appointment of

Senator Watson
Senator Hardy
Senator Beck

as members of the Committee of Conference on the part of the Senate to consider the disagreeing votes of the two Houses.

Third Reading Ordered

H. 957.

Senator Clarkson, for the Committee on Government Operations, to which was referred House bill entitled:

An act relating to approval of amendments to the charter of the Town of Williston.

Reported that the bill ought to pass in concurrence.

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

House Proposal of Amendment Concurred In

S. 190.

House proposal of amendment to Senate bill entitled:

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

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:

* * * Reference-Based Pricing * * *

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

(e) Reference-based pricing.

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

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

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

* * *

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

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

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

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

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

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

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

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

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

* * *

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

(a) As used in this section:

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 3. [Deleted.]

* * * Hospital Outsourcing * * *

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

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

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

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

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

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

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

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

§ 9409. HEALTH CARE PROVIDER BARGAINING GROUPS

(a) The Green Mountain Care Board may approve the creation of one or more health care provider bargaining groups, consisting of health care providers who choose to participate. A bargaining group is authorized to negotiate on behalf of all participating providers with the Secretary of Administration, the Secretary of Human Services, the Green Mountain Care Board, or the Commissioner of Labor with respect to any matter in this

chapter; chapter 13, 219, 220, or 222 of this title; 21 V.S.A. chapter 9; and 33 V.S.A. chapters 18 and 19 with respect to provider regulation, provider reimbursement, administrative simplification, information technology, workforce planning, or quality of health care.

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

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

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

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

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

§ 9381. APPEALS

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

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

* * *

* * * Data Infrastructure * * *

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

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

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

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

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

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

Sec. 8. IMPLEMENTATION OF HEALTH SYSTEM PERFORMANCE TOOL

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

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

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

(a) The General Assembly and the Green Mountain Care Board have recently become aware of a federal requirement that Medicare beneficiaries must bear financial responsibility for 20 percent of the amount charged for outpatient services delivered by critical access hospitals, not 20 percent of the

amount that Medicare pays for the service. While the General Assembly understands that it cannot invalidate this federal requirement, it also recognizes both that this requirement has a significant, unfair, and negative financial impact on Medicare beneficiaries in the State's most rural communities and that Vermont's critical access hospitals are some of the State's most financially vulnerable health care facilities. It is the intent of this section to provide information to Vermont's seniors and other Medicare beneficiaries about the federal requirement while a working group of interested stakeholders endeavors to develop appropriate and enduring solutions that do not undermine the financial sustainability of our critical access hospitals and that comply with federal law.

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

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

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

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

* * * Effective Date * * *

Sec. 10. EFFECTIVE DATE

This act shall take effect on passage.

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

Thereupon, the question, Shall the Senate concur in the House proposal of amendment?, was decided in the affirmative, on a roll call, Yeas 17, Nays 13.

Senator Collamore 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, Westman, Williams.

House Proposal of Amendment Concurred In

S. 323.

House proposal of amendment to Senate bill entitled:

An act relating to miscellaneous agricultural subjects.

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:

* * * Milk Producers * * *

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

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

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

(b) If the producer desires to question the existence or validity of such grounds of refusal, ~~he or she~~ the producer may do so within 90 days after receiving the notice or refusal by requesting the Secretary of Agriculture, Food and Markets for a hearing, and the Secretary is hereby given jurisdiction to hear and determine the question. The producer shall make complaints of such contemplated refusal in writing to the Secretary, setting forth the substance of the refusal notice and requesting to be heard thereon. The Secretary shall then notify both the producer and the purchaser in writing, sent to them by

registered mail, of the time and place of hearing thereon. The time of the hearing shall not be less than 10 nor more than 30 days from the date of the notice. Hearing shall be informal. Both parties shall have an opportunity to produce evidence.

* * *

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

* * *

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

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

§ 4721. LOCAL FOODS ~~GRANT~~ PROGRAM

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

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

* * *

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

* * *

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

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

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

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

Sec. 3. REPEAL

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

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

§ 1112. LICENSING PESTICIDE APPLICATORS; PESTICIDE COMPANIES; DEALERS

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

(1) Class A Dealer License~~—~~$50.00;

(2) Class B Dealer License~~—~~$50.00;

(3) Pesticide Company License~~—~~$75.00;

(4) Commercial ~~and,~~ Noncommercial, and Government Applicator Certification fee~~—~~$30.00 per category or subcategory with a maximum of $120.00;

(5) ~~second and third time examination~~ Examination fee for dealer licenses and applicator certification~~—~~$25.00; and

(6) Private Applicator~~—~~$25.00~~; and~~

~~(7) State Government, Municipal, and Public Education Institution Applicators—$30.00~~.

* * *

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

* * * Seed Law Changes * * *

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

§ 641. DEFINITIONS

(a) As used in this chapter:

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

(2) "Secretary" means the Secretary of Agriculture, Food and Markets or ~~his or her~~ the Secretary's designee.

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

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

* * *

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

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

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

(1) All labels shall include:

* * *

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

* * *

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

§ 647. ADMINISTRATIVE PENALTIES

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

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

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

(3) violated a stop sale order.

* * *

* * * Consolidate VACP within VEDA * * *

Sec. 8. TRANSFER OF VERMONT AGRICULTURAL CREDIT PROGRAM

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

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

Subchapter 16. Vermont Agricultural Credit Program

§ 280hh. DEFINITIONS

As used in this subchapter:

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

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

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

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

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

(6) "Farm operation" means the cultivation of land or other uses of land for the production of food, fiber, horticultural crops, silvicultural products, orchard crops, maple syrup, Christmas trees, forest products, or forest crops; the raising, boarding, and training of equines, and the raising of livestock; or any combination of the foregoing activities. "Farm operation" also means the storage, preparation, retail sale, and transportation of agricultural or forest commodities accessory to the cultivation or use of such land. "Farm

operation" also means the operation of an agritourism business on a farm subject to regulation under the Required Agricultural Practices. "Farm operation" also means a business that provides specialty services to farmers, such as foresters, farriers, hoof trimmers, or large animal veterinarians operating or proposing to operate mobile units.

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

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

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

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

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

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

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

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

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

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

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

§ 280ii. VERMONT AGRICULTURAL CREDIT PROGRAM

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

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

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

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

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

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

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

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

§ 280jj. GENERAL POWERS

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

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

§ 280kk. LOAN ELIGIBILITY STANDARDS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(c) Therefore, the general public advantage requires:

* * *

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

* * *

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

§ 212. DEFINITIONS

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

* * *

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

§ 216. AUTHORITY; GENERAL POWERS

The Authority is hereby authorized:

* * *

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

* * *

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

§ 220a. THE VERMONT JOBS FUND

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

* * *

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

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

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

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

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

§ 280a. ELIGIBLE PROJECTS; AUTHORIZED FINANCING PROGRAMS

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

* * *

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

* * *

* * * Hemp Oversight * * *

Sec. 15. TRANSITION OF HEMP PROCESSOR OVERSIGHT

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

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

Subchapter 3. Hemp

§ 851. FINDINGS; PURPOSE

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

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

§ 852. DEFINITIONS

As used in this subchapter:

(1)(A) "Grow" means:

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

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

(B) "Grow" also means to produce.

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

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

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

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

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

(ii) is not lawful in interstate commerce.

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

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

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

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

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

§ 853. HEMP; AN AGRICULTURAL PRODUCT

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

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

§ 854. HEMP REGISTRATION AND LICENSURE

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

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

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

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

(1) fails to establish that its activities comply with State and federal law;

(2) refuses the Board or its lawful designees entry upon its premises to inspect and confirm compliance, including by sampling hemp and hemp products for potency testing;

(3) fails to submit information requested by the Board; or

(4) fails to submit the fee required under section 858 of this subchapter.

§ 855. RULEMAKING AUTHORITY

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

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

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

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

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

(5) establish sanitary requirements for licensed processing facilities;

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

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

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

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

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

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

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

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

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

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

(b) The Board shall adopt rules to:

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

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

§ 856. TEST RESULTS; ENFORCEMENT

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

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

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

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

(3) Issue and enforce a written or printed "stop sale" order to the owner or custodian of any hemp, hemp product, or hemp-infused product subject to the requirements of this subchapter or rules adopted under this subchapter that the Board finds is in violation of any of the provisions of this subchapter or rules adopted under this subchapter. An order may prohibit further sale, processing, and movement of the hemp, hemp product, or hemp-infused product until the Board has approved and issued a release from the "stop sale" order.

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

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

§ 857. ADMINISTRATIVE PENALTIES

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

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

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

§ 858. FEES

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

(1) Producer: $50.00.

(2) Processor: $500.00.

(3) Product: $75.00.

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

Sec. 16a. HEMP FEES REPORTING

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

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

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

(3) a comparison of fees in other jurisdictions;

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

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

Sec. 16a. HEMP FEES REPORTING

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

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

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

(3) a comparison of fees in other jurisdictions;

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

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

Sec. 16b. REPEAL

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

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

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

(i) the seeds of the plant;

(ii) the resin extracted from any part of the plant; and

(iii) any compound, manufacture, salt, derivative, mixture, or preparation of the plant, its seeds, or resin.

(B) "Cannabis" does not include:

(i) the mature stalks of the plant and fiber produced from the stalks;

(ii) oil or cake made from the seeds of the plant;

(iii) any compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks, fiber, oil, or cake;

(iv) the sterilized seed of the plant that is incapable of germination; or

(v) hemp or hemp products, as defined in ~~6 V.S.A. § 562~~ 7 V.S.A. § 852.

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

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

(1) cannabis-related supplies sold by a dispensary registered under 7 V.S.A. chapter 37 to registered patients and registered caregivers, as those terms are defined in 7 V.S.A. § 972;

(2) cannabis products, as defined in 7 V.S.A. § 831, that do not contain tobacco; or

(3) hemp or hemp products, as defined in ~~6 V.S.A. § 562~~ 7 V.S.A. § 852, that do not contain tobacco.

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

§ 845. CANNABIS REGULATION FUND

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

(b) The Fund shall be composed of:

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

* * *

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

§ 834. SALES RESTRICTIONS

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

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

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

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

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

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

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

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

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

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

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

* * * Natural Resources Conservation Council Mortgages * * *

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

§ 723. POWERS OF SUPERVISORS

The supervisors shall have the following powers:

* * *

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

* * *

* * * CAFO Permit Working Group * * *

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

§ 1354. CONCENTRATED ANIMAL FEEDING OPERATION PERMIT PROGRAM WORKING GROUP

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

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

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

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

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

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

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

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

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

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

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

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

(d) Meetings.

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

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

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

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

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

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

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

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

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

Sec. 23. CONCENTRATED ANIMAL FEEDING OPERATION; TRAINING ON INSPECTION

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

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

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

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

Sec. 24. CONTINGENCY OF FUNDING

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

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

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

(e) All administratively complete applications shall be evaluated by the Review Board. Within 15 days following receipt of an administratively complete application, the Review Board by majority vote shall recommend to

the Secretary whether to issue a payment to the applicant. ~~If the Review Board recommends an award under this section, the~~ The Secretary shall ~~issue the award~~ make a final award determination within 15 days following the date of the Review Board's recommendation.

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

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

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

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

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

* * * Effective Dates * * *

Sec. 25. EFFECTIVE DATES

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

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

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

Report of Committee of Conference Accepted and Adopted on the Part of the Senate

H. 944.

Senator Westman, for the Committee of Conference, submitted the following report:

To the Senate and House of Representatives:

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

H. 944. An act relating to the fiscal year 2027 Transportation Program and miscellaneous changes to laws related to transportation.

Respectfully reports that it has met and considered the same and recommends that the House accede to the Senate proposal of amendment with further amendment thereto by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Legislative Findings * * *

Sec. 1. LEGISLATIVE FINDINGS

The General Assembly finds that:

(1) State fiscal year 2025 Transportation Fund revenues came in nearly $7,400,000.00 below the revenue forecast.

(2) In July 2025, the revenue forecast for the Transportation Fund was downgraded for State fiscal years 2026–2030 because of reductions in the projected revenues from the purchase and use tax and Department of Motor Vehicles fees.

(3) Revenues from the taxes on gasoline and diesel fuel are projected to gradually decrease in State fiscal years 2026–2030. That trend is expected to continue because of improving vehicle fuel efficiency among all vehicles and increasing adoption of electric vehicles.

(4) The July 2025 consensus revenue forecast estimates a 1.33 percent compound annual growth rate in Transportation Fund revenues between 2026 and 2030, which is far below recent inflation levels.

(5) In contrast with the slow growth in Transportation Fund revenues, the National Highway Construction Cost Index increased by approximately 62 percent between 2020 and 2025.

(6) In addition to rising construction costs, salaries and benefits have also increased significantly in recent years, creating significant ongoing cost pressure on the Transportation Fund.

(7) To address budget shortfalls in the past year, the Agency has been forced to eliminate 62 permanent positions.

(8) Continuing deficits in the Transportation Fund threaten the State's ability to provide the required match for federal funds, which make up more than half of the State's annual transportation budget.

(9) Municipalities face the same cost pressures as the State. However, State aid for town highways has only increased by 2.7 percent, which places increasing pressure on chronically underfunded town highway programs and puts pressure on the property tax.

(10) If Vermont is unable to keep up with the maintenance and capital needs of its transportation system, the infrastructure will continue to deteriorate, and restoring the system to a state of good repair will cost significantly more.

(11) Prompt legislative action is necessary to ensure the future health and stability of the Transportation Fund and to enable the Agency of Transportation to keep Vermont's transportation system in a state of good repair.

* * * Transportation Program Adopted as Amended; Definitions * * *

Sec. 2. TRANSPORTATION PROGRAM ADOPTED; DEFINITIONS

(a) Adoption. The Agency of Transportation's Proposed Fiscal Year 2027 Transportation Program appended to the Agency of Transportation's proposed fiscal year 2027 budget, as amended by this act, is adopted to the extent federal, State, and local funds are available.

(b) Definitions. As used in this act, unless otherwise indicated:

(1) "Agency" means the Agency of Transportation.

(2) "Candidate project" means a project approved by the General Assembly that is not anticipated to have significant preliminary engineering expenditures or right-of-way expenditures, or both, during the budget year and for which construction funding is not anticipated within a predictable time frame.

(3) "Development and evaluation (D&E) project" means a project approved by the General Assembly that is anticipated to have preliminary engineering expenditures or right-of-way expenditures, or both, during the budget year and that the Agency is committed to delivering to construction on a timeline driven by priority and available funding.

(4) "Electric vehicle supply equipment (EVSE)" and "electric vehicle supply equipment available to the public" have the same meanings as in 30 V.S.A. § 201.

(5) "Front-of-book project" means a project approved by the General Assembly that is anticipated to have construction expenditures during the budget year or the following three years, or both, with expected expenditures shown over four years.

(6) "Plug-in electric vehicle (PEV)," "plug-in hybrid electric vehicle (PHEV)," and "battery electric vehicle (BEV)" have the same meanings as in 23 V.S.A. § 4(85).

(7) "Secretary" means the Secretary of Transportation.

(8) "TIB funds" means monies deposited in the Transportation Infrastructure Bond Fund in accordance with 19 V.S.A. § 11f.

(9) The table heading "As Proposed" means the Proposed Transportation Program referenced in subsection (a) of this section; the table heading "As Amended" means the amendments as made by this act; the table heading "Change" means the difference obtained by subtracting the "As Proposed" figure from the "As Amended" figure; the term "change" or "changes" in the text refer to the project- and program-specific amendments, the aggregate sum of which equals the net "Change" in the applicable table heading; and "State" in any tables amending authorizations indicates that the source of funds is State monies in the Transportation Fund, unless otherwise specified.

* * * Summary of Transportation Investments * * *

Sec. 3. FISCAL YEAR 2027 TRANSPORTATION INVESTMENTS INTENDED TO REDUCE TRANSPORTATION-RELATED GREENHOUSE GAS EMISSIONS, REDUCE FOSSIL FUEL USE, AND SAVE VERMONT HOUSEHOLDS MONEY

This act includes the State's fiscal year 2027 transportation investments intended to reduce transportation-related greenhouse gas emissions, reduce fossil fuel use, and save Vermont households money in furtherance of the policies articulated in 19 V.S.A. § 10b and the goals of the Comprehensive Energy Plan and the Vermont Climate Action Plan and to satisfy the Executive and Legislative Branches' commitments to the Paris Agreement climate goals. In fiscal year 2027, these efforts will include the following:

(1) Park and Ride Program. This act provides for a fiscal year expenditure of $1,976,211.00, which will fund three park and ride projects.

(2) Bike and Pedestrian Facilities Program. This act provides for a fiscal year expenditure, including local match, of $24,576,873.00, which will fund 34 bike and pedestrian construction projects; 18 bike and pedestrian design, right-of-way, or design and right-of way projects for construction in future fiscal years; and eight scoping studies. The construction projects include the creation, improvement, and rehabilitation of walkways, sidewalks, shared-use paths, bike paths, and cycling lanes. Projects are funded in Arlington, Bennington, Bethel, Brattleboro, Burke, Burlington, Castleton, Chester, Danville, Essex Town, Fairfax, Greensboro, Guilford, Hartford, Huntington, Hyde Park, Irasburg, Jamaica, Johnson, Lunenburg, Middlebury, Montpelier, Moretown, Morristown, Newfane, Newport City, Northfield, Pownal, Royalton, Rutland City, Rutland Town, Sheldon, South Burlington, Springfield, St. Albans City, Swanton, Wallingford, Warren, Waterbury, West Rutland, Williston, Wilmington, and Wolcott. This act also provides funding for:

(A) some of Local Motion's operation costs to run the bike ferry on the Colchester Causeway, which is part of the Island Line Trail;

(B) grant awards for State-aid construction projects;

(C) projects funded through the Safe Routes to School Program; and

(D) community grants along the Lamoille Valley Rail Trail (LVRT).

(3) Transportation Alternatives Program. This act provides for a fiscal year expenditure of $4,514,362.00, including local funds, which will fund 22 transportation alternatives construction projects; 28 transportation alternatives design, right-of-way, or design and right-of-way projects; and one scoping study. Of these 51 projects, 18 involve environmental mitigation related to clean water or stormwater concerns, or both clean water and stormwater concerns, and 30 involve bicycle and pedestrian facilities. Projects are funded in Athens, Bennington, Bethel, Brandon, Brattleboro, Bristol, Burke, Burlington, Derby, Enosburg Falls, Fairlee, Ferrisburgh, Glover, Guilford, Hinesburg, Hyde Park, Jericho, Londonderry, Ludlow, Lyndon, Montgomery, Newark, Putney, Rockingham, Rutland City, Shoreham, South Burlington, Springfield, Swanton, Warren, Weathersfield, Williston, Wilmington, and Windham.

(4) Public Transit Program. This act provides for a fiscal year expenditure of $57,855,144.00 for public transit uses throughout the State. Included in the authorization are:

(A) Go! Vermont, with an authorization of $380,000.00. This authorization supports transportation demand management (TDM) strategies, including the State's Trip Planner and commuter services, to promote the use of carpools and vanpools.

(B) Mobility and Transportation Innovations (MTI) Grant Program, with an authorization of $315,000.00 in federal funds. This authorization continues to support projects that improve both mobility and access to services for transit-dependent Vermonters, reduce the use of single-occupancy vehicles, and reduce greenhouse gas emissions.

(5) Rail Program. This act provides for a fiscal year expenditure of $60,289,410.00, including local funds and $34,688,907.00 in federal funds, for intercity passenger rail service, including funding for the Ethan Allen Express and Vermonter Amtrak services, and rail infrastructure that supports freight rail as well. Moving freight by rail instead of trucks lowers greenhouse gas emissions by up to 75 percent, on average.

* * * Paving * * *

Sec. 4. PAVING; STATEWIDE DISTRICT LEVELING

(a) Within the Agency of Transportation's Proposed Fiscal Year 2027 Transportation Program for Paving, authorized spending is amended as follows:

FY27	As Proposed	As Amended	Change
Other	1,150,000	1,150,000	0
PE	2,183,194	2,183,194	0
Const.	144,812,226	146,512,226	1,700,000
Total	148,145,420	149,845,420	1,700,000
Sources of funds			
State	24,400,007	25,100,007	1,700,000
Federal	123,732,179	123,732,179	0
Local	13,235	13,235	0
Total	148,145,420	149,845,420	1,700,000

(b) Within the Agency of Transportation's Proposed Fiscal Year 2027 Transportation Program for Paving, authorized spending for STATEWIDE District Leveling TBD is amended as follows:

FY27	As Proposed	As Amended	Change
Const.	7,000,000	8,700,000	1,700,000
Total	7,000,000	8,700,000	1,700,000
Sources of funds			
State	7,000,000	8,700,000	1,700,000
Total	7,000,000	8,700,000	1,700,000

(c) It is the intent of the General Assembly to direct the maximum amount of funding to the State highway system. Consistent with this intent, within the Agency of Transportation's Proposed Fiscal Year 2027 Transportation Program for Paving, any unobligated amounts or carryforward resulting from project delays or cost overruns or underruns shall be directed to State highway paving projects.

* * * State Highway Bridges * * *

Sec. 5. STATE HIGHWAY BRIDGES

(a) Within the Agency of Transportation's Proposed Fiscal Year 2027 Transportation Program for State Highway Bridges, authorized spending is amended as follows:

FY27	As Proposed	As Amended	Change
PE	4,143,897	4,143,897	0
ROW	414,000	414,000	0
Const.	78,935,408	78,935,408	0
Other	1,400,000	1,400,000	0
Total	84,893,305	84,893,305	0
Sources of funds			
State	2,873,295	1,123,295	-1,750,000
TIB	6,180,851	7,930,851	1,750,000
Federal	67,312,444	67,312,444	0
Local/Other	1,247,049	1,247,049	0
Inter Unit	7,279,666	7,279,666	0
Total	84,893,305	84,893,305	0

(b) Within the Agency of Transportation's Proposed Fiscal Year 2027 Transportation Program for State Highway Bridges, authorized spending for SHAFTSBURY STP 014-1(6) is amended as follows:

FY27	As Proposed	As Amended	Change
PE	14,678	14,678	0
Const.	2,600,000	2,600,000	0
Total	2,614,678	2,614,678	0
Sources of funds			
State	521,000	0	-521,000
TIB	1,936	522,936	521,000
Federal	2,091,742	2,091,742	0
Total	2,614,678	2,614,678	0

(c) Within the Agency of Transportation's Proposed Fiscal Year 2027 Transportation Program for State Highway Bridges, authorized spending for SUNDERLAND BM20102 is amended as follows:

FY27	As Proposed	As Amended	Change
PE	85,287	85,287	0
Const.	2,000,000	2,000,000	0
Total	2,085,287	2,085,287	0
Sources of funds			
State	415,057	0	-415,057
TIB	2,000	417,057	415,057
Federal	1,668,230	1,668,230	0
Total	2,085,287	2,085,287	0

(d) Within the Agency of Transportation's Proposed Fiscal Year 2027 Transportation Program for State Highway Bridges, authorized spending for SUNDERLAND NH CULV 122 is amended as follows:

FY27	As Proposed	As Amended	Change
PE	53,182	53,182	0
Const.	2,000,000	2,000,000	0
Total	2,053,182	2,053,182	0
Sources of funds			
State	408,636	141,686	-266,950
TIB	2,000	268,950	266,950
Federal	1,642,546	1,642,546	0
Total	2,053,182	2,053,182	0

(e) Within the Agency of Transportation's Proposed Fiscal Year 2027 Transportation Program for State Highway Bridges, authorized spending for TOPSHAM BF 031-1(13) is amended as follows:

FY27	As Proposed	As Amended	Change
PE	10,000	10,000	0
ROW	1,000	1,000	0
Const.	2,733,967	2,733,967	0
Total	2,744,967	2,744,967	0

Sources of funds			
State	546,993	0	-546,993
TIB	2,000	548,993	546,993
Federal	2,195,974	2,195,974	0
Total	2,744,967	2,744,967	0

* * * Transportation Infrastructure Bonds * * *

Sec. 6. FISCAL YEAR 2028 PROPOSED TRANSPORTATION PROGRAM; TRANSPORTATION INFRASTRUCTURE BOND; REPORT

(a) The Agency of Transportation shall report to the House and Senate Committees on Transportation, on or before February 1, 2027, regarding projects that are not proposed for the State fiscal year 2028 Transportation Program that:

(1) are priority projects that are eligible to be funded with the proceeds from the issuance of transportation infrastructure bonds pursuant to the provisions of 32 V.S.A. § 972(d); and

(2) could be advanced to construction in the fiscal year 2028 or 2029 Transportation Program if the General Assembly authorized the issuance of transportation infrastructure bonds.

(b) Information presented as part of the report shall include:

(1) an analysis comparing the present value of the estimated cost to pay for the identified projects using transportation infrastructure bond proceeds to the cost to pay for the projects on a pay-as-you-go basis;

(2) a comparison of the projects' schedules if funded with transportation infrastructure bonds to the projects' schedules if funded on a pay-as-you-go basis;

(3) a review of historic transportation infrastructure bond usage in Vermont, including debt service costs; and

(4) a projection of future debt service costs and of the revenues necessary to pay the debt service.

* * * Mileage-Based User Fee * * *

Sec. 7. FINDINGS AND INTENT

(a) Findings. The General Assembly finds that:

(1) Vermont adopted its first tax on gasoline in 1923.

(2) In 1923, the most common motor vehicle in the Unites States was the Ford Model T, whose annual production peaked at more than 2,000,000 new vehicles that year.

(3) Because of the limited variety of mass-produced vehicles available when it was adopted, the gasoline tax, and the later-adopted diesel fuel tax, served as use fees that required drivers of light-duty motor vehicles to contribute to the State's Transportation Fund in an amount that reflected the number of miles that each vehicle was driven on Vermont's surface transportation system.

(4) Since 1923, the variety of mass-produced light-duty motor vehicles available to consumers has expanded greatly, resulting in a wide variety of internal combustion engine and vehicle types and designs with significant differences in vehicle fuel efficiency.

(5) Improvements in fuel efficiency among light-duty motor vehicles and the increasing adoption of hybrid, plug-in hybrid, and battery electric vehicles (BEVs) is leading to reduced fuel consumption among newer vehicles.

(6) BEVs do not require gasoline and diesel fuel, and the $89.00 annual infrastructure fee paid by owners and lessees of BEVs registered in Vermont is less than the average amount of fuel taxes collected in relation to a light-duty motor vehicle with an internal combustion engine.

(7) As a result of differences in fuel consumption between different types and ages of light-duty motor vehicles, the current system for funding Vermont's surface transportation system through fuel taxes has become inequitable when the impacts of each vehicle on the transportation system are considered.

(8) In contrast to the current system, a mileage-based user fee imposes a per-mile fee for usage of the State's highways and ensures that owners and lessees of motor vehicles contribute to the Transportation Fund in an equitable manner.

(9) Vermont's taxes on gasoline and on diesel fuel were last increased in 2014, and the federal taxes on gasoline and on diesel fuel were last increased in 1993.

(10) Reduced fuel consumption and unchanged gasoline and diesel tax rates have resulted in stagnant fuel tax revenues that have not kept pace with inflation or the needs of Vermont's transportation system.

(11) In addition to Vermont's stagnant fuel tax revenues, Vermont's demographic constraints and changes in vehicle ownership and usage have limited the growth of fee revenues to the Transportation Fund.

(12) Reductions in registration and license renewals and decreased compliance with annual inspection requirements, combined with reduced enforcement, has led to further diminished Transportation Fund revenues.

(13) The July 2025 consensus revenue forecast estimates a 1.33 percent compound annual growth rate in Transportation Fund revenues between 2026 and 2030.

(14) In comparison, highway construction costs, as measured by the National Highway Construction Cost Index, have increased by 62 percent, nationally, since 2020.

(b) Intent. It is the intent of the General Assembly to implement a mileage-based user fee for BEVs, which will replace the existing infrastructure fee beginning on January 1, 2027, to ensure that owners and lessees of BEVs contribute to the Transportation Fund in an amount that reflects the annual miles traveled by each vehicle.

Sec. 8. 23 V.S.A. chapter 43 is added to read:

CHAPTER 43. MILEAGE-BASED USER FEE

§ 4301. DEFINITIONS

As used in this chapter:

(1) "Account manager" means a person that the Agency of Transportation or Department of Motor Vehicles contracts with to administer and manage the mileage-based user fee.

(2) "Annual vehicle miles traveled" means the total number of miles that a covered vehicle is driven during a mileage reporting period.

(3) "Covered vehicle" means a battery electric vehicle pleasure car.

(4) "Mileage-based user fee" or "MBUF" means the fee charged for the annual vehicle miles traveled by a covered vehicle pursuant to section 4302 of this chapter.

(5) "Mileage-based user fee rate" means the per-mile usage fee charged to the owner or lessee of a covered vehicle pursuant to section 4302 of this chapter.

(6) "Mileage reporting period" means:

(A) the time period between required annual inspections;

(B) the time period between the initial registration of a vehicle and an annual inspection; or

(C) the time period between the most recent annual inspection and a terminating event.

(7) "Terminating event" means any of the following:

(A) the registration of a covered vehicle that had been registered in Vermont in a different state;

(B) a change in ownership or lesseeship of a covered vehicle; or

(C) the termination of a covered vehicle's registration in Vermont.

§ 4302. MILEAGE-BASED USER FEE; ASSESSMENT; CALCULATION; PAYMENT; EXEMPTIONS

(a) Assessment and payment of mileage-based user fee (MBUF).

(1) Options for payment of MBUF. The owner or lessee of a covered vehicle may elect to pay the MBUF according to one of the following options:

(A) annual payment of the MBUF as a lump sum following the conclusion of each mileage reporting period as set forth in subdivision (2) of this subsection (a);

(B) pay-as-you-go installment payments of the MBUF during a mileage reporting period as set forth in subdivision (3) of this subsection (a), provided that the Commissioner, in the Commissioner's sole discretion, elects to make a pay-as-you-go option available; and

(C) a flat rate of $178.00 as set forth in subdivision (5) of this subsection (a).

(2) Annual mileage-based user fee payment option.

(A) For an owner or lessee who opts to pay the MBUF as a lump sum at the end of each mileage reporting period, the Commissioner shall, within 14 days after the conclusion of the covered vehicle's mileage reporting period, calculate the amount of the MBUF pursuant to subsection (d) of this section and mail an assessment of the amount to the owner or lessee.

(B) The owner or lessee shall remit the amount due to the Commissioner on or before the earlier of:

(i) the next required registration renewal for the covered vehicle;

(ii) the termination of the covered vehicle's Vermont registration; or

(iii) the sale of the covered vehicle or termination of the lease of the covered vehicle, as appropriate.

(3) Pay-as-you-go option.

(A) Owners and lessees who opt into the pay-as-you-go mileage-based user fee option shall report the mileage shown on the odometer of the owner's or lessee's covered vehicle at times and in a manner required by the Commissioner.

(B) As soon as practicable after receiving each report, the Commissioner shall calculate pursuant to subsection (d) of this section the applicable MBUF due for the covered vehicle and mail to the owner or lessee a statement of the amount of the mileage-based user fee assessed.

(C) The owner or lessee of the covered vehicle shall remit the full amount due to the Commissioner within not more than 30 days after the assessment is mailed.

(D) At the end of each mileage reporting period, the amount paid by the owner or lessee shall be reconciled against the actual mileage driven as set forth in subdivision (4) of this subsection.

(4) Reconciliation of mileage for pay-as-you-go option.

(A) At the conclusion of each mileage reporting period for a covered vehicle whose owner or lessee has elected the pay-as-you-go payment option, the Commissioner shall determine if the amount of the MBUF for the actual miles traveled by the covered vehicle during the mileage reporting period is greater than or less than the amount of the payments made by the owner or lessee during that period.

(B) If the actual MBUF is less than the amount paid, the owner or lessee of the covered vehicle shall receive a credit equal to the difference between the amount paid and the actual amount, which shall be applied to reduce the amount of future fees due from the owner or lessee for the covered vehicle pursuant to this subsection (a).

(C) If the actual MBUF is more than the amount paid, the owner or lessee of the covered vehicle shall be assessed an amount equal to the difference between the actual MBUF and the amount paid, which shall be added to the next amount due from the owner or lessee pursuant to this subsection (a).

(5) Flat-rate option.

(A) The Commissioner shall send an owner or lessee who elects the flat-rate option an assessment for the flat fee due at the beginning of each mileage reporting period. The owner or lessee shall remit the amount due to the Commissioner on or before the earlier of:

(i) the next required registration renewal for the covered vehicle;

(ii) the termination of the covered vehicle's Vermont registration; or

(iii) the sale of the covered vehicle or termination of the lease of the covered vehicle, as appropriate.

(B) An owner or lessee enrolled in the flat-rate option shall not be required to report vehicle mileage to the Commissioner pursuant to the provisions of this chapter. Nothing in this subdivision (5)(B) shall be construed to exempt an owner or lessee enrolled in the flat-rate option from any other requirements in State law related to vehicle inspections or odometer disclosures.

(6) Payment dates for mileage reporting periods ending within 60 days of registration renewal. Notwithstanding any provision of this subsection to the contrary, the owner or lessee of a covered vehicle with a mileage reporting period that ends 60 or fewer days prior to the next required registration renewal for the vehicle shall be permitted to remit the amount due to the Commissioner on or before the earlier of:

(A) the next subsequent registration renewal of the vehicle;

(B) the termination of the vehicle's registration; or

(C) the sale of the vehicle or the termination of the vehicle's lease, as applicable.

(b) Newly registered vehicles. The owner or lessee of a newly registered covered vehicle shall pay the MBUF during the initial year of registration pursuant to:

(1) the pay-as-you-go option set forth in subdivision (a)(3) of this section; or

(2) the flat-rate option set forth in subdivision (a)(5) of this section.

(c) Election of different payment option. An owner or lessee of a covered vehicle may select a different option for payment of the MBUF pursuant to subsection (a) of this section by providing notice to the Commissioner in the time and manner prescribed by the Commissioner.

(d) Calculation of the mileage-based user fee.

(1) The Commissioner shall calculate the mileage-based user fee of each covered vehicle by multiplying the miles traveled by the covered vehicle during the applicable period by the rate established pursuant to subsection (e) of this section. The number of miles traveled shall be equal to:

(A) for a mileage reporting period, the difference between the mileage shown on the covered vehicle's odometer at the end of the mileage reporting period and the mileage shown on the covered vehicle's odometer at the beginning of the mileage reporting period; and

(B) for a report filed by an owner or lessee as part of the pay-as-you-go mileage-based user fee program pursuant to subdivision (a)(3) of this section, the difference between the mileage reported by the owner or lessee and the most recent prior mileage reported for the covered vehicle.

(2) Notwithstanding any provision of subdivision (1) of this subsection to the contrary, the mileage-based user fee assessed for a mileage reporting period shall not exceed $178.00.

(e) Mileage-based user fee rate. The mileage-based user fee rate shall be $0.014 per mile traveled by a covered vehicle during its mileage reporting period.

(f) Exemptions. The mileage-based user fee assessed pursuant to this section shall not apply to:

(1) covered vehicles owned or operated by the government of the United States;

(2) covered vehicles owned or operated by the State of Vermont; or

(3) covered vehicles that are used for short-term rentals.

(g) Fee in addition to other fees and taxes. A mileage-based user fee assessed pursuant to this section shall be in addition to any other fees and taxes imposed by this title.

(h) Review of amount assessed. A person may, within 45 days after an assessment is mailed pursuant to subsection (a) of this section, appeal the amount of the assessment to the Commissioner. The Commissioner shall establish procedures for filing and hearing appeals pursuant to this subsection that are consistent with the provisions of sections 105–107 of this title. The procedures shall include a process by which an appellant can resolve the dispute prior to the issuance of a final administrative decision on the appeal.

(i) Refunds. Notwithstanding subdivision (a)(5)(B) of this section, upon occurrence of a terminating event, the Commissioner shall issue a refund to the owner or lessee of a covered vehicle for any amounts paid by the owner or lessee that are in excess of the amount due pursuant to this chapter.

§ 4303. REPORTS

(a) Upon completion of an inspection of a covered vehicle pursuant to section 1222 of this title, an inspection mechanic shall report the mileage shown on the covered vehicle's odometer to the Department in the manner required by the Commissioner.

(b) Upon the occurrence of a terminating event, the owner or lessee of a covered vehicle shall report the mileage shown on the covered vehicle's odometer at the time of the terminating event to the Department in the time and manner required by the Commissioner.

§ 4304. FAILURE TO FILE REPORT OR OBTAIN INSPECTION; DEFAULT RATE

(a) The Commissioner shall charge the owner or lessee of a covered vehicle a default rate of $178.00 if the Commissioner is unable to determine the annual vehicle miles traveled for the owner's or lessee's covered vehicle because the owner or lessee:

(1) failed to file a report required by section 4303 of this chapter within a reasonable period of time after the report is due;

(2) failed to have the covered vehicle inspected as required pursuant to section 1222 of this title within a reasonable period of time after the inspection is due at either the commencement or conclusion of a mileage reporting period; or

(3) failed to have the covered vehicle inspected at any time during or within a reasonable time after the conclusion of a mileage reporting period.

(b)(1) The default amount required pursuant to subsection (a) of this section shall be assessed when the owner or lessee of the covered vehicle next renews the vehicle's registration following the mileage reporting period.

(2) After being assessed the default amount pursuant to this subsection, the owner or lessee of the covered vehicle may obtain an inspection within 60 days after the date on which the vehicle's registration is renewed. If the covered vehicle's mileage is such that the mileage-based user fee would have been less than the default amount, the owner or lessee shall receive a credit for the difference that is applied to reduce the amount of the next mileage-based user fee due for the covered vehicle, provided that the Commissioner has sufficient odometer data to determine the mileage traveled since the beginning of the mileage reporting period.

§ 4305. REGISTRATION; SUSPENSION OR REFUSAL

(a) Suspension of registration. The Commissioner may suspend or refuse to renew the registration of a covered vehicle if the Commissioner determines, following notice and an opportunity for a hearing as provided pursuant to subsection (b) of this section, that the owner or lessee of the covered vehicle:

(1) failed to file a report required pursuant to section 4303 of this chapter;

(2) filed a report containing an intentional misrepresentation, misstatement, or omission of material information required by this chapter; or

(3) is delinquent at the time of renewal in the payment of any amount due pursuant to the provisions of this chapter.

(b) Notice and opportunity for hearing. The Commissioner shall provide the owner or lessee of a covered vehicle with not less than 15 days' notice of the intent to suspend or not to renew the registration of the covered vehicle pursuant to the provisions of this section. The owner or lessee shall be provided with the opportunity for a hearing and shall be permitted to be represented by counsel at the hearing.

§ 4306. POWERS OF THE COMMISSIONER

(a) General authority. The Commissioner shall have the authority to administer and enforce the provisions of this chapter.

(b) Additional powers. In addition to any powers or authority specifically granted to the Commissioner pursuant to the provisions of this chapter, the Commissioner may do the following:

(1) adopt rules pursuant to 3 V.S.A. chapter 25 as the Commissioner determines necessary to administer and enforce the provisions of this chapter;

(2) prescribe forms appropriate to the purposes of this chapter; and

(3) contract with an account manager to administer and manage the mileage-based user fee.

§ 4307. APPEALS; JUDICIAL REVIEW

(a) Administrative appeal. An aggrieved person may appeal any final decision, order, or finding of the Commissioner under this chapter within not more than 45 days after the decision is issued or the order or finding is made. The Commissioner shall establish procedures for filing and hearing appeals pursuant to this subsection that are consistent with the provisions of sections 105–107 of this title.

(b) Appeal to Superior Court. Following a final decision on an appeal pursuant to subsection (a) of this section or subsection 4302(h) of this chapter, the appellant may appeal the decision pursuant to Rule 74 of the Vermont Rules of Civil Procedure. The appeal shall be to the Washington Superior Court or, in the discretion of the appellant, to the Superior Court in the county where the appellant resides or has a principal place of business.

(c) Exclusivity of remedies. The appeals provided by this section and subsection 4302(h) of this chapter shall be the exclusive remedies available to any person for review of an assessment, decision, or order or finding of the Commissioner under this chapter.

Sec. 9. 23 V.S.A. § 361 is amended to read:

§ 361. PLEASURE CARS

* * *

(c) In addition to the registration fee set forth in subsection (a) of this section, there shall be an annual ~~EV~~ infrastructure fee for a pleasure car that is a plug-in hybrid electric vehicle, as defined in subdivision 4(85)(B) of this title, equal to one-half the amount of the annual fee collected in subsection (a) of this section, or a biennial ~~EV~~ infrastructure fee equal to the annual fee collected in subsection (a) of this section.

(d) The annual and biennial ~~EV~~ infrastructure fees collected in subsection (c) of this section shall be ~~allocated to~~ deposited in the Transportation Fund ~~for programs administered by the Agency of Commerce and Community Development to increase Vermonters' access to level 1 and 2 electric vehicle supply equipment (EVSE) charging ports at workplaces or multiunit dwellings, or both~~.

Sec. 10. MILEAGE-BASED USER FEE; INITIAL TRANSITION

(a) Notwithstanding any provision of 23 V.S.A. § 4302 to the contrary, during calendar years 2027 and 2028, the owner or lessee of a covered vehicle shall pay the mileage-based user fee for the covered vehicle's first mileage reporting period as provided pursuant to the provisions of subsection (b) of this section.

(b)(1)(A) For a covered vehicle that has a valid Vermont registration on December 31, 2026, the vehicle's initial mileage reporting period shall commence with its first annual inspection occurring on or after January 1, 2027.

(B) For a covered vehicle that is newly registered in Vermont on or after January 1, 2027, the vehicle's initial mileage reporting period shall commence on the date of registration.

(2) For an initial registration or a registration renewal of a covered vehicle that occurs on or after January 1, 2027, and prior to the completion of the initial mileage reporting period, the owner or lessee of the covered vehicle shall pay a one-time road usage charge of $89.00 for a one-year registration or $178.00 for a two-year registration.

(3) At the conclusion of a covered vehicle's initial mileage reporting period, the mileage-based user fee for the vehicle shall be calculated as provided pursuant to the annual mileage-based user fee payment option set forth in 23 V.S.A. § 4302(a)(2).

(4)(A) Provided that all required annual safety inspections under 23 V.S.A. § 1222 have been obtained, the amount of the covered vehicle's mileage-based user fee calculated pursuant to subdivision (3) of this subsection (b) shall be reduced by:

(i) the amount of any road usage charge paid pursuant to subdivision (2) of this subsection (b); or

(ii) for a covered vehicle whose owner or lessee did not pay the road usage charge pursuant to subdivision (2) of this subsection (b) but paid the EV infrastructure fee required pursuant to 23 V.S.A. § 361 at the most recent registration or registration renewal of the vehicle prior to January 1, 2027, an amount equal to the amount of the EV infrastructure fee paid at the most recent registration.

(B) Any amounts remaining after the initial mileage-based user fee has been paid shall be carried forward and applied as a credit to reduce the amount of future mileage-based user fees due in relation to the covered vehicle.

(c) As used in this section, "covered vehicle" has the same meaning as in 23 V.S.A. § 4301.

Sec. 11. OUTREACH AND EDUCATION; USER EXPERIENCE; REPORT

(a) The Agency of Transportation and the Department of Motor Vehicles shall develop and implement a public outreach, education, and communications strategy regarding the mileage-based user fee program established pursuant to 23 V.S.A. chapter 43 to build public awareness and understanding of the program and to solicit public feedback regarding the program. The strategy shall include the following:

(1) printed materials, web-based materials, mailings, and local media outreach that describes the purpose of the mileage-based user fee, the transportation funding challenges that the mileage-based user fee is intended to help address, and how the mileage-based user fee will be implemented with respect to battery electric vehicles and, later, other light-duty vehicles;

(2) prior to implementation, direct mailing of informational materials to owners and lessees of battery electric vehicles that are currently registered in Vermont that:

(A) outline the goals and design of the mileage-based user fee;

(B) set forth the timeline for implementation of the mileage-based user fee;

(C) provide information regarding compliance with the mileage-based user fee, including the options that will be available to each owner and lessee; and

(D) provide information on how to obtain additional information regarding the mileage-based user fee, including how to obtain informational resources provided by the Agency, the availability of user support resources, and how to determine how the mileage-based user fee may apply to a user's specific circumstances;

(3) prior to initial implementation of the mileage-based user fee in January 2027, Agency engagement with owners and lessees of various types of light-duty motor vehicles registered in Vermont to obtain feedback on the design of the user experience for the mileage-based user fee, with particular attention to universal accessibility and specific needs for translated materials and services;

(4) survey and focus group work prior to and following implementation of the mileage-based user fee with owners and lessees whose vehicles are subject to the mileage-based user fee to aid in evaluating the implementation of the initial phase of the mileage-based user fee and in developing recommended programmatic and statutory changes; and

(5) ongoing engagement and collaboration with relevant stakeholders, including the Vermont Vehicle and Automotive Distributors Association and Drive Electric Vermont, to obtain feedback on the mileage-based user fee program and to educate members of the public about the mileage-based user fee and program design.

(b) The Agency and Department shall, on or before September 15, 2026, submit to the Joint Transportation Oversight Committee a report summarizing the public outreach, education, and communications strategy required pursuant to subsection (a) of this section.

Sec. 12. MILEAGE-BASED USER FEE TRANSITION PLAN; REPORT

(a)(1) The Agency of Transportation and the Department of Motor Vehicles, in consultation with the Agency of Digital Services, shall design and submit for approval by the General Assembly a plan and proposed legislation to expand the mileage-based user fee (MBUF) program to plug-in hybrid electric pleasure cars to ensure that all plug-in electric vehicles contribute an amount that bears a direct relation to the estimated demands and impacts that the vehicle places upon public infrastructure, as determined on the basis of vehicle miles traveled.

(2) The plan shall provide that plug-in hybrid electric pleasure cars shall begin participating in the MBUF program on or before January 1, 2029.

(3) The plan shall provide methods for ensuring that contributions to the Transportation Fund are proportionate to the number of miles traveled in Vermont by each vehicle, including:

(A) additional payment and mileage tracking options for vehicle owners or lessees to select from, including methods for differentiating between miles traveled in Vermont and miles traveled outside Vermont; and

(B) a system to provide fuel tax credits for vehicles that use gasoline or diesel fuel based on the vehicle's fuel economy as estimated by the U.S. Environmental Protection Agency that are automatically applied to reduce the MBUF for the vehicle to ensure that all covered vehicles contribute to Vermont's transportation system in an equitable manner.

(b) In developing the plan, the Agency and the Department shall:

(1) analyze the amounts paid by vehicles of different engine-fuel types and classifications with respect to the diesel fuel tax pursuant to 23 V.S.A. chapter 27, the gasoline tax pursuant to 23 V.S.A. chapter 28, and the infrastructure fee imposed pursuant to 23 V.S.A. § 361(c), as applicable;

(2) develop a proposed schedule for the inclusion of plug-in hybrid electric pleasure cars in the MBUF program on or before January 1, 2029;

(3) consider possible methods to account for and differentiate between in-state and out-of-state vehicle miles traveled by vehicles registered in Vermont and vehicles registered in another state;

(4) examine the potential for integrating alternative mileage reporting methods into the mileage-based user fee program and related costs;

(5) evaluate the potential to include medium- and heavy-duty electric vehicles in the mileage-based user fee program and potential rate designs based on vehicle weights; and

(6) examine the relationship between expansion of the mileage-based user fee program and fuel tax rates, Transportation Fund revenue sustainability, and Vermont's carbon reduction targets.

(c) The Agency and Department shall also track the implementation costs and operating expenses of and revenues generated by the mileage-based user fee for State fiscal years 2027–2031. The Agency and Department shall submit an annual report of these amounts to the House Committees on Transportation and on Ways and Means and the Senate Committees on Transportation and on Finance on or before each December 31 beginning on December 31, 2027, and continuing until December 31, 2031.

(d)(1) On or before January 31, 2027, the Agency of Transportation and the Department of Motor Vehicles shall submit to the House Committees on Transportation and on Ways and Means and the Senate Committees on Transportation and on Finance an initial plan and recommendation for legislative action to:

(A) incorporate plug-in hybrid electric pleasure cars into the MBUF program;

(B)(i) provide at least two additional options for determining the number of vehicle miles traveled by a covered vehicle, including:

(I) an option that would utilize vehicle systems or an aftermarket device to track vehicle miles traveled; and

(II) an option that would enable vehicle owners and lessees to track and differentiate between miles traveled in Vermont and miles traveled outside Vermont, with the MBUF only applying to miles traveled in Vermont; and

(ii) identify data privacy protections and best practices that should be implemented to protect data obtained from owners and lessees who elect to utilize the options identified pursuant to this subdivision (B);

(C)(i) recommend whether to retain a flat-rate option for the MBUF and, if so, recommend the appropriate amount of the flat fee; and

(ii) recommend how to apply the flat fee to plug-in hybrid electric pleasure cars, including whether to provide different flat fees based on vehicle type or to provide credits against the amount of the flat fee based on vehicle fuel efficiency; and

(D) provide at least one option to enable vehicle owners and lessees to track and differentiate between miles traveled in Vermont and miles traveled outside Vermont, with the MBUF only applying to miles traveled in Vermont.

(2) On or before July 30, 2028, the Agency shall submit to the Joint Transportation Oversight Committee and the House and Senate Committees on Transportation a draft copy of the final report required to be submitted to the Federal Highway Administration pursuant to the terms of the Agency's federal Strategic Innovation for Revenue Collection grant.

(3) On or before September 15, 2028, the Agency of Transportation and the Department of Motor Vehicles shall submit to the House Committees on Transportation and on Ways and Means and the Senate Committees on Transportation and on Finance:

(A) a final plan and proposal for legislative action necessary to expand the MBUF program to all plug-in electric vehicles on or before January 1, 2029;

(B) a report of all findings made pursuant to subsection (b) of this section; and

(C) any additional recommendations for legislative action.

Sec. 13. EVALUATION OF FEE ON PUBLIC ELECTRIC VEHICLE CHARGING; REPORT

(a) The Commissioner of Taxes, in consultation with the Secretary of Transportation, the Commissioner of Public Service, and the Public Utility Commission, shall examine the potential of generating revenue for the Transportation Fund through a charge on the retail sale of electricity sold through electric vehicle supply equipment (EVSE) available to the public. In particular, the Commissioner shall:

(1) examine potential options for generating revenue from the retail sale of electricity through EVSE available to the public, including:

(A) a per kilowatt hour fee on the retail sale of electricity in lieu of the sales tax charged pursuant to 32 V.S.A. chapter 233;

(B) a tax on the retail sale of electricity in lieu of the sales tax charged pursuant to 32 V.S.A. chapter 233; and

(C) other options, in the discretion of the Commissioner in consultation with the Secretary of Transportation;

(2) with respect to all of the options examined pursuant to subdivision (1) of this subsection:

(A) investigate the potential ease of implementation, including anticipated administrative costs and any potential challenges;

(B) examine and compare the benefits and drawbacks; and

(C) develop a projection for potential revenue that could be generated at different rates; and

(3) identify examples of other states that have implemented the options examined pursuant to subdivision (1) of this subsection.

(b) On or before January 15, 2027, the Commissioner shall submit a written report to the House Committees on Transportation and on Ways and Means and the Senate Committees on Finance and on Transportation, regarding any findings pursuant to subsection (a) of this section and a recommendation for legislative action to generate revenue for the Transportation Fund from the retail sale of electricity through EVSE available to the public.

(c) As used in this section:

(1) "Electric vehicle supply equipment (EVSE)" and "electric vehicle supply equipment available to the public" have the same meanings as in 30 V.S.A. § 201.

(2) "Retail sale" has the same meaning as in 32 V.S.A. § 9701.

* * * Repeal of Municipal Equipment and Vehicle Loan Fund Rules * * *

Sec. 14. RULES REGARDING MUNICIPAL HEAVY EQUIPMENT LOAN FUND; REPEAL

The Rules Regarding Municipal Heavy Equipment Loan Fund (CVR 14-053-002) are repealed. The Municipal Equipment and Vehicle Loan Fund, as the successor to the Municipal Heavy Equipment Loan Fund, shall be administered as provided pursuant to 29 V.S.A. § 1601.

* * * Statement of Policy; Highways and Bridges * * *

Sec. 15. 19 V.S.A. § 10c is amended to read:

§ 10c. STATEMENT OF POLICY; HIGHWAYS AND BRIDGES

* * *

(b) For projects that are not on the National Highway System, the Agency shall ~~develop and implement~~ maintain State standards and guidance for geometric design. ~~Design speeds may be lower than legal speeds.~~ Design speeds lower than legal speeds may be used without the requirement of a formal design exception~~, provided appropriate warnings are posted~~ if appropriate warning signs, signals, and markings are used as provided pursuant to 23 V.S.A. § 1025.

* * *

* * * Agency of Transportation Duties * * *

Sec. 16. 19 V.S.A. § 10 is amended to read:

§ 10. DUTIES

The Agency shall, except where otherwise specifically provided by law:

* * *

(8)(A) Require any contractor or contractors employed in any project of the Agency for construction of a transportation improvement to file in the office of the Secretary a good and sufficient surety bond to the State of Vermont, executed by a surety company authorized to transact business in this State in ~~such~~ the sum ~~as~~ required by the Agency ~~shall direct~~, conditioned for the compliance by the contractor or contractors and their agents and servants, with all matters and things set forth and specified to be by the principal kept, done, and performed at the time and in the manner in the contract between the Agency and the contractor or contractors specified and to pay over, make good, and reimburse the State of Vermont for all loss or losses and damage or damages that the State of Vermont may sustain by reason of failure or default on the part of the contractor or contractors. The Agency is authorized to require any other condition in the bond that may ~~from time to time~~ be necessary. The Secretary ~~at his or her discretion as to~~ may, if the Secretary determines that it is in the best ~~interest~~ interests of the State, accept other good and sufficient surety in lieu of a bond and, in cases involving contracts for ~~$100,000.00~~ $250,000.00 or less, may waive the requirement of a performance bond.

(B) During an emergency event, the Secretary may, in the Secretary's discretion, waive the bonding requirements of this subdivision (8) for immediate, temporary stabilization work related to public safety or State infrastructure. Permanent work shall be subject to the requirements of subdivision (A) of this subdivision (8).

(9)(A) Require any contractor or contractors employed in any project of the Agency for construction of a transportation improvement to file an additional surety bond to the Secretary and the Secretary's successor in office, for the benefit of labor, materialmen, and others, executed by a surety company authorized to transact business in this State. The surety bond shall be in ~~such~~ the sum ~~as~~ required by the Agency ~~shall direct~~, conditioned for the payment, settlement, liquidation, and discharge of the claims of all creditors for material~~,~~; merchandise~~,~~; labor~~,~~; rent~~,~~; hire of vehicles, power shovels, rollers, concrete mixers, tools, and other appliances~~,~~; professional services~~,~~; premiums~~,~~; and other services used or employed in carrying out the terms of

the contract between the contractor and the State ~~and~~. The surety bond shall be further conditioned for the following accruing during the term of performance of the contract: the payment of taxes, both State and municipal, and the payment of unemployment insurance contributions to the Vermont Commissioner of Labor~~; provided, however, in~~.

(B) In order to obtain the benefit of the security, the claimant shall file with the Secretary a sworn statement of the claimant's claim, within 90 days after the final acceptance of the project by the State or within 90 days from the time the taxes or unemployment contributions ~~to the Vermont Commissioner of Labor~~ are due and payable, and, within one year after the filing of the claim, shall bring a petition in the Superior Court in the name of the Secretary, with notice and summons to the principal, surety, and the Secretary, to enforce the claim or intervene in a petition already filed. The Secretary may, if the Secretary determines that it is in the best interests of the State, accept other good and sufficient surety in lieu of a bond and, in cases involving contracts for ~~$100,000.00~~ $250,000.00 or less, may waive the requirement of a surety bond.

(C) During an emergency event, the Secretary may, in the Secretary's discretion, waive the requirements of this subdivision (9) for immediate emergency stabilization work related to public safety or State infrastructure. Permanent work shall be subject to the requirements of subdivision (A) of this subdivision (9).

* * *

* * * Bridge Inspections; Posting; Closure * * *

Sec. 17. 19 V.S.A. § 1514 is added to read:

§ 1514. BRIDGE INSPECTION; POSTING; CLOSURE

(a) Definition. As used in this section, "bridge" means a structure to which the National Bridge Inspection Standards apply pursuant to 23 C.F.R. § 650.303.

(b) Bridge inspections. The Agency shall inspect bridges on State highways and town highways in accordance with the requirements of the National Bridge Inspection Standards.

(c) Municipally maintained bridges.

(1) For a bridge for which a municipality has maintenance responsibility, the Agency shall advise the municipality of its inspection findings and any noted deficiencies.

(2) The Agency shall notify a municipality if a bridge for which the municipality has maintenance responsibility requires posting or closure and, upon receiving notification, the municipality shall post or close the bridge, as appropriate.

(3) If necessary to protect the public from an imminent hazard, the Agency may post or close a bridge for which a municipality has maintenance responsibility.

(4) A municipality shall be responsible for all costs and expenses related to the posting or closure of a bridge for which it has maintenance responsibility, including the costs of any required notifications, procedures, signage or traffic control devices, and barricades.

(d) Agency-maintained bridges.

(1) For any bridge for which the Agency has maintenance responsibility, the Agency shall have the sole responsibility and authority to determine whether the bridge shall be posted or closed, except that a municipality may close an Agency-maintained bridge during an emergency.

(2) If a municipality becomes aware of any deficiencies or structural conditions that could impact the Agency's determination of whether to post or close a bridge, the municipality shall promptly notify the Agency.

(3) The Agency shall be responsible for all costs and expenses associated with posting or closing an Agency-maintained bridge, including any required notifications, procedures, signage or traffic control devices, and barricades.

(e) Enforcement and penalties. In addition to any other penalties provided by law, a person that violates a bridge posting or closure by a municipality or the Agency shall be subject to a civil penalty of not more than $1,000.00.

Sec. 18. 23 V.S.A. § 2302 is amended to read:

§ 2302. TRAFFIC VIOLATION DEFINED

(a) As used in this chapter, "traffic violation" means:

* * *

(11) a violation of subsection 1006b(b) of this title, relating to operation of a prohibited vehicle in Smugglers' Notch; section 1006c of this title, relating to requirements for use of tire chains; or subsections 4120(a) and (b) of this title, relating to violations of an out-of-service order; ~~or~~

(12) a violation of section 4123 of this title, relating to authorizing railroad crossing violations; or

(13) a violation of 19 V.S.A. § 1514, relating to use of a bridge in violation of a posting or closure.

* * *

* * * Public Transit Advisory Council * * *

Sec. 19. 24 V.S.A. § 5084 is amended to read:

§ 5084. PUBLIC TRANSIT ADVISORY COUNCIL

(a) The Public Transit Advisory Council shall be created by the Secretary of Transportation under 19 V.S.A. § 7(f)(5), ~~to~~ and shall consist of the following members:

* * *

(8) a representative of ~~the Community of Vermont Elders~~ AARP Vermont;

(9) ~~a representative of private bus operators and taxi services;~~ [Repealed.]

(10) a representative of Vermont ~~intercity~~ private bus operators;

* * *

* * * Green Mountain Transit Authority * * *

Sec. 20. 24 App. V.S.A. ch. 801, § 7 is amended to read:

§ 7. Annual budget and assessments

(a) On or before February 15 in each year, the Board of Commissioners shall prepare a budget for the Authority for the next fiscal year, which shall include an estimate of the revenue of the Authority from fares and other sources, except membership assessments, and the expenses for the next fiscal year, including debt service, and at such time the Board of Commissioners shall call a meeting of the residents of its members for the purpose of presenting the proposed budget and inviting discussion thereon. The meeting shall be held at a place within the County and shall be warned by a notice published in a newspaper of general circulation in the County at least 15 days prior to the meeting. The notice shall contain a copy of the proposed budget, and members of the legislative body of each member municipality shall be notified of the meeting by certified mail. The proposed budget may include, in addition to revenues from fares and other sources, anticipated voluntary local match contributions, grants, donations, and other nonassessment revenues that may be offered by a member municipality or another public or private source.

* * *

(f)(1) The Authority shall be permitted to seek and accept voluntary local match contributions.

(2) Notwithstanding the formula for apportionment, the Authority may accept voluntary local match contributions from a member municipality or another public or private source for the purposes of:

(A) meeting federal, State, or other grant matching requirements; and

(B) supporting Authority programs, capital projects, and operations.

(3) A voluntary local match contribution accepted pursuant to this subsection shall be in addition to any assessment required pursuant to this section and shall not reduce, offset, or otherwise modify the assessment apportioned to any member municipality pursuant to the formula for apportionment unless the formula is amended in accordance with the provisions of this section.

* * * Public-Private Partnership Sunset Extension * * *

Sec. 21. 2018 Acts and Resolves No. 158, Sec. 21 as amended by 2023 Acts and Resolves No. 62, Sec. 41 is further amended to read:

Sec. 21. REPEAL OF TRANSPORTATION P3 AUTHORITY

19 V.S.A. chapter 26, subchapter 2 shall be repealed on July 1, ~~2026~~ 2029.

* * * Transportation Board * * *

Sec. 22. 19 V.S.A. § 5 is amended to read:

§ 5. TRANSPORTATION BOARD; POWERS AND DUTIES

* * *

(d) Specific duties and responsibilities. The Board shall:

* * *

(7) provide appellate review, when requested in writing by an applicant or permittee, of Agency decisions and rulings regarding private and commercial access to State highway rights-of-way pursuant to the permit process established in section 1111 of this title;

* * *

* * * Transportation Alternatives Grant Program * * *

Sec. 23. 19 V.S.A. § 38 is amended to read:

§ 38. TRANSPORTATION ALTERNATIVES GRANT PROGRAM

(a), (b) [Repealed.]

(c) The Transportation Alternatives Grant Program is created. The Grant Program shall be administered by the Agency and shall be funded in the amount provided for in 23 U.S.C. § 133(h), less the funds set aside for the Recreational Trails Program. Awards shall be made to eligible entities as defined under 23 U.S.C. § 133(h), and awards under the Grant Program shall be limited to the activities authorized under federal law and shall not exceed ~~$300,000.00~~ $600,000.00 per grant allocation.

* * *

(f)(1) In fiscal year ~~2024~~ 2027 and thereafter, ~~50 percent of Grant Program funds, or such lesser sum if all eligible applications amount to less than 50 percent of Grant Program funds, shall be reserved for municipalities for environmental mitigation projects relating to stormwater and highways, including eligible salt and sand shed projects, and the balance of~~ Grant Program funds shall be awarded for any eligible activity, including environmental mitigation projects relating to stormwater and highways, such as eligible salt and sand shed projects, and infrastructure-related projects and systems that will provide safe routes for nondrivers, and in accordance with the priorities established in subdivision (2) of this subsection.

(2) In evaluating applications for Transportation Alternatives grants, the Agency shall give preferential weighting to sand and salt shed projects and projects involving as a primary feature a bicycle or pedestrian facility. The degree of preferential weighting and the circumstantial factors sufficient to overcome the weighting shall be in the complete discretion of the Agency.

* * *

Sec. 24. 2023 Acts and Resolves No. 62, Sec. 11 is amended to read:

Sec. 11. TRANSPORTATION ALTERNATIVES GRANT PROGRAM AWARDS IN STATE FISCAL YEARS 2024 TO 2027

Notwithstanding 19 V.S.A. § 38(c), Transportation Alternatives Grant Program awards in State fiscal years 2024 to ~~2027~~ 2026 shall not exceed $600,000.00 per grant allocation. Notwithstanding 19 V.S.A. § 38(c), Transportation Alternatives Grant Program awards in State fiscal year 2027 shall not exceed $1,200,000.00 per grant allocation.

* * * Consultation Regarding Municipal Programs * * *

Sec. 25. MUNICIPAL TRANSPORTATION PROGRAMS; ONGOING EVALUATION; IDENTIFICATION OF IMPROVEMENTS

(a) In addition to ongoing work pursuant to 2025 Acts and Resolves No. 43, Sec. 15, the Agency of Transportation, in consultation with the Vermont League of Cities and Towns and the Vermont Association of Planning and Development Agencies, shall:

(1) continue examining the requirements of 19 V.S.A. § 309c, cancellation of locally managed projects, as set forth in 2025 Acts and Resolves No. 43, Sec. 14, to evaluate the obligations, risks, and benefits imposed by the provisions of that section on the State and the local sponsor of a locally managed project and to identify potential changes to the provisions of that section to ensure that State and federal transportation funding resources are appropriately administered;

(2) continue evaluating the State's Town Highway Aid and municipal grant programs administered by the Agency, as set forth in 2025 Acts and Resolves No. 43, Sec. 16, to identify potential efficiencies and improvements related to the administration of Town Highway Aid and municipal grant programs; and

(3)(A) examine the provisions in the Vermont statutes related to the procedures for establishing speed limits; and

(B) identify potential opportunities to simplify and clarify those provisions to assist municipalities in meeting local needs, including safety and context sensitivity.

(b) The Agency shall, on or before January 15, 2027, submit to the House and Senate Committees on Transportation any recommendations for legislative action.

* * * Drive Electric Vermont * * *

Sec. 26. DRIVE ELECTRIC VERMONT; APPROPRIATION

In State fiscal year 2027, the sum of $242,000.00 is appropriated from the Transportation Fund to the Agency of Transportation to support the continuation of the Agency's partnership with Drive Electric Vermont. The monies shall be used for programs and activities that support increased ownership and use of plug-in electric vehicles in the State through:

(1) stakeholder coordination;

(2) consumer education and outreach;

(3) infrastructure development; and

(4) the provision of technical assistance and support to Vermont municipalities and Vermont businesses desiring to electrify their vehicle fleets.

* * * Caledonia County State Airport * * *

Sec. 27. 2023 Acts and Resolves No. 62, Sec. 8 is amended to read:

Sec. 8. SALE OR LEASE OF CALEDONIA COUNTY STATE AIRPORT

* * *

(c) Any such conveyance shall:

* * *

(4) ~~ensure that the Airport continues to be identified as a public-use airport within the National Plan of Integrated Airport Systems until at least 2050, subject to federal determination;~~

~~(5)~~ include, if the Airport is conveyed through a purchase and sale agreement, a six-month right of first refusal, running from the date that the owner of the Airport provides notice to the State of an intent to sell the Airport, for the State to repurchase the Airport at fair market value before the Airport is resold or transferred to a new owner; and

~~(6)~~(5) include, if the Airport is leased, that the lease cannot be either assigned or the lessor cannot sub-lease all or substantially all of the Airport without the written approval of the Vermont Secretary of Transportation.

* * *

Sec. 28. 2023 Acts and Resolves No. 62, Sec. 9 is amended to read:

Sec. 9. REPEAL OF AUTHORITY FOR SALE OR LEASE OF CALEDONIA COUNTY STATE AIRPORT

Sec. 8 of this act shall be repealed on ~~May 1, 2026~~ November 1, 2027.

* * * Medical Transports * * *

Sec. 29. PUBLIC TRANSIT DEMAND RESPONSE MEDICAL TRANSPORTS; VOLUNTEER DRIVERS; MOBILITY MANAGEMENT; GRANTS

The Agency of Transportation is authorized to utilize amounts appropriated for supplemental nonemergency medical transportation funding in fiscal year 2027 for the purpose of providing competitive grants to public transit agencies to support the recruitment and retention of volunteer drivers and mobility management activities intended to reduce costs related to nonemergency medical transports.

Sec. 30. 19 V.S.A. § 2908 is added to read:

§ 2908. PUBLIC EVSE; REAL-TIME STATUS; AVAILABILITY

(a) Except as provided in subsection (b) of this section, a charging network provider shall, for any networked publicly funded and available charging station in Vermont that is installed or reconditioned on or after September 30, 2026, ensure that the following data fields are made available, free of charge, to third-party software developers via an application programming interface:

(1) a unique charging station name or identifier;

(2) the address of the property where the charging station is located, including street address, city, and ZIP code;

(3) the geographic coordinates in decimal degrees of the exact charging station location;

(4) the charging station operator name;

(5) the charging network provider name;

(6) the charging station status, including whether the station is operational, under construction, planned, or decommissioned;

(7) charging station access information, including:

(A) the charging station access type, such as whether it may be used by the public or is limited to use by commercial vehicles; and

(B) the charging station access days and times, including the hours of operation for the charging station;

(8) charging port information, including:

(A) the number of charging ports;

(B) the unique port identifier for each port;

(C) the connector types available by port;

(D) the charging level by port, such as DCFC or AC Level 2;

(E) the maximum power delivery rating in kilowatts by charging port;

(F) the maximum output voltage by charging port;

(G) accessibility by a vehicle with a trailer by port (yes/no); and

(H) the real-time status by port in terms defined by Open Charge Point Interface 2.2.1; and

(9) pricing and payment information, including:

(A) the pricing structure;

(B) the real-time price to charge at each charging port, in terms defined by Open Charge Point Interface 2.2.1; and

(C) the payment methods accepted at the charging station, including whether credit, debit, or contactless forms of payment are accepted.

(b) The provisions of this section shall apply to a publicly funded and available charging station at all times that a member of the public may use the associated EVSE to charge a PEV.

(c) The provisions of this section may be enforced by:

(1) any State agency or department that provides or administers grants, loans, or other incentives to support the construction or operation of publicly funded and available charging stations; and

(2) the Department of Public Service for publicly funded and available charging stations that have received a grant, loan, or other incentive provided by one or more Vermont retail electricity providers.

(d) A charging network provider may attach reasonable conditions to data use that are designed to protect confidential business information, provided that the conditions do not prevent third-party software developers from accessing the real-time information required pursuant to subsection (a) of this section.

(e)(1) A State agency or department that provides a grant, loan, or other incentive for the construction or operation of a charging station that is installed or reconditioned on or after September 30, 2026, shall require the recipient to notify the relevant charging network provider that the provisions of this section apply to a charging station.

(2) A retail electricity provider, if it provides a grant, loan, or other incentive for the construction or operation of a charging station that is installed or reconditioned on or after September 30, 2026, shall require the recipient to notify the relevant charging network provider that the provisions of this section apply to the charging station.

(f) As used in this section:

(1) "Real-time" means that the applicable data field must be updated within one minute following a change in the charging port's status.

(2) "Retail electricity provider" has the same meaning as in 30 V.S.A. § 8002.

* * * EVSE Installation in Common Interest Communities * * *

Sec. 31. 27A V.S.A. § 1-204 is amended to read:

§ 1-204. PREEXISTING COMMON INTEREST COMMUNITIES

(a)(1) Unless excepted under section 1-203 of this title, the following sections and subdivisions of this title apply to a common interest community created in this State before January 1, 1999: sections 1-103, 1-105, 1-106, 1-107, 2-103, 2-104, and 2-121, subdivisions ~~3-102(a)(1) through (6)~~ 3-102(a)(1)–(6) and ~~(11) through (16)~~ (11)–(16), and sections 3-111, 3-116, 3-118, 4-109, and 4-117 to the extent necessary to construe the applicable sections. The sections and subdivisions described in this subdivision apply only to events and circumstances occurring after December 31, 1998, and do not invalidate existing provisions of the declarations, bylaws, plats, or plans of those common interest communities.

* * *

(3) Unless excepted under section 1-203 of this title, section 3-125 of this title shall apply to all common interest communities that contain 12 or more units that may be used for residential purposes created in this State on or before January 1, 2011. Section 3-125 applies only to events and circumstances occurring after June 30, 2026, and does not invalidate existing provisions of the declarations, bylaws, plats, or plans of those common interest communities.

* * *

Sec. 32. 27A V.S.A. § 3-125 is added to read:

§ 3-125. ELECTRIC VEHICLE SUPPLY EQUIPMENT

(a) As used in this section:

(1) "Electric vehicle supply equipment (EVSE)" means a device or system designed and used specifically to transfer electrical energy to a plug-in electric vehicle.

(2) "EVSE owner" means the unit owner who applies to install an EVSE and each successive unit owner associated with the initial application to install the EVSE unless there is a specific change in ownership of the EVSE, in which case the EVSE owner shall be the owner specified in a conveying document memorializing the change in ownership of the EVSE.

(3) "Plug-in electric vehicle" has the same meaning as in 23 V.S.A. § 4(85).

(4) "Reasonable restriction" is a restriction that does not significantly increase the cost of the EVSE or significantly decrease the efficiency or specified performance of the EVSE.

(b)(1) Any covenant, restriction, or condition contained in any deed, contract, security instrument, or other instrument affecting the transfer or sale of any interest in a common interest community, and any provision of a governing document associated with a common interest community, such as a declaration, bylaw, or rule, that either effectively prohibits or unreasonably restricts the installation of EVSE within the boundaries of a unit owner's unit or limited common element or the unit owner's exclusively designated parking space or the use of such EVSE for noncommercial purposes by a unit owner or the occupants of the unit owner's unit or is in conflict with this section is void and unenforceable.

(2) This subsection shall not apply to provisions that impose reasonable restrictions on EVSE. However, it is the policy of the State to promote, encourage, and remove obstacles to the use of plug-in electric vehicles, including access to EVSE at home.

(3) Installation of EVSE shall not be deemed a division or reallocation of a common element and shall not alter the allocated interests of any unit owner.

(c) The association may require the unit owner to:

(1) comply with federal, State, and local health and safety laws, including any applicable building codes or safety standards;

(2) comply with reasonable architectural standards adopted by the association that govern the dimensions, placement, or external appearance of the EVSE, provided that such standards shall not prohibit the installation of such EVSE or substantially increase the costs thereof;

(3) engage the services of a licensed electrician to install the EVSE;

(4) if the EVSE is installed in a common element or limited common element, reimburse the association for the actual costs of any increased insurance premium amount attributable to the EVSE with 14 days after receiving the association's insurance premium invoice; and

(5) comply with any other reasonable restrictions the association may impose.

(d) Notwithstanding any provision to the contrary in the association's governing documents, if the executive board of the association determines that the cumulative or additional use of electricity due to the installation and use of EVSE requires infrastructure improvements to provide a sufficient supply of electricity for the EVSE, the association may assess the cost of the required improvements against the unit of each unit owner that has installed, or will install, EVSE.

(e) If approval is required for the installation or use of EVSE, the application for approval shall be processed and approved by the association in the same manner as an application for approval of an architectural modification to the common interest community and shall not be intentionally avoided or delayed. The approval or denial of an application shall be in writing. If an application is not denied in writing within 90 days from the date of receipt of the application, the application shall be deemed approved, unless that delay is the result of a reasonable request for additional information.

(f) The unit owner and each successive owner of the EVSE shall be responsible for all of the following:

(1) costs for damage to the EVSE, common element, or limited common element resulting from the installation, maintenance, repair, removal, or replacement of the EVSE;

(2) costs for the installation, maintenance, repair, and replacement of the EVSE until the EVSE has been removed and for the restoration of the common element or limited common element after removal;

(3) cost of electricity associated with the EVSE; and

(4) unless the successor owner of the unit agrees in writing to undertake and comply with the unit owner's responsibilities with respect to the EVSE, removing the EVSE prior to the sale and restoring any affected common element or limited common element.

* * * Intelligent Speed Assistance * * *

Sec. 33. INTELLIGENT SPEED ASSISTANCE; IMPLEMENTATION AND COST EVALUATION; REPORT

(a) The Department of Motor Vehicles shall examine the potential to implement and administer an intelligent speed assistance program, including the following issues:

(1) intelligent speed assistance programs that have been or will be implemented in other states and the District of Columbia;

(2) costs for the State to implement an intelligent speed assistance program; and

(3) potential costs to drivers who choose to participate in an intelligent speed assistance program.

(b) On or before January 15, 2027, the Department shall submit a written report to the House and Senate Committees on Transportation regarding its findings and any recommendations for legislative action.

* * * Repeals; Log Drives * * *

Sec. 34. REPEALS; LOG DRIVES

The following sections are repealed:

(1) 25 V.S.A. § 241 (application of provisions);

(2) 25 V.S.A. § 242 (petition to Public Utility Commission);

(3) 25 V.S.A. § 243 (notice and hearing; decision);

(4) 25 V.S.A. § 244 (judgment on decision); and

(5) 25 V.S.A. § 245 (bond of foreign corporation).

* * * Effective Dates * * *

Sec. 35. EFFECTIVE DATES

(a) Secs. 8 (mileage-based user fee), 9 (infrastructure fee for plug-in hybrids), 10 (initial transition for mileage-based user fee), and 30 (real-time status requirements for public EVSE) shall take effect on January 1, 2027.

(b) Notwithstanding 1 V.S.A. § 214, Sec. 28 (extension of authority to sell Caledonia County State Airport) shall take effect retroactively on April 30, 2026.

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

SEN. RICHARD A. WESTMAN
SEN. ANDREW J. PERCHLIK
SEN. WENDY K. HARRISON

Committee on the part of the Senate

REP. MATTHEW E. WALKER
REP. TIMOTHY R. CORCORAN
REP. PHIL POUECH

Committee on the part of the House

***The Committee of Conference **further submitted a signed "Addendum" for inclusion in their Committee report** as a means of supplying some inadvertent omissions in the text.

The details of this"Addendum" are set forth below.

Addendum to the Report of Committee of Conference on H. 944

After Sec. 29, by inserting a new section to be Sec. 29a and its reader assistance heading to read as follows:

* * * Real-Time Status of Public EVSE * * *

Sec. 29a. 19 V.S.A. § 2901 is amended to read:

§ 2901. DEFINITIONS

As used in this chapter:

* * *

(2) "Charging network provider" means a person that operates the digital communication network that remotely manages the EVSE at a charging station.

(3) "Charging station" means the area in the immediate vicinity of one or more EVSE and includes the EVSE, supporting equipment, parking areas adjacent to the EVSE, and lanes for vehicle ingress and egress. A charging station may comprise only a portion of the property on which it is located.

(4) "Charging station operator" means a person that owns or provides the EVSE and the supporting equipment and facilities at one or more charging stations and is responsible for operating and maintaining the EVSE, supporting equipment, and facilities. A charging station operator may delegate to another person or contract with another person for charging station operation and maintenance.

(5) "Connector" means a device that attaches EVSE to a PEV to transfer electricity from the EVSE to the PEV.

(6) "Direct current fast charger" or "DCFC" means EVSE that enables charging through the delivery of direct current electricity to a PEV's battery.

(7) "Electric bicycle" has the same meaning as in 23 V.S.A. § 4(46)(A).

~~(3)~~(8) "Electric cargo bicycle" means a motor-assisted bicycle, as defined in 23 V.S.A. § 4(45)(B)(i), with an electric motor, as defined under 23 V.S.A. § 4(45)(B)(i)(II), that is specifically designed and constructed for transporting loads, including at least one or more of the following: goods, one or more individuals in addition to the operator, or one or more animals. A motor-assisted bicycle that is not specifically designed and constructed for

transporting loads, including a motor-assisted bicycle that is only capable of transporting loads because an accessory rear or front bicycle rack has been installed, is not an electric cargo bicycle.

~~(4)~~(9) "Electric vehicle supply equipment (EVSE)" and "electric vehicle supply equipment available to the public" have the same meanings as in 30 V.S.A. § 201.

(10) "Level 2 EVSE" means EVSE with a single-phase input voltage range from 208 to 277 volts of alternating current (AC) and maximum output current of not more than 80 amperes AC.

~~(5)~~(11) "Plug-in electric vehicle (PEV)," "battery electric vehicle (BEV)," and "plug-in hybrid electric vehicle (PHEV)" have the same meanings as in 23 V.S.A. § 4(85).

(12) "Port" means a system or connecting outlet on EVSE that provides power to charge a PEV, provided that a port may be equipped with more than one connector but shall only use one connector at a time to provide power to a PEV.

(13) "Publicly funded and available charging station" means a charging station that has received, or expects to receive, a grant, loan, or other incentive from a federal or State government source or from funds provided by Vermont retail electricity providers and that is publicly available.

SEN. RICHARD A. WESTMAN
SEN. ANDREW J. PERCHLIK
SEN. WENDY K. HARRISON

Committee on the part of the Senate

REP. MATTHEW E. WALKER
REP. TIMOTHY R. CORCORAN
REP. PHIL POUECH

Committee on the part of the House

Thereupon, the question, Shall the Senate accept and adopt the report of the Committee of Conference (including its Addendum)?, was decided in the affirmative.

Rules Suspended; House Proposal of Amendment Concurred In

S. 193.

Appearing on the Calendar for notice, on motion of Senator Baruth, the rules were suspended and Senate bill entitled:

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

Was taken up for immediate consideration.

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. LEGISLATIVE INTENT

It is the intent of the General Assembly that the Secretary of Human Services shall establish and operate a locked secure forensic facility by July 1, 2029 for the competency restoration, evaluation, stabilization, treatment, and care of persons who have been found not competent to stand trial or not guilty by reason of insanity for serious criminal offenses. The Department of Corrections shall not operate or staff the forensic facility, with the exception that employees of the Department of Corrections may provide security services for the facility at the admitting area of and around the outside perimeter of a forensic facility if it is co-located on the grounds of a correctional facility.

Sec. 2. 13 V.S.A. § 4815a is added to read:

§ 4815a. COMPETENCY RESTORATION SERVICES WITHIN FORENSIC FACILITY

(a) A person shall be placed at 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, has a qualifying condition and it has been determined that the person's release would create a substantial risk of bodily injury to another person;

(3) is not currently:

(A) receiving treatment through an order of hospitalization pursuant to 18 V.S.A. § 7619 or section 4822 of this title; or

(B) subject to an order of commitment to the Commissioner of Disabilities, Aging, and Independent Living issued under 18 V.S.A. § 8845 or section 4823 of this title, unless the person is detained in a correctional facility pending trial; and

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

(b)(1) The forensic facility shall cause the person to be evaluated for competency to stand trial:

(A) six months from the date of admission, and thereafter every six months from the issuance of an order for continued competency restoration treatment under subdivision (3)(B) of this subsection (b); and

(B) at any time upon the determination by the Agency of Human Services Medical Director that the person is likely competent to stand trial or that it is unlikely that the person's competency can be restored.

(2) The court shall hold a hearing after the competency evaluation, and prior to the hearing, the results of all evaluations shall be supplied to the court and the parties to the underlying criminal action.

(3)(A) If the court finds after the hearing that the person is competent to stand trial, the court shall immediately notify the State's Attorney and the person's counsel in the criminal case.

(B) If the court finds after the hearing that the person is not competent to stand trial, the court shall order continued competency restoration treatment at the facility pursuant to this section.

(4) Notwithstanding any other provision of law or rule, witnesses at hearings held pursuant to this section shall be permitted to provide testimony remotely.

(c)(1) At the request of a party or the Agency of Human Services Medical Director, the court may order that a competency evaluation conducted pursuant to subsection (b) of this section include an opinion on whether the person's competency can be restored. If a request is made pursuant to this subsection, the forensic facility shall cause the person to be evaluated for restorability to competence prior to the hearing.

(2) If the court finds that the person's competency can be restored, the court shall order continued competency restoration treatment at the facility pursuant to this section.

(3)(A) If the court finds that the person's competency cannot be restored, the court shall hold a hearing within 60 days unless that period is extended by the court for good cause.

(B) Prior to the date of the hearing, the court shall order that a forensic risk assessment of the person be conducted by an evaluator appropriately qualified for the qualifying condition of the person that includes:

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

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

(iii) the examiner's findings;

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

(v) recommendations for evidence-based treatment and supervision, including in a community-based placement, that would support the person's success and mitigate risk of aggression and violence;

(vi) the examiner's opinion as to whether the person is a person in need of custody, care, and habilitation as defined in 18 V.S.A. § 8839; and

(vii) the examiner's opinion as to whether the person is competent to stand trial.

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

(4)(A) If the State's Attorney demonstrates by clear and convincing evidence at a hearing held pursuant to subdivision (3)(A) of this subsection (c) or (B) of this subdivision (4) that the person has a qualifying condition that, upon the person's release, would create a substantial risk of bodily injury to another person, the court shall order continued commitment of the person consistent with the person's forensic risk assessment. The court shall order treatment of the person, which may include appropriate supervision and supervised housing, including a community-based placement, in the least restrictive setting consistent with the person's forensic risk assessment and treatment needs.

(B) If continued commitment is ordered pursuant to subdivision (A) of this subdivision (4), the person's commitment shall be reviewed by the court:

(i) every 12 months;

(ii) at any time upon the determination by the Agency of Human Services Medical Director that the person no longer has a qualifying condition and the person's release would not create a substantial risk of bodily injury to another person; and

(iii) upon petition of the person filed at any time after 90 days following an order of continued commitment issued pursuant to subdivision (A) of this subdivision (4), and thereafter not earlier than six months from the issuance of an order for continued commitment under subdivision (4)(A) of this subsection (c).

(5)(A) If the State's Attorney does not demonstrate by clear and convincing evidence at a hearing held pursuant to subdivision (3)(A) or (4)(B) of this subsection (c) that the person has a qualifying condition and the person's release would 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, housing, and supervision by the Commissioner of Mental Health; the Department of Disabilities, Aging, and Independent Living; or the Department of Health, that the Agency of Human Services Medical Director has certified as appropriate; and

(ii) order, as an explicit condition of supervision, that the person comply with the prescribed regimen of medical, psychiatric, or psychological care or treatment, housing, and supervision by the Commissioner of Mental Health; the Department of Disabilities, Aging, and Independent Living; or the Department of Health, together with any other conditions appropriate to protect the public.

(B) A person's release pursuant to this subdivision (5) shall be reviewed by the court every 12 months. The person shall be released from the supervision of the Commissioner of Mental Health; the Department of Disabilities, Aging, and Independent Living; or the Department of Health unless the State's Attorney demonstrates by clear and convincing evidence at the hearing that continued treatment and supervision is necessary to prevent the person from becoming a substantial risk of bodily injury to another person.

(C)(i) The State's Attorney shall make a reasonable effort to provide the victim with prior notice of any hearing held pursuant to this subdivision (5). The court may continue the hearing if the victim has not been provided with the notice required by this subdivision (C)(i).

(ii) At any hearing under this subdivision (5), the court shall ask if the victim is present and, if so, shall offer the victim the opportunity to be heard. The court may consider any views offered at the hearing by the victim, including the victim's views concerning the offense and preferences for the person's placement and care. If the victim is not present at the hearing, the court shall ask whether the victim has expressed oral or written views concerning the offense and preferences for the person's placement and care, and, if so, the court may consider those views.

(6)(A) If the court finds that the person's competency cannot be restored, and finds by clear and convincing evidence that the person is a person in need of custody, care, and habilitation as defined in 18 V.S.A. § 8839, the court shall issue an order of commitment for up to one year directed to the Commissioner of Disabilities, Aging, and Independent Living for placement in a designated program in the least restrictive environment consistent with the person's need for custody, care, and habilitation. The order of commitment shall have the same force and effect as an order issued under 18 V.S.A. chapter 206, subchapter 3 and persons committed under the order shall have the same status, and the same rights, including the right to receive care and habilitation, to be examined and discharged, and to apply for and obtain judicial review of their cases, as persons ordered committed under 18 V.S.A. chapter 206, subchapter 3.

(B)(i) The Commissioner shall provide appropriate custody, care, and habilitation in a designated program to a person committed under subdivision (A) of this subdivision (6).

(ii) The court may order continued treatment at the forensic facility for a period not to exceed one year if the court finds that the Commissioner is not currently able to provide appropriate custody, care, and habilitation in a designated program. For good cause shown the court may extend the one-year period by an additional period not to exceed six months.

(C)(i) The court shall review an order of continued treatment issued pursuant to subdivision (B)(ii) of this subdivision (6) every 90 days.

(ii) If the court finds at the review that that appropriate custody, care, and habilitation can be provided to the person in a designated program, the court shall vacate the order for continued treatment and order the person committed to the custody of the Commissioner pursuant to subdivision (A) of this subdivision (6).

(iii) If the court finds at the review that that appropriate custody, care, and habilitation cannot be provided to the person in a designated program, the court shall order continued treatment at the forensic facility pursuant to subdivision (B)(ii) of this subdivision (6).

(D) The Commissioner may at any time certify to the court that appropriate custody, care, and habilitation can be provided to the person in a designated program, and after such a certification the court shall vacate the order for continued treatment and order the person committed to the custody of the Commissioner pursuant to subdivision (A) of this subdivision (6).

(E) As used in this subdivision (6), "Commissioner" means the Commissioner of Disabilities, Aging, and Independent Living.

(d) Except as provided in subdivisions (c)(4)(A), (c)(5), and (c)(6)(A) of this section, 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.

(e) The person shall receive competency restoration services while at the forensic facility according to a plan approved by the Agency of Human Services Medical 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.

(f) 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.

(g)(1) As appropriate for the needs of the person, the Commissioner of Mental Health; of Health; or of Disabilities, Aging, and Independent Living shall actively monitor compliance with orders issued pursuant to subdivision (c)(5) of this section. Upon request from the commissioner monitoring the person, the court shall immediately order return of a person to the forensic facility if:

(A) the person was released from the facility pursuant to subdivision (c)(5) of this section; and

(B) the Agency of Human Services Medical Director has reason to believe that the person continues to have a qualifying condition and that the person's continued release would create a substantial risk of bodily injury to another person.

(2) The commissioner monitoring the person 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 has a qualifying condition and that the person's continued release would create a substantial risk of bodily injury to another person. If the State's Attorney meets its burden, the court shall order the person readmitted to the forensic facility for treatment pursuant to this section. If the State's Attorney does not meet its burden, the court shall order the person restored to the status the person had when the person was returned to the facility.

(h) The Agency of Human Services Medical Director 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 State's Attorney establishes by clear and convincing evidence 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.

(i) When an evaluation is required of the person's competency or restorability under this section, the defense shall be entitled to conduct an independent evaluation and introduce the results at the hearing.

Sec. 3. 13 V.S.A. § 4817 is amended to read:

§ 4817. COMPETENCY TO STAND TRIAL; DETERMINATION; DISMISSAL

* * *

(e)(1) 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.

(2)(A) If the offense is not a qualifying crime under subdivision 7601(4) of this title, the court shall hold a hearing prior to dismissing a case under this subsection (e). The State's Attorney shall make a reasonable effort to provide the victim with prior notice of the hearing, and the court may continue the hearing if the victim has not been provided with the notice required by this subdivision (2)(A).

(B) At the hearing, the court shall ask if the victim is present and, if so, shall offer the victim the opportunity to be heard. The court may consider any views offered at the hearing by the victim, including the victim's views concerning the offense and the interests of justice. If the victim is not present at the hearing, the court shall ask whether the victim has expressed oral or written views concerning the offense and the interests of justice, and, if so, the court may consider those views.

Sec. 4. 13 V.S.A § 4819a is added to read:

§ 4819a. FORENSIC FACILITY PLACEMENT FOR PERSONS NOT GUILTY BY REASON OF INSANITY FOR CERTAIN CRIMES

(a)(1) 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.

(2) The committing court shall retain jurisdiction over the person for all proceedings under this section.

(b)(1) A hearing shall be held by the court where the person was tried within 60 days 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;

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

(E) recommendations for evidence-based treatment and supervision that would support the individual's success and mitigate risk of aggression and violence.

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

(4)(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 has a qualifying condition that, upon the person's release, would create a substantial risk of bodily injury to another person.

(B) If the State's Attorney does not establish by clear and convincing evidence that the person has 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 subdivisions (e)(3)(A) and (B) of this section.

(C) Notwithstanding any other provision of law or rule, witnesses at the hearing shall be permitted to provide testimony remotely.

(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 no longer has a qualifying condition that, upon the person's release, would create a substantial risk of bodily injury to another person.

(d) The Agency of Human Services Medical Director shall, taking into account public safety and 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 Medical Director 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 review of the person's commitment:

(I) six months after the date that the person is committed pursuant to subdivision (b)(4)(A) of this section;

(II) three years after a commitment order issued following a review under subdivision (I) of this subdivision (i);

(III) every fifth year after a commitment order issued following a review under subdivision (II) of this subdivision (i); and

(IV) at any time upon certification at any time to the Secretary of Human Services by the Agency of Human Services Medical Director that the person no longer has a qualifying condition that, upon the person's release, would create a substantial risk of bodily injury to another person.

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

(B)(i) A person committed pursuant to subdivision (b)(4)(A) of this section may petition the committing court for release on the grounds that the person no longer has a qualifying condition that, upon the person's release, would create a substantial risk of bodily injury to another person.

(ii) A petition shall not be filed pursuant to this subdivision (B):

(I) until at least 90 days after the issuance of the commitment order pursuant to subdivision (b)(4)(A) of this section; and

(II) more frequently than once during each applicable period set forth in subdivision (A)(i) of this subdivision (e)(1).

(2) If the State's Attorney establishes by clear and convincing evidence that the person has 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.

(3) If the State's Attorney does not establish by clear and convincing evidence that the person has 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, including supervision and housing, that the Agency of Human Services Medical Director has certified as appropriate; and

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

(f) As appropriate for the needs of the person, the Commissioner of Mental Health; of Health; or of Disabilities, Aging, and Independent Living shall actively monitor compliance with orders issued pursuant to subdivision (e)(2) of this section. Upon request from the commissioner monitoring the person, the court shall immediately order return of the person to the forensic facility if the Agency of Human Services Medical Director 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 monitoring the person 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 was noncompliant with the court's order for conditional release and that the noncompliance creates a risk of bodily injury to another person.

(g)(1) The State's Attorney shall provide the victim with prior notice of any hearing held pursuant to this section. The court may continue the hearing if the victim has not been provided with the notice required by this subdivision.

(2) At any hearing under this section, the court shall ask if the victim is present and, if so, shall offer the victim the opportunity to be heard. The court may consider any views offered at the hearing by the victim, including the victim's views concerning the offense and preferences for the person's placement and care. If the victim is not present at the hearing, the court shall ask whether the victim has expressed oral or written views concerning the offense and preferences for the person's placement and care, and, if so, the court may consider those views.

Sec. 5. 13 V.S.A. § 4826 is added to read:

§ 4826. FORENSIC FACILITY; DEFINITIONS

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

(A) "Competency can be restored" means a substantial probability that in the foreseeable future the person will attain the capacity to permit the proceedings to go forward.

(B) "Forensic facility" means a locked secure facility that provides a suitable clinical setting and is licensed as a therapeutic community residence as defined in 33 V.S.A. § 7102(11) where:

(i) the Agency of Human Services provides for the secure competency restoration, evaluation, stabilization, treatment, and care of persons with a qualifying condition who are involved in the legal system and who do not require a hospitalization level of care; and

(ii) a person is transferred pursuant to subsections 4815a(a) and 4819a(a) of this title.

(C) "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 Buildings and General Services and evaluation providers.

(3) Prior to any hearing under section 4815a or 4819a of this title, the person shall be required, at the request of a party, to permit an expert assessment of the person's competency, forensic risk, or restorability to competency.

(b) The Secretary of Human Services shall establish and operate a locked secure forensic facility for the competency restoration, evaluation, stabilization, treatment, and care of persons who have been transferred pursuant to subsections 4815a(a) and 4819a(a) of this title. The forensic facility's clinical, forensic, and competency restoration services shall be overseen by the Agency of Human Services Medical Director. The Department of Corrections shall not play a role in the forensic facility's operation, the provision of services, or internal security, except to provide security services for the facility at the admitting area and around the outside perimeter if the facility is co-located on the grounds of a correctional facility. The forensic facility shall:

(1) be designed and operated in a manner that supports therapeutic, recovery-oriented, and trauma-informed programming in a therapeutic community residence, 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 competency restoration, evaluation, treatment, stabilization, and care 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) follow the direction of the Agency of Human Services Medical Director, who shall 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 as clinically necessary;

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

(8) ensure that clinical services and programming include psychiatric care, management of medications, education about court procedures, habilitation, and trauma-informed care, as appropriate;

(9) continue to provide evaluation, treatment, stabilization, and care of a resident who has regained competency while the resident awaits and participates in the resident's trial;

(10) provide residents with interpreters, as appropriate;

(11) implement grievance and appeals procedures; and

(12) implement a process for reporting instances of death or serious bodily injury to residents of the forensic facility to the Agency of Human Services Medical 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 Secretary of Human Services shall regularly consult with the Commissioners of Corrections; of Mental Health; of Health; and of Disabilities, Aging, and Independent Living when performing the duties required by this chapter for operating the forensic facility.

(f) The Agency of Human Services Medical Director and an evaluator submitting a report pursuant to sections 4815a and 4819a of this title shall testify at any hearing under those sections if requested by the court or a party.

(g) The Secretary of Human Services shall adopt rules pursuant to 3 V.S.A. chapter 25 to implement this section.

Sec. 6. 18 V.S.A. § 7257 is amended to read:

§ 7257. REPORTABLE ADVERSE EVENTS

(a) An acute inpatient hospital, an intensive residential recovery facility, a designated agency, a psychiatric residential treatment facility for youth, a forensic facility, or a secure residential recovery facility shall report to the Department of Mental Health instances of death or serious bodily injury to individuals with a mental condition or psychiatric disability in the custody or temporary custody of the Commissioner.

* * *

Sec. 7. FEASIBILITY PLAN; FORENSIC FACILITY

(a) On or before January 15, 2027, the Secretary of Human Services, in consultation with the Department of Buildings and General Services, shall submit a feasibility plan for the development and operation of a forensic facility to the House Committees on Appropriations, on Corrections and Institutions, on Health Care, on Human Services, and on Judiciary and to the Senate Committees on Appropriations, on Health and Welfare, on Institutions, and on Judiciary. The feasibility plan shall assume that operation, staffing, and programming at the forensic facility shall be provided by the Agency of Human Services or its departments, with the exception that the Department of Corrections shall not play a role in its operation, the provision of services, or internal security, other than the provision of security services for the facility at the admitting area and around the outside perimeter if the facility is co-located on the grounds of a correctional facility. The feasibility plan shall address the following:

(1) the proposed location of a forensic facility, which shall be independent from a correctional facility, and, if on the same grounds as a correctional facility, shall be separated by sight and sound;

(2) the proposed design plans for a forensic facility that allows for the ability to separate residents by sex or gender and clinical need;

(3) the number of beds within a forensic facility;

(4) the entity or entities responsible for operating and providing services in a forensic facility;

(5) the timeline for constructing a stand-alone forensic facility or fitting up an existing stand-alone facility to operate as a forensic facility;

(6) the estimated cost of constructing or fitting up and operating a forensic facility;

(7) which aspects of the therapeutic community residence rule would need to be modified to operate the forensic facility as a therapeutic community residence;

(8) the clinical services available at a forensic facility, including on-site competency restoration services;

(9) the proposed staffing levels, staff qualifications, and potential contracting needs necessary to establish a multidisciplinary clinical team at the forensic facility that reflects best practices, including required evidence-based, trauma-informed staff training and multiple potential staffing strategies;

(10) the physical and staff security plan within and around the perimeter of a forensic facility, including therapeutic design and clinical supervision that reflect best practices, which shall not involve the Department of Corrections, with the exception that employees of the Department of Corrections may provide security services for the facility at the admitting area and around the outside perimeter of the facility if it is co-located on the grounds of a correctional facility;

(11) a resident discharge and community monitoring plan from each department with custody of individuals in the forensic facility, developed in consultation with the Department of Corrections, that prioritizes community safety and provides residential, clinical, and case management services;

(12) opportunities and cost estimates for persons who would be eligible for placement at the forensic facility to receive, while the development of a forensic facility in Vermont is pending, placement in an out-of-state residence where clinically appropriate programming can be provided;

(13) a plan for the expansion of 1988 Acts and Resolves No. 248 to include individuals with a cognitive disability;

(14) annual reporting metrics on the demographics, outcomes, and staffing at the forensic facility; and

(15) any recommendations for legislative action to effectuate the development of a therapeutic, trauma-informed forensic facility.

(b) At the August and November 2026 meetings of the Joint Legislative Justice Oversight Committee, the Secretary of Human Services or designee shall provide an interim status update on the development of the feasibility plan required pursuant to subsection (a) of this section and on the emergency rulemaking required by Sec. 12 of this act.

(c)(1) Funds appropriated to the Agency of Human Services and its departments in fiscal year 2027 shall be used to complete the feasibility plan required by this section and any other planning activities necessary to implement this act, but absent further legislative enactment by the General Assembly, the Agency and its departments shall not expend funds in fiscal year 2027 for the construction or fit-up of a forensic facility.

(2) No further legislative enactment by the General Assembly shall be required to implement the interim forensic and competency restoration program established by emergency rules adopted pursuant to Sec. 12 of this act. The interim forensic and competency restoration program is contingent on the availability of sufficient resources including appropriate staffing levels.

Sec. 8. 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. 9. 13 V.S.A. § 4815a is added to read:

§ 4815a. COMPETENCY RESTORATION SERVICES WITHIN FORENSIC FACILITY

(a) A person shall be placed at 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, has a qualifying condition and it has been determined that the person's release would create a substantial risk of bodily injury to another person;

(3) is not currently:

(A) receiving treatment through an order of hospitalization pursuant to 18 V.S.A. § 7619 or section 4822 of this title; or

(B) subject to an order of commitment to the Commissioner of Disabilities, Aging, and Independent Living issued under 18 V.S.A. § 8845 or section 4823 of this title, unless the person is detained in a correctional facility pending trial; and

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

(b)(1) The forensic facility shall cause the person to be evaluated for competency to stand trial:

(A) six months from the date of admission, and thereafter every six months from the issuance of an order for continued competency restoration treatment under subdivision (3)(B) of this subsection (b); and

(B) at any time upon the determination by the Agency of Human Services Medical Director that the person is likely competent to stand trial or that it is unlikely that the person's competency can be restored.

(2) The court shall hold a hearing after the competency evaluation, and prior to the hearing, the results of all evaluations shall be supplied to the court and the parties to the underlying criminal action.

(3)(A) If the court finds after the hearing that the person is competent to stand trial, the court shall immediately notify the State's Attorney and the person's counsel in the criminal case.

(B) If the court finds after the hearing that the person is not competent to stand trial, the court shall order continued competency restoration treatment at the facility pursuant to this section.

(4) Notwithstanding any other provision of law or rule, witnesses at hearings held pursuant to this section shall be permitted to provide testimony remotely.

(c)(1) At the request of a party or the Agency of Human Services Medical Director, the court may order that a competency evaluation conducted pursuant to subsection (b) of this section include an opinion on whether the person's competency can be restored. If a request is made pursuant to this subsection, the forensic facility shall cause the person to be evaluated for restorability to competence prior to the hearing.

(2) If the court finds that the person's competency can be restored, the court shall order continued competency restoration treatment at the facility pursuant to this section.

(3)(A) If the court finds that the person's competency cannot be restored, the court shall hold a hearing within 60 days unless that period is extended by the court for good cause.

(B) Prior to the date of the hearing, the court shall order that a forensic risk assessment of the person be conducted by an evaluator appropriately qualified for the qualifying condition of the person that includes:

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

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

(iii) the examiner's findings;

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

(v) recommendations for evidence-based treatment and supervision, including in a community-based placement, that would support the person's success and mitigate risk of aggression and violence; and

(vi) the examiner's opinion as to whether the person is a person in need of custody, care, and habilitation as defined in 18 V.S.A. § 8839.

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

(4)(A) If the State's Attorney demonstrates by clear and convincing evidence at a hearing held pursuant to subdivision (3)(A) of this subsection (c) or subdivision (B) of this subdivision (4) that the person has a qualifying condition that, upon the person's release, would create a substantial risk of bodily injury to another person, the court shall order continued commitment of the person consistent with the person's forensic risk assessment. The court shall order treatment of the person, which may include appropriate supervision and supervised housing, including in a community-based placement, in the least restrictive setting consistent with the person's forensic risk assessment and treatment needs.

(B) If continued commitment is ordered pursuant to subdivision (A) of this subdivision (4), the person's commitment shall be reviewed by the court:

(i) every 12 months;

(ii) at any time upon the determination by the Agency of Human Services Medical Director that the person no longer has a qualifying condition and the person's release would not create a substantial risk of bodily injury to another person; and

(iii) upon petition of the person filed at any time after 90 days following an order of continued commitment issued pursuant to subdivision (A) of this subdivision (4), and thereafter not earlier than six months from the issuance of an order for continued commitment under subdivision (4)(A) of this subsection (c).

(5)(A) If the State's Attorney does not demonstrate by clear and convincing evidence at a hearing held pursuant to subdivision (3)(A) or (4)(B) of this subsection (c) that the person has a qualifying condition and the person's release would 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, housing, and supervision by the Department of Corrections in collaboration with the Commissioner of Mental Health; the Department of Disabilities, Aging, and Independent Living; or the Department of Health, that the Agency of Human Services Medical Director has certified as appropriate; and

(ii) order, as an explicit condition of supervision, that the person comply with the prescribed regimen of medical, psychiatric, or psychological care or treatment, housing, and supervision by the Department of Corrections in collaboration with the Commissioner of Mental Health; the Department of Disabilities, Aging, and Independent Living; or the Department of Health, together with any other conditions appropriate to protect the public.

(B) A person's release pursuant to this subdivision (5) shall be reviewed by the court every 12 months. The person shall be released from the supervision of the Commissioner of Corrections unless the State's Attorney demonstrates by clear and convincing evidence at the hearing that continued treatment and supervision is necessary to prevent the person from becoming a substantial risk of bodily injury to another person.

(C)(i) The State's Attorney shall make a reasonable effort to provide the victim with prior notice of any hearing held pursuant to this subdivision (5). The court may continue the hearing if the victim has not been provided with the notice required by this subdivision (C)(i).

(ii) At any hearing under this subdivision (5), the court shall ask if the victim is present and, if so, shall offer the victim the opportunity to be heard. The court may consider any views offered at the hearing by the victim, including the victim's views concerning the offense and preferences for the person's placement and care. If the victim is not present at the hearing, the court shall ask whether the victim has expressed oral or written views concerning the offense and preferences for the person's placement and care, and, if so, the court may consider those views.

(6)(A) If the court finds that the person's competency cannot be restored, and finds by clear and convincing evidence that the person is a person in need of custody, care, and habilitation as defined in 18 V.S.A. § 8839, the court shall issue an order of commitment for up to one year directed to the Commissioner of Disabilities, Aging, and Independent Living for placement in a designated program in the least restrictive environment consistent with the person's need for custody, care, and habilitation. The order of commitment shall have the same force and effect as an order issued under 18 V.S.A. chapter 206, subchapter 3 and persons committed under the order shall have the same status, and the same rights, including the right to receive care and habilitation, to be examined and discharged, and to apply for and obtain judicial review of their cases, as persons ordered committed under 18 V.S.A. chapter 206, subchapter 3.

(B)(i) The Commissioner shall provide appropriate custody, care, and habilitation in a designated program to a person committed under subdivision (A) of this subdivision (6).

(ii) The court may order continued treatment at the forensic facility for a period not to exceed one year if the court finds that the Commissioner is not currently able to provide appropriate custody, care, and habilitation in a designated program. For good cause shown, the court may extend the one-year period by an additional period not to exceed six months.

(C)(i) The court shall review an order of continued treatment issued pursuant to subdivision (B)(ii) of this subdivision (6) every 90 days.

(ii) If the court finds at the review that appropriate custody, care, and habilitation can be provided to the person in a designated program, the court shall vacate the order for continued treatment and order the person committed to the custody of the Commissioner pursuant to subdivision (A) of this subdivision (6).

(iii) If the court finds at the review that appropriate custody, care, and habilitation cannot be provided to the person in a designated program, the court shall order continued treatment at the forensic facility pursuant to subdivision (B)(ii) of this subdivision (6).

(D) The Commissioner may at any time certify to the court that appropriate custody, care, and habilitation can be provided to the person in a designated program, and after such a certification the court shall vacate the order for continued treatment and order the person committed to the custody of the Commissioner pursuant to subdivision (A) of this subdivision (6).

(E) As used in this subdivision (6), "Commissioner" means the Commissioner of Disabilities, Aging, and Independent Living.

(d) Except as provided in subdivisions (c)(4)(A), (c)(5), and (c)(6)(A) of this section, 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.

(e) The person shall receive competency restoration services while at the forensic facility according to a plan approved by the Agency of Human Services Medical 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.

(f) 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.

(g)(1) As appropriate for the needs of the person, the Agency of Human Services Medical Director, in consultation with the Commissioner of Mental Health; of Health; or of Disabilities, Aging, and Independent Living, shall actively monitor compliance with orders issued pursuant to subdivision (c)(5) of this section. Upon request from the Agency of Human Services Medical Director, the court shall immediately order the return of a person to the forensic facility if:

(A) the person was released from the facility pursuant to subdivision (c)(5) of this section; and

(B) the Agency of Human Services Medical Director has reason to believe that the person has a qualifying condition and that the person's continued release would create a substantial risk of bodily injury to another person.

(2) The Agency of Human Services Medical Director 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 has a qualifying condition and that the person's continued release would create a substantial risk of bodily injury to another person. If the State's Attorney meets its burden, the court shall order the person readmitted to the forensic facility for treatment pursuant to this section. If the State's Attorney does not meet its burden, the court shall order the person restored to the status the person had when the person was returned to the facility.

(h) The Agency of Human Services Medical Director 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 State's Attorney establishes by clear and convincing evidence 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.

(i) When an evaluation of the person's competency or restorability is required under this section, the defense shall be entitled to conduct an independent evaluation and introduce the results at the hearing.

Sec. 10. 13 V.S.A § 4819a is added to read:

§ 4819a. FORENSIC FACILITY PLACEMENT FOR PERSONS NOT GUILTY BY REASON OF INSANITY FOR CERTAIN CRIMES

(a)(1) 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.

(2) The committing court shall retain jurisdiction over the person for all proceedings under this section.

(b)(1) A hearing shall be held by the court where the person was tried within 60 days 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;

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

(E) recommendations for evidence-based treatment and supervision that would support the individual's success and mitigate risk of aggression and violence.

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

(4)(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 has a qualifying condition that, upon the person's release, would create a substantial risk of bodily injury to another person.

(B) If the State's Attorney does not establish by clear and convincing evidence that the person has 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 subdivisions (e)(3)(A) and (B) of this section.

(C) Notwithstanding any other provision of law or rule, witnesses at the hearing shall be permitted to provide testimony remotely.

(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 no longer has a qualifying condition that, upon the person's release, would create a substantial risk of bodily injury to another person.

(d) The Agency of Human Services Medical Director shall, taking into account public safety and 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 Medical Director 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 review of the person's commitment:

(I) six months after the date that the person is committed pursuant to subdivision (b)(4)(A) of this section;

(II) three years after a commitment order issued following a review under subdivision (I) of this subdivision (i);

(III) every fifth year after a commitment order issued following a review under subdivision (II) of this subdivision (i); and

(IV) at any time upon certification at any time to the Secretary of Human Services by the Agency of Human Services Medical Director that the person no longer has a qualifying condition that, upon the person's release, would create a substantial risk of bodily injury to another person.

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

(B)(i) A person committed pursuant to subdivision (b)(4)(A) of this section may petition the committing court for release on the grounds that the person no longer has a qualifying condition that, upon the person's release, would create a substantial risk of bodily injury to another person.

(ii) A petition shall not be filed pursuant to this subdivision (B):

(I) until at least 90 days after the issuance of the commitment order pursuant to subdivision (b)(4)(A) of this section; and

(II) more frequently than once during each applicable period set forth in subdivision (A)(i) of this subdivision (e)(1).

(2) If the State's Attorney establishes by clear and convincing evidence that the person has 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.

(3) If the State's Attorney does not establish by clear and convincing evidence that the person has 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, including supervision and housing, that the Agency of Human Services Medical Director has certified as appropriate; and

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

(f) As appropriate for the needs of the person, the Agency of Human Services Medical Director, in consultation with the Commissioner of Mental Health; of Health; or of Disabilities, Aging, and Independent Living, shall actively monitor compliance with orders issued pursuant to subdivision (e)(2) of this section. Upon request from the Agency of Human Services Medical Director, the court shall immediately order the return of the person to the forensic facility if the Medical Director determines that the person is noncompliant with the order and that the noncompliance may create a risk of bodily injury to another person. The Agency of Human Services Medical Director 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 was noncompliant with the court's order for conditional release and that the noncompliance creates a risk of bodily injury to another person.

(g)(1) The State's Attorney shall provide the victim with prior notice of any hearing held pursuant to this section. The court may continue the hearing if the victim has not been provided with the notice required by this subdivision.

(2) At any hearing under this section, the court shall ask if the victim is present and, if so, shall offer the victim the opportunity to be heard. The court may consider any views offered at the hearing by the victim, including the victim's views concerning the offense and preferences for the person's placement and care. If the victim is not present at the hearing, the court shall ask whether the victim has expressed oral or written views concerning the offense and preferences for the person's placement and care, and, if so, the court may consider those views.

Sec. 11. 13 V.S.A. § 4826 is added to read:

§ 4826. FORENSIC FACILITY; DEFINITIONS

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

(A) "Competency can be restored" means a substantial probability that in the foreseeable future the person will attain the capacity to permit the proceedings to go forward.

(B) "Forensic facility" means the interim forensic and competency restoration program established by emergency rules adopted pursuant to Sec. 12 of this act, which shall be a locked secure facility where:

(i) the Agency of Human Services provides for the secure competency restoration, evaluation, stabilization, treatment, and care of persons with a qualifying condition who are involved in the legal system and who do not require a hospitalization level of care; and

(ii) a person is transferred pursuant to subsections 4815a(a) and 4819a(a) of this title.

(C) "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 Buildings and General Services and evaluation providers.

(3) Prior to any hearing under section 4815a or 4819a of this title, the person shall be required, at the request of a party, to permit an expert assessment of the person's competency, forensic risk, or restorability to competency.

(b) The Secretary of Human Services shall establish and operate a locked secure forensic facility for the competency restoration, evaluation, stabilization, treatment, and care of persons who have been transferred pursuant to subsections 4815a(a) and 4819a(a) of this title. The forensic facility's clinical, forensic, and competency restoration services shall be overseen by the Agency of Human Services Medical Director. The forensic facility shall:

(1) be designed and operated in a manner that supports therapeutic, recovery-oriented, and trauma-informed programming 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 competency restoration, evaluation, treatment, stabilization, and care 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) follow the direction of the Agency of Human Services Medical Director, who shall 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 as clinically necessary;

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

(8) ensure that clinical services and programming include psychiatric care, management of medications, education about court procedures, habilitation, and trauma-informed care, as appropriate;

(9) continue to provide evaluation, treatment, stabilization, and care of a resident who has regained competency while the resident awaits and participates in the resident's trial;

(10) provide residents with interpreters, as appropriate;

(11) implement grievance and appeals procedures; and

(12) implement a process for reporting instances of death or serious bodily injury to residents of the forensic facility to the Agency of Human Services Medical 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 Secretary of Human Services shall regularly consult with the Agency of Human Services Medical Director and the Commissioners of Corrections; of Mental Health; of Health; and of Disabilities, Aging, and Independent Living when performing the duties required by this chapter for operating the forensic facility.

(f) The Agency of Human Services Medical Director and an evaluator submitting a report pursuant to sections 4815a and 4819a of this title shall testify at any hearing under those sections if requested by the court or a party.

Sec. 12. EMERGENCY RULEMAKING; INTERIM FORENSIC AND COMPETENCY RESTORATION PROGRAM

(a) On or before December 31, 2026, the Secretary of Human Services, in consultation with the Departments of Corrections; of Health; of Mental Health; and of Disabilities, Aging, and Independent Living, shall adopt emergency rules pursuant to 3 V.S.A. chapter 25 to establish an interim forensic and competency restoration program that shall be effective on July 1, 2027 and shall operate pending the completion of a permanent forensic facility. The emergency rules shall establish for the interim forensic and competency restoration program and consistent with the standards and procedures of Secs. 9, 10, and 11 of this act:

(1) clinically appropriate standards governing the provision of services in the forensic and competency restoration program, including requirements related to staffing patterns and ratios; staff qualifications; where the person is placed within a Department of Corrections facility; 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;

(3) the manner in which the Department of Corrections would cooperate with and obtain necessary information from other departments about persons released under supervision from the forensic and competency restoration program;

(4) opportunities and cost estimates for persons who would be eligible for placement at the forensic facility to receive, while the development of a forensic facility in Vermont is pending, competency restoration services within a Vermont correctional facility, provided that the entity which provides the services shall not be under contract with the Department of Corrections;

(5) victim notification procedures, including:

(A) which events within the program will trigger victim notification;

(B) who will provide victim notification and by what methods;

(C) how victims will be informed of their right to receive notifications; and

(D) the processes that will permit victims to opt in and opt out of receiving notifications; and

(6) any other provisions necessary to ensure the safe, effective, and clinically appropriate implementation of Secs. 9, 10, and 11 of this act, including potentially requiring the provision of forensic services in a unit that is separate from other correctional populations.

(b) The emergency rules adopted pursuant to this section shall:

(1) be deemed to have met the standard for emergency rulemaking set forth in 3 V.S.A. § 844(a);

(2) notwithstanding 3 V.S.A. § 844(b), remain in effect until July 1, 2029, and

(3) be repealed on July 1, 2029.

Sec. 13. REPEALS

Sec. 9–11 shall be repealed on July 1, 2029.

Sec. 14. EFFECTIVE DATES

(a) This section, Sec. 1, Sec. 3, and Secs. 6–13 shall take effect on July 1, 2026.

(b) Secs. 2, 4, and 5 shall take effect on July 1, 2029.

Thereupon, the question, Shall the Senate concur in the House proposal of amendment?, was decided in the affirmative, on a roll call, Yeas 29, Nays 1.

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

The Senator who voted in the negative was: Vyhovsky.

Rules Suspended; Action Messaged

On motion of Senator Baruth, the rules were suspended, and the action on the following bills was ordered messaged to the House forthwith:

H. 944. An act relating to the fiscal year 2027 Transportation Program and miscellaneous changes to laws related to transportation.

S. 193. An act relating to establishing a forensic facility for certain criminal justice-involved persons.

S. 323. An act relating to miscellaneous agricultural subjects.

Message from the House No. 85

A message was received from the House of Representatives by Ms. BetsyAnn Wrask, its Clerk, as follows:

Mr. President:

I am directed to inform the Senate that:

The House has adopted joint resolution of the following title:

J.R.H. 12. Joint resolution authorizing remote joint committee voting through the remainder of calendar year 2026 and the application of the ADA thereto.

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

Adjournment

On motion of Senator Baruth, the Senate adjourned until two o'clock.

Called to Order

The Senate was called to order by the President.

Message from the House No. 86

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 considered a bill originating in the Senate of the following title:

S. 64. An act relating to amendments to the scope of practice for optometrists.

And has passed the same in concurrence with proposal of amendment in the adoption of which the concurrence of the Senate is requested.

Joint Resolution Placed on Calendar

J.R.H. 12.

Joint resolution originating in the House of the following title was read the first time and is as follows:

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

Offered by House Committee on Rules

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

Resolved by the Senate and House of Representatives:

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

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

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

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

Thereupon, in the discretion of the President, under Rule 51, the joint resolution was placed on the Calendar for action the next legislative day.

Rules Suspended; Bill Referred to Committee on Appropriations

H. 211.

Pending entry on the Calendar for notice, on motion of Senator Baruth the rules were suspended and House bill entitled:

An act relating to data brokers and personal information.

was referred to the Committee on Appropriations pursuant to Rule 31.

Rules Suspended; House Proposal of Amendment Concurred In S. 64.

Appearing on the Calendar for notice, on motion of Senator Baruth, the rules were suspended and Senate bill entitled:

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

Was taken up for immediate consideration.

The House proposes to the Senate to amend the bill by adding a new section to be Sec. 1a to read as follows:

Sec. 1a. 26 V.S.A. § 1707 is amended to read:

§ 1707. QUALIFICATIONS; TERM OF OFFICE; REMOVAL

(a) The State Board of Optometry is created.

(b)(1) The Board shall consist of ~~five~~ seven members, ~~three~~ four of whom shall be residents of the State who have had at least five years' experience in the practice of optometry in the State and are in the active practice of optometry at the time of their appointment; one member who shall be a resident of the State who has at least five years' experience in the practice of ophthalmology and is in the active practice of ophthalmology at the time of appointment; and two members who shall be representatives of the public, who shall be residents of the State for five years, and who shall have no financial interest in the profession other than as a consumer or potential consumer of its services.

(2) Beginning on January 1, 2031, at least one of the optometrist members of the Board shall hold an advanced therapeutic procedures specialty issued pursuant to subchapter 5 of this chapter.

* * *

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

Rules Suspended; Action Messaged

On motion of Senator Baruth, the rules were suspended, and the action on the following bills was ordered messaged to the House forthwith:

S. 64, S. 190.

Rules Suspended; House Proposal of Amendment Concurred In S. 278.

Appearing on the Calendar for notice, on motion of Senator Baruth, the rules were suspended and Senate bill entitled:

An act relating to cannabis.

Was taken up for immediate consideration.

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:

* * * Packaging Limit * * *

Sec. 1. [Deleted.]

* * * Transaction Limit * * *

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

§ 907. RETAILER LICENSE

* * *

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

* * *

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

§ 4230. CANNABIS

(a) Possession and cultivation.

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

* * *

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

* * *

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

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

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

* * *

* * * Event Permit; Pilot Program * * *

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

§ 912. EVENT PERMIT

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

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

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

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

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

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

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

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

(c) Restrictions. Annually, the Board shall issue not more than ten permits for public events. An event permit shall be issued only for events being held at locations within a municipality that has voted affirmatively to permit the operation of cannabis retail establishments. An event permit shall be valid for a single event not to exceed 24 hours held at a single access-controlled location. An event permit shall not be issued for a location at which alcoholic beverages are sold or furnished for on-premises consumption. A cannabis retailer that holds an event permit shall not conduct sales at the licensed retail location and the permitted event contemporaneously, except for sales conducted from a permitted event location that is contiguous with the licensed retail location. The holder of an event permit shall sell only registered adult-use cannabis and cannabis products at the event.

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

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

(f) Procedures. The Board shall adopt procedures pursuant to 3 V.S.A. § 835 to govern the event permits issued pursuant to this section, including application procedures and associated forms, the permittee selection process, security requirements, and event site restrictions.

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

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

Sec. 6. [Deleted.]

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

§ 7902. CANNABIS EXCISE TAX

* * *

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

* * *

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

§ 7904. RETURNS; RECORDS

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

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

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

§ 7906. LICENSE

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

* * *

Sec. 10. CANNABIS CONTROL BOARD; RULES AND REPORT

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

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

* * * Outdoor Cultivator Fees * * *

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

§ 910. CANNABIS ESTABLISHMENT FEE SCHEDULE

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

(1) Cultivators.

(A) Outdoor cultivators.

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

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

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

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

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

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

* * *

* * * Municipal Authority * * *

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

§ 863. REGULATION BY LOCAL GOVERNMENT

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

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

* * *

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

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

§ 846. FEES; AUTHORITY

* * *

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

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

§ 847. APPEALS

* * *

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

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

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

§ 910. CANNABIS ESTABLISHMENT FEE SCHEDULE

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

* * *

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

(9) Products. Cannabis establishments licensed by the Board shall be assessed an annual product licensing fee of $50.00 for every type of cannabis and cannabis product that is sold in accordance with this chapter. The Board may issue longer product registrations, prorated at the same cost per year, for products it deems low-risk and shelf-stable. The products may be defined and distinguished in readily accessible published guidance.

* * *

* * * Repeal of Integrated License Provisions * * *

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

§ 861. DEFINITIONS

As used in this chapter:

* * *

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

* * *

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

* * *

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

§ 866. YOUTH

* * *

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

* * *

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

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

* * *

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

§ 881. RULEMAKING; CANNABIS ESTABLISHMENTS

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

* * *

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

* * *

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

* * *

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

(8) Rules concerning propagators shall include:

* * *

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

* * *

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

§ 901. GENERAL PROVISIONS

* * *

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

* * *

(E) a retailer license; and

(F) a testing laboratory license~~; and~~

~~(G) an integrated license~~.

* * *

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

(B) ~~An applicant and its affiliates that control a dispensary registered on April 1, 2022 may obtain one integrated license provided in subdivision (1)(G) of this subsection (d) or a maximum of one of each type of license provided in subdivisions (1)(A) (F) of this subsection (d). An integrated licensee may not hold a separate cultivator, propagator, wholesaler, product manufacturer, retailer, or testing laboratory license, and no applicant or its affiliates that control a dispensary shall hold more than one integrated license. An integrated license shall permit only one location for each of the types of activities permitted by the license: cultivation, propagator, wholesale operations, product manufacturing, retail sales, and testing.~~ [Repealed.]

* * *

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

* * *

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

§ 904. CULTIVATOR LICENSE

(a) A cultivator licensed under this chapter may:

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

* * *

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

* * *

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

§ 904a. SMALL CULTIVATORS

* * *

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

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

§ 910. CANNABIS ESTABLISHMENT FEE SCHEDULE

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

* * *

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

* * *

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

§ 974. RULEMAKING

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

(2) Rules shall include:

* * *

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

* * *

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

§ 987. CANNABIS BUSINESS DEVELOPMENT FUND

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

(b) The Fund shall comprise:

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

* * *

Sec. 23. [Deleted.]

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

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

§ 6061. DEFINITIONS

As used in this chapter unless the context requires otherwise:

* * *

(5) "Modified adjusted gross income" means "federal adjusted gross income":

* * *

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

* * *

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

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

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

* * *

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

* * *

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

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

* * *

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

§ 3102. CONFIDENTIALITY OF TAX RECORDS

* * *

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

* * *

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

* * *

* * * Cannabis Cultivator Cooperatives * * *

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

§ 904c. CANNABIS CULTIVATOR COOPERATIVE CORPORATIONS

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

* * * Commercial Cannabis Compact * * *

Sec. 27a. COMMERCIAL CANNABIS COMPACT; INTENT

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

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

§ 834. COMMERCIAL CANNABIS COMPACT

(a) As used in this section:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(1) Submit the proposed agreement or amendments to the Board and the Joint Fiscal Committee for review and comment. The Board and Committee shall have 60 days to review the proposed agreement or amendment and to submit written recommendations to the Governor. The Governor shall consider all recommendations submitted by the Board and Committee and may revise the proposed agreement or amendment to incorporate the recommendations. If the Governor does not incorporate any recommendations, the Governor shall set forth, in writing, the reasons for not incorporating the recommendations.

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

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

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

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

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

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

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

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

Sec. 28. [Deleted.]

* * * Repeals * * *

Sec. 29. REPEALS

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

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

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

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

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

§ 4468b. RENTAL AGREEMENTS; CANNABIS RESTRICTIONS PROHIBITED

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

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

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

* * *

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

(2) This section does not:

* * *

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

* * *

* * * Effective Dates * * *

Sec. 32. EFFECTIVE DATES

(a) This section shall take effect on passage.

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

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

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

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

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

Rules Suspended; Report of Committee of Conference Accepted and Adopted on the Part of the Senate

H. 639.

Appearing on the Calendar for notice, on motion of Senator Baruth, the rules were suspended and Senate bill entitled:

An act relating to genetic data privacy.

Was taken up for immediate consideration.

Senator Clarkson, for the Committee of Conference, submitted the following report:

To the Senate and House of Representatives:

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

H.639. An act relating to genetic data privacy.

Respectfully reports that it has met and considered the same and recommends that the House recede from its proposal of amendment to the Senate proposal of amendment and that the Senate proposal of amendment be further amended as follows:

First: In Sec. 1, 9 V.S.A. chapter 61A, in section 2421c, by striking out subsection (c) in its entirety.

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

Sec. 1a. CURE PERIOD; GENETIC DATA PRIVACY

(a) A consumer pursuing a civil action pursuant to 9 V.S.A. § 2421c against a direct-to-consumer genetic testing company or service provider for an alleged violation the Genetic Information Privacy Act shall, before initiating the civil action, send a written notice to the company or service provider that includes as many details as possible of the alleged violation.

(b) If the company or service provider does not cure the alleged violation within 30 days after the notice is received by the company or service provider pursuant to subsection (a) of this section or if there is a disagreement as to whether the alleged violation has been cured, the consumer shall have the right to initiate a civil action against the company or service provider.

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

Sec. 1b. REPEAL; CURE PERIOD; GENETIC DATA PRIVACY

Sec. 1a of this act shall be repealed on June 30, 2028.

SEN. ALISON CLARKSON
SEN. RANDOLPH D. BROCK
SEN. THOMAS I. CHITTENDEN

Committee on the part of the Senate

REP. EDYE GRANING
REP. MICHAEL J. MARCOTTE
REP. KIRK WHITE

Committee on the part of the House

Thereupon, the question, Shall the Senate accept and adopt the report of the Committee of Conference?, was decided in the affirmative.

Rules Suspended; Bill Passed in Concurrence

H. 957.

On motion of Senator Baruth, the rules were suspended and House bill entitled:

An act relating to approval of amendments to the charter of the Town of Williston.

Was placed in all remaining stages of its passage in concurrence.

Thereupon, the bill was read the third time and passed in concurrence:

Rules Suspended; Report of Committee of Conference Accepted and Adopted on the Part of the Senate

H. 710.

Pending entry on the Calendar for notice, on motion of Senator Baruth, the rules were suspended and Senate bill entitled:

An act relating to defining electricity generating facilities.

Was taken up for immediate consideration.

Senator Watson, for the Committee of Conference, submitted the following report:

To the Senate and House of Representatives:

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

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

Respectfully reports that it has met and considered the same and recommends that the House accede to the Senate proposal of amendment with further amendment thereto by striking out Sec. 2a, primary agricultural soils and solar report, in its entirety and inserting in lieu thereof a new Sec. 2a to read as follows:

Sec. 2a. PRIMARY AGRICULTURAL SOILS AND SOLAR REPORT

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

(1) In the last two years, for solar energy generation projects with a capacity of 1 MW or greater, how many acres of primary agricultural soils used for solar energy generation development were directly impacted by the project, as opposed to the acreage that is within the project's area of disturbance?

(2) In the last two years, what are the cumulative impacts, in acres, of forest clearing associated with solar energy generation projects with a capacity of 1 MW or greater, and what are the specific impacts on the Highest Priority Landscapes identified by Vermont Conservation Design as well as any impacts on State-Significant natural communities?

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

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

SEN. ANNE E. WATSON
SEN. SCOTT L. BECK
SEN. RUTH E. HARDY

Committee on the part of the Senate

REP. KATHLEEN C. JAMES
REP. BRAM KLEPPNER
REP. LAURA H. SIBILIA

Committee on the part of the House

Thereupon, the question, Shall the Senate accept and adopt the report of the Committee of Conference?, was decided in the affirmative.

Rules Suspended; Action Messaged

On motion of Senator Baruth, the rules were suspended, and the action on the following bills was ordered messaged to the House forthwith:

S. 278. An act relating to cannabis.

H. 639. An act relating to genetic data privacy.

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

H. 957. An act relating to approval of amendments to the charter of the Town of Williston.

Adjournment

On motion of Senator Baruth, the Senate adjourned until four o'clock and thirty minutes in the afternoon.

Called to Order

The Senate was called to order by the President.

Rules Suspended; Proposals of Amendment; Third Reading Ordered; Rules Suspended; Bill Passed in Concurrence with Proposal of Amendment; Rules Suspended; Action Messaged

H. 211.

Pending entry on the Calendar for notice, on motion of Senator Baruth the rules were suspended and House bill entitled:

An act relating to data brokers and personal information.

Was taken up for immediate consideration.

Senator Chittenden, for the Committee on Economic Development, Housing and General Affairs, to which the bill was referred, reported recommending that the Senate propose to the House to amend the bill as follows:

First: In Sec. 1, 9 V.S.A. chapter 62, in subchapter 1, in section 2430, by striking out subdivision (16)(B) in its entirety and inserting in lieu thereof a new subdivision (16)(B) to read as follows:

(B) "Publicly available information" does not include:

(i) biometric data collected by a business about a consumer without the consumer's knowledge;

(ii) any obscene visual depiction, as defined in 18 U.S.C. § 1460;

(iii) genetic data, unless otherwise made publicly available by the consumer to whom the information pertains; or

(iv) intimate images, authentic or computer-generated, known to be nonconsensual.

Second: In Sec. 1, 9 V.S.A. chapter 62, in subchapter 5, in section 2446, in subdivision (a)(4), by striking out subdivision (A) in its entirety and inserting in lieu thereof a new subdivision (A) to read as follows:

(A) the name and primary physical, ~~e-mail, and Internet addresses~~ email, and internet addresses and phone number of the data broker;

Third: In Sec. 1, 9 V.S.A. chapter 62, in subchapter 5, in section 2446, in subdivision (a)(4)(E), by striking out subdivision (ii) in its entirety and inserting in lieu thereof a new subdivision (ii) to read as follows:

(ii) in the past year, has shared consumers' data with or sold consumers' data to:

(I) a foreign actor;

(II) the federal government;

(III) other state or local governments;

(IV) law enforcement, unless the data was shared pursuant to a subpoena or other court order; or

(V) a developer of a GenAI system or model;

Fourth: In Sec. 1, 9 V.S.A. chapter 62, in subchapter 5, in section 2446, in subdivision (a)(4)(I)(i), by striking out "pursuant to subsection (c) of this section" and inserting in lieu thereof "if the data broker permits deletion"

Fifth: In Sec. 1, 9 V.S.A. chapter 62, in subchapter 5, in section 2446, by striking out subsection (c) in its entirety and by relettering the remaining subsections to be alphabetically correct.

Sixth: In Sec. 1, 9 V.S.A. chapter 62, in subchapter 5, in section 2446, by striking out the newly relettered subsection (c) in its entirety and inserting in lieu thereof a new subsection (c) to read as follows:

(c) Consumer rights web page. The Secretary of State shall create and maintain a publicly accessible page on its website that provides consumers with the following:

(1) a downloadable spreadsheet of data brokers that have registered with the State along with the information a data broker provides during registration pursuant to subsection (a) of this section; and

(2) any additional information about the rights consumers have pursuant to this subchapter.

Seventh: In Sec. 1, 9 V.S.A. chapter 62, in subchapter 5, in section 2446, by adding a new subsection to be subsection (e) to read as follows:

(e) Definitions. As used in this subchapter, "consumer" means an individual residing in this State and does not include an individual acting in a commercial or employment context or as an employee, owner, director, officer, or contractor of a company, partnership, sole proprietorship, nonprofit organization, or government agency whose communications or transactions with the data broker occur solely within the context of that individual's role with the company, partnership, sole proprietorship, nonprofit organization, or government agency.

Eighth: By striking out Sec. 3, effective date, in its entirety and inserting in lieu thereof a reader assistance heading and a new Sec. 3 to read as follows:

* * * Cybersecurity Advisory Council * * *

Sec. 3. 20 V.S.A. § 4662 is amended to read:

§ 4662. CYBERSECURITY ADVISORY COUNCIL

(a) Creation. There is created the Cybersecurity Advisory Council to advise on the State's cybersecurity infrastructure, best practices, communications protocols, standards, training, and safeguards.

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

(1) the Chief Information Officer, who shall serve as the Chair or appoint a designee from the Council to serve as the Chair;

(2) the Chief Information Security Officer;

(3) a representative from a distribution or transmission utility, appointed by the Commissioner of Public Service;

(4) a representative from a State municipal water system, appointed by the Secretary of Natural Resources;

(5) a representative from a Vermont hospital, appointed by the President of the Vermont Association of Hospitals and Health Systems;

(6) a person representing a Vermont business related to an essential supply chain, appointed by the Chair of the Vermont Business Roundtable;

(7) the Director of Vermont Emergency Management or designee;

(8) the Governor's Homeland Security Advisor or designee;

(9) the Vermont Adjutant General or designee;

(10) the Attorney General or designee; ~~and~~

(11) the President of Vermont Information Technology Leaders or designee;

(12) the Chair of the House Committee on Energy and Digital Infrastructure;

(13) the Chair of the Senate Committee on Institutions; and

(14) a representative from the Judiciary, appointed by the Chief Justice of the Supreme Court.

* * *

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

Sec. 3a. 2023 Acts and Resolves No. 71, Sec. 4 is amended to read:

Sec. 4. REPEAL

20 V.S.A. chapter 208 (cybersecurity) is repealed on June 30, ~~2028~~ 2033.

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

* * * Educational Technology * * *

Sec. 4. 9 V.S.A. chapter 62 is amended to read:

CHAPTER 62. PROTECTION OF PERSONAL INFORMATION

* * *

Subchapter 3A. Student Privacy

* * *

§ 2443f. ENFORCEMENT

(a) A person who violates a provision of this ~~chapter~~ subchapter commits an unfair and deceptive act in commerce in violation of section 2453 of this title.

(b) The Attorney General has the same authority to adopt rules to implement the provisions of this subchapter and to conduct civil investigations, enter into assurances of discontinuance, and bring civil actions as provided under chapter 63, subchapter 1 of this title.

Subchapter 3B. Educational Technology

§ 2444a. REGISTRATION

(a) Definitions. As used in this section:

(1)(A) "Educational technology product" and "product" mean any software, application, or platform that may collect, process, or transmit student data and that is used for teaching and learning purposes in a school in Vermont.

(B) "Educational technology product" and "product" does not include:

(i) hardware or other physical devices; or

(ii) a product that is being used in a school without the knowledge of the provider.

(2) "Filing" means an initial registration, amendment, periodic report, or other filing with the Secretary of State as the Secretary may require.

(3) "Provider of an educational technology product" and "provider" mean a person that provides an educational technology product that is in use at a school.

(4) "School" means a public school or an independent school approved pursuant to 16 V.S.A. § 166 and includes school districts.

(5) "School district" has the same meaning as in 16 V.S.A. § 11(a).

(b) Mandatory data reporting. In addition to all other requirements of a person registering with the Secretary of State pursuant to State law, a person doing business in this State as a provider of an educational technology product shall, at the time of a filing, provide the following:

(1) the name and primary physical, email, and internet addresses of the person;

(2) a link to the most recent version of the privacy policy and terms and conditions of each product in use in any school;

(3) the name of each school in which the provider is operating pursuant to a paid contract;

(4) the name and a brief description of each product of the provider, or a URL that provides the same information;

(5) which products may be in use in any school; and

(6) an attestation that each product meets:

(A) the standards set forth in subchapter 3A of this chapter (student privacy) and subchapter 6 of this chapter (the Vermont Age-Appropriate Design Code Act); and

(B) all relevant federal and State privacy laws, including the federal Children's Online Privacy Protection Act.

Eleventh: By adding a reader assistance heading and a new section to be Sec. 5 to read as follows:

* * * Effective Dates * * *

Sec. 5. EFFECTIVE DATES

(a) Sec. 1 of this act shall take effect on January 1, 2027.

(b) This section and Secs. 2–4 of this act shall take effect on July 1, 2026.

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

Senator Chittenden, for the Committee on Finance, to which the bill was referred, reported recommending that the bill ought to pass in concurrence with proposals of amendment as recommended by the Committee on Economic Development, Housing and General Affairs.

Senator Brennan, for the Committee on Appropriations, to which the bill was referred, reported recommending that the Senate propose to the House to amend the bill as recommended by the Committee on Economic Development, Housing and General Affairs, with further proposals of amendment as follows:

First: In Sec. 2, study of accessible deletion mechanism; report; appropriation, by striking out subsection (c) in its entirety.

Second: In the eleventh proposal of amendment of the Committee on Economic Development, Housing and General Affairs by striking out Sec. 5, effective dates, in its entirety and inserting in lieu thereof a new Sec. 5 to read as follows:

Sec. 5. EFFECTIVE DATES

(a) Secs. 1 and 4 shall take effect on January 1, 2027.

(b) This section and Secs. 2 and 3 shall take effect on July 1, 2026.

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

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

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

Thereupon, on motion of Senator Baruth, the rules were suspended and the bill was placed in all remaining stages of its passage in concurrence with proposals of amendment.

Thereupon, the bill was read the third time and passed in concurrence with proposals of amendment.

Thereupon, on motion of Senator Baruth, the rules were suspended and action on the bill was ordered messaged to the House forthwith.

Message from the House No. 87

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 considered Senate proposals of amendment to the following House bills:

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

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

H. 915. An act relating to establishing an extended producer responsibility program for beverage containers.

H. 928. An act relating to technical corrections to fish and wildlife statutes.

And has severally concurred therein.

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

S. 328. An act relating to housing and common interest communities.

And has concurred therein.

The Governor has informed the House that on May 28, 2026, he returned without signature and *vetoed* a bill originating in the House of the following title:

H. 727. An act relating to sustainable data center deployment.

Text of Communication from Governor

The text of the communication from His Excellency, the Governor, whereby he vetoed and returned unsigned **House Bill No. H. 727** to the House is as follows:

"May 28, 2026

The Honorable BetsyAnn Wrask
Clerk of the Vermont House of Representatives
State House
Montpelier, VT 05633

Dear Ms. Wrask:

Pursuant to Chapter II, Section 11 of the Vermont Constitution, I'm returning unsigned and without my approval, in the time permitted by the Constitution, H.727, *An act relating to sustainable data center deployment.*

While I share some concerns Vermonters have about data centers, and I'm mindful of the challenges they have created in other states, existing Vermont law already provides substantial regulatory authority to prevent harmful impacts. Vermont's Act 250 process, Public Utility Commission oversight, environmental permitting requirements, energy siting rules, and municipal zoning already provide extensive review and enforcement tools. The last thing Vermont should do is worsen our economic challenges by adding new and unnecessary regulatory systems.

Although the bill is seemingly aimed at data centers, its broader message extends *far* beyond those facilities and into areas Vermont depends on for many of its best jobs. Vermont is actively trying to retain and expand jobs in advanced manufacturing, semiconductor manufacturing, energy and clean technology, and other innovation-driven industries that also require substantial energy and infrastructure.

I understand the potential impacts of data centers, but this bill creates an unacceptable precedent which will have much broader consequences for economic opportunity and long-term competitiveness in Vermont. We cannot afford policies that risk driving current or future jobs and investment to other states, when we already have regulations and policies in place to address our concerns about data centers.

If the Legislature wishes to pass a data center bill, it should start with a bill that more closely resembles the House passed version of H.727, with additional and substantial changes made to prevent unintended economic consequences in other important sectors of Vermont's economy.

Sincerely,

/s/Philip B. Scott
Governor

PBS/kp"

Adjournment

On motion of Senator Baruth, the Senate adjourned until ten o'clock in the morning.