Adjudications that have been expunged shall not appear in the results of any Judicial Bureau database search by name, date of birth, or any other data identifying the defendant. Except as provided in subsection (c) of this section, any documents or other records related to an expunged adjudication that are maintained outside the Judicial Bureau's case management system shall be destroyed.

(3) Upon receiving an inquiry from any person regarding an expunged record, the Judicial Bureau and the municipality shall respond that "NO RECORD EXISTS."

(c) Exception for research entities. Research entities that maintain adjudication records for purposes of collecting, analyzing, and disseminating criminal justice data shall not be subject to the expungement requirements established in this section. Research entities shall abide by the policies established by the Court Administrator and shall not disclose any identifying information from the records they maintain.

(d) Policies for implementation. The Court Administrator shall establish policies for implementing this section.

(e) Application. This section shall apply to municipal violations that occur on and after July 1, 2025.

Sec. 6. 23 V.S.A. § 2303 is amended to read:

§ 2303. EXPUNGEMENT OF VIOLATION RECORDS

* * *

(e) Application. This section shall apply to motor vehicle violations that occur on and after July 1, 2021.

Sec. 7. EFFECTIVE DATE

This act shall take effect on July 1, 2025.

Thereupon, pending the question, Shall the Senate concur in the House proposal of amendment?, on motion of Senator Hashim, the Senate refused to concur in the House proposal of amendment and requested a Committee of Conference.

Adjournment

On motion of Senator Lyons, the Senate adjourned until ten o'clock in the forenoon on Wednesday, May 21, 2025.

WEDNESDAY, MAY 21, 2025

The Senate was called to order by the President.

Devotional Exercises

Devotional exercises were conducted by the Reverend Mark Orten of Middlebury.

Bill Referred to Committee on Finance

H. 479.

House bill of the following title, appearing on the Calendar for notice, and affecting the revenue of the state, under the rule was referred to the Committee on Finance:

An act relating to housing.

Bills Referred to Committee on Appropriations

House bills of the following titles, appearing on the Calendar for notice, and carrying an appropriation or requiring the expenditure of funds, under the rule were severally referred to the Committee on Appropriations:

H. 319. An act relating to miscellaneous environmental subjects.

H. 472. An act relating to professions and occupations regulated by the Office of Professional Regulation.

Proposal of Amendment; Third Reading Ordered

H. 105.

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

An act relating to expanding the Youth Substance Awareness Safety Program.

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

Sec. 1. 7 V.S.A. § 656 is amended to read:

§ 656. PERSON ~~16~~ 12 YEARS OF AGE OR OLDER AND UNDER 21 YEARS OF AGE MISREPRESENTING AGE, PROCURING, POSSESSING, OR CONSUMING ALCOHOLIC BEVERAGES; IMPAIRED DRIVING; POSSESSION OF CANNABIS; CIVIL VIOLATION

(a) Definitions. As used in this section:

(1) "Alcohol" has the same meaning as in 23 V.S.A. § 1200(4).

(2) "Alcohol concentration" has the same meaning as in 23 V.S.A. § 1200(1).

(3) "Cannabis" has the same meaning as in subdivision 831(2) of this title.

(4) "Highway" has the same meaning as in 23 V.S.A. § 4(24).

(5) "Ignition interlock device" has the same meaning as in 23 V.S.A. § 1200(8).

(6) "Ignition interlock restricted driver's license," "ignition interlock RDL" or "RDL," and "ignition interlock certificate" have the same meaning as in 23 V.S.A. § 1200(9).

(7) "Law enforcement officer" has the same meaning as "enforcement officer" as defined in 23 V.S.A. § 4(11)(A).

(8) "License to operate a motor vehicle" has the same meaning as in 23 V.S.A. § 4(48).

(9) "Motor vehicle" or "vehicle" has the same meaning as "motor vehicle" as defined in 23 V.S.A. § 4(21).

(10) "Operate or attempts to operate" has the same meaning as in 23 V.S.A. § 4(24).

(11) "Operator" has the same meaning as in 23 V.S.A. § 4(25) and shall include "junior operator" as defined in 23 V.S.A. § 4(16).

(12) "Person" has the same meaning as in 23 V.S.A. § 4(27).

(13) "Privilege to operate" has the same meaning as in 23 V.S.A. § 4(58).

(14) "Suspension" or "suspension of the person's operator's license" has the same meaning as "suspension of license" as defined in 23 V.S.A. § 4(50).

(b) Prohibited conduct; ~~offense~~ offenses.

(1) Prohibited conduct. A person ~~16~~ 12 years of age or older and under 21 years of age shall not:

(A) Falsely represent the person's age for the purpose of procuring or attempting to procure malt or vinous beverages, ready-to-drink spirits beverages, spirits, or fortified wines from any licensee, State liquor agency, or other person or persons.

(B) Possess malt or vinous beverages, ready-to-drink spirits beverages, spirits, or fortified wines for the purpose of consumption by the person or other minors, except in the regular performance of duties as an employee of a licensee licensed to sell alcoholic liquor.

(C) Knowingly and unlawfully possess one ounce or less of cannabis or five grams or less of hashish or two mature cannabis plants or fewer or four immature cannabis plants or fewer.

(D) Consume malt or vinous beverages, ready-to-drink spirits beverages, spirits, or fortified wines. A violation of this subdivision may be prosecuted in a jurisdiction where the ~~minor~~ person has consumed malt or vinous beverages, ready-to-drink spirits beverages, spirits, or fortified wines or in a jurisdiction where the indicators of consumption are observed.

(E) Operate, attempt to operate, or be in actual physical control on a highway of a vehicle when the person's blood alcohol concentration is 0.02 or more.

(2) ~~Offense~~ Procurement, possession, or consumption penalties. A person who knowingly violates ~~subdivision~~ any of subdivisions (1)(A)–(D) of this subsection commits a civil violation and shall be referred to the Court Diversion Program for the purpose of enrollment in the Youth Substance Awareness Safety Program. A person who fails to complete the program successfully commits a civil violation under the jurisdiction of the Judicial Bureau and shall be subject to the following:

(A) a civil penalty of $300.00 and suspension of the person's operator's license and privilege to operate a motor vehicle for a period of 30 days, for a first offense; and

(B) a civil penalty of not more than $600.00 and suspension of the person's operator's license and privilege to operate a motor vehicle for a period of 90 days, for a second or subsequent offense.

(3) Impaired driver penalties.

(A) A person who violates subdivision (1)(E) of this subsection (b) commits a civil violation, shall be referred to the Court Diversion Program for the purpose of enrollment in the Youth Substance Awareness Safety Program, and shall serve a suspension of the person's operator's license and privilege to operate a motor vehicle in accordance with subdivision (B) of this subdivision (b)(3). A person who fails to complete the Program successfully commits a civil violation under the jurisdiction of the Judicial Bureau and shall be subject to the following:

(i) For a first offense, a civil penalty of $300.00 and suspension of the person's operator's license and privilege to operate a motor vehicle for a period of 180 days and compliance with the requirements of 23 V.S.A. § 1209a(a)(1).

(ii) For a second or subsequent offense, a civil penalty of $600.00 and suspension of the person's operator's license for a period of one year or until the person reaches 21 years of age, whichever is longer, and compliance with the requirements of 23 V.S.A. § 1209a(a)(2).

(iii) A person who violates subdivision (1)(E) of this subsection (b) may also be subject to recall of the person's provisional license under 23 V.S.A. § 607a.

(iv) If a law enforcement officer has reasonable grounds to believe that a person is violating subdivision (1)(E) of this subsection (b), the officer may request the person to submit to a breath test using a preliminary screening device approved by the Commissioner of Public Safety. A refusal to submit to the breath test shall be considered a violation of subdivision (1)(E) of this subsection (b). Notwithstanding any provisions to the contrary in 23 V.S.A. §§ 1202 and 1203:

(I) the results of the test shall be admissible evidence in a proceeding under this section; and

(II) there shall be no statutory right to counsel prior to the administration of the test.

(v) In a proceeding under this section, if there was at any time within two hours after operating, attempting to operate, or being in actual physical control of a vehicle on a highway a blood alcohol concentration of 0.02 or more, it shall be a rebuttable presumption that the person's blood alcohol concentration was 0.02 or more at the time of operating, attempting to operate, or being in actual physical control.

(vi) No points shall be assessed for a violation of subdivision (1)(E) of this subsection (b).

(vii) The Alcohol and Driving Program required under this section shall be administered by the Department of Health's Division of Substance Use Programs and shall take into consideration any particular treatment needs of operators under 21 years of age.

(viii) An alleged violation of this section shall not bar prosecution for any crime, including a prosecution under 23 V.S.A. § 1201.

(ix) Suspensions imposed under this subdivision (3)(A) or any comparable statute of any other jurisdiction shall run concurrently with

suspensions imposed under 23 V.S.A. §§ 1205, 1206, and 1208 or any comparable statutes of any other jurisdiction or with any suspension resulting from a conviction for a violation of 23 V.S.A. § 1091 from the same incident.

(B)(i) For a first offense, a person shall serve suspension of the person's operator's license and privilege to operate a motor vehicle for a period of 90 days and shall be automatically reinstated after the 90-day period.

(ii) For a second or subsequent offense, a person shall serve a suspension of the person's operator's license and privilege to operate a motor vehicle for a period 145 days and shall be automatically reinstated after the 145-day period.

(iii) The Commissioner of Motor Vehicles shall issue a notice of reinstatement to the person serving a suspension under this subdivision (b)(3)(B) upon successful completion of the suspension.

(iv) If a person fails to complete the Youth Substance Awareness Safety Program, the person shall receive credit for any elapsed period of a suspension served pursuant to this subdivision (b)(3)(B) against any suspension imposed pursuant to subdivision (A) of this subdivision (b)(3).

(C) During a suspension issued pursuant to subdivision (A) or (B) of this subdivision (3), a person may operate a motor vehicle if issued an ignition interlock restricted driver's license or certificate in accordance with 23 V.S.A. § 1213.

(i) A person subject to penalties under subdivision (A)(i) of this subdivision (b)(3) and who elects to operate a motor vehicle with an ignition interlock RDL or certificate shall be reinstated only if the person operates with an ignition interlock RDL or certificate for a period of 180 days, in addition to any extension of this period arising from a violation of 23 V.S.A. § 1213.

(ii) A person subject to penalties under subdivision (A)(i) of this subdivision (b)(3) and who elects to operate a motor vehicle with an ignition interlock RDL or certificate shall be reinstated only if the person operates with an ignition interlock RDL or certificate for a period of one year or until the person reaches 21 years of age, whichever is longer, in addition to any extension of this period arising from a violation of 23 V.S.A. § 1213.

~~(b)~~(c) Issuance of notice of violation. A law enforcement officer shall issue a person who violates this section a notice of violation, in a form approved by the Court Administrator. A person shall not be cited for more than one violation of subsection (b) of this section arising out of the same incident. The notice of violation shall require the person to provide the person's name and address, shall indicate the presence of any substances that

constitute a violation of subsection (b) of this section, and shall explain procedures under this section, including that:

(1) the person shall contact the Diversion Program in the county where the offense occurred within 15 days;

(2) failure to contact the Diversion Program within 15 days will result in the case being referred to the Judicial Bureau, where the person, if found liable for the violation, will be subject to a civil penalty and a suspension of the person's operator's license and may face substantially increased insurance rates;

(3) no money should be submitted to pay any penalty until after adjudication; and

(4) the person shall notify the Diversion Program if the person's address changes.

(d) Issuance of Notice of Suspension.

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

(A) the effective date of the suspension;

(B) the suspension's duration;

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

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

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

(2) A suspension issued pursuant to subdivision (b)(3)(B) of this section shall become effective on the 11th day after the person receives notice in accordance with this subsection.

(3) A copy of the notice of suspension shall be sent to the Commissioner of Motor Vehicles.

~~(c)~~(e) Summons and complaint. When a person is issued a notice of violation under this section, the law enforcement officer shall complete a summons and complaint for the offense and send it to the Diversion Program

in the county where the offense occurred. The summons and complaint shall not be filed with the Judicial Bureau at that time.

~~(d)~~(f) Registration in Youth Substance Abuse Safety Program. Within 15 days after receiving a notice of violation, the person shall contact the Diversion Program in the county where the offense occurred and register for the Youth Substance Abuse Safety Program. If the person fails to do so, the Diversion Program shall file the summons and complaint with the Judicial Bureau for adjudication under 4 V.S.A. chapter 29. The Diversion Program shall provide a copy of the summons and complaint to the law enforcement officer who issued the notice of violation and shall provide two copies to the person ~~charged with~~ subject to the violation.

~~(e)~~(g) Notice to report to Diversion. Upon receipt from a law enforcement officer of a summons and complaint completed under this section, the Diversion Program shall send the person a notice to report to the Diversion Program. The notice to report shall provide that:

(1) The person is required to complete all conditions related to the offense imposed by the Diversion Program, including substance abuse screening and, if deemed appropriate following the screening, substance abuse assessment or substance abuse counseling, or both.

(2) If the person does not satisfactorily complete the substance abuse screening, any required substance abuse assessment or substance abuse counseling, or any other condition related to the offense imposed by the Diversion Program, the case will be referred to the Judicial Bureau, where the person, if found liable for the violation, shall be assessed a civil penalty, the person's driver's license will be suspended, and the person's automobile insurance rates may increase substantially.

(3) If the person satisfactorily completes the substance abuse screening, any required substance abuse assessment or substance abuse counseling, and any other condition related to the offense imposed by the Diversion Program, no penalty shall be imposed and the person's operator's license shall not be suspended.

~~(f)~~(h) Diversion Program requirements.

(1) Upon being contacted by a person who has been issued a notice of violation, the Diversion Program shall register the person in the Youth Substance Abuse Safety Program. Pursuant to the Youth Substance Abuse Safety Program, the Diversion Program shall impose conditions on the person. The conditions imposed shall include only conditions related to the offense and in every case shall include a condition requiring satisfactory completion of substance abuse screening using an evidence-based tool and, if deemed

appropriate following the screening, substance abuse assessment and substance abuse education or substance abuse counseling, or both. If the screener recommends substance abuse counseling, the person shall choose a State-certified or State-licensed substance abuse counselor or substance abuse treatment provider to provide the services.

(2) Substance abuse screening required under this subsection shall be completed within 60 days after the Diversion Program receives a summons and complaint. The person shall complete all conditions at the person's own expense.

(3) When a person has satisfactorily completed substance abuse screening, any required substance abuse education or substance abuse counseling, and any other condition related to the offense that the Diversion Program has imposed, the Diversion Program shall:

(A) Void the summons and complaint with no penalty due.

(B) Send copies of the voided summons and complaint to the Judicial Bureau and to the law enforcement officer who completed them. Before sending copies of the voided summons and complaint to the Judicial Bureau under this subdivision, the Diversion Program shall redact all language containing the person's name, address, Social Security number, and any other information that identifies the person.

(4) If a person does not satisfactorily complete substance abuse screening, any required substance abuse education or substance abuse counseling, or any other condition related to the offense imposed by the Diversion Program, the Diversion Program shall file the summons and complaint with the Judicial Bureau for adjudication under 4 V.S.A. chapter 29. The Diversion Program shall provide a copy of the summons and complaint to the law enforcement officer who issued the notice of violation and shall provide two copies to the person charged with the violation.

(5) A person aggrieved by a decision of the Diversion Program or alcohol counselor may seek review of that decision pursuant to Rule 75 of the Vermont Rules of Civil Procedure.

(6) Notwithstanding ~~3 V.S.A. §§ 163(a)(2)(C) and 164 (a)(2)(C)~~ any law to the contrary, the adult or juvenile diversion programs shall accept cases from the Youth Substance Awareness Safety Program pursuant to this section. The confidentiality provisions of 3 V.S.A. § 163 or 164 shall become effective when a notice of violation is issued pursuant to subsection ~~(b)~~(c) of this section and shall remain in effect unless the person fails to register with or complete the Youth Substance Awareness Safety Program.

~~(g) [Repealed.]~~

~~(h)~~(i) Record of adjudications; confidentiality; public records exemption.

(1) Upon adjudicating a person in violation of this section, the Judicial Bureau shall notify the Commissioner of Motor Vehicles, who shall maintain a record of all such adjudications that shall be separate from the registry maintained by the Department for motor vehicle driving records. The identity of a person in the registry shall be revealed only to the following:

(A) a law enforcement officer determining whether the person has previously violated this section; or

(B) an insurance company or its third-party contractor only for the purposes of recording a license suspension issued pursuant to subdivision (b)(3) of this section.

(2) Except as provided in this subsection:

(A) All information related to a suspension issued pursuant to subdivision (b)(3) of this section shall be held strictly confidential and not released without the participant's prior consent.

(B) Any records or information produced or acquired pursuant to a suspension issued pursuant to subdivision (b)(3) of this section shall be exempt from public inspection or copying under Vermont's Public Records Act.

(j) Reporting. Annually, beginning on October 1, 2026, the Office of the Attorney General, and other entities as needed, shall submit a written report to the House and Senate Committees on Judiciary related to impaired driver violations under this section, containing the following, if available:

(1) the number of persons referred to the Youth Substance Awareness Safety Program;

(2) the ages of the persons referred to the Program;

(3) the number of persons who successfully complete the Program;

(4) the number of persons who fail the Program; and

(5) the number of persons who serve suspensions imposed by the Judicial Bureau after failing the Program.

Sec. 2. IMPAIRED DRIVING; OUTCOME MEASURES; REPORT

For the first report submitted pursuant to 7 V.S.A. § 656(j), the Office of the Attorney General, in collaboration with the Vermont Statistical Analysis Center and others as needed, shall propose outcome measures to assess the effectiveness of any suspensions imposed for impaired driver violations and the Youth Substance Awareness Safety Program as a whole.

Sec. 3. 23 V.S.A. § 1209a(a) is amended to read:

(a) Conditions of reinstatement. No license or privilege to operate suspended or revoked under this subchapter~~, except a license or privilege to operate suspended under section 1216 of this title,~~ shall be reinstated except as follows:

* * *

Sec. 4. REPEALS

(a) 7 V.S.A. § 657a (person under 16 years of age misrepresenting age or procuring or possessing alcoholic beverages; delinquency) is repealed.

(b) 18 V.S.A. § 4230b (cannabis possession by a person 16 years of age or older and under 21 years of age; civil violation) is repealed.

(c) 18 V.S.A. § 4230j (cannabis possession by a person under 16 years of age; delinquency) is repealed.

(d) 23 V.S.A. § 1216 (persons under 21 years of age; alcohol concentration of 0.02 or more) is repealed.

Sec. 5. EFFECTIVE DATE

This act shall take effect on July 1, 2025.

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

Thereupon, the bill was read the second time by title only pursuant to Rule 43, and pending the question, Shall the Senate propose to the House that the bill be amended as recommended by the Committee on Judiciary?, Senator Hashim moved to amend the proposal of amendment of the Committee on Judiciary as follows:

First: In Sec. 1, 7 V.S.A. § 656, in subdivision (a)(4), by striking out "4(24)" and inserting in lieu thereof "1200(7)"

Second: In Sec. 1, 7 V.S.A. § 656, in subdivision (b)(3)(A), by striking out "shall serve a suspension of" and inserting in lieu thereof "the Commissioner of Motor Vehicles shall suspend"

Third: In Sec. 1, 7 V.S.A. § 656, in subsection (d), by striking out subdivision (1) in its entirety and inserting in lieu thereof a new subdivision (1) to read as follows:

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

(A) the effective date of the suspension;

(B) the suspension's duration;

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

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

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

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

Fourth: In Sec. 1, 7 V.S.A. § 656, in subsection (h), by striking out subdivision (5) in its entirety and inserting in lieu thereof a new subdivision (5) to read as follows:

(5)(A) A person aggrieved by a decision of the Diversion Program or alcohol counselor may seek review of that decision pursuant to Rule 75 of the Vermont Rules of Civil Procedure.

(B) Prior to the filing of the complaint with the Judicial Bureau in accordance with this section, a person aggrieved by a suspension imposed under subdivision (b)(3)(B) of this section may seek review of that imposition pursuant to Rule 75 of the Vermont Rules of Civil Procedure.

Which was agreed to.

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

House Proposal of Amendment Concurred In

S. 125.

House proposal of amendment to Senate bill entitled:

An act relating to workers' compensation and collective bargaining rights.

Was taken up.

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

Sec. 1. [Deleted.]

Sec. 2. [Deleted.]

Sec. 3. [Deleted.]

Sec. 4. [Deleted.]

* * * Labor Relations * * *

Sec. 5. 3 V.S.A. § 1011 is amended to read:

§ 1011. DEFINITIONS

As used in this chapter:

* * *

(8) "Employee," means any individual employed and compensated on a permanent or limited status basis by the Judiciary Department, including permanent part-time employees and any individual whose employment has ceased as a consequence of, or in connection with, any current labor dispute or because of an unfair labor practice. "Employee" does not include any of the following:

(A) a Justice, judge, assistant judge, magistrate, or hearing officer;

(B) the Court Administrator;

(C) a managerial~~, supervisory,~~ or confidential employee;

(D) a law clerk, attorney, or administrative assistant or private secretary to a judge, Justice, or Court Administrator;

(E) an individual employed on a temporary, contractual, seasonal, or on-call basis, including an intern;

(F) an employee during the initial or extended probationary period;

(G) the head of a department or division;

(H) [Repealed.]

(I) an attorney for the Supreme Court, for the Court Administrator, or for any board or commission created by the Supreme Court;

(J) an employee paid by the State who is appointed part-time as county clerk pursuant to 4 V.S.A. § 651 or 691;

(K) an employee who, after hearing by the Board upon petition of any individual, the employer, or a collective bargaining unit, is determined to be in a position that is sufficiently inconsistent with the spirit and intent of this chapter to warrant exclusion.

* * *

Sec. 5a. 3 V.S.A. § 941 is amended to read:

§ 941. UNIT DETERMINATION, CERTIFICATION, AND REPRESENTATION

* * *

(c)(1) A petition may be filed with the Board, in accordance with procedures prescribed by the Board by an employee or group of employees, or any individual or employee organization purporting to act on their behalf, alleging by filing a petition or petitions bearing signatures of not less than 30 percent of the employees that they wish to form a bargaining unit and be represented for collective bargaining~~, or that the individual or employee organization currently certified as the bargaining agent is no longer supported by at least 51 percent of the employees in the bargaining unit,~~ or that they are now included in an approved bargaining unit and wish to form a separate bargaining unit under Board criteria for purposes of collective bargaining. The employee, group of employees, individual, or employee organization that files the petition, shall, at the same time that the petition is filed with the Board, provide a copy of the petition to the employer and, if appropriate, the current bargaining agent.

(2) A petition may be filed with the Board, in accordance with procedures prescribed by the Board, by an employee or group of employees, or any individual or employee organization purporting to act on their behalf, alleging by filing a petition or petitions bearing signatures of not less than 50 percent plus one of the employees that the individual or employee organization currently certified as the bargaining agent is no longer supported by a majority of the employees in the bargaining unit. The employee, group of employees, individual, or employee organization that files the petition shall, at the same time that the petition is filed with the Board, provide a copy of the petition to the employer and, if appropriate, the current bargaining agent.

(A)(i) An employer shall, not more than seven business days after receiving a copy of the petition, file any objections to the appropriateness of the proposed bargaining unit and raise any other unit determination issues with the Board and provide a copy of the filing to the employee, group of employees, individual, or employee organization that filed the petition.

* * *

(d) The Board, a Board member, or a person or persons designated by the Board shall investigate the petition and do one of the following:

(1) Determine that the petition has made a sufficient showing of interest pursuant to ~~subdivision~~ subdivisions (c)(1) and (2) of this section.

* * *

Sec. 5b. [Deleted.]

Sec. 5c. 3 V.S.A. § 1021 is amended to read:

§ 1021. UNIT DETERMINATION; CERTIFICATION

(a) The Board shall determine issues of unit determination, certification, decertification, and representation in accordance with this chapter and the provisions of section 941 of this title. The Board shall decide the appropriate unit for collective bargaining in each case and the employees to be included in that unit to assure the employees the fullest freedom in exercising the rights guaranteed by this chapter.

* * *

Sec. 5d. 16 V.S.A. § 1992 is amended to read:

§ 1992. REFERENDUM PROCEDURE FOR REPRESENTATION

* * *

(b) Certification of a negotiating unit as exclusive representative shall be valid and not subject to challenge by referendum petition or otherwise for the remainder of the fiscal year in which the certification occurs and for an additional period of 12 months after final adoption of the budget for the succeeding fiscal year and shall continue thereafter until a new referendum is called for. An organization or group of teachers or administrators, or any person purporting to act on their behalf, shall submit a petition bearing signatures of not less than 50 percent plus one of the individuals currently in the bargaining unit alleging that the current exclusive representative of the teachers or administrators is no longer supported by a majority of the teachers or administrators employed by that school board. A copy of the petition shall be provided to the current bargaining agent at the same time as the petition is submitted to the school board.

* * *

Sec. 5e. 21 V.S.A. §§ 1581 and 1584 are amended to read:

§ 1581. PETITIONS FOR ELECTION; FILING, INVESTIGATIONS, HEARINGS, DETERMINATIONS

(a) A petition may be filed with the Board, in accordance with rules adopted by the Board:

(1) ~~By~~ by an employee or group of employees, or any individual or labor organization acting in their behalf, alleging that not less than 30 percent of the employees~~:~~

~~(A)~~ wish to be represented for collective bargaining and that their employer declines to recognize their representative as the representative defined in section 1583 of this title; ~~or~~

(2)~~(B)~~ by an employee or group of employees, or any individual or labor organization acting on their behalf, alleging that not less than 50 percent plus one of the employees assert that the individual or labor organization that has been certified, or is being currently recognized by their employer as the bargaining representative, is no longer a representative as defined in section 1583 of this title~~.~~; or

~~(2)~~(3) ~~By~~ by an employer, alleging that one or more individuals or labor organizations have presented to him or her a claim to be recognized as the representative defined in section 1583 of this title.

* * *

§ 1584. PETITIONS AND ELECTION TO RESCIND REPRESENTATIVE'S AUTHORITY

(a) When ~~30~~ 50 percent plus one or more of the employees in a bargaining unit covered by an agreement between their employer and a labor organization requiring membership in a labor organization as a condition of employment file a petition alleging that they desire that the authority of the labor organization to make such an agreement be rescinded, the Board shall take a secret ballot of the employees in such unit and certify the results thereof, in writing, to the labor organization and to the employer.

(b) No election shall be conducted under this section in a bargaining unit or a subdivision within which in the preceding 12 months a valid election or certification of a representative pursuant to this subchapter has occurred.

Sec. 5f. 21 V.S.A. § 1724 is amended to read:

§ 1724. CERTIFICATION PROCEDURE

(a)(1) A petition may be filed with the Board, in accordance with rules adopted by the Board:

(A) By an employee or group of employees, or any individual or employee organization purporting to act on their behalf, alleging that not less than 30 percent of the employees wish to form a bargaining unit and be represented for collective bargaining~~, or assert that the individual or employee organization currently certified as bargaining agent is no longer supported by at least 51 percent of the employees in the bargaining unit,~~ or that not less than 51 percent of the employees now included in an approved bargaining unit wish to form a separate bargaining unit under Board criteria for purposes of collective bargaining. The employee, group of employees, individual, or

employee organization that files the petition shall, at the same time that the petition is filed with the Board, provide a copy of the petition to the employer and, if appropriate, the current bargaining agent.

(B) By the employer alleging that the presently certified bargaining unit is no longer appropriate under Board criteria. The employer shall provide a copy of the petition to the current bargaining agent at the same time that the petition is filed with the Board.

(C) By an employee or group of employees, or any individual or employee organization purporting to act on their behalf, alleging that a majority of the employees in the bargaining unit no longer support the individual or employee organization currently certified as the bargaining agent. The petition shall bear signatures of not less than 50 percent plus one of the employees in the presently certified bargaining unit. The employee, group of employees, individual, or employee organization that files the petition shall, at the same time that the petition is filed with the Board, provide a copy of the petition to the employer and, if appropriate, the current bargaining agent.

(2)(A)(i) An employer shall, not more than seven business days after receiving a copy of the petition, file any objections to the appropriateness of the proposed bargaining unit and raise any other unit determination issues with the Board and provide a copy of the filing to the employee, group of employees, individual, or employee organization that filed the petition.

(ii) A hearing shall be held before the Board pursuant to subdivision (d)(1)(B) of this section in the event the employer challenges the appropriateness of the proposed bargaining unit, provided that a hearing shall not be held if the parties stipulate to the composition of the appropriate bargaining unit and resolve any unit determination issues before the hearing.

(iii) The Board may endeavor to informally mediate any dispute regarding the appropriateness of the proposed bargaining unit prior to the hearing.

(B)(i) Within five business days after receiving a copy of the petition, the employer shall file with the Board and the employee or group of employees, or the individual or employee organization purporting to act on their behalf, a list of the names and job titles of the employees in the proposed bargaining unit. To the extent possible, the list of employees shall be in alphabetical order by last name and provided in electronic format.

(ii) An employee or group of employees, or any person purporting to act on their behalf, that is seeking to demonstrate that the current bargaining agent is no longer supported by ~~at least 51 percent~~ a majority of the employees in the bargaining unit shall not be entitled to obtain a list of the employees in

the bargaining unit from the employer pursuant to this subdivision (a)(2)(B), but may obtain a list pursuant to subdivision (e)(3) of this section after the Board has investigated its petition and determined that a secret ballot election shall be conducted.

(iii) The list shall be kept confidential and shall be exempt from copying and inspection under the Public Records Act.

* * *

(b) The Board, a Board member, or a person or persons designated by the Board shall investigate the petition and do one of the following:

(1) Determine that the petition has made a sufficient showing of interest pursuant to ~~subdivision~~ subdivisions (a)(1)(A) and (C) of this section.

(2)(A) If it finds reasonable cause to believe that a question of unit determination or representation exists, the Board shall schedule a hearing to be held before the Board not more than ~~ten~~ 10 business days after the petition was filed with the Board.

* * *

(e)(1) Except as otherwise provided pursuant to subsection (h) of this section, in determining the representation of municipal employees in a collective bargaining unit, the Board shall conduct an election by secret ballot of the employees and certify the results to the interested parties and to the employer. The election shall be held not more than 23 business days after the petition is filed with the Board except as otherwise provided pursuant to subdivision (4) of this subsection.

(2) The original ballot shall permit a vote against representation by anyone named on the ballot. No representative will be certified with less than a ~~51 percent affirmative vote~~ majority of all votes cast. If it is asserted that the certified bargaining agent is no longer supported by at least ~~51~~ 50 percent plus one of the employees in the bargaining unit and there is no attempt to seek the election of another employee organization or individual as bargaining representative, there shall be at least ~~51 percent negative vote~~ a majority of all votes cast to decertify the existing bargaining agent.

* * *

Sec. 5g. 21 V.S.A. § 1635 is amended to read:

§ 1635. ELECTION; BARGAINING UNIT

(a) ~~Petitions~~ Certification and decertification petitions and elections shall be conducted pursuant to the procedures provided in 3 V.S.A. §§ 941 and 942, except that only one bargaining unit shall exist for independent direct support

providers, and the exclusive representative shall be the exclusive representative for the purpose of grievances.

* * *

Sec. 5h. 33 V.S.A. § 3607 is amended to read:

§ 3607. PETITIONS FOR ELECTION; FILING; INVESTIGATIONS; HEARINGS; DETERMINATIONS

(a) A petition may be filed with the Board in accordance with rules prescribed by the Board:

(1) By an early care and education provider or group of providers or any individual or labor organization acting on the providers' behalf:

(A) ~~alleging~~ Alleging that not less than 30 percent of the providers in the petitioned bargaining unit wish to be represented for collective bargaining and that the State declines to recognize their representative as the representative defined in this chapter~~; or~~.

(B) ~~asserting~~ Asserting that the labor organization that has been certified as the bargaining representative no longer represents a majority of early care and education providers. The petition alleging that the labor organization is no longer supported by a majority of the providers shall bear signatures of not less than 50 percent plus one of the providers in the bargaining unit.

(2) By the State alleging that one or more individuals or labor organizations have presented a claim to be recognized as the exclusive representative defined in this chapter.

* * *

* * * Effective Date * * *

Sec. 6. EFFECTIVE DATE

This act shall take effect on July 1, 2025.

and that after passage the title of the bill be amended to read: "An act relating to collective bargaining"

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

Bill Passed in Concurrence with Proposal of Amendment

H. 238.

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

An act relating to the phaseout of consumer products containing added perfluoroalkyl and polyfluoroalkyl substances.

Bill Passed in Concurrence

H. 504.

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

An act relating to approval of amendments to the charter of the City of Rutland.

Proposal of Amendment; Third Reading Ordered

H. 106.

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

An act relating to selling real property within a FEMA mapped flood hazard area.

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

Sec. 1. INTENT

It is the intent of the General Assembly to ensure that a buyer of real property is on notice regarding the flood risks associated with the purchase of the real property.

Sec. 2. 27 V.S.A. § 380 is amended to read:

§ 380. DISCLOSURE OF INFORMATION; CONVEYANCE OF REAL ESTATE

(a) Prior to or as part of a contract for the conveyance of real property, the seller shall provide the buyer with the following information:

(1) ~~whether the real property is located in a Federal Emergency Management Agency mapped special flood hazard area;~~ [Repealed.]

(2) ~~whether the real property is located in a Federal Emergency Management Agency mapped moderate flood hazard area;~~ [Repealed.]

(3) a physical or electronic copy or a digital link of the official flood insurance rate map, as published by the Federal Emergency Management Agency, or notice that a flood insurance rate map is unavailable effective for the community in which the real property is located;

(4) whether the real property was subject to flooding or flood damage while the seller possessed the property, including flood damage from inundation or from flood-related erosion or landslide damage; and

~~(4)~~(5) whether the seller maintains or is required by federal or State law to maintain flood insurance on the real property.

(b) The failure of the seller to provide the buyer with the information required under subsection (a) of this section is grounds for the buyer to terminate the contract prior to transfer of title or occupancy, whichever occurs earlier.

(c) ~~A buyer~~ If a seller of real estate ~~who~~ fails to ~~receive~~ provide the information required to be disclosed by a seller under subsection (a) of this section, a buyer may bring an action to recover from the seller the amount of the buyer's damages and reasonable attorney's fees. The buyer may also seek punitive damages when the seller knowingly failed to provide the required information.

(d) A seller shall not be liable for damages under this section for any error, inaccuracy, or omission of any information required to be disclosed to the buyer under subsection (a) of this section when the error, inaccuracy, or omission was based on information provided by a public body or by another person with a professional license or special knowledge who provided a written report that the seller reasonably believed to be correct and that was provided by the seller to the buyer.

(e) Noncompliance with the requirements of this section shall not affect the marketability of title of a real property.

Sec. 3. EFFECTIVE DATE

This act shall take effect on September 1, 2025.

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

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

Joint Resolution Adopted in Concurrence

J.R.H. 5.

Joint House resolution entitled:

Joint resolution authorizing limited remote joint committee voting through the remainder of calendar year 2025.

Having been placed on the Calendar for action, was taken up and adopted in concurrence.

Adjournment

On motion of Senator Baruth, the Senate adjourned until ten o'clock in the forenoon on Thursday, May 22, 2025.

THURSDAY, MAY 22, 2025

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. 66

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. 126. An act relating to health care payment and delivery system reform.

And has passed the same in concurrence with proposal of amendment in the adoption of which the concurrence of the Senate is requested.

Message from the House No. 67

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 bills originating in the Senate of the following titles:

S. 53. An act relating to certification of community-based perinatal doulas and Medicaid coverage for doula services.

S. 109. An act relating to miscellaneous judiciary procedures.

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

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

H. 401. An act relating to exemptions for food manufacturing establishments.

And has concurred therein.

The Governor has informed the House that on May 20, 2025, he approved and signed a bill originating in the House of the following title:

H. 27. An act relating to the Domestic Violence Fatality Review Commission.

Message from the Governor

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

Mr. President:

I am directed by the Governor to inform the Senate that on the twenty-first day of May, 2025 he approved and signed bills originating in the Senate of the following titles:

S. 44. An act relating to authorization to enter into certain immigration agreements.

S. 56. An act relating to creating an Office of New Americans.

Bills Referred to Committee on Appropriations

House bills of the following titles, appearing on the Calendar for notice, and carrying an appropriation or requiring the expenditure of funds, under the rule were severally referred to the Committee on Appropriations:

H. 231. An act relating to technical corrections to fish and wildlife statutes.

H. 397. An act relating to miscellaneous amendments to the statutes governing emergency management and flood response.

H. 479. An act relating to housing.

Bill Recommitted; Committee Relieved of Further Consideration; Rules Suspended; Immediate Consideration

H. 454.

House bill entitled:

An act relating to transforming Vermont’s education governance, quality, and finance systems.

Was taken up.

Thereupon, pending the reading of the report of the Committee on Education, on motion of Senator Baruth, the bill was recommitted to the Committee on Education.

Thereupon, on motion of Senator Baruth, the Committee on Education was relieved of the bill and the rules were suspended, and the bill was taken up for immediate consideration.

Thereupon, pursuant to Rule 36, at the request of the President *pro tempore*, consideration was postponed until later in the day.

Bills Passed in Concurrence with Proposal of Amendment

House bills of the following titles were read the third time and passed in concurrence with proposal of amendment:

H. 105. An act relating to expanding the Youth Substance Awareness Safety Program.

H. 106. An act relating to selling real property within a FEMA mapped flood hazard area.

Proposal of Amendment; Third Reading Ordered

H. 91.

Senator Lyons, for the Committee on Health and Welfare, to which was referred House bill entitled:

An act relating to the Vermont Homeless Emergency Assistance and Responsive Transition to Housing Program.

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

* * * Findings and Legislative Intent * * *

Sec. 1. FINDINGS

The General Assembly finds that:

(1) according to the U.S. Department of Housing and Urban Development's 2024 Annual Homelessness Assessment Report, Vermont had the fourth highest rate of homelessness in 2024 in that 53 of every 10,000 Vermonters are experiencing homelessness, with only Hawaii, New York, and Oregon experiencing higher rates;

(2) in 2023, according to the same Annual Homelessness Assessment Report, 51 of every 10,000 Vermonters were experiencing homelessness;

(3) according to the Vermont 2024 Point-in-Time Count, there were approximately 3,458 unhoused individuals in Vermont, which represents a 300 percent increase over the 1,110 unhoused individuals prior to the COVID-19 pandemic in 2020;

(4) of the 3,458 unhoused individuals in Vermont identified by the Vermont 2024 Point-in-Time Count, 166 experienced unsheltered homelessness, which is the highest count of unsheltered homeless individuals in Vermont within the past decade;

(5) according to the Vermont 2024 Point-in-Time Count, over 35 percent of those Vermonters experiencing homelessness were unhoused for more than one year and over 72 percent were unhoused for more than 90 days;

(6) according to the Vermont 2024 Point-in-Time Count, 737 of those Vermonters experiencing homelessness were children and youth under 18 years of age and 646 were 55 years of age or older;

(7) according to the Vermont 2024 Point-in-Time Count, Black Vermonters are 5.6 times more likely to be unhoused as compared to white Vermonters;

(8) the 2024 Vermont Housing Needs Assessment notes that 36,000 primary homes are needed in Vermont between 2025–2029, 3,295 of which are needed to address homelessness;

(9) the 2024 Vermont Housing Needs Assessment notes that "[h]alf of all Vermont renters are cost-burdened, and one-in-four pay more than 50 [percent] of their income on housing costs, putting them at high risk of eviction," which "is heightened by Vermont's rental vacancy rate of 3 [percent], which is well below the 5 [percent] rate of a healthy market"; and

(10) since 2020, the Vermont Housing and Conservation Board has constructed 170 new single-family homeownership units and 269 new shelter beds.

Sec. 2. LEGISLATIVE INTENT

(a) It is the intent of the General Assembly that unsheltered homelessness be eliminated and that homelessness in Vermont be rare, brief, and nonrecurring.

(b) It is the intent of the General Assembly that the Vermont Homeless Emergency Assistance and Responsive Transition to Housing Program established in 33 V.S.A. chapter 22 is a step toward ensuring that:

(1) homelessness be reduced in Vermont and interim shelter opportunities be available to provide a stable pathway to permanent housing

for all Vermonters experiencing homelessness, including safe shelter options for individuals living in unsheltered homelessness;

(2) Vermont increase the supply of emergency shelter as well as permanent supportive housing that meets the specific needs of individuals;

(3) community components of all shelter types are integrated in a systemic manner;

(4) time limits, night-by-night shelter, relocation between interim shelter sites, and other disruptions in housing stability be eliminated to the extent possible;

(5) Vermont's emergency housing statutes, rules, policies, procedures, and practices be modeled on Housing First principles where appropriate;

(6) noncongregate shelter be used to the extent possible; and

(7) Vermont reduce reliance on the inefficient use of hotel and motel rooms to shelter participating households and expand the use of emergency shelters throughout the State for this purpose.

(c) It is the intent of the General Assembly that the Vermont Homeless Emergency Assistance and Responsive Transition to Housing Program established in 33 V.S.A. chapter 22 replaces the provision of emergency housing through the General Assistance Program established in 33 V.S.A. chapter 21 beginning in fiscal year 2027 and the Housing Opportunity Grant Program beginning in fiscal year 2028.

* * * Vermont Homeless Emergency Assistance and Responsive Transition to Housing Program; Effective July 1, 2025 * * *

Sec. 3. 33 V.S.A. chapter 22 is added to read:

CHAPTER 22. VERMONT HOMELESS EMERGENCY ASSISTANCE AND RESPONSIVE TRANSITION TO HOUSING PROGRAM

§ 2201. SHORT TITLE

The Program established in this chapter may be cited as "VHEARTH" or the "VHEARTH Program."

§ 2202. PURPOSE

It is the purpose of the General Assembly to:

(1) replace the provision of emergency housing through the General Assistance Program established in chapter 21 of this title and use funds and resources previously attributed to this program, and any other identified State and federal monies, to fund the Vermont Homeless Emergency Assistance and Responsive Transition to Housing Program established in this chapter;

(2) reduce reliance on the inefficient use of hotel and motel rooms to shelter participating households and expand the use of emergency shelters throughout the State for this purpose; and

(3) assist in maintaining housing for households at-risk of homelessness and transition households experiencing homelessness to permanent housing.

§ 2203. DEFINITIONS

As used in this chapter:

(1) "At-risk of homelessness" means precariously housed without sufficient income, resources, or support to prevent homelessness.

(2) "Community action agency" means an agency designated pursuant to 3 V.S.A. chapter 59.

(3) "Community-based shelter" means a shelter that meets the Department's standards for the operation of shelters.

(4) "Department" means the Department for Children and Families.

(5) "Extreme weather event" means extreme hot or cold temperatures or weather events, such as hurricanes, flooding, or blizzards, that create hazardous conditions for outdoor habitation by humans.

(6) "Homeless" means:

(A) lacking a fixed, regular, and adequate nighttime residence;

(B) facing imminent loss of primary nighttime residence;

(C) fleeing or attempting to flee domestic violence; or

(D) otherwise defined as homeless under federal law.

(7) "Household" means an individual and any dependents for whom the individual is legally responsible who are domiciled in Vermont as evidenced by an intent to dwell in Vermont and to return to Vermont if temporarily absent, coupled with an act or acts consistent with that intent. "Household" includes individuals who reside together as one economic unit, including those who are married, parties to a civil union, or unmarried.

(8) "Unsheltered homelessness" means sleeping in a location not designed for or ordinarily used as a regular sleeping accommodation.

§ 2204. REGIONAL ADVISORY COUNCILS

(a) Each community action agency shall convene a regional advisory council whose membership reflects, to the extent possible, the growing diversity among Vermonters, including individuals who are Black, Indigenous, and Persons of Color, as well as with regards to socioeconomic status,

geographic location, gender, sexual identity, and disability status. Members of an advisory council shall include organizations providing services in the region, the Department, and representatives of the Agency and each department of the Agency, as needed. A regional advisory council may collaborate with individuals with lived experience of homelessness, community partners, State partners, housing providers, local housing coalitions, statewide homelessness organizations, providers of coordinated entry, continuums of care, faith-based organizations, and municipalities in the region served by the community action agency.

(b) Each regional advisory council shall provide advice and recommendations to the community action agency in its region regarding the design and implementation of the Program. The work of each regional advisory council shall be informed by regional planning commissions' housing targets.

(c) Each regional advisory council shall meet on at least a quarterly basis.

(d) The regional advisory councils shall have the legal and technical support of the Department.

* * * Vermont Homeless Emergency Assistance and Responsive Transition to Housing Program; Effective July 1, 2026 * * *

Sec. 4. 33 V.S.A. chapter 22 is amended to read:

CHAPTER 22. VERMONT HOMELESS EMERGENCY ASSISTANCE AND RESPONSIVE TRANSITION TO HOUSING PROGRAM

* * *

§ 2203. DEFINITIONS

As used in this chapter:

* * *

(2) "Community action agency" means an agency designated pursuant to 3 V.S.A. chapter 59 or the entity or entities otherwise authorized by the Department pursuant to section 2205 of this chapter to fulfill the duties of a community action agency under this chapter.

* * *

§ 2204. ESTABLISHMENT; VERMONT HOMELESS EMERGENCY ASSISTANCE AND RESPONSIVE TRANSITION TO HOUSING PROGRAM

The Vermont Homeless Emergency Assistance and Responsive Transition to Housing Program is established in the Department to provide services to

households that are homeless or at risk of becoming homeless, to the extent funds exist.

(1) The Department shall select and enter into an agreement with a statewide organization that has population-specific service experience to provide or cause to be provided supportive services and shelter to those households that are experiencing or that have experienced domestic or sexual violence.

(2) All other participating households shall be served by or through a community action agency responsible for a geographically distinct region of the State. Community action agencies participating in the Program shall provide or cause to be provided supportive services, extreme weather event shelter, and emergency shelter.

§ 2205. AUTHORIZATION PROCESS; REAUTHORIZATION REVIEW

(a) The Department shall select and enter into an agreement with a statewide organization to provide or cause to be provided supportive services and shelter to those households that are experiencing or that have experienced domestic or sexual violence. The Department shall conduct regular reviews of the statewide organization to ensure compliance with this chapter. The statewide organization may be subject to corrective actions by the Department if, within the constraint of appropriated resources, it no longer meets the requirements of this chapter or has failed to adequately meet the needs of households that are experiencing or that have experienced domestic or sexual violence. If the statewide organization cannot fulfill its responsibilities under this chapter, the Department shall work with another entity to ensure that there is not a gap in services.

(b)(1) The Department shall authorize a community action agency to serve or cause to be served households that are homeless or at risk of becoming homeless in a geographically distinct region of the State if it meets the criteria in this section. If a community action agency cannot fulfill its responsibilities under this chapter, the Department shall work with other community action agencies or other appropriate community entities to ensure that there is not a gap in services in a community action agency's region.

(2) A community action agency providing or causing to provide services in accordance with this chapter shall have:

(A) existing or planned infrastructure to support households in the region, including an established leadership team, a human resources staff, and the ability to receive grant funding and issue subgrants;

(B) the ability to meet the Department's reporting requirements, including having a past history of reporting compliance;

(C) the capacity to perform the core services required pursuant to section 2206 of this chapter;

(D) the capacity to seek and accept charitable contributions, grants, and services of volunteers, including money, clothing, and furniture;

(E) any outcome measures established in this chapter;

(F) community connections with other providers in the region, including local housing coalitions, housing providers, providers of coordinated entry, continuums of care, faith-based organizations, and providers of services to individuals who are older Vermonters; individuals who have disabilities, a substance use disorder, or a mental health condition; individuals reentering the community after incarceration; individuals transitioning from the care and custody of the Commissioner for Children and Families; and families with children; and

(G) the ability to provide plain language communications to households receiving services.

(3) Not less than every three years, the Department shall conduct a reauthorization review of each community action agency providing or causing to provide services pursuant to this chapter. An organization may be subject to corrective actions by the Department if, within the constraint of appropriated resources, it no longer meets the requirements in subdivision (2) of this subsection or has failed to adequately meet the needs of households in its region that are homeless or at risk of homelessness. Lack of compliance may result in the Department deciding not to reauthorize the community action agency. The Department may review progress of any previously required corrective actions and may review community action agency performance between reauthorization reviews.

§ 2206. VHEARTH CORE SERVICES

(a) The Department shall enter into an agreement with a statewide organization with population-specific experience serving households that are experiencing or that have experienced domestic or sexual violence. The organization shall provide or cause to be provided various shelter and case management services that support households.

(b) Each community action agency shall offer or cause to be offered, in collaboration with community partners, each of the following services within its region:

(1) supportive services, including:

(A) intake assessments and services for diversion from homelessness, which shall include regional intake shelters;

(B) household needs assessments;

(C) individualized household plans to address identified needs;

(D) housing navigation and retention services;

(E) assistance obtaining and retaining housing, including financial assistance;

(F) landlord-tenant outreach, education, and conflict resolution;

(G) navigation to other services and supports as identified in the household's housing plan, including economic benefits, peer-supported services, job training and employment services, services related to disability and independent living, and referral to health care assistance such as treatment for mental health conditions and substance use disorder as provided by the designated and specialized services agencies and preferred providers, respectively;

(H) advocacy; and

(I) progress monitoring and interventions; and

(2) the operation of extreme weather event shelters, which may include time-limited congregate accommodations and may be provided through agreements with municipalities or other entities, utilizing available data and considering geographic access to prioritize funding for this purpose; and

(3) the operation of emergency shelters in a manner that builds upon the federally required community planning process and prioritizes households in need of the services of an emergency shelter, which may include community-based shelters, temporary use of hotels or motels, lease agreements for full or partial use of an existing building, need-specific shelter arrangements, master grant leases, the development of shelter capacity, or other arrangements or combinations of arrangements that comply with the intent of this chapter.

§ 2207. USE OF HOTEL AND MOTEL ROOMS

(a) It is the intent of the General Assembly to decrease reliance on hotel and motel rooms for emergency housing. Annually, as shelter capacity increases in each region of the State, the use of hotel and motel rooms for emergency housing in that region shall decrease. Annually, as part of the Department's budget presentation, the Department shall set goals for increased housing capacity, including shelter beds, permanent supportive housing, and permanent affordable housing, in addition to proposed corresponding decreases in the use of hotel and motel rooms. The Department shall provide data pertaining to the percentage of increased shelter capacity from the previous fiscal year in each region and how that increase impacts the

corresponding hotel and motel room usage for emergency housing in each region pursuant to this subsection for the purpose of informing regional planning and expectations.

(b) If hotels and motels are used to provide emergency shelter pursuant to this chapter, the hotel and motel operators shall comply with Program rules and the following rules:

(1) Department of Health, Licensed Lodging Establishment Rule (CVR 13-140-023); and

(2) Department of Public Safety, Vermont Fire and Building Safety Code (CVR 28-070-001).

(c) Annually, the Department shall propose hotel and motel rates as part of its budget presentation for approval by the General Assembly. A community action agency shall not pay or cause to be paid with State monies a per room, per night basis that exceeds the rate approved by the General Assembly.

(d) If a hotel or motel is being utilized, a community action agency:

(1) shall enter into agreements for the use of blocks of hotel and motel rooms and negotiate the conditions of use for those blocks, including access for providers of case management or other supportive services;

(2) shall prioritize the use of hotel and motel room agreements over individual per room, per night hotel or motel room use, unless it is not appropriate to a household's needs; and

(3) may use strategic placements to the extent certain populations are not isolated from the wider community served through the Program.

§ 2208. VHEARTH; DUTIES OF THE DEPARTMENT

(a) The Department and the Agency of Human Services shall have statewide responsibility for meeting the intent of this chapter, including statewide planning, system development, proposing adequate funding, and the involvement of all the Agency's departments.

(b) For the purpose of providing administrative oversight and monitoring of the Program established in this chapter, the Department shall:

(1)(A) maintain guidance regarding when extreme weather event shelters shall be operated, including flexibility for regional weather conditions; and

(B) maintain a website with the locations of all extreme weather event shelters;

(2) include as part of any review of a community action agency required pursuant to 3 V.S.A. chapter 59 the community action agency's ability to perform the requirements of this chapter;

(3)(A) consult with the community action agencies and the statewide organization serving households that are experiencing or that have experienced domestic or sexual violence to develop appropriate resource allocations and methods for adjustment that take into account available data, the presence of community-based providers, and customary resource allocation methods, economic indicators, rate of homelessness, rental vacancy rates, and other variables, as appropriate; and

(B) annually, distribute funding to each community action agency and the statewide organization serving households that are experiencing or that have experienced domestic or sexual violence using the allocation formula developed pursuant to subdivision (A) of this subdivision (b)(3), or if the Department and community action agencies agree, disperse a joint allocation for all community action agencies, which the community action agencies shall determine how to distribute amongst themselves;

(4) provide support and technical assistance to the community action agencies, other community partners, and the statewide organization serving households that are experiencing or that have experienced domestic or sexual violence;

(5) identify specific administrative resources that could be transitioned to community operations;

(6) develop and maintain standards for the core services listed in section 2206 of this chapter, including the operation of community-based shelters; and

(7) adopt rules pursuant to 3 V.S.A. chapter 25, in consultation with the community action agencies and the statewide organization serving households that are experiencing or that have experienced domestic or sexual violence, as appropriate, for the implementation of this chapter, including accommodations for individuals with a disability.

§ 2209. REGIONAL PLANNING; NEEDS ASSESSMENTS

(a) As part of the plan required every three years pursuant to 3 V.S.A. § 3904 and the federally required planning and needs assessments for the continuums of care, the community action agencies shall develop a regional needs assessment and planning process, in collaboration with community and State partners, for use in each community action agency's region to inform future plans addressing housing and homelessness in each region of the State. The regional needs assessment and planning process plans shall include:

(1) addressing progress in reducing the number of households experiencing homelessness in a region;

(2) assessing the rate households placed in permanent housing return to homelessness and the underlying reasons;

(3) identifying resources developed and utilized in the region to address homelessness and efforts to improve the equitable distribution of these resources in the region;

(4) reporting the rate of household participation with coordinated entry processes and case management services;

(5) identifying system gaps and the funding needed to address those gaps, including periodic inflationary adjustments; and

(6) utilizing data, including Vermont's Point-in-Time Count, coordinated entry assessment results, and community conversations.

(b) Every three years, each community action agency shall submit plans developed pursuant to this section to the Department in a format prescribed by the Department. Upon receipt of the plans, the Department shall consolidate the results of these reports and submit the consolidated report to the House Committee on Human Services and to the Senate Committee on Health and Welfare.

§ 2210. REPORTING REQUIREMENTS

On or before the last day of every third month, the Department shall submit a report, in consultation with the community action agencies and the statewide organization serving households experiencing domestic or sexual violence, to the House Committee on Human Services, the Senate Committee on Health and Welfare, and the Joint Fiscal Committee addressing:

(1) the number of households served through the Program, by household size and, if applicable, by eligibility category, region, service provider, and type of service;

(2) the number of household members employed on a part-time and full-time basis and the number of household members receiving Supplemental Security Income or Social Security disability insurance;

(3) changes in capacity for shelter beds, nursing homes, and residential care homes since the previous reporting period;

(4) the number of diversions made during the previous reporting period;

(5) the number of households whose intake assessment indicated a potential need for services from each department within the Agency;

(6) the number of households that have been successfully transitioned to permanent housing since the previous reporting period, the types of housing settings in which they have been placed, and any supportive services they are receiving in conjunction with their housing;

(7) the number of households that may be transitioned to permanent housing in the coming months;

(8) any State rules and local regulations and ordinances that are impeding the timely development of safe, decent, affordable housing in Vermont communities in order to:

(A) identify areas in which flexibility or discretion are available; and

(B) advise whether the temporary suspension of relevant State rules and local regulations and ordinances, or the adoption or amendment of State rules, would facilitate faster and less costly revitalization of existing housing and construction of new housing units; and

(9) an inventory of all subgrants issued by the statewide organization serving households experiencing or who have experienced domestic or sexual violence and by each community action agency.

§ ~~2204~~ 2211. REGIONAL ADVISORY COUNCILS

(a) Each community action agency shall convene a regional advisory council whose membership reflects, to the extent possible, the growing diversity among Vermonters, including individuals who are Black, Indigenous, and Persons of Color, as well as with regards to socioeconomic status, geographic location, gender, sexual identity, and disability status. Members of an advisory council shall include organizations providing services in the region, the Department, and representatives of the Agency and each department of the Agency, as needed. A regional advisory council may collaborate with individuals with lived experience of homelessness, community partners, State partners, housing providers, local housing coalitions, statewide homelessness organizations, providers of coordinated entry, continuums of care, faith-based organizations, and municipalities in the region served by the community action agency.

* * *

* * * Vermont Homeless Emergency Assistance and Responsive Transition to Housing Program; Effective July 1, 2027 * * *

Sec. 5. 33 V.S.A. § 2202 is amended to read:

§ 2202. PURPOSE

It is the purpose of the General Assembly to:

(1) replace the provision of emergency housing through the General Assistance Program established in chapter 21 of this title and the Housing Opportunity Grant Program and use funds and resources previously attributed to those programs, and any other identified State and federal monies, to fund the Vermont Homeless Emergency Assistance and Responsive Transition to Housing Program established in this chapter; and

(2) reduce reliance on the use of hotel and motel rooms to shelter participating households and expand the use of emergency shelters throughout the State for this purpose.

* * * Implementation Planning and Initial Regional Assessments * * *

Sec. 6. VHEARTH IMPLEMENTATION PLANNING

(a) On or before October 1, 2025, the Department for Children and Families, in collaboration with the community action agencies, and the statewide organization serving households that are experiencing or that have experienced domestic or sexual violence, shall submit the first of two written implementation plans to the House Committee on Human Services, the Senate Committee on Health and Welfare, and the Joint Fiscal Committee outlining its initial plans for the implementation of the Vermont Homeless Emergency Assistance and Responsive Transition to Housing Program established by 33 V.S.A. chapter 22 on or before July 1, 2026. Specifically, the first implementation plan shall include:

(1) a process that community action agencies, in coordination with the Department, shall use to conduct regularly occurring regional needs assessments and develop future regional plans, including consideration of municipal needs;

(2) recommended performance measures to evaluate the community action agencies and the statewide organization serving households that are experiencing or that have experienced domestic or sexual violence in carrying out their duties under 33 V.S.A. chapter 22, including:

(A) the provision of any previously agreed upon information to enable the Department to evaluate the services provided through grant funds, the effect on households receiving services, and an accounting of expended grant funds; and

(B) performance measures that may be specific to an individual region of the State or provider;

(3) recommended eligibility for each of the services offered through 33 V.S.A. chapter 22;

(4) guidance regarding when extreme weather event shelters shall be operated, including flexibility for regional weather conditions;

(5) a timeline for the implementation of core services listed in 33 V.S.A. § 2206 for the first six months of fiscal year 2027;

(6) recommended intake and assessment processes to determine appropriate shelter and services for households based on Program eligibility; and

(7) a recommended process to enable an unwilling community action agency to opt-out of participation in the Program in a manner that gives the State adequate notice.

(b) On or before January 15, 2026, the Department for Children and Families, in collaboration with the community action agencies, regional advisory councils established pursuant to 33 V.S.A. § 2204, and the statewide organization serving households that are experiencing or that have experienced domestic or sexual violence, shall submit the second of two written implementation plans to the House Committee on Human Services and the Senate Committee on Health and Welfare outlining its initial plans for the implementation of the Vermont Homeless Emergency Assistance and Responsive Transition to Housing Program established by 33 V.S.A. chapter 22 on or before July 1, 2026. Specifically, the second implementation plan shall include recommendations on the following:

(1) funding allocations among the community action agencies and other providers, including for services specific to households that are experiencing or that have experienced domestic or sexual violence;

(2) additional State and federal funding and other resources identified for the Program;

(3) establishing an appeals process that includes a hearing before the Human Services Board and an option for an expedited appeals process;

(4) the role of 211 within the intake system;

(5) whether access to all or some services should include an expectation regarding household participation in case management services or other expectations such as night limits on the use of hotels and motels, and, if so, what elements and in what circumstances participation in case management services or other expectations should be applied;

(6) whether the use of emergency shelter should include financial participation, and, if so, what that participation should include;

(7) whether intake and assessment processes should include verification of residency, homelessness, and household income;

(8) how to best ensure that there is equitable access to shelter and supportive services for households experiencing homelessness;

(9) the number of housing vouchers that Vermont lost in the past year, if the data is available; and

(10) any anticipated challenges requiring a legislative solution.

Sec. 7. INTERIM AND FINAL NEEDS ASSESSMENT PLANS

Prior to the enactment of the Vermont Homeless Emergency Assistance and Responsive Transition to Housing Program on July 1, 2026, the statewide organization serving households experiencing or that have experienced domestic or sexual violence and community action agencies shall conduct initial needs assessments in accordance with the process developed in Sec. 6(a)(1) of this act. On or before January 15, 2026, the community action agencies shall submit one comprehensive progress report and the statewide organization shall submit a separate report to the House Committees on Appropriations and on Human Services and the Senate Committees on Appropriations and on Health and Welfare, including estimated fiscal year 2027 budget proposals, estimated costs of administering the Program, and an analysis of any barriers to generating additional shelter and permanent housing in the region. On or before April 1, 2026, the statewide organization shall submit a report and the community action agencies shall submit a separate comprehensive report detailing the results of each region's needs assessment and implementation plans, which shall not exceed the budgetary proposals provided in the January 15, 2026 progress report, to the House Committees on Appropriations and on Human Services and the Senate Committees on Appropriations and on Health and Welfare. The initial needs assessment conducted pursuant to this section shall include:

(1) addressing progress in reducing the number of households experiencing homelessness in a region;

(2) assessing the rate households placed in permanent housing return to homelessness and the underlying reasons;

(3) identifying resources developed and utilized in the region to address homelessness and efforts to improve the equitable distribution of these resources in the region;

(4) reporting the rate of household participation with coordinated entry processes and case management services;

(5) identifying system gaps and the funding needed to address those gaps, including periodic inflationary adjustments; and

(6) utilizing data, including Vermont's Point-in-Time Count, coordinated entry assessment results, and community conversations.

Sec. 8. ACCELERATED IMPLEMENTATION PATHWAY

On or before November 1, 2025, the Department for Children and Families shall submit for consideration a detailed written plan, including a timeline, to accelerate implementation of the Vermont Homeless Emergency Assistance and Responsive Transition to Housing Program as part of the fiscal year 2026 budget adjustment process to the Joint Fiscal Committee, to the House Committees on Appropriations and on Human Services, and to the Senate Committees on Appropriations and on Health and Welfare. The plan shall address the readiness of community providers to implement the Program prior to July 1, 2026, fiscal estimates for the remainder of fiscal year 2026, and an assessment as to whether the Program is anticipated to be operable on or before July 1, 2026.

* * * Community Action Agencies * * *

Sec. 9. 3 V.S.A. chapter 59 is amended to read:

CHAPTER 59. COMMUNITY ~~SERVICES~~ ACTION AGENCIES

§ 3901. FINDINGS AND PURPOSE

(a) Recognizing that the economic well-being and social equity of every Vermonter has long been a fundamental concern of the State, it remains evident that ~~poverty continues to be the lot of~~ a substantial number of Vermont's population continues to experience poverty. It is the policy of ~~this~~ the State to help develop the full potential of each of its citizens so they can contribute to the fullest extent possible to the life of our communities and the State as a whole.

(b) It is the purpose of this chapter to strengthen, supplement, and coordinate efforts that further this policy through:

(1) the strengthening of community capabilities for planning, coordinating, and managing federal, State, and other sources of assistance related to the problem of poverty;

(2) the better organization and utilization of a range of services related to the needs of ~~the poor~~ individuals with low income; and

(3) the broadening of the resource base of programs to secure a more active role in assisting ~~the poor~~ individuals with low income from business, labor, and other groups from the private sector.

§ 3902. OFFICE OF ECONOMIC OPPORTUNITY

(a) The Director of the Office of Economic Opportunity is hereby authorized to allocate available financial assistance for community ~~services~~ action agencies and programs in accordance with State and federal law and regulation.

(b) The Director may provide financial assistance to community ~~services~~ action agencies for the planning, conduct, administration, and evaluation of community ~~service~~ action programs to provide a range of services and activities having a measurable and potentially major impact on causes of poverty in the community or in areas of the community where poverty is a particularly acute problem. Components of those services and activities may involve, without limitation of other activities and supporting facilities designed to assist ~~low income~~ participants with low income:

(1) to secure and retain meaningful employment;

(2) to obtain adequate education;

(3) to make better use of available income;

(4) to ~~provide and maintain adequate housing and a suitable living environment~~ have access to safe, secure, permanent housing;

(5) to obtain prevention, intervention, treatment, and recovery services for ~~the prevention of narcotics addiction, alcoholism, and for the rehabilitation of narcotic addicts and alcoholics~~ individuals with substance use disorder;

(6) to obtain emergency assistance through loans and grants to meet immediate and urgent individual and family needs, including the need for health services, nutritious food, housing, and unemployment-related assistance;

(7) to remove obstacles and solve personal and family problems ~~which~~ that block achievement of self-sufficiency;

(8) to achieve greater participation in the affairs of the community;

(9) to make more frequent and effective use of other programs related to the purposes of this chapter; and

(10) to coordinate and establish linkages between governmental and other social service programs to ~~assure~~ ensure the effective delivery of such services to ~~low-income~~ persons~~;~~ with low income and to encourage the use of entities in the private sector of the community in efforts to ameliorate poverty in the community.

(c) The Director is authorized to adopt rules pursuant to chapter 25 of this title appropriate to the carrying out of this chapter and the purposes thereof.

§ 3903. DESIGNATION OF AGENCIES TO PROVIDE SERVICES AND ACTIVITIES TO AMELIORATE OR ELIMINATE POVERTY

The Director shall designate private nonprofit ~~community based~~ community-based organizations ~~who~~ that have demonstrated or ~~who~~ that can demonstrate the ability to provide services and activities as defined in subsection 3902(b) of this title as community ~~services~~ action agencies.

§ 3904. COMMUNITY ~~SERVICES~~ ACTION AGENCY PLAN

Each designated community ~~services~~ action agency shall determine the need for activities and services within the area served by the agency and shall thereafter prepare a community services plan ~~which~~ that describes the method by which the agency will provide those services. The plan shall include a schedule for the anticipated provision of new or additional services and shall specify the resources ~~which~~ that are needed by and available to the agency to implement the plan. The community services plan shall be completed every three years and updated annually. The plan shall include the regional needs assessment required under 33 V.S.A. § 2209.

§ 3905. COMMUNITY ~~SERVICES~~ ACTION AGENCIES; ADMINISTRATION

(a) Each community ~~services~~ action agency shall administer its programs as set out in the community services plan and as approved by its board of directors.

(b) Each board of a nonprofit ~~community based~~ community-based organization that is designated a community ~~services~~ action agency under section 3903 of this chapter shall have an executive committee of not more than seven members who shall be representative of the composition of the board and the board shall be so constituted that:

* * *

(2) one-third of the members of the board are persons chosen in accordance with election procedures adequate to ~~assure~~ ensure that they are representative of ~~the poor~~ individuals with low income in the area served; and

(3) the remainder of the members of the board are officials or members of business, industry, labor, religious, welfare, education, or other major groups and interests in the community.

(c) Each member of ~~the~~ a board selected to represent a specific geographic area within a community shall reside in the area ~~he or she~~ the member represents. ~~No person selected under subdivisions (2) or (3) of subsection (b) as a member of a board shall serve on such board for more than five~~

~~consecutive years, or more than a total of 10 years~~ Each board shall adopt term limits to govern its members.

* * * Appropriations * * *

Sec. 10. APPROPRIATION; TRANSITION PLANNING

In fiscal year 2026, $10,000,000.00 of one-time funding is appropriated from the General Fund as follows:

(1) $5,085,000.00 to the Department for Children and Families to plan for the implementation of the Vermont Homeless Emergency Assistance and Responsive Transition to Housing Program as needed, which may be distributed to entities such as the community action agencies;

(2) $400,000.00 to the Department for Children and Families for distribution to the statewide organization serving households experiencing or who have experienced domestic or sexual violence;

(3) $515,000.00 to the Department of Health for distribution to Bridges to Health for services to individuals who are experiencing homelessness or at risk of becoming homeless;

(4) $1,000,000.00 to the Department for Children and Families for the distribution of grants to municipalities planning and implementing services for households that are at risk of homelessness or experiencing homelessness, in collaboration with the community action agency serving a municipality's region; and

(5) $3,000,000.00 to the Department for Children and Families to enhance capacity for the creation and expansion of emergency shelters and permanent supportive housing capacity, a subset of which shall be distributed to the Vermont Housing and Conservation Board for infrastructure investments and administered in consultation with the Department to ensure new investments are paired with appropriate support services.

Sec. 11. FUTURE APPROPRIATIONS; LEGISLATIVE INTENT

It is the intent of the General Assembly that:

(1) in fiscal year 2027 and thereafter, funds and resources previously appropriated for General Assistance emergency housing be redesignated for the Vermont Homeless Emergency Assistance and Responsive Transition to Housing Program pursuant to 33 V.S.A. chapter 22; and

(2) in fiscal year 2028 and thereafter, funds and resources previously appropriated for the Housing Opportunity Grant program be redesignated for the Vermont Homeless Emergency Assistance and Responsive Transition to Housing Program pursuant to 33 V.S.A. chapter 22.

Sec. 12. TRANSITION; HOUSING OPPORTUNITY GRANT PROGRAM

As part of its fiscal year 2028 budget presentation, the Department for Children and Families shall present a plan for transitioning Housing Opportunity Grant Program funding and duties to the Vermont Homeless Emergency Assistance and Responsive Transition to Housing Program established in 33 V.S.A. chapter 22.

* * * Effective Dates * * *

Sec. 13. EFFECTIVE DATES

This act shall take effect on July 1, 2025, except that:

(1) Secs. 4 (Vermont Homeless Emergency Assistance and Responsive Transition to Housing Program) and 9 (community action agencies) shall take effect on July 1, 2026;

(2) Sec. 5 (Vermont Homeless Emergency Assistance and Responsive Transition to Housing Program) shall take effect on July 1, 2027; and

(3) the Department for Children and Families shall commence the rulemaking process prior July 1, 2026 in order to have rules in place on that date.

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

The President *pro tempore* Assumes the Chair

The President Resumes the Chair

Senator Lyons, for the Committee on Appropriations, to which the bill was referred, reported recommending that the bill ought to pass in concurrence with proposal of amendment as recommended by the Committee on Health and Welfare.

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

Collamore, Douglass, Hart, Heffernan, Ingalls, Mattos, Norris, Weeks, Westman, Williams.

Thereupon, third reading of the bill was ordered.

Adjournment

On motion of Senator Baruth the Senate adjourned until four o'clock in the afternoon.

Called to Order

The Senate was called to order by the President.

Message from the House No. 68

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 joint resolution originating in the Senate of the following title:

J.R.S. 27. Joint resolution relating to weekend adjournment on May 23, 2025.

And has adopted the same in concurrence.

The House has considered the report of the Committee of Conference upon the disagreeing votes of the two Houses on House bill of the following title:

H. 488. An act relating to the fiscal year 2026 Transportation Program and miscellaneous changes to laws related to transportation.

And has adopted the same on its part.

The House has considered a bill originating in the Senate of the following title:

S. 59. An act relating to amendments to Vermont’s Open Meeting Law.

And has passed the same in concurrence with proposal of amendment in the adoption of which the concurrence of the Senate is requested.

The Governor has informed the House that on May 21, 2025, he approved and signed bills originating in the House of the following titles:

H. 398. An act relating to the Vermont Economic Development Authority.

H. 493. An act relating to making appropriations for the support of the government.

The Governor has informed the House that on May 22, 2025, he approved and signed bills originating in the House of the following titles:

H. 41. An act relating to abuse of the dead body of a person.

H. 98. An act relating to confirmatory adoptions and standby guardianships.

H. 461. An act relating to expanding employee access to unpaid leave.

H. 494. An act relating to capital construction and State bonding.

Rules Suspended; Immediate Consideration; House Proposal of Amendment Not Concurred In; Committee of Conference Requested; Committee of Conference Appointed; Rules Suspended; Bill Messaged

S. 126.

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

An act relating to health care payment and delivery system reform.

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:

* * * Purpose of the Act; Goals * * *

Sec. 1. PURPOSE; GOALS

The purpose of this act is to achieve transformation of and structural changes to Vermont's health care system. In enacting this legislation, the General Assembly intends to advance the following goals:

(1) improvements in health outcomes, population health, quality of care, regional access to services, and reducing disparities in access resulting from demographic factors or health status;

(2) an integrated system of care, with robust care coordination and increased investments in primary care, home health care, and long-term care;

(3) stabilizing health care providers, controlling the costs of commercial health insurance, and managing hospital costs based on the total cost of care, beginning with reference-based pricing;

(4) evaluating progress in achieving system transformation and structural changes by creating and applying standardized accountability metrics; and

(5) establishing a health care system that will attract and retain high-quality health care professionals to practice in Vermont and that supports, develops, and preserves the dignity of Vermont's health care workforce.

* * * Hospital Budgets and Payment Reform * * *

Sec. 2. 18 V.S.A. § 9375 is amended to read:

§ 9375. DUTIES

(a) The Board shall execute its duties consistent with the principles expressed in section 9371 of this title.

(b) The Board shall have the following duties:

(1) Oversee the development and implementation, and evaluate the effectiveness, of health care payment and delivery system reforms designed to control the rate of growth in health care costs; promote seamless care, administration, and service delivery; and maintain health care quality in Vermont, including ensuring that the payment reform pilot projects set forth in this chapter are consistent with such reforms.

(A) Implement by rule, pursuant to 3 V.S.A. chapter 25, methodologies for achieving payment reform and containing costs that may include the participation of Medicare and Medicaid, which may include the creation of health care professional cost-containment targets, reference-based pricing, global payments, bundled payments, global budgets, risk-adjusted capitated payments, or other uniform payment methods and amounts for integrated delivery systems, health care professionals, or other provider arrangements.

* * *

(5) Set rates for health care professionals pursuant to section 9376 of this title, to be implemented over time beginning with reference-based pricing as soon as practicable, but not later than hospital fiscal year 2027, and make adjustments to the rules on reimbursement methodologies as needed.

(6) Approve, modify, or disapprove requests for health insurance rates pursuant to 8 V.S.A. § 4062, taking into consideration the requirements in the underlying statutes~~,~~; changes in health care delivery~~,~~; changes in payment methods and amounts, including implementation of reference-based pricing; protecting insurer solvency~~,~~; and other issues at the discretion of the Board.

(7) Review and establish hospital budgets pursuant to chapter 221, subchapter 7 of this title.

* * *

Sec. 3. 18 V.S.A. § 9376 is amended to read:

§ 9376. PAYMENT AMOUNTS; METHODS

(a) Intent. It is the intent of the General Assembly to ensure payments to health care professionals that are consistent with efficiency, economy, and quality of care and will permit them to provide, on a solvent basis, effective and efficient health services that are in the public interest. It is also the intent of the General Assembly to eliminate the shift of costs between the payers of health services to ensure that the amount paid to health care professionals is sufficient to enlist enough providers to ensure that health services are available to all Vermonters and are distributed equitably.

(b) Rate-setting.

(1) The Board shall set reasonable rates for health care professionals, health care provider bargaining groups created pursuant to section 9409 of this title, manufacturers of prescribed products, medical supply companies, and other companies providing health services or health supplies based on methodologies pursuant to section 9375 of this title, in order to have a consistent reimbursement amount accepted by these persons. In its discretion, the Board may implement rate-setting for different groups of health care professionals over time and need not set rates for all types of health care professionals. In establishing rates, the Board may consider legitimate differences in costs among health care professionals, such as the cost of providing a specific necessary service or services that may not be available elsewhere in the State, and the need for health care professionals in particular areas of the State, particularly in underserved geographic or practice shortage areas.

(2) Nothing in this subsection shall be construed to:

(A) limit the ability of a health care professional to accept less than the rate established in subdivision (1) of this subsection (b) from a patient without health insurance or other coverage for the service or services received; or

(B) reduce or limit the covered services offered by Medicare or Medicaid.

(c) Methodologies. The Board shall approve payment methodologies that encourage cost-containment; provision of high-quality, evidence-based health services in an integrated setting; patient self-management; access to primary care health services ~~for underserved individuals, populations, and areas~~; and healthy lifestyles. Such methodologies shall be consistent with payment reform and with evidence-based practices, and may include fee-for-service payments if the Board determines such payments to be appropriate.

(d) Supervision. To the extent required to avoid federal antitrust violations and in furtherance of the policy identified in subsection (a) of this section, the Board shall facilitate and supervise the participation of health care professionals and health care provider bargaining groups in the process described in subsection (b) of this section.

(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 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.

(2)(A) Reference-based prices established pursuant to this subsection (e) shall be based on a percentage of the Medicare reimbursement for the same or a similar item or service or on another benchmark, as appropriate, provided that if the Board establishes prices that are referenced to Medicare, the Board may opt to update the prices in the future based on a reasonable rate of growth that is separate from Medicare rates, such as the Medicare Economic Index measure of inflation, in order to provide predictability and consistency for health care professionals and payers and to protect against federal funding pressures that may impact Medicare rates in an unpredictable manner. The Board may also reference to, and update based on, other payment or pricing systems where appropriate.

(B) In establishing reference-based prices for a hospital pursuant to this subsection (e), the Board shall consider the composition of the communities served by the hospital, including the health of the population, demographic characteristics, acuity, payer mix, labor costs, social risk factors, and other factors that may affect the costs of providing care in the hospital service area, as well as the hospital's role in Vermont's health care system.

(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.

(4) The Board shall identify factors that would necessitate terminating or modifying the use of reference-based pricing in one or more hospitals, such as a measurable reduction in access to or quality of care.

(5) The Green Mountain Care Board, in consultation with the Agency of Human Services and the Comprehensive Primary Health Care Steering Committee established pursuant to section 9407 of this title, may implement reference-based pricing for services delivered outside a hospital, such as primary care services, and may increase or decrease the percentage of Medicare or another benchmark as appropriate, first to enhance access to primary care and later for alignment with the Statewide Health Care Delivery Strategic Plan established pursuant to section 9403 of this title, once established. The Board may consider establishing reference-based pricing for services delivered outside a hospital by setting minimum amounts that shall be paid for the purpose of prioritizing access to high-quality health care services in settings that are appropriate to patients' needs in order to contain costs and improve patient outcomes.

(6) The Board's authority to establish reference-based prices pursuant to this subsection shall not include the authority to set amounts applicable to items provided or services delivered to patients who are enrolled in Medicare or Medicaid.

Sec. 3a. 18 V.S.A. § 9451 is amended to read:

§ 9451. DEFINITIONS

As used in this subchapter:

(1) "Hospital" means a hospital licensed under chapter 43 of this title, except a hospital that is conducted, maintained, or operated by the State of Vermont.

(2) " Hospital network" means a system comprising two or more affiliated hospitals, and may include other health care professionals and facilities, that derives 50 percent or more of its operating revenue, at the consolidated network level, from Vermont hospitals and in which the affiliated hospitals deliver health care services in a coordinated manner using an integrated financial and governance structure.

(3) "Volume" means the number of inpatient days of care or admissions and the number of all inpatient and outpatient ancillary services rendered to patients by a hospital.

Sec. 4. 18 V.S.A. § 9454 is amended to read:

§ 9454. HOSPITALS; DUTIES

* * *

(b) Hospitals shall submit information as directed by the Board in order to maximize hospital budget data standardization and allow the Board to make direct comparisons of hospital expenses across the health care system.

(c) Hospitals shall adopt a fiscal year that shall begin on October 1.

Sec. 5. 18 V.S.A. § 9456 is amended to read:

§ 9456. BUDGET REVIEW

(a) The Board shall conduct reviews of each hospital's proposed budget based on the information provided pursuant to this subchapter and in accordance with a schedule established by the Board.

(b) In conjunction with budget reviews, the Board shall:

(1) review utilization information;

(2) consider the Statewide Health Care Delivery Strategic Plan developed pursuant to section 9403 of this title, once established, including the total cost of care targets, and consult with the Agency of Human Services to ensure compliance with federal requirements regarding Medicare and Medicaid;

(3) consider the Health Resource Allocation Plan identifying Vermont's critical health needs, goods, services, and resources developed pursuant to section 9405 of this title;

~~(3)~~(4) consider the expenditure analysis for the previous year and the proposed expenditure analysis for the year under review;

~~(4)~~(5) consider any reports from professional review organizations;

(6) for a hospital that operates within a hospital network, review the hospital network's financial operations as they relate to the budget of the individual hospital;

~~(5)~~(7) solicit public comment on all aspects of hospital costs and use and on the budgets proposed by individual hospitals;

~~(6)~~(8) meet with hospitals to review and discuss hospital budgets for the forthcoming fiscal year;

~~(7)~~(9) give public notice of the meetings with hospitals~~,~~ and invite the public to attend and to comment on the proposed budgets;

~~(8)~~(10) consider the extent to which costs incurred by the hospital in connection with services provided to Medicaid beneficiaries are being charged to non-Medicaid health benefit plans and other non-Medicaid payers;

~~(9)~~(11) require each hospital to file an analysis that reflects a reduction in net revenue needs from non-Medicaid payers equal to any anticipated increase in Medicaid, Medicare, or another public health care program reimbursements, and to any reduction in bad debt or charity care due to an increase in the number of insured individuals;

~~(10)~~(12) require each hospital to provide information on administrative costs, as defined by the Board, including specific information on the amounts spent on marketing and advertising costs;

~~(11)~~(13) require each hospital to create or maintain connectivity to the State's Health Information Exchange Network in accordance with the criteria established by the Vermont Information Technology Leaders, Inc., pursuant to subsection 9352(i) of this title, provided that the Board shall not require a hospital to create a level of connectivity that the State's Exchange is unable to support;

~~(12)~~(14) review the hospital's investments in workforce development initiatives, including nursing workforce pipeline collaborations with nursing schools and compensation and other support for nurse preceptors; ~~and~~

~~(13)~~(15) consider the salaries for the hospital's executive and clinical leadership, including variable payments and incentive plans, and the hospital's salary spread, including a comparison of median salaries to the medians of northern New England states and a comparison of the base salaries and total compensation for the hospital's executive and clinical leadership with those of the hospital's lowest-paid employees who deliver health care services directly to hospital patients; and

(16) consider the number of employees of the hospital whose duties are primarily administrative in nature, as defined by the Board, compared with the

number of employees whose duties primarily involve delivering health care services directly to hospital patients.

(c) Individual hospital budgets established under this section shall:

(1) be consistent, to the extent practicable, with the Statewide Health Care Delivery Strategic Plan, once established, including the total cost of care targets, and with the Health Resource Allocation Plan;

(2) reflect the reference-based prices established by the Board pursuant to section 9376 of this title;

(3) take into consideration national, regional, or in-state peer group norms, according to indicators, ratios, and statistics established by the Board;

~~(3)~~(4) promote efficient and economic operation of the hospital and, if a hospital is affiliated with a hospital network, ensure that hospital spending on the hospital network's operations is consistent with the principles for health care reform expressed in section 9371 of this title and with the Statewide Health Care Delivery Strategic Plan, once established;

~~(4)~~(5) reflect budget performances for prior years;

~~(5)~~(6) include a finding that the analysis provided in subdivision ~~(b)~~(9)(b)(11) of this section is a reasonable methodology for reflecting a reduction in net revenues for non-Medicaid payers; ~~and~~

~~(6)~~(7) demonstrate that they support equal access to appropriate mental health care that meets standards of quality, access, and affordability equivalent to other components of health care as part of an integrated, holistic system of care; and

(8) include meaningful variable payments and incentive plans for hospitals that are consistent with this section and with the principles for health care reform expressed in section 9371 of this title.

(d)(1) Annually, the Board shall establish a budget for each hospital on or before September 15, followed by a written decision by October 1. Each hospital shall operate within the budget established under this section.

* * *

(e)(1) The Board, in consultation with the Vermont Program for Quality in Health Care, shall utilize mechanisms to measure hospital costs, quality, and access and alignment with the Statewide Health Care Delivery Strategic Plan, once established.

(2)(A) Except as provided in subdivision (D) of this subdivision (e)(2), a hospital that proposes to reduce or eliminate any service in order to comply

with a budget established under this section shall provide a notice of intent to the Board, the Agency of Human Services, the Office of the Health Care Advocate, and the members of the General Assembly who represent the hospital service area not less than 45 days prior to the proposed reduction or elimination.

(B) The notice shall explain the rationale for the proposed reduction or elimination and describe how it is consistent with the Statewide Health Care Delivery Strategic Plan, once established, and the hospital's most recent community health needs assessment conducted pursuant to section 9405a of this title and 26 U.S.C. § 501(r)(3).

(C) The Board may evaluate the proposed reduction or elimination for consistency with the Statewide Health Care Delivery Strategic Plan, once established and the community health needs assessment, and may modify the hospital's budget or take such additional actions as the Board deems appropriate to preserve access to necessary services.

(D) A service that has been identified for reduction or elimination in connection with the transformation efforts undertaken by the Board and the Agency of Human Services pursuant to 2022 Acts and Resolves No. 167 does not need to comply with subdivisions (A)–(C) of this subdivision (e)(2).

(3) The Board, in collaboration with the Department of Financial Regulation, shall monitor the implementation of any authorized decrease in hospital services to determine its benefits to Vermonters or to Vermont's health care system, or both.

(4) The Board may establish a process to define, on an annual basis, criteria for hospitals to meet, such as utilization and inflation benchmarks.

(5) The Board may waive one or more of the review processes listed in subsection (b) of this section.

* * *

Sec. 6. 18 V.S.A. § 9458 is added to read:

§ 9458. HOSPITAL NETWORKS; STRUCTURE; FINANCIAL OPERATIONS

(a) The Board may review and evaluate the structure of a hospital network to determine:

(1) whether any network operations should be organized and operated out of a hospital instead of at the network; and

(2) whether the existence and operation of a network provides value to Vermonters, is in the public interest, and is consistent with the principles for health care reform expressed in section 9371 of this title and with the Statewide Health Care Delivery Strategic Plan, once established.

(b) In order to protect the public interest, the Board may, on its own initiative, investigate the financial operations of a hospital network, including compensation of the network's employees and executive leadership.

(c) The Board may recommend any action it deems necessary to correct any aspect of the structure of a hospital network or its financial operations that are inconsistent with the principles for health care reform expressed in section 9371 of this title or with the Statewide Health Care Delivery Strategic Plan, once established.

* * * Health Care Contracts * * *

Sec. 7. 18 V.S.A. § 9418c is amended to read:

§ 9418c. FAIR CONTRACT STANDARDS

* * *

(e)(1) The requirements of subdivision (b)(5) of this section do not prohibit a contracting entity from requiring a reasonable confidentiality agreement between the provider and the contracting entity regarding the terms of the proposed health care contract.

(2) Upon request, a contracting entity or provider shall provide an unredacted copy of an executed or proposed health care contract to the Department of Financial Regulation or the Green Mountain Care Board, or both.

* * * Statewide Health Care Delivery Strategic Plan; Health Care Delivery Advisory Committee; Comprehensive Primary Health Care Steering Committee * * *

Sec. 8. 18 V.S.A. § 9403 is added to read:

§ 9403. STATEWIDE HEALTH CARE DELIVERY STRATEGIC PLAN

(a) The Agency of Human Services, in collaboration with the Green Mountain Care Board, the Department of Financial Regulation, the Vermont Program for Quality in Health Care, the Office of the Health Care Advocate, the Health Care Delivery Advisory Committee established in section 9403a of this title, the Comprehensive Primary Health Care Steering Committee established pursuant to section 9407 of this title, and other interested stakeholders, shall lead development of an integrated Statewide Health Care Delivery Strategic Plan as set forth in this section.

(b) The Plan shall:

(1) Align with the principles for health care reform expressed in section 9371 of this title.

(2) Identify existing services and promote universal access across Vermont to high-quality, cost-effective acute care; primary care, including primary mental health services; chronic care; long-term care; substance use disorder treatment services; emergency medical services; nonemergency medical services; nonmedical services and supports; and hospital-based, independent, and community-based services.

(3) Define a shared vision and shared goals and objectives for improving access to and the quality, efficiency, and affordability of health care services in Vermont and for reducing disparities in access resulting from demographic factors or health status, including benchmarks for evaluating progress.

(4) Identify the resources, infrastructure, and support needed to achieve established targets, which will ensure the feasibility and sustainability of implementation.

(5) Provide a phased implementation timeline with milestones and regular reporting to ensure adaptability as needs evolve.

(6) Promote accountability and continuous quality improvement across Vermont's health care system through the use of data, scientifically grounded methods, and high-quality performance metrics to evaluate effectiveness and inform decision making.

(7) Provide annual targets for the total cost of care across Vermont's health care system. Using these total cost of care targets, the Plan shall identify appropriate allocations of health care resources and services across the State that balance quality, access, and cost containment. The Plan shall also establish targets for the percentages of overall health care spending that should reflect spending on primary care services, including mental health services, and on preventive care services, which targets shall be aligned with the total cost of care targets.

(8) Build on data and information from:

(A) the transformation planning resulting from 2022 Acts and Resolves No. 167, Secs. 1 and 2;

(B) the expenditure analysis and health care spending estimate developed pursuant to section 9383 of this title;

(C) the State Health Improvement Plan adopted pursuant to subsection 9405(a) of this title;

(D) the Health Resource Allocation Plan published by the Green Mountain Care Board in accordance with subsection 9405(b) of this title;

(E) hospitals' community health needs assessments and strategic planning conducted in accordance with section 9405a of this title;

(F) hospital and ambulatory surgical center quality information published by the Department of Health pursuant to section 9405b of this title;

(G) the statewide quality assurance program maintained by the Vermont Program for Quality in Health Care pursuant to section 9416 of this title;

(H) the 2020 report determining the proportion of health care spending in Vermont that is allocated to primary care, submitted to the General Assembly by the Green Mountain Care Board and the Department of Vermont Health Access in accordance with 2019 Acts and Resolves No. 17, Sec. 2;

(I) the 2024 report on Blueprint for Health payments to patient-centered medical homes, submitted to the General Assembly by the Agency of Human Services in accordance with 2023 Acts and Resolves No. 51, Sec. 5; and

(J) such additional sources of data and information as the Agency and other stakeholders deem appropriate.

(9) Identify:

(A) opportunities to improve the quality of care across the health care delivery system, including exemplars of high-quality care to stimulate best practice dissemination;

(B) gaps in access to care, as well as unnecessary duplication of services, including circumstances in which service closures or consolidations may result in improvements in quality, access, and affordability;

(C) opportunities to reduce administrative burdens;

(D) federal, State, and other barriers to achieving the Plan's goals and, to the extent feasible, how those barriers can be removed or mitigated;

(E) priorities in steps for achieving the goals of the Plan;

(F) barriers to access to appropriate mental health and substance use disorder services that meet standards of quality, access, and affordability equivalent to other components of health care, including any disparities in reimbursement rates;

(G) opportunities to integrate health care services for individuals in the custody of the Department of Corrections as part of Vermont's health care delivery system;

(H) enhancements in quality reporting and data collection to provide a more current and accurate picture of the quality of health care delivery across Vermont; and

(I) systems to ensure that reported data is shared with and is accessible to the health care professionals who are providing care, enabling them to track performance and inform improvement.

(c)(1) On or before January 15, 2027, the Agency shall provide the Plan to the House Committees on Health Care and on Human Services and the Senate Committee on Health and Welfare.

(2) The Agency shall prepare an updated Plan every two years and shall provide it to the General Assembly on or before December 1 of every other year, beginning on December 1, 2029.

Sec. 9. 18 V.S.A. § 9403a is added to read:

§ 9403a. HEALTH CARE DELIVERY ADVISORY COMMITTEE

(a) There is created the Health Care Delivery Advisory Committee to:

(1) establish health care affordability benchmarks;

(2) evaluate and monitor the performance of Vermont's health care system and its impacts on population health outcomes;

(3) collaborate with the Agency of Human Services and other interested stakeholders in the development and maintenance of the Statewide Health Care Delivery Strategic Plan developed pursuant to section 9403 of this title;

(4) advise the Green Mountain Care Board on the design and implementation of an ongoing evaluation process to continuously monitor current performance in the health care delivery system; and

(5) provide coordinated and consensus recommendations to the General Assembly on issues related to health care delivery and population health.

(b)(1) The Advisory Committee shall be composed of the following 19 members:

(A) the Secretary of Human Services or designee;

(B) the Chair of the Green Mountain Care Board or designee;

(C) the Chief Health Care Advocate from the Office of the Health Care Advocate or designee;

(D) a member of the Health Equity Advisory Commission, selected by the Commission's Chair;

(E) one representative of commercial health insurers offering major medical health insurance plans in Vermont, selected by the Commissioner of Financial Regulation;

(F) two representatives of Vermont hospitals, selected by the Vermont Association of Hospitals and Health Systems, who shall represent hospitals that are located in different regions of the State and that face different levels of financial stability;

(G) one representative of Vermont's federally qualified health centers, selected by Bi-State Primary Care Association;

(H) one representative of physicians, selected by the Vermont Medical Society;

(I) one representative of independent physician practices, selected by HealthFirst;

(J) one representative of advanced practice registered nurses, selected by the Vermont Nurse Practitioners Association;

(K) one representative of Vermont's free clinic programs, selected by Vermont's Free & Referral Clinics;

(L) one representative of Vermont's designated and specialized service agencies, selected by Vermont Care Partners;

(M) one preferred provider from outside the designated and specialized service agency system, selected by the Commissioner of Health;

(N) one Vermont-licensed mental health professional from an independent practice, selected by the Commissioner of Mental Health;

(O) one representative of Vermont's home health agencies, selected jointly by the VNAs of Vermont and Bayada Home Health Care;

(P) one representative of long-term care facilities, selected by the Vermont Health Care Association;

(Q) one representative of small businesses, selected by the Vermont Chamber of Commerce; and

(R) the Executive Director of the Vermont Program for Quality in Health Care or designee.

(2) The Secretary of Human Services or designee shall be the Chair of the Advisory Committee.

(3) The Agency of Human Services shall provide administrative and technical assistance to the Advisory Committee.

(c) Members of the Advisory Committee shall not receive per diem compensation or reimbursement of expenses for their participation on the Advisory Committee.

Sec. 9a. 18 V.S.A. § 9407 is added to read:

§ 9407. COMPREHENSIVE PRIMARY HEALTH CARE STEERING COMMITTEE

(a) There is created the Comprehensive Primary Health Care Steering Committee to inform the work of State government, including the Blueprint for Health and the Office of Health Care Reform in the Agency of Human Services, as it relates to access to, delivery of, and payment for primary care services in Vermont.

(b) The Steering Committee shall be composed of the following members:

(1) the Chair of the Department of Family Medicine at the University of Vermont Larner College of Medicine or designee;

(2) the Chair of the Department of Pediatrics at the University of Vermont Larner College of Medicine or designee;

(3) the Associate Dean for Primary Care at the University of Vermont Larner College of Medicine or designee;

(4) the Executive Director of the Vermont Child Health Improvement Program at the University of Vermont Larner College of Medicine or designee;

(5) the President of the Vermont Academy of Family Physicians or designee;

(6) the President of the American Academy of Pediatrics, Vermont Chapter, or designee;

(7) a member of the Green Mountain Care Board's Primary Care Advisory Committee, selected by the Green Mountain Care Board;

(8) the Executive Director of the Blueprint for Health;

(9) a primary care clinician who practices at an independent practice, selected by HealthFirst;

(10) a primary care clinician who practices at a federally qualified health center, selected by Bi-State Primary Care Association;

(11) a primary care physician, selected by the Vermont Medical Society;

(12) a primary care physician assistant, selected by the Physician Assistant Academy of Vermont;

(13) a primary care nurse practitioner, selected by the Vermont Nurse Practitioners Association;

(14) a mental health provider who practices at a community mental health center designated pursuant to section 8907 of this title, selected by Vermont Care Partners;

(15) a licensed independent clinical social worker, selected by the National Association of Social Workers, Vermont Chapter; and

(16) a psychologist, selected by the Vermont Psychological Association.

(c) The Steering Committee shall:

(1) engage in an ongoing assessment of comprehensive primary care needs in Vermont;

(2) provide recommendations for recruiting and retaining high-quality primary care providers, including on ways to encourage new talent to join Vermont's primary care workforce;

(3) develop proposals for sustainable payment models for primary care;

(4) identify methods for enhancing Vermonters' access to primary care;

(5) recommend opportunities to reduce administrative burdens on primary care providers;

(6) recommend mechanisms for measuring the quality of primary care services delivered in Vermont;

(7) provide input into the Statewide Health Care Delivery Strategic Plan as it is developed, updated, and implemented pursuant to section 9403 of this title;

(8) consult with the Green Mountain Care Board in the event that the Board develops reference-based pricing for primary care providers as permitted under subdivision 9376(e)(5) of this title; and

(9) offer additional recommendations and guidance to the Blueprint for Health, the Office of Health Care Reform, the General Assembly, and others in State government on ways to increase access to primary care services and to improve patient and provider satisfaction with primary care delivery in Vermont.

(d) The Steering Committee shall receive administrative and technical assistance from the Agency of Human Services.

(e)(1) The Executive Director of the Blueprint for Health shall call the first meeting of the Steering Committee to occur on or before September 1, 2025.

(2) The Steering Committee shall select a chair from among its members at the first meeting.

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

(f) Members of the Steering Committee shall not receive per diem compensation or reimbursement of expenses for their participation on the Steering Committee.

* * * Data Integration; Data Sharing * * *

Sec. 10. INTEGRATION OF HEALTH CARE DATA; REPORT

(a) The Agency of Human Services shall collaborate with the Health Information Exchange Steering Committee to evaluate the potential for developing an integrated statewide system of clinical and claims data. The Agency's analysis shall address:

(1) the feasibility of developing an integrated statewide system of clinical and claims data;

(2) the potential uses of an integrated statewide system of clinical and claims data;

(3) whether and to what extent an integrated statewide system of clinical and claims data would:

(A) improve patient, provider, and payer access to relevant information;

(B) reduce administrative burdens on providers;

(C) increase access to and quality of health care for Vermonters; and

(D) reduce costs and, if so, how to measure such reductions;

(4) appropriate privacy and security safeguards for an integrated statewide system of clinical and claims data; and

(5) any additional considerations regarding an integrated statewide system of clinical and claims data that the Agency and the Health Information Exchange Steering Committee deem appropriate.

(b) On or before January 15, 2026, the Agency of Human Services shall provide its findings and recommendations regarding development of an integrated statewide system of clinical and claims data to the House Committee on Health Care and the Senate Committee on Health and Welfare.

In addition to the information required pursuant to subsection (a) of this section, the Agency shall explain the advantages and disadvantages of developing an integrated statewide system of clinical and claims data; provide the Agency's recommendations regarding whether the State should pursue development and implementation of such an integrated system; and describe the value, if any, that such an integrated system would bring to Vermont's health care system. The Agency shall not begin implementation of an integrated statewide system of clinical and claims data unless and until directed to do so by legislation enacted by the General Assembly.

Sec. 11. 18 V.S.A. § 9374 is amended to read:

§ 9374. BOARD MEMBERSHIP; AUTHORITY

* * *

(i)(1) In addition to any other penalties and in order to enforce the provisions of this chapter and empower the Board to perform its duties, the Chair of the Board may issue subpoenas, examine persons, administer oaths, and require production of papers and records. Any subpoena or notice to produce may be served by registered or certified mail or in person by an agent of the Chair. Service by registered or certified mail shall be effective three business days after mailing. Any subpoena or notice to produce shall provide at least six business days' time from service within which to comply, except that the Chair may shorten the time for compliance for good cause shown. Any subpoena or notice to produce sent by registered or certified mail, postage prepaid, shall constitute service on the person to whom it is addressed.

(2) Each witness who appears before the Chair under subpoena shall receive a fee and mileage as provided for witnesses in civil cases in Superior Courts; provided, however, any person subject to the Board's authority shall not be eligible to receive fees or mileage under this section.

(3) The Board may share any information, papers, or records it receives pursuant to a subpoena or notice to produce issued under this section with the Agency of Human Services or the Department of Financial Regulation, or both, as appropriate to the work of the Agency or Department, provided that the Agency or Department agrees to maintain the confidentiality of any information, papers, or records that are exempt from public inspection and copying under the Public Records Act.

* * *

* * * Health Care Reforms Addressing Exigent Needs * * *

Sec. 11a. HEALTH CARE SPENDING REDUCTIONS; AGENCY OF HUMAN SERVICES; REPORTS

(a)(1) The Agency of Human Services shall facilitate collaboration and coordination among health care providers in order to encourage cooperation in developing rapid responses to the urgent financial pressures facing the health care system and to identify opportunities to increase efficiency, improve the quality of health care services, reduce spending on prescription drugs, and increase access to essential services, including primary care, emergency departments, mental health and substance use disorder treatment services, prenatal care, and emergency medical services and transportation, while reducing hospital spending for hospital fiscal year 2026 by not less than 2.5 percent.

(2) The Agency of Human Services shall facilitate and supervise the participation of hospitals and other health care providers in the process set forth in subdivision (1) of this subsection as necessary for this collaborative process to be afforded state-action immunity under applicable federal and State antitrust laws.

(b) The Agency of Human Services shall report on the proposed reductions that it has approved pursuant to this section, including applicable timing and appropriate accountability measures, to the Health Reform Oversight Committee and the Joint Fiscal Committee on or before July 1, 2025. On or before the first day of each month of hospital fiscal year 2026, beginning on October 1, 2025, the Agency shall provide updates to the Health Reform Oversight Committee and the Joint Fiscal Committee when the General Assembly is not in session, and to the House Committee on Health Care and the Senate Committee on Health and Welfare when the General Assembly is in session, regarding progress in implementing and achieving the hospital spending reductions identified pursuant to this section.

Sec. 11b. HEALTH CARE SYSTEM TRANSFORMATION; AGENCY OF HUMAN SERVICES; REPORTS

(a) The Agency of Human Services shall identify specific outcome measures for determining whether, when, and to what extent each of the following goals of its health care system transformation efforts pursuant to 2022 Acts and Resolves No. 167 (Act 167) has been met:

(1) reduce inefficiencies;

(2) lower costs;

(3) improve health outcomes;

(4) reduce health inequities; and

(5) increase access to essential services.

(b)(1) On or before July 1, 2025, the Agency of Human Services shall report to the Health Reform Oversight Committee and the Joint Fiscal Committee:

(A) the specific outcome measures developed pursuant to subsection (a) of this section, along with a timeline for accomplishing them;

(B) how the Agency will determine its progress in accomplishing the outcome measures and achieving the transformation goals, including how it will determine the amount of savings attributable to each inefficiency reduced and how it will evaluate increases in access to essential services;

(C) the impact that each transformation decision made by an individual hospital as part of the Act 167 transformation process has or will have on the State's health care system, including on health care costs and on health insurance premiums;

(D) how the Agency is tracking and coordinating the transformation efforts of individual hospitals to ensure that they complement the transformation efforts of other hospitals and other health care providers and that they will contribute in a positive way to a transformed health care system that meets the Act 167 goals; and

(E) the amount of State funds, and federal funds, if applicable, that the Agency has spent on Act 167 transformation efforts to date or has obligated for those purposes and the amount of unspent State funds appropriated for Act 167-related purposes that remain for the Agency's Act 167 transformation efforts.

(2) On or before the first day of each month beginning on August 1, 2025, the Agency shall provide the Health Reform Oversight Committee and the Joint Fiscal Committee when the General Assembly is not in session, and to the House Committee on Health Care and the Senate Committee on Health and Welfare when the General Assembly is in session, with updates on each of the items set forth in subdivisions (1)(A)–(E) of this subsection.

Sec. 11c. HEALTH CARE SYSTEM TRANSFORMATION; INCENTIVES; TELEHEALTH

(a) To encourage hospitals to engage proactively, think expansively, and propose transformation initiatives that will reduce costs to Vermont's health care system without negatively affecting health care quality or jeopardizing access to necessary services, the Agency of Human Services shall award grants to the hospitals in State fiscal year 2026 that actively participate in health care transformation efforts to assist them in building partnerships, reducing hospital costs for hospital fiscal year 2026, and expanding Vermonters' access to health care services, including those delivered using telehealth. It is the intent of the

General Assembly that the funds appropriated in Sec. 18(b) of this act should be awarded on a first-come, first-served basis until all of the funds have been distributed.

(b) On or before November 15, 2025, the Agency of Human Services shall report to the Health Reform Oversight Committee and the Joint Fiscal Committee regarding how much of the $2,000,000.00 appropriated to the Agency pursuant to Sec. 18(b) of this act was obligated as of November 1, 2025 and how much had already been disbursed to hospitals as of that date.

Sec. 11d. DEPARTMENT OF FINANCIAL REGULATION; DOMESTIC HEALTH INSURER SUSTAINABILITY; REPORT

On or before November 1, 2025, the Department of Financial Regulation shall provide to the Health Reform Oversight Committee a plan for preserving the sustainability of domestic health insurers in Vermont, which may include utilizing reinsurance.

* * * Retaining Accountable Care Organization Capabilities * * *

Sec. 12. RETAINING ACCOUNTABLE CARE ORGANIZATION CAPABILITIES; REPORT

The Agency of Human Services shall explore opportunities to retain capabilities developed by or on behalf of a certified accountable care organization that were funded in whole or in part using State or federal monies, or both, and that have the potential to make beneficial contributions to Vermont's health care system, such as capabilities related to comprehensive payment reform and quality data measurement and reporting. On or before November 1, 2025, the Agency of Human Services shall report its findings and recommendations to the Health Reform Oversight Committee.

* * * Implementation Updates * * *

Sec. 13. [Deleted.]

Sec. 14. GREEN MOUNTAIN CARE BOARD; IMPLEMENTATION; REPORT

On or before February 15, 2026, the Green Mountain Care Board shall provide an update to the House Committee on Health Care and the Senate Committee on Health and Welfare regarding the Board's implementation of this act, including the status of its efforts to establish methodologies for and begin implementation of reference-based pricing, and the effects of these efforts and activities on increasing access to care, improving the quality of care, and reducing the cost of care in Vermont. The Board shall also report on the potential future use of global hospital budgets, including providing the

Board's definition of the term "global hospital budgets"; determining whether it is feasible to develop and implement global hospital budgets for Vermont hospitals and, if so, over what time period; and the advantages and disadvantages of pursuing global hospital budgets.

Sec. 15. 3 V.S.A. § 3027 is amended to read:

§ 3027. HEALTH CARE SYSTEM REFORM; IMPROVING QUALITY AND AFFORDABILITY; REPORT

(a) The Director of Health Care Reform in the Agency of Human Services shall be responsible for the coordination of health care system reform efforts among Executive Branch agencies, departments, and offices, and for coordinating with the Green Mountain Care Board established in 18 V.S.A. chapter 220.

(b) On or before February 15 annually, the Agency of Human Services shall provide an update to the House Committee on Health Care and the Senate Committee on Health and Welfare regarding all of the following:

(1) The status of the Agency's efforts to develop, update, and implement the Statewide Health Care Delivery Strategic Plan in accordance with 18 V.S.A. § 9403. The Agency shall adopt an evaluation framework using an evidence-based approach to assess both the effectiveness of Plan development and implementation and the Plan's overall impact. The evaluation shall include identifying what was accomplished, how well it was executed, and the benefits to specific cohorts within Vermont's health care system, and the Agency shall include updated evaluation results annually as part of its report.

(2) The activities of the Health Care Delivery Advisory Committee established pursuant to 18 V.S.A. § 9403a during the previous calendar year.

(3) The effects of the Statewide Health Care Delivery Strategic Plan, the efforts and activities of the Health Care Delivery Advisory Committee, and other efforts and activities engaged in or directed by the Agency on increasing access to care, improving the quality of care, and reducing the cost of care in Vermont.

Sec. 16. 18 V.S.A. § 9375(d) is amended to read:

(d) Annually on or before January 15, the Board shall submit a report of its activities for the preceding calendar year to the House Committee on Health Care and the Senate Committee on Health and Welfare.

(1) The report shall include:

* * *

(G) the status of its efforts to establish methodologies for and begin implementation of reference-based pricing and any considerations regarding the future use of global hospital budgets, and the effects of these efforts and activities on increasing access to care, improving the quality of care, and reducing the cost of care in Vermont;

(H) any recommendations for modifications to Vermont statutes; and

~~(H)~~(I) any actual or anticipated impacts on the work of the Board as a result of modifications to federal laws, regulations, or programs.

* * *

* * * Positions; Appropriations * * *

Sec. 17. GREEN MOUNTAIN CARE BOARD; POSITIONS

(a) The establishment of the following three new permanent classified positions is authorized at the Green Mountain Care Board in fiscal year 2026:

(1) one Director, Reference-Based Pricing;

(2) one Project Manager, Reference-Based Pricing; and

(3) one Operations, Procurement, and Contractual Oversight Manager.

(b) These positions shall be transferred and converted from existing vacant positions in the Executive Branch.

Sec. 18. APPROPRIATIONS

(a) The sum of $2,200,000.00 is appropriated from the General Fund to the Agency of Human Services in fiscal year 2026 for use as follows:

(1) $2,000,000.00 for feasibility analysis and transformation plan development with hospitals, designated agencies, primary care organizations, and other community-based providers;

(2) $100,000.00 for development of quality and access measures, targets, and monitoring strategies for the Statewide Health Care Delivery Strategic Plan; and

(3) $100,000.00 to support the development of alternative payment models.

(b) Notwithstanding any provision of 32 V.S.A. § 10301 to the contrary, the sum of $2,000,000.00 is appropriated from the Health IT-Fund to the Agency of Human Services in fiscal year 2026 for grants to hospitals for the collaborative efforts to reduce hospital costs in accordance with Secs. 11a and 11c of this act and to expand access to health care services, such as by enhancing telehealth infrastructure development.

(c)(1) The sum of $1,062,500.00 is appropriated to the Green Mountain Care Board in fiscal year 2026 for use as follows:

(A) $512,500.00 for the positions authorized in Sec. 17 of this act, as set forth in subdivision (2) of this subsection (c);

(B) $500,000.00 from the General Fund for contracts, including contracts for assistance with implementing reference-based pricing in accordance with this act; and

(C) $50,000.00 from the General Fund for a contract with the Vermont Program for Quality in Health Care to engage in quality initiatives in accordance with this act.

(2) Of the funds appropriated in subdivision (1)(A) of this subsection:

(A) $205,000.00 is appropriated from the General Fund; and

(B) $307,500.00 is appropriated from the Green Mountain Care Board Regulatory and Administrative Fund.

(d) Notwithstanding any provision of 32 V.S.A. § 10301 to the contrary, the sum of $150,000.00 is appropriated from the Health IT-Fund to the Green Mountain Care Board in fiscal year 2026 for expenses associated with increased standardization of electronic hospital budget data submissions in accordance with Sec. 4 of this act.

* * * Effective Dates * * *

Sec. 19. EFFECTIVE DATES

(a) Secs. 16 (18 V.S.A. § 9375(d); Green Mountain Care Board annual report), 17 (Green Mountain Care Board; positions), and 18 (appropriations) shall take effect on July 1, 2026.

(b) The remaining sections shall take effect on passage.

Thereupon, pending the question, Shall the Senate concur in the House proposal of amendment?, on motion of Senator Lyons, the Senate refused to concur in the House proposal of amendment and requested a Committee of Conference.

Thereupon, pursuant to the request of the Senate, the President announced the appointment of

Senator Lyons
Senator Gulick
Senator Douglass

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

Thereupon on motion of Senator Baruth, the rules were suspended, and the bill was ordered messaged to the House forthwith.

Rules Suspended; Immediate Consideration; Proposal of Amendment; Third Reading Ordered

H. 479.

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

An act relating to housing.

Was taken up for immediate consideration.

Senator Ram Hinsdale, for the Committee on Economic Development, Housing and General Affairs, to which the bill was referred, reported that the Senate propose to the House to amend the bill by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Vermont Rental Housing Improvement Program * * *

Sec. 1. 10 V.S.A. § 699 is amended to read:

§ 699. VERMONT RENTAL HOUSING IMPROVEMENT PROGRAM

(a) Creation of Program.

* * *

(5)(A) The Department may cooperate with and subgrant funds to State agencies and governmental subdivisions and public and private organizations in order to carry out the purposes of this subsection.

(B) Solely with regards to actions undertaken pursuant to this subdivision, entities carrying out the provisions of this section, including grantees, subgrantees, and contractors of the State, shall be exempt from the provisions of 8 V.S.A. chapter 73 (licensed lenders, mortgage brokers, mortgage loan originators, sales finance companies, and loan solicitation companies).

* * *

(d) Program requirements applicable to grants and forgivable loans.

(1)(A) A grant or loan shall not exceed~~:~~

~~(i) $70,000.00 per unit, for rehabilitation or creation of an eligible rental housing unit meeting the applicable building accessibility requirements under the Vermont Access Rules; or~~

~~(ii)~~ $50,000.00 per unit, for rehabilitation or creation of any other eligible rental housing unit. Up to an additional $20,000.00 per unit may be made available for specific elements that collectively bring the unit to the visitable standard outlined in the rules adopted by the Vermont Access Board.

* * *

(e) Program requirements applicable to grants and five-year forgivable loans. For a grant or five-year forgivable loan awarded through the Program, the following requirements apply for a minimum period of five years:

(1) A landlord shall coordinate with nonprofit housing partners and local ~~coordinated entry~~ homelessness service organizations approved by the Department to identify potential tenants.

(2)(A) Except as provided in subdivision (2)(B) of this subsection (e), a landlord shall lease the unit to a household that is:

(i) exiting homelessness, including any individual under 25 years of age who secures housing through a master lease held by a youth service provider on behalf of individuals under 25 years of age;

(ii) actively working with an immigrant or refugee resettlement program; ~~or~~

(iii) composed of at least one individual with a disability who receives or is ~~eligible~~ approved to receive Medicaid-funded ~~home and community based~~ home- and community-based services or Social Security Disability Insurance;

(iv) displaced due to a natural disaster; or

(v) with approval from the Department in writing, an organization that will hold a master lease that explicitly states the unit will be used in service of the populations described in this subsection (e).

* * *

(4)(A) A landlord may convert a grant to a forgivable loan upon approval of the Department and the housing organization that approved the grant.

(B) A landlord who converts a grant to a forgivable loan shall receive a ~~10-percent~~ prorated credit for loan forgiveness for each year in which the landlord participates in the Program.

(f) Requirements applicable to 10-year forgivable loans. For a 10-year forgivable loan awarded through the Program, the following requirements apply for a minimum period of 10 years:

(1) ~~A landlord shall coordinate with nonprofit housing partners and local coordinated entry organizations to identify potential tenants~~ The total cost of rent for the unit, including utilities not covered by rent payments, shall not exceed the applicable fair market rent established by the Department of Housing and Urban Development, except that a landlord may accept a housing voucher that exceeds fair market rent, if available.

(2)~~(A) Except as provided in subdivision (2)(B) of this subsection (f), a landlord shall lease the unit to a household that is:~~

~~(i) exiting homelessness, including any individual under 25 years of age who secures housing through a master lease held by a youth service provider on behalf of individuals under 25 years of age;~~

~~(ii) actively working with an immigrant or refugee resettlement program; or~~

~~(iii) composed of at least one individual with a disability who is eligible to receive Medicaid-funded home and community based services.~~

~~(B) If, upon petition of the landlord, the Department or the housing organization that issued the grant determines that a household under subdivision (2)(A) of this subsection (f) is not available to lease the unit, then the landlord shall lease the unit:~~

~~(i) to a household with an income equal to or less than 80 percent of area median income; or~~

~~(ii) if such a household is unavailable, to another household with the approval of the Department or housing organization.~~

~~(3)(A)~~ A landlord shall accept any housing vouchers that are available to pay all, or a portion of, the tenant's rent and utilities.

~~(B) If no housing voucher or federal or State subsidy is available, the cost of rent for the unit, including utilities not covered by rent payments, shall not exceed the applicable fair market rent established by the Department of Housing and Urban Development.~~

~~(4)~~(3) The Department shall forgive ~~10 percent of the~~ a prorated amount of a forgivable loan for each year a landlord participates in the loan program.

(g) Minimum funding for grants and five-year forgivable loans.

(1) Annually, the Department shall establish a minimum allocation of funding set aside to be used for five-year grants or forgivable loans to serve eligible households pursuant to subsection (e) of this section. Remaining funds may be used for either five-year grants or forgivable loans or 10-year

forgivable loans pursuant to subsection (f) of this section. The set aside shall be a minimum of 30 percent of funds disbursed annually.

(2) The Department shall consult with the Agency of Human Services to evaluate factors in establishing the amount of the set aside, including:

(A) the availability of housing vouchers;

(B) the current need for housing for eligible households;

(C) the ability and desire of landlords to house eligible households;

(D) the support services available for landlords; and

(E) the prior uptake and success rates for participating landlords.

(3) The Department shall coordinate with the local Coordinated Entry Lead Agencies and HomeOwnership Centers to direct referrals for those individuals or families prioritized to be housed pursuant to the five-year grants or forgivable loans.

(4) Funds from the set aside not utilized after nine months shall become available for 10-year forgivable loans.

(5) The Department shall annually publish the amount of the set aside on its website.

* * *

(i) Creation of the Vermont Rental Housing Improvement Program Fund. Funds repaid or returned to the Department from forgivable loans or grants funded by the Program shall return to the Vermont Rental Housing Improvement Program Fund to be used for Program expenditures and administrative costs at the discretion of the Department.

(j) Annual report. Annually, the Department shall submit a report to the House Committees on Human Services and on General and Housing and the Senate Committee on Economic Development, Housing and General Affairs regarding the following:

(1) separately, the number of units funded and the number of units rehabilitated through grants, through a five-year forgivable loan, and through a 10-year forgivable loan;

(2) for grants and five-year forgivable loans, for the first year after the expiration of the lease requirements outlined in subdivision (e)(2)(A) of this section, whether the unit is still occupied by a tenant who meets the qualifications of that subdivision;

(3) for each program, for the first year after the expiration of the applicable lease requirements outlined in this section, the amount of rent

charged by the landlord and how that rent compares to fair market rent established by the Department of Housing and Urban Development; and

(4) the rate of turnover for tenants housed utilizing grants or five-year forgivable loans and 10-year forgivable loans separately.

* * * MHIR * * *

Sec. 2. 10 V.S.A. § 700 is added to read:

§ 700. VERMONT MANUFACTURED HOME IMPROVEMENT AND REPAIR PROGRAM

(a) There is created within the Department of Housing and Community Development the Manufactured Home Improvement and Repair Program. The Department shall design and implement the Program to award funding to statewide or regional nonprofit housing organizations, or both, to provide financial assistance or awards to manufactured homeowners and manufactured home park owners to improve existing homes, incentivize new slab placement for prospective homeowners, and incentivize park improvements for infill of more homes.

(b) The following projects are eligible for funding through the Program:

(1) The Department may award up to $20,000.00 to owners of manufactured housing communities to complete small-scale capital needs to help infill vacant lots with homes, including disposal of abandoned homes, lot grading and preparation, the siting and upgrading of electrical boxes, enhancing E-911 safety issues, transporting homes out of flood zones, and improving individual septic systems. Costs awarded under this subdivision may also cover legal fees and marketing to help make it easier for home-seekers to find vacant lots around the State.

(2) The Department may award funding to manufactured homeowners for which the home is their primary residence to address habitability and accessibility issues to bring the home into compliance with safe living conditions.

(3) The Department may award up to $15,000.00 per grant to a homeowner to pay for a foundation or federal Department of Housing and Urban Development-approved slab, site preparation, skirting, tie-downs, and utility connections on vacant lots within a manufactured home community.

(c) The Department may adopt rules, policies, and guidelines to aid in enacting the Program.

* * * Vermont Infrastructure Sustainability Fund * * *

Sec. 3. 24 V.S.A. chapter 119, subchapter 6 is amended to read:

Subchapter 6. Special Funds

* * *

§ 4686. VERMONT INFRASTRUCTURE SUSTAINABILITY FUND

(a) Creation. There is created the Vermont Infrastructure Sustainability Fund within the Vermont Bond Bank.

(b) Purpose. The purpose of the Fund is to provide capital to extend and increase capacity of water and sewer service and other public infrastructure in municipalities where lack of extension or capacity is a barrier to housing development.

(c) Administration. The Vermont Bond Bank may administer the Fund in coordination with and support from other State agencies, government component parts, and quasi-governmental agencies.

(d) Program parameters.

(1) The Vermont Bond Bank, in consultation with the Department of Housing and Community Development, shall develop program guidelines to effectively implement the Fund.

(2) The program shall provide low-interest loans or purchase bonds from municipalities to expand infrastructure capacity. Eligible activities include:

(A) preliminary engineering and planning;

(B) engineering design and bid specifications;

(C) construction for municipal water and wastewater systems;

(D) transportation investments, including those required by municipal regulation, the municipality's official map, designation requirements, or other planning or engineering identifying complete streets and transportation and transit related improvements, including improvements to existing streets; and

(E) other eligible activities as determined by the guidelines produced by the Vermont Bond Bank in consultation with the Department of Housing and Community Development.

(e) Application requirements. Eligible project applications shall demonstrate:

(1) the project will create reserve capacity necessary for new housing unit development;

(2) the project has a direct link to housing unit production; and

(3) the municipality has a commitment to own and operate the project throughout its useful life.

(f) Application criteria. In addition to any criteria developed in the program guidelines, project applications shall be evaluated using the following criteria:

(1) whether there is a direct connection to proposed or in-progress housing development with demonstrable progress toward regional housing targets;

(2) whether the project is an expansion of an existing system and the proximity to a designated area;

(3) the project readiness and estimated time until the need for financing; and

(4) the demonstration of financing for project completion or completion of a project component.

(g) Award terms. The Vermont Bond Bank, in consultation with the Department of Housing and Community Development, shall establish award terms that may include:

(1) the maximum loan or bond amount;

(2) the maximum term of the loan or bond amount;

(3) the time by which amortization shall commence;

(4) the maximum interest rate;

(5) whether the loan is eligible for forgiveness and to what percentage or amount;

(6) the necessary security for the loan or bond; and

(7) any additional covenants required to further secure the loan or bond.

(h) Revolving fund.

(1) Any funds repaid or returned from the Infrastructure Sustainability Fund shall be deposited into the Fund and used to continue the program established in this section.

(2) The Bank may use the funds in conjunction with other Bank programs to accomplish the policy objectives outlined in this section.

* * * VHFA Rental Housing Revolving Loan Program * * *

Sec. 4. 2023 Acts and Resolves No. 47, Sec. 38 is amended to read:

Sec. 38. RENTAL HOUSING REVOLVING LOAN PROGRAM

(a) Creation; administration. The Vermont Housing Finance Agency shall design and implement a Rental Housing Revolving Loan Program and shall create and administer a revolving loan fund to provide subsidized loans for rental housing developments that serve middle-income households.

(b) Loans; eligibility; criteria.

* * *

(7) The Agency shall use one or more legal mechanisms to ensure that:

(A) a subsidized unit remains affordable to a household earning the applicable percent of area median income for the longer of:

(i) seven years; or

(ii) full repayment of the loan plus three years; and

(B) during the affordability period determined pursuant to subdivision (A) of this subdivision (7), the annual increase in rent for a subsidized unit does not exceed three percent or an amount otherwise authorized by the Agency.

* * *

* * * Housing and Residential Services Planning Committee * * *

Sec. 5. STATE HOUSING AND RESIDENTIAL SERVICES PLANNING COMMITTEE; REPORT

(a) Creation. There is created the State Housing and Residential Services Planning Committee to generate a State plan to develop housing for individuals with developmental disabilities.

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

(1) one current member of the House of Representatives, who shall be appointed by the Speaker of the House;

(2) one current member of the Senate, who shall be appointed by the Committee on Committees;

(3) the Secretary of Human Services or designee;

(4) the Commissioner of Disabilities, Aging, and Independent Living or designee;

(5) the Commissioner of Housing and Community Development or designee;

(6) the State Treasurer or designee;

(7) one member, appointed by the Developmental Disabilities Housing Initiative;

(8) the Executive Director of the Vermont Developmental Disabilities Council;

(9) one member, appointed by Green Mountain Self-Advocates;

(10) one member, appointed by Vermont Care Partners;

(11) one member, appointed by the Vermont Housing and Conservation Board; and

(12) one member, appointed by the Associated General Contractors of Vermont.

(c) Powers and duties. The Committee shall create an actionable plan to develop housing for individuals with developmental disabilities that reflects the diversity of needs expressed by those individuals and their families, including individuals with high-support needs who require 24-hour care and those with specific communication needs. The plan shall include:

(1) a schedule for the creation of at least 600 additional units of service-supported housing;

(2) the number and description of the support needs of individuals with developmental disabilities anticipated to be served annually;

(3) anticipated funding needs; and

(4) recommendations for changes in State laws or policies that are obstacles to the development of housing needed by individuals with Medicaid-funded home-and community-based services.

(d) Assistance.

(1) The Committee shall have the administrative, technical, and legal assistance of the Department of Housing and Community Development.

(2) Upon request of the Committee, the Department of Disabilities, Aging, and Independent Living shall provide an analysis of the current state of housing in Vermont for individuals with development disabilities and, to the extent available, an analysis of the level of community support needed for these individuals.

(e) Report. On or before November 15, 2025, the Committee shall submit a written report to the House Committees on General and Housing and on Human Services and the Senate Committees on Economic Development, Housing and General Affairs and on Health and Welfare with its findings and any recommendations for legislative action.

(f) Meetings.

(1) The Secretary of Human Services shall call the first meeting of the Committee to occur on or before July 15, 2025.

(2) The Committee shall select a chair from among its members at the first meeting.

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

(4) The Committee shall cease to exist on November 30, 2025.

(g)(1) Compensation and reimbursement. For attendance at meetings during adjournment of the General Assembly, a legislative member of the Committee serving in the member's capacity as a legislator shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 23 for not more than six meetings. These payments shall be made from monies appropriated to the General Assembly.

(2) Members of the Committee who are not otherwise compensated for their time shall be entitled to per diem compensation as permitted under 32 V.S.A. § 1010 for not more than six meetings. These payments shall be made from monies appropriated to the Department of Housing and Community Development for that purpose.

(h) Intent to appropriate. Notwithstanding subsection (g)(2) of this section, per diems for the cost of attending meetings shall only be available in the event an appropriation is made in fiscal year 2026 from the General Fund to the Department of Housing and Community Development for that purpose.

* * * Tax Department Housing Data Access * * *

Sec. 6. 32 V.S.A. § 5404 is amended to read:

§ 5404. DETERMINATION OF EDUCATION PROPERTY TAX GRAND LIST

* * *

(b) Annually, on or before August 15, the clerk of a municipality, or the supervisor of an unorganized town or gore, shall transmit to the Director in an electronic or other format as prescribed by the Director: education and municipal grand list data, including exemption information and grand list abstracts; tax rates; an extract of the assessor database also referred to as a Computer Assisted Mass Appraisal (CAMA) system or Computer Assisted Mass Appraisal database; and the total amount of taxes assessed in the town or unorganized town or gore. The data transmitted shall identify each parcel by a parcel identification number assigned under a numbering system prescribed by the Director. Municipalities may continue to use existing numbering systems

in addition to, but not in substitution for, the parcel identification system prescribed by the Director. If changes or additions to the grand list are made by the listers or other officials authorized to do so after such abstract has been so transmitted, such clerks shall forthwith certify the same to the Director.

* * *

* * * Landlord Certificate * * *

Sec. 7. REPEAL; ACT 181 PROSPECTIVE LANDLORD CERTIFICATE CHANGES

2024 Acts and Resolves No. 181, Secs. 98 (landlord certificate amendments) and 114(5) (effective date of landlord certificate amendments) are repealed.

Sec. 8. 32 V.S.A. § 6069 is amended to read:

§ 6069. LANDLORD CERTIFICATE

* * *

(b) The owner of each rental property shall, on or before January 31 of each year, furnish a certificate of rent to the Department of Taxes.

(c) A certificate under this section shall be in a form prescribed by the Commissioner and shall include the following:

(1) the name of ~~the~~ each renter~~,~~;

(2) the address and ~~any property tax parcel identification number of the homestead, the information required under subsection (f) of this section,~~ the School Property Account Number of the rental property;

(3) the name of the owner or landlord of the rental property;

(4) the phone number, email address, and mailing address of the owner or landlord of the rental property, as available;

(5) the type or types of rental units on the rental property;

(6) the number of rental units on the rental property;

(7) the number of ADA-accessible units on the rental property; and

(8) any additional information that the Commissioner determines is appropriate.

* * *

(f) ~~Annually on or before October 31, the Department shall prepare and make available to a member of the public upon request a database in the form of a sortable spreadsheet that contains the following information for each~~

~~rental unit for which the Department received a certificate pursuant to this section:~~

~~(1) name of owner or landlord;~~

~~(2) mailing address of landlord;~~

~~(3) location of rental unit;~~

~~(4) type of rental unit;~~

~~(5) number of units in building; and~~

~~(6) School Property Account Number.~~ Annually on or before December 15, the Department shall submit a report on the aggregated data collected under this section to the House Committee on General and Housing and the Senate Committee on Economic Development, Housing and General Affairs.

* * * Land Bank Report * * *

Sec. 9. DHCD LAND BANK REPORT

(a) On or before November 1, 2026, the Department of Housing and Community Development shall issue a report to the House Committee on General and Housing and the Senate Committee on Economic Development, Housing and General Affairs outlining a legal framework for implementation of a State land bank. The report shall include proposed legislative language specific to:

(1) the creation and ongoing administration of a statewide land bank;

(2) the authorization of regional or municipal land banks; and

(3) the identification of funding proposals to support the establishment and sustainability of each separate model.

(b) The report shall include an analysis on which option, the creation of a statewide land bank or the authorization of regional or municipal land banks, best serves the interest of Vermont communities, including rural communities.

(c) On or before January 15, 2026, the Department of Housing and Community Development shall provide a written update to the House Committee on General and Housing and the Senate Committee on Economic Development, Housing and General Affairs on progress made, including a preliminary assessment of the information required in the final report.

* * * Housing and Public Accommodations Protections * * *

Sec. 10. 9 V.S.A. § 4456a is amended to read:

§ 4456a. RESIDENTIAL RENTAL APPLICATION ~~FEES; PROHIBITED~~

(a) A landlord or a landlord's agent shall not charge an application fee to any individual in order to apply to enter into a rental agreement for a residential dwelling unit. This ~~section~~ subsection shall not be construed to prohibit a person from charging a fee to a person in order to apply to rent commercial or nonresidential property.

(b)(1) In order to conduct a background or credit check, a landlord may request a Social Security number from a residential rental applicant.

(2) In the event an applicant does not have a Social Security number, a landlord shall accept one of the following:

(A) an original or a copy of any unexpired form of government-issued identification; or

(B) an Individual Taxpayer Identification Number.

Sec. 11. 9 V.S.A. § 4501 is amended to read:

§ 4501. DEFINITIONS

As used in this chapter:

* * *

(12)(A) "Harass" means to engage in unwelcome conduct that detracts from, undermines, or interferes with a person's:

(i) use of a place of public accommodation or any of the accommodations, advantages, facilities, or privileges of a place of public accommodation because of the person's race, creed, color, national origin, citizenship, immigration status, marital status, sex, sexual orientation, gender identity, or disability; or

(ii) terms, conditions, privileges, or protections in the sale or rental of a dwelling or other real estate, or in the provision of services or facilities in connection with a dwelling or other real estate, because of the person's race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability, or because the person intends to occupy a dwelling with one or more minor children, or because the person is a recipient of public assistance, or because the person is a victim of abuse, sexual assault, or stalking.

* * *

Sec. 12. 9 V.S.A. § 4502 is amended to read:

§ 4502. PUBLIC ACCOMMODATIONS

(a) An owner or operator of a place of public accommodation or an agent or employee of such owner or operator shall not, because of the race, creed,

color, national origin, citizenship, immigration status, marital status, sex, sexual orientation, or gender identity of any person, refuse, withhold from, or deny to that person any of the accommodations, advantages, facilities, and privileges of the place of public accommodation.

* * *

Sec. 13. 9 V.S.A. § 4503 is amended to read:

§ 4503. UNFAIR HOUSING PRACTICES

(a) It shall be unlawful for any person:

(1) To refuse to sell or rent, or refuse to negotiate for the sale or rental of, or otherwise make unavailable or deny, a dwelling or other real estate to any person because of the race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person intends to occupy a dwelling with one or more minor children, or because a person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking.

(2) To discriminate against, or to harass, any person in the terms, conditions, privileges, and protections of the sale or rental of a dwelling or other real estate, or in the provision of services or facilities in connection with a dwelling or other real estate, because of the race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person intends to occupy a dwelling with one or more minor children, or because a person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking.

(3) To make, print, or publish, or cause to be made, printed, or published any notice, statement, or advertisement, with respect to the sale or rental of a dwelling or other real estate that indicates any preference, limitation, or discrimination based on race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person intends to occupy a dwelling with one or more minor children, or because a person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking.

(4) To represent to any person because of the race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person intends to occupy a dwelling with one or more minor children, or because a person is a recipient of public assistance, or because a person is a

victim of abuse, sexual assault, or stalking, that any dwelling or other real estate is not available for inspection, sale, or rental when the dwelling or real estate is in fact so available.

* * *

(6) To discriminate against any person in the making or purchasing of loans or providing other financial assistance for real-estate-related transactions or in the selling, brokering, or appraising of residential real property, because of the race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person intends to occupy a dwelling with one or more minor children, or because a person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking.

(7) To engage in blockbusting practices, for profit, which may include inducing or attempting to induce a person to sell or rent a dwelling by representations regarding the entry into the neighborhood of a person or persons of a particular race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person intends to occupy a dwelling with one or more minor children, or because a person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking.

(8) To deny any person access to or membership or participation in any multiple listing service, real estate brokers' organization, or other service, organization, or facility relating to the business of selling or renting dwellings, or to discriminate against any person in the terms or conditions of such access, membership, or participation, on account of race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking.

* * *

(12) To discriminate in land use decisions or in the permitting of housing because of race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, disability, the presence of one or more minor children, income, or because of the receipt of public assistance, or because a person is a victim of abuse, sexual assault, or stalking, except as otherwise provided by law.

* * *

(d) If required by federal law, the verification of immigration status or differential treatment on the basis of citizenship or immigration status shall not constitute a violation of subsection (a) of this section with respect to the sale and rental of dwellings.

(e) For purposes of subdivision (a)(6) of this section, it shall not constitute unlawful discrimination for a lender to consider a credit applicant's immigration status to the extent such status has bearing on the lender's rights and remedies regarding loan repayment and further provided such consideration is consistent with any applicable federal law or regulation.

* * * Housing Appeals * * *

Sec. 14. 10 V.S.A. § 8502 is amended to read:

§ 8502. DEFINITIONS

As used in this chapter:

* * *

(7) "Person aggrieved" means a person who alleges an injury to a particularized interest protected by the provisions of law listed in section 8503 of this title, attributable to an act or decision by a district coordinator, District Commission, the Secretary, an appropriate municipal panel, or the Environmental Division that can be redressed by the Environmental Division or the Supreme Court. For purposes of appeals pursuant to 24 V.S.A. chapter 117, the injury alleged shall be to a particularized interest protected by 24 V.S.A. § 4302(c).

* * *

(9) "Appropriate municipal panel" has the same meaning as 24 V.S.A. § 4303(3).

Sec. 15. 10 V.S.A. § 8504 is amended to read:

§ 8504. APPEALS TO THE ENVIRONMENTAL DIVISION

* * *

(b) Planning and zoning chapter appeals.

(1) Within 30 days ~~of~~ following the date of the act or decision, an interested person, as defined in 24 V.S.A. § 4465, or a person aggrieved owning or occupying property in the immediate neighborhood of a property that is the subject of the decision or act, who has participated as defined in 24 V.S.A. § 4471 in the municipal regulatory proceeding under that chapter may appeal to the Environmental Division an act or decision made under that chapter by ~~a board of adjustment, a planning commission, or a development~~

~~review board~~ the appropriate municipal panel; provided, however, that decisions of a development review board under 24 V.S.A. § 4420 with respect to local Act 250 review of municipal impacts are not subject to appeal but shall serve as presumptions under chapter 151 of this title. An aggrieved person shall not appeal an act or decision on a permit application filed on or before June 30, 2025.

* * *

(h) De novo hearing. The Environmental Division, applying the substantive standards that were applicable before the tribunal appealed from, shall hold a de novo hearing on those issues that have been appealed, except in the case of:

(1) a decision being appealed on the record pursuant to 24 V.S.A. chapter 117; or

(2) a decision of the Commissioner of Forests, Parks and Recreation under section 2625 of this title being appealed on the record, in which case the court shall affirm the decision, unless it finds that the Commissioner did not have reasonable grounds on which to base the decision.

* * *

(k) Limitations on appeals. Notwithstanding any other provision of this section:

(1) there shall be no appeal from a District Commission decision when the Commission has issued a permit and no hearing was requested or held, or no motion to alter was filed following the issuance of an administrative amendment;

(2) a municipal decision regarding whether a particular application qualifies for a recorded hearing under 24 V.S.A. § 4471(b) shall not be subject to appeal;

(3) if a District Commission issues a partial decision under subsection 6086(b) of this title, any appeal of that decision must be taken within 30 days following the date of that decision; ~~and~~

(4) it shall be the goal of the Environmental Division to issue a decision on a case regarding an appeal of an appropriate municipal panel decision under 24 V.S.A. chapter 117 within 90 days following the close of the hearing; and

(5) except for cases the court considers of greater importance, appeals of an appropriate municipal panel decision under 24 V.S.A. chapter 117 involving housing development take precedence on the docket over other cases and shall be assigned for hearing and trial or for argument accordingly.

* * *

Sec. 16. 24 V.S.A. § 4465 is amended to read:

§ 4465. APPEALS OF DECISIONS OF THE ADMINISTRATIVE OFFICER

(a) An interested person may appeal any decision or act taken by the administrative officer in any municipality by filing a notice of appeal with the secretary of the board of adjustment or development review board of that municipality or with the clerk of that municipality if no such secretary has been elected. This notice of appeal must be filed within 15 days following the date of that decision or act, and a copy of the notice of appeal shall be filed with the administrative officer.

(b) As used in this chapter, an "interested person" means any one of the following:

(1) A person owning title to property, or a municipality or solid waste management district empowered to condemn it or an interest in it, affected by a bylaw, who alleges that the bylaw imposes on the property unreasonable or inappropriate restrictions of present or potential use under the particular circumstances of the case.

(2) The municipality that has a plan or a bylaw at issue in an appeal brought under this chapter or any municipality that adjoins that municipality.

(3) A person owning or occupying property in the immediate neighborhood of a property that is the subject of any decision or act taken under this chapter, who can demonstrate a particularized physical or environmental ~~impact on~~ injury to the person's interest under the criteria reviewed, and who alleges that the decision or act, if confirmed, will not be in accord with the policies, purposes, or terms of the plan or bylaw of that municipality.

(4) Any 20 persons who may be any combination of voters, residents, or real property owners within a municipality listed in subdivision (2) of this subsection who, by signed petition to the appropriate municipal panel of a municipality, the plan or a bylaw of which is at issue in any appeal brought under this title, allege that any relief requested by a person under this title, if granted, will not be in accord with the policies, purposes, or terms of the plan or bylaw of that municipality. This petition to the appropriate municipal panel must designate one person to serve as the representative of the petitioners regarding all matters related to the appeal. For purposes of this subdivision, an appeal shall not include the character of the area affected if the project has a residential component that includes affordable housing.

(5) Any department and administrative subdivision of this State owning property or any interest in property within a municipality listed in subdivision (2) of this subsection, and the Agency of Commerce and Community Development of this State.

(c) For purposes of an appeal of any act or decision by an appropriate municipal panel pursuant to subchapters 10 and 11, "interested person" shall not include subdivision (b)(4) of this section.

(d) In the exercise of its functions under this section, a board of adjustment or development review board shall have the following powers, in addition to those specifically provided for elsewhere in this chapter:

(1) To hear and decide appeals taken under this section, including where it is alleged that an error has been committed in any order, requirement, decision, or determination made by an administrative officer under this chapter in connection with the administration or enforcement of a bylaw.

(2) To hear and grant or deny a request for a variance under section 4469 of this title.

Sec. 17. 24 V.S.A. § 4441 is amended to read:

§ 4441. PREPARATION OF BYLAWS AND REGULATORY TOOLS; AMENDMENT OR REPEAL

* * *

(i) Notwithstanding this section and any other law to the contrary, for bylaw amendments that are required to comply with amendments to this chapter, no hearings are required to be held on the bylaw amendments.

* * * LURB Study * * *

Sec. 18. 2024 Acts and Resolves No. 181, Sec. 11a is amended to read:

Sec. 11a. ACT 250 APPEALS STUDY

(a) On or before ~~January 15, 2026~~ November 15, 2025, the Land Use Review Board shall issue a report evaluating whether to transfer appeals of permit decisions and jurisdictional opinions issued pursuant to 10 V.S.A. chapter 151 to the Land Use Review Board or whether they should remain at the Environmental Division of the Superior Court. The Board shall convene a stakeholder group that at a minimum shall be composed of a representative of environmental interests, attorneys that practice environmental and development law in Vermont, the Vermont League of Cities and Towns, the Vermont Association of Planning and Development Agencies, the Vermont Chamber of Commerce, the Land Access and Opportunity Board, the Office of Racial Equity, the Vermont Association of Realtors, a representative of non-

profit housing development interests, a representative of for-profit housing development interests, a representative of commercial development interests, an engineer with experience in development, the Agency of Commerce and Community Development, and the Agency of Natural Resources in preparing the report. The Board shall provide notice of the stakeholder meetings on its website and each meeting shall provide time for public comment.

(b) The report shall at minimum recommend:

(1) whether to allow consolidation of appeals at the Board, or with the Environmental Division of the Superior Court, and how, including what resources the Board would need, if transferred to the Board, appeals of permit decisions issued under 24 V.S.A. chapter 117 and the Agency of Natural Resources can be consolidated with Act 250 appeals;

(2) how to prioritize and expedite the adjudication of appeals related to housing projects, including the use of hearing officers to expedite appeals and the setting of timelines for processing of housing appeals;

(3) procedural rules to govern the Board's administration of Act 250 and the adjudication of appeals of Act 250 decisions. These rules shall include procedures to create a firewall and eliminate any potential for conflicts with the Board managing appeals and issuing permit decisions and jurisdictional opinions; and

(4) other actions the Board should take to promote the efficient and effective adjudication of appeals, including any procedural improvements to the Act 250 permitting process and jurisdictional opinion appeals.

(c) The report shall be submitted to the Senate Committees on Economic Development, Housing and General Affairs and on Natural Resources and Energy and the House Committee on Environment ~~and Energy~~.

* * * Brownfields * * *

Sec. 19. 10 V.S.A. § 6604c is amended to read:

§ 6604c. MANAGEMENT OF DEVELOPMENT SOILS

(a) Management of development soils. Notwithstanding any other requirements of this chapter to the contrary, development soils may be managed at a location permitted pursuant to an insignificant waste event approval authorization issued pursuant to the Solid Waste Management Rules that contains, at a minimum, the following:

(1) the development soils are generated from a hazardous materials site managed pursuant to a corrective action plan or a soil management plan approved by the Secretary;

(2) the development soils have been tested for arsenic, lead, and polyaromatic hydrocarbons pursuant to a monitoring plan approved by the Secretary that ensures that the soils do not leach above groundwater enforcement standards;

(3) the location where the soils are managed is appropriate for the amount and type of material being managed;

(4) the soils are capped in a manner approved by the Secretary;

(5) any activity that may disturb the development soils at the permitted location shall be conducted pursuant to a soil management plan approved by the Secretary; and

(6) the permittee files a record notice of where the soils are managed in the land records.

* * *

Sec. 20. REPORT ON THE STATUS OF MANAGEMENT OF DEVELOPMENT SOILS

(a) As part of the biennial report to the House Committee on Environment and the Senate Committee on Natural Resources and Energy under 10 V.S.A. § 6604(c), the Secretary of Natural Resources shall report on the status of the management of development soils in the State under 10 V.S.A. § 6604c. The report shall include:

(1) the number of insignificant waste event approval authorizations issued by the Secretary in the previous two years for the management of development soils;

(2) the number of certified categorical solid waste facilities operating in the State for the management of development soils;

(3) a summary of how the majority of development soils in the State are being managed;

(4) an estimate of the cost to manage development soils, depending on management method; and

(5) any additional information the Secretary determines relevant to the management of development soils in the State.

(b) As used in this section, "development soil" has the same meaning as in 10 V.S.A. § 6602(39).

Sec. 21. 10 V.S.A. § 6641 is amended to read:

§ 6641. BROWNFIELD PROPERTY CLEANUP PROGRAM; CREATION; POWERS

(a) There is created the Brownfield Property Cleanup Program to enable certain interested parties to request the assistance of the Secretary to review and oversee work plans for investigating, abating, removing, remediating, and monitoring a property in exchange for protection from certain liabilities under section 6615 of this title. The Program shall be administered by the Secretary who shall:

* * *

(c) When conducting any review required by this subchapter, the Secretary shall prioritize the review of remediation at a site that contains housing or that is planned for the construction or rehabilitation of single-family or multi-family housing.

Sec. 22. BROWNFIELDS PROCESS IMPROVEMENT; REPORT

On or before November 1, 2025, the Secretary of Natural Resources shall report to the House Committees on Environment and on General and Housing and the Senate Committees on Economic Development, Housing and General Affairs and on Natural Resources and Energy with proposals to make the Program established pursuant to 10 V.S.A. chapter 159, subchapter 3 (brownfields reuse and liability limitation) substantially more efficient. At a minimum, the report shall include both of the following:

(1) A survey of stakeholders in the brownfields program to identify areas that present challenges to the redevelopment of contaminated properties, with a focus on redevelopment for housing. The Secretary shall provide recommendations to resolve these challenges.

(2) An analysis of strengths and weaknesses of implementing a licensed site professional program within the State. The Secretary shall make a recommendation on whether such a program should be implemented. If the Secretary recommends implementation, the report shall include any changes to statute or budget needed to implement this program.

Sec. 23. FISCAL YEAR 2026 ENVIRONMENTAL CONTINGENCY FUND DISBURSEMENT FOR BROWNFIELDS

In fiscal year 2026, the Secretary of Natural Resources is authorized to disburse up to $2,000,000.00 from the Environmental Contingency Fund for the assessment, planning, and cleanup of brownfields sites.

* * * Smoke and Carbon Monoxide Alarms * * *

Sec. 24. 9 V.S.A. chapter 77 is amended to read:

CHAPTER 77. SMOKE ~~DETECTORS~~ ALARMS AND CARBON MONOXIDE ~~DETECTORS~~ ALARMS

§ 2881. DEFINITIONS

As used in this chapter:

* * *

(2) "Smoke ~~detector~~ alarm" means a device that detects visible or invisible particles of combustion and sounds a warning alarm, is operated from a power supply within the unit or wired to it from an outside source, and is approved or listed for the purpose by Underwriters Laboratory or by another nationally recognized independent testing laboratory.

(3) "Carbon monoxide ~~detector~~ alarm" means a device with an assembly that incorporates a sensor control component and an alarm notification that detects elevations in carbon monoxide levels and sounds a warning alarm, is operated from a power supply within the unit or wired to it from an outside source, and is approved or listed for the purpose by Underwriters Laboratory or by another nationally recognized independent testing laboratory.

§ 2882. INSTALLATION

(a) A person who constructs a single-family dwelling shall install ~~photoelectric-only-type~~ photoelectric-type or UL 217 compliant smoke ~~detectors~~ alarms in the vicinity of any bedrooms and on each level of the dwelling, and one or more carbon monoxide ~~detectors~~ alarms in the vicinity of any bedrooms in the dwelling in accordance with the manufacturer's instructions. In a dwelling provided with electrical power, ~~detectors~~ alarms shall be powered by the electrical service in the building and by battery.

(b) Any single-family dwelling when transferred by sale or exchange shall contain ~~photoelectric-only-type~~ photoelectric-type or UL 217 compliant smoke ~~detectors~~ alarms in the vicinity of any bedrooms and on each level of the dwelling installed in accordance with the manufacturer's instructions and one or more carbon monoxide ~~detectors~~ alarms installed in accordance with the manufacturer's instructions. A single-family dwelling constructed before January 1, 1994 may contain smoke ~~detectors~~ alarms powered by the electrical service in the building or by battery, or by a combination of both. In a single-family dwelling newly constructed after January 1, 1994 that is provided with electrical power, smoke ~~detectors~~ alarms shall be powered by the electrical service in the building and by battery. In a single-family dwelling newly constructed after July 1, 2005 that is provided with electrical power, carbon monoxide ~~detectors~~ alarms shall be powered by the electrical service in the building and by battery.

(c) Nothing in this section shall require an owner or occupant of a single-family dwelling to maintain or use a smoke ~~detector~~ alarm or a carbon monoxide ~~detector~~ alarm after installation.

§ 2883. REQUIREMENTS FOR TRANSFER OF DWELLING

(a) The seller of a single-family dwelling, including one constructed for first occupancy, whether the transfer is by sale or exchange, shall certify to the buyer at the closing of the transaction that the dwelling is provided with ~~photoelectric-only-type~~ photoelectric-type or UL 217 compliant smoke ~~detectors~~ alarms and carbon monoxide ~~detectors~~ alarms in accordance with this chapter. This certification shall be signed and dated by the seller.

(b) If the buyer notifies the seller within 10 days by certified mail from the date of conveyance of the dwelling that the dwelling lacks any ~~photoelectric-only-type~~ photoelectric-type or UL 217 compliant smoke ~~detectors~~ alarms, or any carbon monoxide ~~detectors~~ alarms, or that any ~~detector~~ alarm is not operable, the seller shall comply with this chapter within 10 days after notification.

* * *

Sec. 25. 20 V.S.A. § 2731 is amended to read:

§ 2731. RULES; INSPECTIONS; VARIANCES

* * *

(j) ~~Detectors~~ Alarms. Rules adopted under this section shall require that information written, approved, and distributed by the Commissioner on the type, placement, and installation of ~~photoelectric~~ photoelectric-type or UL 217 compliant smoke ~~detectors~~ alarms and carbon monoxide ~~detectors~~ alarms be conspicuously posted in the retail sales area where the ~~detectors~~ alarms are sold.

* * *

* * * Positive Rental Payment Pilot Program * * *

Sec. 26. POSITIVE RENTAL PAYMENT CREDIT REPORTING PILOT

(a) Definitions. As used in this section:

(1) "Contractor" means the third-party vendor that the State Treasurer's Office contracts with to administer the pilot program described in this section.

(2) "Dwelling unit" has the same meaning as in 9 V.S.A. § 4451(3).

(3) "Participant property owner" means a landlord that has agreed in writing to participate in the pilot program and has satisfied the requirements described in subsection (c) of this section.

(4) "Participant tenant" means a tenant that has elected to participate in the pilot program and whose landlord is a participant property owner.

(5) "Rental payment information" means information concerning a participating tenant's timely payment of rent. "Rent payment information" does not include information concerning a participating tenant's payment or nonpayment of fees.

(b) Pilot program creation.

(1) The State Treasurer shall create and implement a two-year positive rental payment reporting pilot program to facilitate the reporting of rent payment information from participating tenants to consumer reporting agencies.

(2) On or before May 1, 2026, the State Treasurer shall contract with a third party to administer a positive rental payment pilot program and facilitate the transmission of rent reporting information from a participant property owner to a consumer reporting agency. The third-party administrator shall be required to:

(A) enter into an agreement with one or more participant property owners in the State in accordance with the requirements of this section for participation in the pilot program;

(B) ensure that information to a credit reporting agency includes only rent payment information after the date on which the participant tenant elected to participate in the pilot program;

(C) develop and implement a process for removal of participant tenants for failure to comply with program requirements, including failure make timely rental payments;

(D) establish a standard form for a participant tenant to use to elect to participate or cease participation in the pilot program, which shall include a statement that the tenant's participation is voluntary and that a participant may cease participating in the pilot program at any time and for any reason by providing notice to the participant's landlord and that the tenant may be removed from the program for failure to comply with program requirements, including failure to make timely rental payments; and

(E) offer an optional financial education course for participant tenants.

(c) Program agreements. A participant property owner shall agree in writing:

(1) to participate in the pilot program for the duration of the program;

(2) not to charge a participant tenant for participation in the pilot program;

(3) to comply with the requirements of the program;

(4) to provide information as required by the State Treasurer concerning the implementation of the pilot program; and

(5) to assist in the recruitment of tenants to participate in the pilot program.

(d) Program participants. On or before June 1, 2026, the Contractor shall, in coordination with the State Treasurer, recruit not more than 10 participant property owners and, to the extent practicable, not less than 100 participant tenants, to participate in the pilot program. The Contractor shall seek to select participant tenants from populations that are under-served and under-represented in home ownership. The Contractor shall also seek to recruit participant landlords who offer:

(1) a variety of types of dwelling units for rent, including dwelling units of various sizes;

(2) dwelling units for rent that are located in geographically diverse areas of the State; and

(3) at least five dwelling units for rent.

(e) Termination. The State Treasurer may terminate the pilot program at any time in the Treasurer's sole discretion or terminate participation of a participant property owner for failure to comply with the requirements of the program.

(f) Reports.

(1) On or before November 1, 2027, the State Treasurer shall submit an interim report to the Senate Committee on Economic Development, Housing and General Affairs and the House Committee on General and Housing regarding the findings of the pilot program. The report shall include:

(A) the number of participant tenants, including information regarding the demographic makeup of participant tenants, such as race, ethnicity, gender, income, and age, as voluntarily provided by the participant;

(B) the number of participant tenants who ceased participating in the program voluntarily;

(C) the number of participant tenants who were removed from the program and the reasons why;

(D) a breakdown of costs of administering the program, including the monthly costs associated with rent reporting;

(E) a description of challenges faced by the participating property owners and participating tenants during the pilot program;

(F) an analysis of the outcomes of rent reporting on participant tenant's credit scores; and

(G) recommendations for legislative action, including proposed statutory language and an appropriation for associated costs.

(2) On or before November 1, 2028, the State Treasurer shall submit a final report to the Senate Committee on Economic Development, Housing and General Affairs and the House Committee on General and Housing regarding the findings of the pilot program. The report shall include an update to the information required in the interim report.

Sec. 26a. POSITIVE RENTAL PAYMENT CREDIT REPORTING PILOT; IMPLEMENTATION

The duty to implement Sec. 26 of this act shall be contingent upon an appropriation of funds in fiscal year 2026 from the General Fund to the Office of the State Treasurer for the purposes of carryout that section.

* * * Tax Increment Financing * * *

Sec. 27. 24 V.S.A. chapter 53, subchapter 7 is added to read:

Subchapter 7. Community and Housing Infrastructure Program

§ 1906. DEFINITIONS

As used in this subchapter:

(1) "Brownfield" means a property on which the presence or potential presence of a hazardous material, pollutant, or contaminant complicates the expansion, development, redevelopment, or reuse of the property.

(2) "Committed" means pledged and appropriated for the purpose of the current and future payment of financing and related costs.

(3) "Developer" means the person undertaking to construct a housing development.

(4) "Financing" means debt, including principal, interest, and any fees or charges directly related to that debt, incurred by a sponsor, or other instruments or borrowing used by a sponsor, to pay for a housing infrastructure project and, in the case of a sponsor that is a municipality, authorized by the municipality pursuant to section 1910a of this subchapter.

(5) "Housing development" means the construction of one or more buildings that includes housing.

(6) "Housing development site" means the parcel or parcels encompassing a housing development as authorized by a municipality pursuant to section 1908 of this subchapter.

(7) "Housing infrastructure agreement" means a legally binding agreement to finance and develop a housing infrastructure project and to construct a housing development among a municipality, a developer, and, if applicable, a third-party sponsor.

(8) "Housing infrastructure project" means one or more improvements authorized by a municipality pursuant to section 1908 of this subchapter.

(9) "Improvements" means:

(A) the installation or construction of infrastructure that will serve a public good and fulfill the purpose of housing infrastructure tax increment financing as stated in section 1907 of this subchapter, including utilities, digital infrastructure, transportation, public recreation, parking, public facilities and amenities, land and property acquisition and demolition, brownfield remediation, site preparation, and flood remediation and mitigation; and

(B) the funding of debt service interest payments for a period of up to four years, beginning on the date on which the debt is first incurred.

(10) "Legislative body" means the mayor and alderboard, the city council, the selectboard, and the president and trustees of an incorporated village, as appropriate.

(11) "Municipality" means a city, town, or incorporated village.

(12) "Original taxable value" means the total valuation as determined in accordance with 32 V.S.A. chapter 129 of all taxable real property located within a housing development site as of its creation date, provided that no parcel within the housing development site shall be divided or bisected.

(13) "Related costs" means expenses incurred and paid by a municipality, exclusive of the actual cost of constructing and financing improvements, that are directly related to the creation and implementation of the municipality's housing infrastructure project, including reimbursement of sums previously advanced by the municipality for those purposes. Related costs may include direct municipal expenses such as departmental or personnel costs related to creating or administering the housing infrastructure project to the extent they are paid from the tax increment realized from municipal and not education taxes and using only that portion of the municipal increment above the percentage required for serving debt as determined in accordance with subsection 1910c(c) of this subchapter.

(14) "Sponsor" means the person undertaking to finance a housing infrastructure project. Any of a municipality, a developer, or an independent agency that meets State lending standards may serve as a sponsor for a housing infrastructure project.

§ 1907. PURPOSE

The purpose of housing infrastructure tax increment financing is to provide revenues for improvements and related costs to encourage the development of primary residences for households of low or moderate income.

§ 1908. CREATION OF HOUSING INFRASTRUCTURE PROJECT AND HOUSING DEVELOPMENT SITE

(a) The legislative body of a municipality may create within its jurisdiction a housing infrastructure project, which shall consist of improvements that stimulate the development of housing, and a housing development site, which shall consist of the parcel or parcels on which a housing development is installed or constructed and any immediately contiguous parcels.

(b) To create a housing infrastructure project and housing development site, a municipality, in coordination with stakeholders, shall:

(1) develop a housing development plan, including:

(A) a description of the proposed housing infrastructure project, the proposed housing development, and the proposed housing development site;

(B) identification of a sponsor;

(C) a tax increment financing plan meeting the standards of subsection 1910(f) of this subchapter;

(D) a pro forma projection of expected costs of the proposed housing infrastructure project;

(E) a projection of the tax increment to be generated by the proposed housing development; and

(F) a development schedule that includes a list, a cost estimate, and a schedule for the proposed housing infrastructure project and the proposed housing development;

(2) develop a plan describing the housing development site by its boundaries and the properties therein, entitled "Proposed Housing Development Site (municipal name), Vermont";

(3) hold one or more public hearings, after public notice, on the proposed housing infrastructure project, including the plans developed pursuant to this subsection; and

(4) adopt by act of the legislative body of the municipality the plan developed under subdivision (2) of this subsection, which shall be recorded with the municipal clerk and lister or assessor.

(c) The creation of a housing development site shall occur at 12:01 a.m. on April 1 of the calendar year in which the Vermont Economic Progress Council approves the use of tax increment financing for the housing infrastructure project pursuant to section 1910 of this subchapter.

§ 1909. HOUSING INFRASTRUCTURE AGREEMENT

(a) The housing infrastructure agreement for a housing infrastructure project shall:

(1) clearly identify the sponsor for the housing infrastructure project;

(2) clearly identify the developer and the housing development for the housing development site;

(3) obligate the tax increments retained pursuant to section 1910c of this subchapter for not more than the financing and related costs for the housing infrastructure project; and

(4) provide for performance assurances to reasonably secure the obligations of all parties under the housing infrastructure agreement.

(b) A municipality shall provide notice of the terms of the housing infrastructure agreement for the municipality's housing infrastructure project to the legal voters of the municipality and shall provide the same information as set forth in subsection 1910a(e) of this subchapter.

§ 1910. HOUSING INFRASTRUCTURE PROJECT APPLICATION; VERMONT ECONOMIC PROGRESS COUNCIL

(a) Application. A municipality, upon approval of its legislative body, may apply to the Vermont Economic Progress Council to use tax increment financing for a housing infrastructure project.

(b) Review. The Vermont Economic Progress Council may approve only applications that:

(1) meet the process requirements, the project criterion, and any of the location criteria of this section; and

(2) are submitted on or before December 31, 2035.

(c) Process requirements. The Vermont Economic Progress Council shall review a municipality's housing infrastructure project application to determine whether the municipality has:

(1) created a housing infrastructure project and housing development site pursuant to section 1908 of this subchapter;

(2) executed a housing infrastructure agreement for the housing infrastructure project adhering to the standards of section 1909 of this subchapter with a developer and, if the municipality is not financing the housing infrastructure project itself, a sponsor; and

(3) approved or pledged to use incremental municipal tax revenues for the housing infrastructure project in the proportion provided for municipal tax revenues in section 1910c of this subchapter.

(d) Project criterion. The Vermont Economic Progress Council shall review a municipality's housing infrastructure project application to determine whether the projected housing development includes housing.

(e) Location criteria. The Vermont Economic Progress Council shall review a municipality's housing infrastructure project application to determine whether the housing development site is located within one of the following areas:

(1) an area designated Tier 1A or Tier 1B pursuant to 10 V.S.A. chapter 151 (State land use and development plans) or an area exempt from the provisions of that chapter pursuant to 10 V.S.A. § 6081(dd) (interim housing exemptions);

(2) an area designated Tier 2 pursuant to 10 V.S.A. chapter 151 (State land use and development plans) or an area in which the housing development site is compatible with regional and town land use plans as evidenced by a letter of support from the regional planning commission for the municipality; or

(3) an existing settlement or an area within one-half mile of an existing settlement, as that term is defined in 10 V.S.A. § 6001(16).

(f) Tax increment financing plan. The Vermont Economic Progress Council shall approve a municipality's tax increment financing plan prior to a sponsor's incurrence of debt for the housing infrastructure project, including, if the sponsor is a municipality, prior to a public vote to pledge the credit of the municipality under section 1910a of this subchapter. The tax increment financing plan shall include:

(1) a statement of costs and sources of revenue;

(2) estimates of assessed values within the housing development site;

(3) the portion of those assessed values to be applied to the housing infrastructure project;

(4) the resulting tax increments in each year of the financial plan;

(5) the amount of bonded indebtedness or other financing to be incurred;

(6) other sources of financing and anticipated revenues; and

(7) the duration of the financial plan.

§ 1910a. INDEBTEDNESS

(a) A municipality approved for tax increment financing under section 1910 of this subchapter may incur indebtedness against revenues of the housing development site at any time during a period of up to five years following the creation of the housing development site. The Vermont Economic Progress Council may extend this debt incursion period by up to three years. If no debt is incurred for the housing infrastructure project during the debt incursion period, whether by the municipality or sponsor, the housing development site shall terminate.

(b) Notwithstanding any provision of any municipal charter, each instance of borrowing by a municipality to finance or otherwise pay for a housing infrastructure project shall occur only after the legal voters of the municipality, by a majority vote of all voters present and voting on the question at a special or annual municipal meeting duly warned for the purpose, authorize the legislative body to pledge the credit of the municipality, borrow, or otherwise secure the debt for the specific purposes so warned.

(c) Any indebtedness incurred under this section may be retired over any period authorized by the legislative body of the municipality.

(d) The housing development site shall continue until the date and hour the indebtedness is retired or, if no debt is incurred, five years following the creation of the housing development site.

(e) A municipal legislative body shall provide information to the public prior to the public vote required under subsection (b) of this section. This information shall include the amount and types of debt and related costs to be incurred, including principal, interest, and fees; terms of the debt; the housing infrastructure project to be financed; the housing development projected to occur because of the housing infrastructure project; and notice to the voters that if the tax increment received by the municipality from any property tax source is insufficient to pay the principal and interest on the debt in any year, the municipality shall remain liable for the full payment of the principal and interest for the term of the indebtedness. If interfund loans within the municipality are used, the information must also include documentation of the terms and conditions of the loan.

(f) If interfund loans within the municipality are used as the method of financing, no interest shall be charged.

(g) The use of a bond anticipation note shall not be considered a first incurrence of debt pursuant to subsection (a) of this section.

§ 1910b. ORIGINAL TAXABLE VALUE; TAX INCREMENT

(a) As of the date the housing development site is created, the lister or assessor for the municipality shall certify the original taxable value and shall certify to the legislative body in each year thereafter during the life of the housing development site the amount by which the total valuation as determined in accordance with 32 V.S.A. chapter 129 of all taxable real property within the housing development site has increased or decreased relative to the original taxable value.

(b) Annually throughout the life of the housing development site, the lister or assessor shall include not more than the original taxable value of the real property in the assessed valuation upon which the treasurer computes the rates of all taxes levied by the municipality and every other taxing district in which the housing development site is situated, but the treasurer shall extend all rates so determined against the entire assessed valuation of real property for that year.

(c) Annually throughout the life of the housing development site, a municipality shall remit not less than the aggregate education property tax due on the original taxable value to the Education Fund.

(d) Annually throughout the life of the housing development site, the municipality shall hold apart, rather than remit to the taxing districts, that proportion of all taxes paid that year on the real property within the housing development site that the excess valuation bears to the total assessed valuation. The amount held apart each year is the "tax increment" for that year. The tax increment shall only be used for financing and related costs.

(e) Not more than the percentages established pursuant to section 1910c of this subchapter of the municipal and State education tax increments received with respect to the housing development site and committed for the payment for financing for improvements and related costs shall be segregated by the municipality in a special tax increment financing account and in its official books and records until all capital indebtedness incurred for the housing infrastructure project has been fully paid. The final payment shall be reported to the treasurer, who shall thereafter include the entire assessed valuation of the housing development site in the assessed valuations upon which the municipal and other tax rates are computed and extended, and thereafter no

taxes from the housing development site shall be deposited in the special tax increment financing account.

(f) Notwithstanding any charter provision or other provision, all property taxes assessed within a housing development site shall be subject to the provisions of this section. Special assessments levied under chapter 76A or 87 of this title or under a municipal charter shall not be considered property taxes for the purpose of this section if the proceeds are used exclusively for operating expenses related to properties within the housing development site and not for improvements within the housing development site.

§ 1910c. USE OF TAX INCREMENT; RETENTION PERIOD

(a) Uses of tax increments. A municipality may apply tax increments retained pursuant to this subchapter to debt incurred within the period permitted under section 1910a of this subchapter, to related costs, and to the direct payment of the cost of a housing infrastructure project. Any direct payment shall be subject to the same public vote provisions of section 1910a of this subchapter as apply to debt.

(b) Education property tax increment. Up to 80 percent of the education property tax increment may be retained for up to 20 years, beginning the first year in which debt is incurred for the housing infrastructure project. Upon incurring the first debt, a municipality shall notify the Department of Taxes and the Vermont Economic Progress Council of the beginning of the retention period of the education property tax increment.

(c) Municipal property tax increment. Not less than 100 percent of the municipal property tax increment may be retained, beginning the first year in which debt is incurred for the housing infrastructure project.

(d) Excess tax increment.

(1) Of the municipal and education property tax increments received in any tax year that exceed the amounts committed for the payment of the financing and related costs for a housing infrastructure project, equal portions of each increment may be retained for the following purposes:

(A) to prepay principal and interest on the financing;

(B) to place in a special tax increment financing account required pursuant to subsection 1910b(e) of this subchapter and use for future financing payments; or

(C) to use for defeasance of the financing.

(2) Any remaining portion of the excess education property tax increment shall be distributed to the Education Fund. Any remaining portion

of the excess municipal property tax increment shall be distributed to the city, town, or village budget in the proportion that each budget bears to the combined total of the budgets unless otherwise negotiated by the city, town, or village.

§ 1910d. INFORMATION REPORTING

(a) A municipality with an active housing infrastructure project shall:

(1) develop a system, segregated for the housing infrastructure project, to identify, collect, and maintain all data and information necessary to fulfill the reporting requirements of this section;

(2) provide timely notification to the Department of Taxes and the Vermont Economic Progress Council of any housing infrastructure project debt, public vote, or vote by the municipal legislative body immediately following the debt incurrence or public vote on a form prescribed by the Council, including copies of public notices, agendas, minutes, vote tally, and a copy of the information provided to the public pursuant to subsection 1910a(e) of this subchapter; and

(3) annually on or before February 15, submit on a form prescribed by the Vermont Economic Progress Council an annual report to the Council and the Department of Taxes, including the information required by subdivision (2) of this subsection if not previously submitted, the information required for annual audit under section 1910e of this subchapter, and any information required by the Council or the Department of Taxes for the report required pursuant to subsection (b) of this section.

(b) Annually on or before April 1, the Vermont Economic Progress Council and the Department of Taxes shall submit a report to the Senate Committees on Economic Development, Housing and General Affairs and on Finance and the House Committees on Commerce and Economic Development and on Ways and Means on housing infrastructure projects approved pursuant to this subchapter, including for each of the following:

(1) the date of approval;

(2) a description of the housing infrastructure project;

(3) the original taxable value of the housing development site;

(4) the scope and value of projected and actual improvements and developments in the housing development site, including the number of housing units created;

(5) the number and types of housing units for which a permit is being pursued under 10 V.S.A. chapter 151 (State land use and development plans)

and, for each applicable housing development, the current stage of the permitting process;

(6) projected and actual incremental revenue amounts;

(7) the allocation of incremental revenue; and

(8) projected and actual financing.

(c) On or before January 15, 2035, the Vermont Economic Progress Council shall submit a report to the Senate Committees on Economic Development, Housing and General Affairs and on Finance and the House Committees on Commerce and Economic Development and on Ways and Means evaluating the success of the Community and Housing Infrastructure Program in achieving its purpose, as stated in section 1907 of this chapter, including by identifying the amount and kinds of housing produced through the Program and by determining whether housing development pursued through the Program meets the project criterion and location criteria of section 1910 of this chapter.

§ 1910e. AUDITING

Annually on or before April 1 until the year following the end of the period for retention of education property tax increment, a municipality with a housing infrastructure project approved under this subchapter shall ensure that the special tax increment financing account required by section 1910b of this subchapter is subject to the annual audit prescribed in section 1681 or 1690 of this title and submit a copy to the Vermont Economic Progress Council. If an account is subject only to the audit under section 1681 of this title, the Council shall ensure a process is in place to subject the account to an independent audit. Procedures for the audit must include verification of the original taxable value and annual and total municipal and education property tax increments generated, expenditures for financing and related costs, and current balance.

§ 1910f. GUIDANCE

(a) The Secretary of Commerce and Community Development, after reasonable notice to a municipality and an opportunity for a hearing, may issue decisions to a municipality on questions and inquiries concerning the administration of housing infrastructure projects, statutes, rules, noncompliance with this subchapter, and any instances of noncompliance identified in audit reports conducted pursuant to section 1910e of this subchapter.

(b) The Vermont Economic Progress Council shall prepare recommendations for the Secretary of Commerce and Community Development prior to any decision issued pursuant to subsection (a) of this

section. The Council may prepare recommendations in consultation with the Commissioner of Taxes, the Attorney General, and the State Treasurer. In preparing recommendations, the Council shall provide a municipality with a reasonable opportunity to submit written information in support of its position.

(c) The Secretary of Commerce and Community Development shall review the recommendations of the Council and issue a final written decision on each matter within 60 days following receipt of the recommendations. The Secretary may permit an appeal to be taken by any party to a Superior Court for determination of questions of law in the same manner as the Supreme Court may by rule provide for appeals before final judgment from a Superior Court before issuing a final decision.

(d) The Vermont Economic Progress Council may adopt rules that are reasonably necessary to implement this subchapter.

Sec. 28. 32 V.S.A. § 3325 is amended to read:

§ 3325. VERMONT ECONOMIC PROGRESS COUNCIL

(a) Creation. The Vermont Economic Progress Council is created to exercise the authority and perform the duties assigned to it, including its authority and duties relating to:

(1) the Vermont Employment Growth Incentive Program pursuant to subchapter 2 of this chapter; ~~and~~

(2) tax increment financing districts pursuant to 24 V.S.A. chapter 53, subchapter 5 and section 5404a of this title; and

(3) housing infrastructure tax increment financing pursuant to 24 V.S.A. chapter 53, subchapter 7.

* * *

(g) Decisions not subject to review. A decision of the Council to approve or deny an application under subchapter 2 of this chapter, ~~or~~ to approve or deny a tax increment financing district pursuant to 24 V.S.A. chapter 53, subchapter 5 and section 5404a of this title, or to approve or deny a housing infrastructure project pursuant to 24 V.S.A. chapter 53, subchapter 7 is an administrative decision that is not subject to the contested case hearing requirements under 3 V.S.A. chapter 25 and is not subject to judicial review.

* * * Effective Dates * * *

Sec. 29. EFFECTIVE DATES

This act shall take effect on July 1, 2025, except that Sec. 4 (Rental Housing Revolving Loan Program), Sec. 7 (repeal; Act 181 prospective landlord certificate changes), and this section shall take effect on passage.

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

Senator Watson, for the Committee on Natural Resources and Energy, to which the bill was committed, reported recommending that the Senate propose to the House that the bill be amended as recommended by the Committee on Economic Development, Housing and General Affairs with the following amendments thereto:

First: By striking out Secs. 14 (10 V.S.A. § 8502), 15 (10 V.S.A. § 8504), 16 (24 V.S.A. § 4465), and 17 (24 V.S.A. § 4441) and their reader assistance heading in their entireties and by renumbering the remaining sections to be numerically correct.

Second: By adding a reader assistance heading and a new section to be Sec. 23a to read as follows:

* * * ANR Report Surface Water Discharges * * *

Sec. 23a. ANR REPORT ON SURFACE WATER DISCHARGES

On or before November 15, 2025, the Secretary of Natural Resources shall submit a report to the General Assembly investigating the steps currently necessary to permit new surface water direct discharges of domestic wastewater in Vermont, identifying funding sources available to support the construction of such projects, and any recommendations for improving or streamlining the process.

And that the bill ought to pass in concurrence with such proposal 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 proposal of amendment as recommended by the Committees on Economic Development, Housing and General Affairs and Natural Resources and Energy.

Senator Watson, for the Committee on Appropriations, to which the bill was referred, reported recommending that the bill ought to pass in concurrence with proposal of amendment as recommended by the Committees on Economic Development, Housing and General Affairs and Natural Resources and Energy.

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

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

Rules Suspended; Immediate Consideration; House Proposals of Amendment Concurred In

S. 53.

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

An act relating to certification of community-based perinatal doulas and Medicaid coverage for doula services.

Was taken up for immediate consideration.

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

First: By striking out Sec. 7, state plan amendment, in its entirety and inserting in lieu thereof a new Sec. 7 to read as follows:

Sec. 7. STATE PLAN AMENDMENT

Not later than July 1, 2026, the Department of Vermont Health Access shall seek a state plan amendment from the Centers for Medicare and Medicaid Services to allow Vermont's Medicaid program to provide coverage for doula services in accordance with 33 V.S.A. § 1901n, as added by this act.

Second: In Sec. 8, effective dates, by striking out subsection (b) in its entirety and inserting in lieu thereof a new subsection (b) to read as follows:

(b) Sec. 5 (33 V.S.A. § 1901n; Medicaid coverage for doula services) shall take effect on the later of July 1, 2026 or approval of the state plan amendment requested pursuant to Sec. 7 of this act.

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

Rules Suspended; Bill Placed in All Remaining Stages of Passage; Bill Passed in Concurrence with Proposal of Amendment; Rules Suspended; Bill Messaged

H. 479.

On motion of Senator Baruth, the rules were suspended and House bill entitled:

An act relating to housing.

Was placed in all remaining stages of its passage in concurrence with proposal of amendment.

Thereupon, the bill was read the third time and passed in concurrence with proposal of amendment.

On motion of Senator Baruth, the rules were suspended, and the bill was ordered messaged to the House forthwith.

Recess

On motion of Senator Baruth the Senate recessed until six o'clock in the evening.

Called to Order

The Senate was called to order by the President.

Rules Suspended; Immediate Consideration; Proposal of Amendment; Third Reading Ordered

H. 472.

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

An act relating to professions and occupations regulated by the Office of Professional Regulation.

Was taken up for immediate consideration.

Senator White, for the Committee on Government Operations, to which the bill was referred, reported recommending that the Senate propose to the House to amend the bill by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * OPR Fees and Fund Management * * *

Sec. 1. 3 V.S.A. § 118 is amended to read:

§ 118. COLLECTION AND DISPOSITION OF REVENUE

(a) There is hereby created a Secretary of State Services Fund. The Fund shall be used to provide appropriations for the operations of the Office of the Secretary of State, with the exception of those operations provided for in chapter 5, subchapter 3 of this title. The Fund shall be administered as a

special fund pursuant to 32 V.S.A. chapter 7, subchapter 5. At the end of each fiscal year, the unobligated balance in this Fund shall be transferred to the General Fund.

(b) All revenues collected by the Secretary of State shall be deposited into the Secretary of State Services Fund except for the following revenues:

(1) any revenues collected by the Office of Professional Regulation set forth in chapter 5, subchapter 3 of this title; and

(2) any revenues collected pursuant to subsection 117(k) of this title.

(c) The Secretary of State shall have the authority to collect and deposit into the Secretary of State Services Fund revenues generated from optional services offered in the normal course of business, including for one-time or periodic sales of data by subscription or other contractual basis.

Sec. 2. 3 V.S.A. § 125 is amended to read:

§ 125. FEES

(a) In addition to the fees otherwise authorized by law, a board or advisor profession may charge the following fees:

(1) Verification of license, ~~$20.00~~ $30.00.

* * *

(b) Unless otherwise provided by law, the following fees shall apply to all professions regulated by the Director in consultation with advisor appointees under Title 26:

* * *

(4) Biennial renewal, $275.00, except biennial renewal for:

* * *

(W) Electrology shop, $200.00.

* * *

(9) Apprenticeship application, $50.00.

(10) Specialty or endorsement to existing license application, $100.00.

(11) Disciplinary action surcharge, $250.00.

(c) ~~Notwithstanding any provisions of law to the contrary, a board shall not require payment of renewal fees for years during which a license was lapsed.~~ [Repealed.]

* * *

* * * 2027 Fee Increase; Peer Support Providers * * *

Sec. 3. 3 V.S.A. § 125 is amended to read:

§ 125. FEES

* * *

(b) Unless otherwise provided by law, the following fees shall apply to all professions regulated by the Director in consultation with advisor appointees under Title 26:

* * *

(4) Biennial renewal, $275.00, except biennial renewal for:

* * *

(V) Peer support providers or peer recovery support specialists, ~~$50.00~~ $75.00.

* * *

* * * OPR Duties and Disciplinary Authority * * *

Sec. 4. 3 V.S.A. § 123 is amended to read:

§ 123. DUTIES OF OFFICE

* * *

(k) For any profession attached to it, the Office shall provide a pre-application determination of an individual's criminal background. This determination shall not be binding on the Office in a future application if the individual violates probation or parole or is convicted of another crime following the determination.

* * *

(2) The individual shall submit this request online, accompanied by the fee for preapplication determinations set forth in section 125 of this subchapter. ~~If the individual thereafter applies for licensure, this preapplication fee shall be deducted from that license application fee.~~

* * *

(m) The provisions of subsection 116a(b) of this title shall not apply to the Office. The Office shall utilize the procedures within 26 V.S.A. chapter 57 to review whether regulation of a profession is still necessary.

Sec. 5. 3 V.S.A. § 127 is amended to read:

§ 127. UNAUTHORIZED PRACTICE

* * *

(b)(1) A person practicing a regulated profession without authority or an employer permitting such practice may, upon the complaint of the Attorney General or a State's Attorney or an attorney assigned by the Office of Professional Regulation, be enjoined therefrom by the Superior Court where the violation occurred or the Washington County Superior Court and may be assessed a civil penalty of not more than $5,000.00.

(2)(A) The Attorney General or an attorney assigned by the Office of Professional Regulation may elect to bring an action seeking only a civil penalty of not more than ~~$2,500.00~~ $5,000.00 for practicing or permitting the practice of a regulated profession without authority before the board having regulatory authority over the profession or before an administrative law officer.

* * *

Sec. 6. 3 V.S.A. § 129 is amended to read:

§ 129. POWERS OF BOARDS OR OF DIRECTOR IN ADVISOR PROFESSIONS; DISCIPLINE PROCESS

(a) In addition to any other provisions of law, a board or the Director, in the case of professions that have advisor appointees, may exercise the following powers:

* * *

(3) Issue warnings or reprimands, suspend, revoke, limit, condition, deny, or prevent renewal of licenses, after disciplinary hearings or, in cases requiring emergency action, immediately suspend, as provided by section 814 of this title. In a case involving noncompliance with a statute or rule relating to administrative duties not related to patient, client, or customer care, a board or hearing officer may determine that ordering a monetary civil penalty does not constitute a finding of unprofessional conduct. After a finding of unprofessional conduct, a respondent shall pay a disciplinary action surcharge pursuant to subdivision 125(b)(12) of this title. The proceeds from the disciplinary action surcharge shall be deposited into the Professional Regulatory Fee Fund.

* * *

* * * Cosmetology Certificate of Approval * * *

Sec. 7. 26 V.S.A. § 281 is amended to read:

§ 281. POSTSECONDARY SCHOOL OF BARBERING AND COSMETOLOGY; CERTIFICATE OF APPROVAL

(a) A school of barbering or cosmetology shall not be granted a certificate of approval unless the school:

* * *

(4) Requires a school term of training consistent with formal training requirements established by rule, which shall include practical demonstrations and theoretical studies in sanitation, sterilization, the use of antiseptics, and the use of appliances, devices, treatments, ~~and~~ preparations relevant to the field of licensure, and training on the care, styling, and treatment of textured hair. For purposes of this subdivision, "textured hair" means hair that is coiled, curly, or wavy. The training on the care, styling, and treatment of textured hair shall include:

(A) techniques for cutting, styling, and chemical treatments for textured hair;

(B) knowledge of products and tools specifically designed for textured hair;

(C) best practices for hair health and scalp care for clients with textured hair; and

(D) cultural competency and historical education on the significance of textured hair in diverse communities.

* * *

* * * Nursing Assistants; License Renewal * * *

Sec. 8. 26 V.S.A. 1645 is amended to read:

§ 1645. RENEWAL

(a) To renew a license, a nursing assistant shall meet ongoing practice requirements set by the Board by rule.

(b) The Board shall credit as ongoing practice those activities, regardless of title or obligation to hold a license, that reasonably tend to reinforce the training and skills of a licensee.

(c)(1) A licensee seeking to renew an expired or lapsed license after fewer than five years of absence from practice shall repeat and pass the competency examinations approved by the Department of Disabilities, Aging, and Independent Living before licensure renewal.

(2) A licensee who does not pass the competency examinations shall repeat a nursing assistant education program and competency examination.

* * * Repeals; Funeral Service Escrow Agents; Motor Vehicle Racing * * *

Sec. 9. 3 V.S.A. § 122 is amended to read:

§ 122. OFFICE OF PROFESSIONAL REGULATION

The Office of Professional Regulation is created within the Office of the Secretary of State. The Office shall have a director who shall be qualified by education and professional experience to perform the duties of the position. The Director of the Office of Professional Regulation shall be a classified position with the Office of the Secretary of State. The following boards or professions are attached to the Office of Professional Regulation:

* * *

(21) ~~Motor Vehicle Racing~~ [Repealed.]

* * *

Sec. 10. 26 V.S.A. § 1272 is amended to read:

§ 1272. RULES; PREPAID FUNERAL FUNDS

The Director shall adopt rules to carry out the provisions of this subchapter to ensure the proper handling of all funds paid pursuant to a prepaid funeral agreement and to protect consumers in the event of default. The rules shall include provisions relating to the following:

* * *

(2) ~~The appointment of an escrow agent who may be a bank or other category of individual such as an attorney, a local elected official, next of kin, or the executor of a buyer's estate. All prepaid arrangement funds shall be paid directly to the escrow agent and not to the funeral director or establishment.~~ [Repealed.]

* * *

Sec. 11. REPEALS

(a) 26 V.S.A. § 1275 (prepaid funeral expenses; duties of escrow agents) is repealed.

(b) 26 V.S.A. chapter 93 (motor vehicle racing) is repealed.

* * * Position; Executive Officer for the Regulation of Mental Health Professions * * *

Sec. 12. OFFICE OF PROFESSIONAL REGULATION; POSITION; APPROPRIATION

(a) The position of one new, permanent, full-time, exempt Executive Officer for the Regulation of Mental Health Professions is created in the Office of Professional Regulation.

(b) The sum of $170,000.00 is appropriated to the Office of Professional Regulation from the General Fund in fiscal year 2026 for the creation of the position of Executive Officer for the Regulation of Mental Health Professions in the Office of Professional Regulation.

* * * Report; Massage Therapy Establishments * * *

Sec. 13. OFFICE OF PROFESSIONAL REGULATION; REPORT; MASSAGE THERAPY ESTABLISHMENTS

On or before November 15, 2025, the Office of Professional Regulation, in consultation with interested stakeholders, including representatives from the Vermont Chapter of the American Association of Massage Therapists, the Vermont Network Against Domestic and Sexual Violence, the Department of State's Attorneys and Sheriffs, and other Vermont law enforcement agencies, shall submit to the House Committee on Government Operations and Military Affairs and the Senate Committee on Government Operations proposed legislation for the regulation, which may include licensure, of massage therapy establishments, as defined in 26 V.S.A. § 5401(2)(A).

* * * Licensure of Early Childhood Educators Serving in Programs Regulated by the Child Development Division * * *

Sec. 14. 3 V.S.A. § 122 is amended to read:

§ 122. OFFICE OF PROFESSIONAL REGULATION

The Office of Professional Regulation is created within the Office of the Secretary of State. The Office shall have a director who shall be qualified by education and professional experience to perform the duties of the position. The Director of the Office of Professional Regulation shall be a classified position with the Office of the Secretary of State. The following boards or professions are attached to the Office of Professional Regulation:

(1) Board of Architects

* * *

(53) Peer Recovery Support Specialists

(54) Early Childhood Educators

Sec. 15. 26 V.S.A. chapter 111 is added to read:

CHAPTER 111. EARLY CHILDHOOD EDUCATORS EMPLOYED IN PROGRAMS REGULATED BY THE CHILD DEVELOPMENT DIVISION

§ 6211. CREATION OF BOARD

(a) The Vermont Board of Early Childhood Educators is created.

(b) The Board shall consist of nine members appointed for five-year terms by the Governor pursuant to 3 V.S.A. §§ 129b and 2004 as follows: two public members; two each of individuals licensed as an Early Childhood Educator I, an Early Childhood Educator II, and an Early Childhood Educator III; and one Family Child Care Provider. All members shall be Vermont residents. The members who are early childhood educators shall have been in active practice in Vermont for not less than the preceding three years and shall be in active practice during their incumbency. The public member shall be a person who has no financial interest personally or through a spouse, parent, child, or sibling in the activities regulated under this chapter, other than as a consumer or a possible consumer of its services. Appointments shall be made without regard to political affiliation and on the basis of integrity and demonstrated ability.

(c) Vacancies shall be filled in the same manner as initial appointments.

(d) Board members shall not serve more than two consecutive terms.

§ 6212. BOARD PROCEDURES

(a) Annually, the Board shall meet to elect a chair, vice chair, and a secretary.

(b) Meetings shall be warned and conducted in accordance with 1 V.S.A. chapter 5.

(c) A majority of the members of the Board shall constitute a quorum.

(d) All business may be transacted by a majority vote of the members present and voting, unless otherwise provided by statute.

§ 6213. POWERS AND DUTIES OF THE BOARD

(a) The Board shall:

(1) adopt rules, pursuant to 3 V.S.A. chapter 25, that are necessary for the performance of its duties in accordance with this chapter, including activities that must be completed by an applicant in order to fulfill the educational and experiential requirements established by this chapter;

(2) provide general information to applicants for licensure as early childhood educators;

(3) explain appeal procedures to licensees and applicants and complaint procedures to the public; and

(4) use the administrative and legal services provided by the Office of Professional Regulation under 3 V.S.A. chapter 5.

(b) The Board may conduct hearings as provided in 3 V.S.A. chapter 5.

Sec. 16. 26 V.S.A. chapter 111 is amended to read:

CHAPTER 111. EARLY CHILDHOOD EDUCATORS EMPLOYED IN PROGRAMS REGULATED BY THE CHILD DEVELOPMENT DIVISION

Subchapter 1. General Provisions

§ 6201. DEFINITIONS

As used in this chapter:

(1) "Board" means the Vermont Board of Early Childhood Educators.

(2) "Early childhood educator" means an individual licensed under this chapter to provide early childhood education pursuant to section 6202 of this chapter in a program regulated by the Child Development Division.

(3) "Family child care provider" means an individual approved to operate a family child care home regulated by the Child Development Division at the time of application and who is responsible for providing developmentally appropriate care, education, protection, and supervision for children from birth through eight years of age at the family child care home.

(4) "Guidance" means direct or indirect consultative support in which an Early Childhood Educator III provides feedback to an Early Childhood Educator II.

(5) "Supervision" means on-site, direct oversight in which an Early Childhood Educator II or III observes the practice of an Early Childhood Educator I and provides feedback, support, and direction to an Early Childhood Educator I.

§ 6202. SCOPE OF PRACTICE

(a)(1) An early childhood educator licensed pursuant to this chapter shall provide care and educational instruction to children from birth through eight years of age in a variety of programs regulated by the Child Development Division, including:

(A) planning and implementing intentional, developmentally appropriate learning experiences that promote the social-emotional, physical, language, and cognitive development and health of each child served;

(B) establishing and maintaining a safe, caring, inclusive, and healthy learning environment;

(C) observing, documenting, and assessing children's learning and development;

(D) developing reciprocal, culturally responsive relationships with families and communities; and

(E) engaging in reflective practice and continuous learning.

(2) An early childhood educator licensed pursuant to this chapter does not include exempt teachers licensed under 16 V.S.A. chapter 51 by the Agency of Education with an early childhood endorsement, early childhood special education endorsement, or elementary education endorsement as provided in section 6204 of this chapter.

(b) An early childhood educator licensed pursuant to this chapter shall have the following responsibilities as determined by license type:

(1) Early Childhood Educator I shall be authorized to be on an early childhood education team in a family child care home as defined in 33 V.S.A. § 3511 or a center-based child care and preschool program as defined by the Department for Children and Families in rule for children from birth through eight years of age. Early Childhood Educator I shall serve under the supervision of an Early Childhood Educator II or III or a teacher who is exempt from this chapter and licensed under 16 V.S.A. chapter 51 by the Agency of Education with an early childhood education endorsement or early childhood special education endorsement.

(2) Early Childhood Educator II, in addition to the responsibilities and authorities of an Early Childhood Educator I, shall be authorized to be in a lead educator role in a family child care home as defined in 33 V.S.A. § 3511 or a center-based child care and preschool program as defined by the Department for Children and Families in rule for children from birth through eight years of age, providing supervision to individuals licensed as an Early Childhood Educator I and receiving guidance from individuals licensed as an Early Childhood Educator III.

(3) Early Childhood Educator III, in addition to the responsibilities and authorities of an Early Childhood Educator I and II, shall be authorized to be a lead educator role in a family child care home as defined in 33 V.S.A. § 3511 or a center-based child care and preschool program as defined by the Department for Children and Families in rule for children from birth through eight years of age, providing supervision to individuals licensed as an Early Childhood Educator I and guidance to individuals licensed as an Early Childhood Educator II.

(4) A Family Child Care Provider shall be authorized to be a lead educator role in a family child care home as defined in 33 V.S.A. § 3511 for children from birth through eight years of age.

(c) An early childhood educator licensed pursuant to this chapter may serve in a supporting role only, and not as a lead educator, in the provision of prekindergarten services provided in accordance with 16 V.S.A. § 829.

§ 6203. PROHIBITIONS

(a) An individual shall not hold themselves out as an early childhood educator in this State unless the individual is licensed under this chapter or exempt from this chapter pursuant to section 6204 of this chapter.

(b) An individual shall not use in connection with the individual's name any letters, words, or insignia indicating that the individual is an early childhood educator unless the individual is licensed under this chapter or exempt from this chapter pursuant to section 6204 of this chapter.

§ 6204. EXEMPTIONS

(a) The provisions of this chapter shall not apply to the following persons acting within the scope of their respective professional practices:

(1) a teacher actively licensed under 16 V.S.A. chapter 51 by the Agency of Education with an early childhood education endorsement, an early childhood special education endorsement, or an elementary education endorsement;

(2) an individual who provides care in an afterschool child care program that is regulated by the Child Development Division or any other child care program that is exempt from regulation by the Child Development Division; and

(3) an individual who provides consultation services in this State, performs research, or participates in or instructs regular or continuing education courses, provided the individual does not otherwise practice in this State.

(b) This chapter shall not be construed to limit or restrict in any manner the right of a practitioner of another profession or occupation from carrying on in the usual manner any of the functions incidental to that profession or occupation.

Subchapter 2. Board of Early Childhood Educators

§ 6211. CREATION OF BOARD

* * *

Subchapter 3. Licensure Requirements

§ 6221. QUALIFICATIONS

(a) To qualify for licensure as an early childhood educator in a program regulated by the Child Development Division, an applicant shall have attained the age of majority and shall have a high school diploma or successful completion of a General Education Development (GED) test or an equivalent

credential. An applicant shall have additional education and experience in accordance with this subsection for each of the following license types:

(1) Early Childhood Educator I shall have completed an approved certificate or credential program in early childhood education requiring a minimum of 120 hours and field experience.

(2) Early Childhood Educator II shall have completed an approved associate's degree program in:

(A) early childhood education or a related field:

(i) requiring a minimum of 60 college credits and field experience; and

(ii) offering college credit based upon an assessment of the individual's competencies acquired through experience working in the profession; or

(B) any unrelated field and a minimum of 21 approved college credits in the core early childhood education competency areas identified in rule in addition to field experience.

(3) Early Childhood Educator III shall have completed an approved bachelor's degree program in:

(A) early childhood education or a related field requiring a minimum of 120 college credits and field experience; or

(B) any unrelated field and a minimum of 21 approved college credits in the core early childhood education competency areas identified in rule in addition to field experience.

(4) A Family Child Care Provider shall currently operate a family child care home as defined in 33 V.S.A. § 3511 that is regulated and in good standing with the Child Development Division as of January 1, 2028. The Board shall not accept Family Child Care Provider applications after January 1, 2028.

(b) In addition to the requirements of subsection (a) of this section, applicants shall pass any examination that may be required by rule.

§ 6222. LICENSE RENEWAL

(a) Licenses shall be renewed every two years upon application and payment of the required fee. Failure to comply with the provisions of this section shall result in suspension of all privileges granted by the license beginning on the expiration date of the license. A license that has lapsed shall be reinstated upon payment of the biennial renewal fee and the late renewal

penalty pursuant to 3 V.S.A. § 127, except a Family Child Care Provider license shall not be renewed after a lapse of two or more years.

(b) The Board may adopt rules necessary for the protection of the public to assure the Board that an applicant whose license has lapsed for more than five years is professionally qualified before reinstatement may occur. Conditions imposed under this subsection shall be in addition to the requirements of subsection (a) of this section.

(c) In addition to the provisions of subsection (a) of this section, an applicant for renewal shall have satisfactorily completed continuing education as required by the Board. For purposes of this subsection, the Board may require, by rule, not more than 24 hours of approved continuing education as a condition of renewal.

§ 6223. FEES

Applicants and persons regulated under this chapter shall pay the following fees:

(1) Early Childhood Educator I:

(A) Application for initial license, $125.00.

(B) Biennial renewal, $225.00.

(2) Early Childhood Educator II:

(A) Application for initial license, $175.00.

(B) Biennial renewal, $250.00.

(3) Early Childhood Educator III:

(A) Application for initial license, $225.00.

(B) Biennial renewal, $275.00.

(4) Family Child Care Provider:

(A) Application for initial license, $175.00.

(B) Biennial renewal, $250.00.

§ 6224. UNPROFESSIONAL CONDUCT

As used in this chapter, "unprofessional conduct" means:

(1) conduct prohibited by this section, by 3 V.S.A. § 129a, or by other statutes relating to early childhood education, whether that conduct is by a licensee, an applicant, or an individual who later becomes an applicant;

(2) conduct that results in a licensee, applicant, or an individual who later becomes an applicant being placed on the Child Protection Registry pursuant to 33 V.S.A. chapter 49; or

(3) conduct that is not in accordance with the professional standards and competencies for Early Childhood Educators published by the National Association for the Education of Young Children.

§ 6225. VARIANCES; TRANSITIONAL LICENSURE

(a) The Board shall issue a transitional Early Childhood Educator II and III license to a teacher or director operating a registered or licensed family child care home as defined in 33 V.S.A. § 3511 or licensed center-based child care and preschool program as defined by the Department for Children and Families in rule and who does not meet the educational and experiential licensure requirements in this chapter. Transitional licenses shall be valid for a two-year period and shall be renewed by the Board for an otherwise qualified applicant for an additional two-year period with satisfactory supporting documentation of the individual's ongoing work to obtain the required educational and experiential qualifications for licensure under this chapter.

(b) At the conclusion of three two-year transitional licensure periods, the Board, at its discretion, may issue one final two-year transitional license for an otherwise qualified applicant if the licensee can demonstrate extenuating circumstances for not having attained the educational and experiential requirements in this chapter and ongoing work to attain these requirements.

§ 6226. DISCLOSURE BY LICENSEES

An early childhood educator licensed pursuant to this chapter shall post and provide to current and prospective families the following:

(1) all available license types regulated by the Office of Professional Regulation pursuant to this chapter;

(2) a description of the Office of Professional Regulation's regulatory authority over licensees in programs regulated by the Child Development Division and how to make complaints;

(3) a description of the Agency of Education's regulatory authority over teachers providing prekindergarten services pursuant to 16 V.S.A. § 829 and how to make complaints; and

(4) a description of the Child Development Division's regulatory authority over regulated child care programs and how to make complaints.

Sec. 17. REPEAL; TRANSITIONAL LICENSE

26 V.S.A. § 6225 (variances; transitional licensure) is repealed on July 1, 2035.

Sec. 18. OFFICE OF PROFESSIONAL REGULATION; LICENSURE OF EARLY CHILDHOOD EDUCATORS SERVING IN PROGRAMS REGULATED BY THE CHILD DEVELOPMENT DIVISION; APPROPRIATION

(a)(1) The establishment of the following two new permanent positions is authorized in the Office of Professional Regulation in fiscal year 2026:

(A) one full-time, classified executive officer for the Vermont Board of Early Childhood Educators; and

(B) one full-time, exempt staff attorney.

(2) In fiscal year 2026, the amount of $262,000.00 is appropriated from the General Fund to the Office of Professional Regulation to be used for the licensure of early childhood educators in accordance with this act.

(b)(1) The establishment of the following three new permanent positions is authorized in the Office of Professional Regulation in fiscal year 2027:

(A) one full-time, classified licensing staff;

(B) one full-time, classified enforcement staff; and

(C) one full-time, classified administrative staff.

(2) In fiscal year 2027, the amount of $628,867.00 is appropriated from the General Fund to the Office of Professional Regulation to be used for the licensure of early childhood educators in accordance with this act.

(c) In fiscal year 2027, $1,400,000.00 shall be distributed from the Child Care Financial Assistance Program to the Office of Professional Regulation for the first licensure and licensure renewal fees for early childhood educators serving in programs regulated by the Child Development Division pursuant to 26 V.S.A. chapter 111.

* * * Accessibility and Confidentiality of Disciplinary Matters * * *

Sec. 19. 3 V.S.A. § 131 is amended to read:

§ 131. ACCESSIBILITY AND CONFIDENTIALITY OF DISCIPLINARY MATTERS

* * *

(c) The Secretary of State, through the Office of Professional Regulation, shall prepare and maintain a register of all complaints, which shall be a public record and which shall show:

(1) with respect to all complaints, the following information:

(A) the date and the nature of the complaint, but not including the identity of the licensee or the complainant; and

(B) a summary of the completed investigation; and

(2) only with respect to complaints resulting in filing of disciplinary charges or stipulations or the taking of disciplinary action, the following additional information:

(A) the name and ~~business addresses~~ public address of the licensee ~~and complainant~~;

(B) formal charges, provided that they have been served or a reasonable effort to serve them has been made, and all subsequent pleadings filed by the parties;

(C) the findings, conclusions, rulings, and orders of the board or administrative law officer;

(D) the transcript of the hearing, if one has been made, and exhibits admitted at the hearing;

(E) stipulations filed with the board or administrative law officer; and

(F) final disposition of the matter by the appellate officer or the courts.

* * *

* * * Effective Dates * * *

Sec. 20. EFFECTIVE DATES

This act shall take effect on July 1, 2025, except that Sec. 3 (fees; peer support providers), Sec. 16 (early childhood educators) and Sec. 17 (repeal; transitional license) shall take effect on July 1, 2027.

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

Senator Hardy, for the Committee on Finance, to which the bill was referred, reported the bill ought to pass in concurrence with proposal of amendment as recommended by the Committee on Government Operations.

Senator Perchlik, for the Committee on Appropriations, to which the bill was referred, reported recommending that the Senate propose to the House that the bill be amended as recommended by the Committee on Government Operations with the following amendments thereto:

First: By striking out Sec. 18, Office of Professional Regulation; licensure of early childhood educators serving in programs regulated by the Child Development Division; appropriation, in its entirety and inserting in lieu thereof a new Sec. 18 to read as follows:

Sec. 18. [Deleted.]

Second: By striking out Sec. 20, effective dates, in its entirety and inserting in lieu thereof a new Sec. 20 to read as follows:

Sec. 20. EFFECTIVE DATES

This act shall take effect on July 1, 2025, except that:

(1) Sec. 3 (fees; peer support providers) shall take effect on July 1, 2027; and

(2) Sec. 16 (early childhood educators) and Sec. 17 (repeal; transitional license) shall take effect on July 1, 2027 contingent on a fiscal year 2027 appropriation to implement 26 V.S.A. chapter 111.

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 recommendation of proposal of amendment of the Committee on Government Operations was amended as recommended by the Committee on Appropriations.

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

Recess

On motion of Senator Baruth the Senate recessed until seven o'clock and five minutes in the evening.

Called to Order

The Senate was called to order by the President.

Recess

On motion of Senator Baruth the Senate recessed until eight o'clock and ten minutes in the evening.

Called to Order

The Senate was called to order by the President.

Adjournment

On motion of Senator Baruth, the Senate adjourned until ten o'clock in the forenoon on Friday, May 23, 2025.

FRIDAY, MAY 23, 2025

The Senate was called to order by the President.

Devotional Exercises

A moment of silence was observed in lieu of devotions.

Bills Passed in Concurrence with Proposal of Amendment

House bills of the following titles were read the third time and passed in concurrence with proposal of amendment:

H. 91. An act relating to the Vermont Homeless Emergency Assistance and Responsive Transition to Housing Program.

H. 472. An act relating to professions and occupations regulated by the Office of Professional Regulation.

Proposal of Amendment; Third Reading Ordered

H. 480.

Senator Weeks, for the Committee on Education, to which was referred House bill entitled:

An act relating to miscellaneous amendments to education law.

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

* * * School Safety * * *

Sec. 1. 2023 Acts and Resolves No. 29, Secs. 5 and 6 are amended to read:

Sec. 5. BEHAVIORAL THREAT ASSESSMENT TEAMS; IMPLEMENTATION

* * *

(b) Establishment of behavioral threat assessment teams; training.

(1) School districts and independent schools not already using behavioral threat assessment teams shall ~~take all actions necessary to establish a team~~ establish a team and identify team members not later than July 1, 2025~~, including:~~.

(2) School districts and independent schools shall take all actions necessary to implement comprehensive behavioral threat assessment and management programs not later than October 1, 2025, including:

(A) identifying and training team members, which shall include group bias training and the training requirements contained in 16 V.S.A. § 1485(d);

(B) adopting a behavioral threat assessment team policy;

(C) establishing procedures for proper, fair, and effective use of behavioral threat assessment teams;

(D) updating and exercising emergency operations plans; and

(E) providing education to the school community on the purpose and use of behavioral threat assessment teams.

~~(2)~~(3) School districts and independent schools currently using behavioral threat assessment teams shall certify compliance with the training requirements contained in 16 V.S.A. § 1485(d) on or before the first day of the 2023–2024 school year.

~~(3)~~(4) The Agency of Education and Department of Public Safety shall issue guidance and offer training necessary to assist school districts and independent schools with implementation of this subsection.

(c) ~~The Agency of Education shall establish guidelines necessary to collect the data required pursuant to 16 V.S.A. § 1485(e). Each supervisory union, supervisory district, and independent school using behavioral threat assessment teams as of July 1, 2023 shall comply with the data collection requirements under 16 V.S.A. § 1485(e) beginning in the 2023 2024 school year.~~ [Repealed.]

* * *

Sec. 6. EFFECTIVE DATES

* * *

(c) Sec. 2 (16 V.S.A. § 1480) shall take effect on July 1, ~~2024~~ 2025.

(d) Sec. 4 (16 V.S.A. § 1485) shall take effect on July 1, 2025, except that subdivision (b)(3) shall take effect on October 1, 2025 and subsection (e) shall take effect on July 1, 2027.

Sec. 2. 16 V.S.A. § 1485 is amended to read:

§ 1485. BEHAVIORAL THREAT ASSESSMENT TEAMS

* * *

(b) Policy.

* * *

(3) Each school district and each approved or recognized independent school shall develop, adopt, and ensure implementation of a policy and procedures for use of behavioral threat assessment teams that is consistent with and at least as comprehensive as the model policy and procedures developed by the Secretary. Any school board or independent school that fails to adopt such a policy ~~or procedures~~ shall be presumed to have adopted the most current model policy ~~and procedures~~ published by the Secretary. Any superintendent or independent school that fails to adopt such procedures shall be presumed to have adopted the most current model procedures published by the Secretary.

* * *

* * * Postsecondary Schools Chartered in Vermont * * *

Sec. 3. 16 V.S.A. § 176(d) is amended to read:

(d) Exemptions. The following are exempt from the requirements of this section except for the requirements of subdivision (c)(1)(C) of this section:

* * *

(4) Postsecondary schools that are accredited. The following postsecondary institutions are accredited, meet the criteria for exempt status, and are authorized to operate educational programs beyond secondary education, including programs leading to a degree or certificate: Bennington College, Champlain College, ~~College of St. Joseph, Goddard College, Green Mountain College,~~ Landmark College, ~~Marlboro College,~~ Middlebury College, ~~New England Culinary Institute,~~ Norwich University, Saint Michael's College, SIT Graduate Institute, ~~Southern Vermont College,~~ Sterling College, Vermont College of Fine Arts, and Vermont Law and Graduate School. This authorization is provided solely to the extent necessary to ensure institutional compliance with federal financial aid-related regulations, and it does not affect, rescind, or supersede any preexisting authorizations, charters, or other forms of recognition or authorization.

* * *

* * * Nutrition Contracts and Public Bids * * *

Sec. 4. 16 V.S.A. § 559 is amended to read:

§ 559. PUBLIC BIDS

* * *

(e) Application of this section. Any contract entered into or purchase made in violation of the provisions of this section shall be void; provided, however, that:

(1) The provisions of this section shall not apply to contracts for the purchase of books or other materials of instruction.

(2) A school board may name in the specifications and invitations for bids under this section the particular make, kind, or brand of article or articles to be purchased or contracted.

(3) Nothing in this section shall apply to emergency repairs.

(4) ~~Nothing in this section shall be construed to prohibit a school board from awarding a school nutrition contract after using any method of bidding or requests for proposals permitted under federal law for award of the contract. Notwithstanding the monetary amount in subsection (a) of this section for which a school board is required to advertise publicly or invite three or more bids or requests for proposal, a school board is required to publicly advertise or invite three or more bids or requests for proposal for purchases made from the nonprofit school food service account for purchases in excess of the federal simplified acquisition threshold when purchasing food or in excess of $25,000.00 when purchasing nonfood items, unless a municipality sets a lower threshold for purchases from the nonprofit school food service account.~~ The provisions of this section shall not apply to contracts for the purchase of food made from a nonprofit school food services account.

* * *

* * * Virtual Learning * * *

Sec. 5. 16 V.S.A. § 948 is added to read:

§ 948. VIRTUAL LEARNING

(a) The Agency of Education shall maintain access to and oversight of a virtual learning provider for the purpose of offering virtual learning opportunities to Vermont students.

(b) A student may enroll in virtual learning if:

(1) the student is enrolled in a Vermont public school, including a Vermont career technical center;

(2) virtual learning is determined to be an appropriate learning pathway outlined in the student's personalized learning plan; and

(3) the student's learning experience occurs under the supervision of an appropriately licensed educator and aligns with State expectations and standards, as adopted by the Agency and the State Board of Education, as applicable.

(c) A school district shall count a student enrolled in virtual learning in the school district's average daily membership, as defined in section 4001 of this title, if the student meets all of the criteria in subsection (b) of this section.

Sec. 6. 16 V.S.A. § 942(13) is amended to read:

(13) "Virtual learning" means ~~learning in which the teacher and student communicate concurrently through real-time telecommunication. "Virtual learning" also means online learning in which communication between the teacher and student does not occur concurrently and the student works according to his or her own schedule~~ an intentionally designed learning environment for online teaching and learning using online design principles and teachers trained in the delivery of online instruction. This instruction may take place either in a self-paced environment or a real-time environment.

* * * BOCES Start-up Grant Program * * *

Sec. 7. 2024 Acts and Resolves No. 168, Sec. 4 is amended to read:

Sec. 4. BOCES GRANT PROGRAM; APPROPRIATION

(a) There is established the Boards of Cooperative Education Services Start-up Grant Program, to be administered by the Agency of Education, from funds appropriated for this purpose, to award grants to enable the formation of boards of cooperative education services (BOCES) formed pursuant to 16 V.S.A. chapter 10 after July 1, 2024. ~~BOCES~~ Supervisory unions shall be eligible for a single $10,000.00 grant after ~~the Secretary of Education approves the applicant's initial articles of agreement pursuant to 16 V.S.A. § 603(b)~~ two or more boards vote to explore the advisability of forming a board of cooperative education services pursuant to 16 V.S.A. § 603(a). Grants may be used for start-up and formation costs ~~and may include reimbursement to member supervisory unions for costs incurred during the exploration and formation of the BOCES and articles of agreement~~, including the development of proposed articles of agreement. Grants shall be awarded to only one supervisory union within each group of supervisory unions exploring the formation of a BOCES.

(b) Notwithstanding any provision of 16 V.S.A. § 4025 to the contrary, the sum of $70,000.00 is appropriated from the Education Fund to the Agency of

Education in fiscal year 2025 to fund the Boards of Cooperative Education Services Start-up Grant Program created in subsection (a) of this section. Unexpended appropriations shall carry forward into the subsequent fiscal year and remain available for use for this purpose.

* * * Military-Related Postsecondary Opportunities * * *

Sec. 8. 16 V.S.A. § 941 is amended to read:

§ 941. FLEXIBLE PATHWAYS INITIATIVE

(a) There is created within the Agency a Flexible Pathways Initiative:

(1) to encourage and support the creativity of school districts as they develop and expand high-quality educational experiences that are an integral part of secondary education in the evolving ~~21st Century~~ 21st-century classroom;

(2) to promote opportunities for Vermont students to achieve postsecondary readiness through high-quality educational experiences that acknowledge individual goals, learning styles, and abilities; and

(3) to increase the rates of secondary school completion and postsecondary continuation and retention in Vermont.

(b) The Secretary shall develop, publish, and regularly update guidance, in the form of technical assistance, sharing of best practices and model documents, legal interpretations, and other support designed to assist school districts:

(1) ~~to~~ To identify and support secondary students who require additional assistance to succeed in school and to identify ways in which individual students would benefit from flexible pathways to graduation~~;~~.

(2) ~~to~~ To work with every student in grade ~~7~~ seven through grade 12 in an ongoing personalized learning planning process that:

(A) identifies the student's emerging abilities, aptitude, and disposition;

(B) includes participation by families and other engaged adults;

(C) guides decisions regarding course offerings and other high-quality educational experiences; ~~and~~

(D) identifies career and postsecondary planning options using resources provided pursuant to subdivision (4) of this subsection (b); and

(E) is documented by a personalized learning plan~~;~~.

(3) ~~to~~ To create opportunities for secondary students to pursue flexible pathways to graduation that:

(A) increase aspiration and encourage postsecondary continuation of training and education;

(B) are an integral component of a student's personalized learning plan; and

(C) include:

(i) applied or work-based learning opportunities, including career and career technical education and internships;

(ii) virtual learning and blended learning;

(iii) dual enrollment opportunities as set forth in section 944 of this title;

(iv) early college programs as set forth in subsection 4011(e) of this title; and

(v) [Repealed.]

(vi) adult education and secondary credential opportunities as set forth in section 945 of this title~~; and~~.

(4) ~~to~~ To provide students, beginning ~~no~~ not later than in grade ~~7~~ seven, with career development and postsecondary planning resources to ensure that they are able to take full advantage of the opportunities available within the flexible pathways to graduation and to achieve their career and postsecondary education and training goals. Resources provided pursuant to this subdivision shall include information regarding the admissions process and requirements necessary to proceed with any and all military-related opportunities.

(c) Nothing in this subchapter shall be construed as discouraging or limiting the authority of any school district to develop or continue to provide educational opportunities for its students that are otherwise permitted, including the provision of Advanced Placement courses.

(d) An individual entitlement or private right of action shall not arise from creation of a personalized learning plan.

* * * Secretary of Education Search * * *

Sec. 9. 3 V.S.A. § 2702 is amended to read:

§ 2702. SECRETARY OF EDUCATION

(a) With the advice and consent of the Senate, the Governor shall appoint a Secretary of Education from among ~~no~~ not fewer than three candidates

proposed by the State Board of Education. The Secretary shall serve at the pleasure of the Governor.

(1) Not later than 30 days after public notification of a vacancy or anticipated vacancy in the position of Secretary of Education, the Governor shall send a letter to the Chair of the State Board of Education asking the Board to initiate the candidate selection process for a new Secretary of Education. The Governor's letter shall include direction as to the Governor's preferred candidate qualifications and experience.

(2) The State Board shall begin a national search process not later than 60 days after receipt of a letter from the Governor issued pursuant to subdivision (1) of this subsection.

(3) The State Board may request from the Agency of Education the funds necessary to utilize outside resources for the search process required pursuant to this subsection.

(b) The Secretary shall report directly to the Governor and shall be a member of the Governor's Cabinet.

(c) At the time of appointment, the Secretary shall have expertise in education management and policy and demonstrated leadership and management abilities.

* * * Supplemental Reading Instruction * * *

Sec. 10. 16 V.S.A. § 2903 is amended to read:

§ 2903. ~~PREVENTING EARLY SCHOOL FAILURE; READING INSTRUCTION~~ FOUNDATION FOR LITERACY

(a) Statement of policy. The ability to read is critical to success in learning. Children who fail to read by the end of the first grade will likely fall further behind in school. The personal and economic costs of reading failure are enormous both while the student remains in school and long afterward. All students need to receive systematic and explicit evidence-based reading instruction in the early grades from a teacher who is skilled in teaching the foundational components of reading, including phonemic awareness, phonics, fluency, vocabulary, and comprehension. Students who require intensive supplemental instruction tailored to the unique difficulties encountered shall be provided those additional supports by an appropriately trained education professional.

* * *

(c) Reading instruction. A public school or approved independent school that is eligible to receive public tuition that offers instruction in grades

kindergarten, one, two, or three shall provide systematic and explicit evidence-based reading instruction to all students. In addition, ~~such~~ for students in grades kindergarten through 12, public schools and approved independent schools that are eligible to receive public tuition shall provide supplemental reading instruction to any enrolled student whose reading proficiency falls significantly below proficiency standards for the student's grade level or whose reading proficiency prevents progress in school. Schools shall provide support and information to ~~the~~ parents and legal guardians ~~of such students regarding the student's current level of reading proficiency, which shall be based on valid and reliable assessments~~.

* * * Vermont National Guard Tuition Benefit Program * * *

Sec. 11. 16 V.S.A. § 2857 is amended to read:

§ 2857. VERMONT NATIONAL GUARD TUITION BENEFIT PROGRAM

(a) Program creation. The Vermont National Guard Tuition Benefit Program (Program) is created, under which a member of the Vermont National Guard (member) who meets the eligibility requirements in subsection (c) of this section is entitled to the following tuition benefit for up to full-time attendance:

(1) For courses at any Vermont State College institution or the University of Vermont and State Agricultural College (UVM), the benefit shall be the in-state residence tuition rate for the relevant institution.

(2) For courses at any eligible Vermont private postsecondary institution, the benefit shall be the in-state tuition rate charged by UVM.

(3) For courses at an eligible training institution offering nondegree, certificate training, or continuing education programs, the benefit shall be the lower of the institution's standard tuition or the in-state tuition rate charged by UVM.

(4) For courses at a non-Vermont approved postsecondary education institution approved for federal Title IV funding where the degree program is not available in Vermont, the benefit shall be the in-state tuition rate charged by UVM.

(b) Tuition benefit.

(1) The tuition benefit provided under the Program shall be paid on behalf of the member by the Vermont Student Assistance Corporation (VSAC), subject to the appropriation of funds by the General Assembly specifically for this purpose. An eligible Vermont postsecondary institution that accepts or receives the tuition benefit on behalf of a member shall charge the member the tuition rate for an in-state student. The amount of tuition for a

member who attends an educational institution under the Program on less than a full-time basis shall be reduced to reflect the member's course load in a manner determined by VSAC under subdivision (f)(1) of this section.

(2) The tuition benefit shall be conditioned upon the member's executing a promissory note obligating the member to repay the member's tuition benefit, in whole or in part, if the member fails to complete the period of Vermont National Guard service required in subsection (d) of this section, or if the member's benefit is terminated pursuant to subdivision (e)(1) of this section.

(c) Eligibility.

(1) To be eligible for the Program, an individual, whether a resident or nonresident, shall satisfy all of the following requirements:

(A) be an active member of the Vermont National Guard;

(B) have successfully completed basic training;

(C) be enrolled:

(i) at UVM, a Vermont State College, or any other college or university located in Vermont in a program that leads to an undergraduate certificate ~~or~~, an undergraduate degree, or a graduate degree;

(ii) at an eligible training institution in a program that leads to a certificate or other credential recognized by VSAC; or

(iii) at a non-Vermont approved postsecondary education institution approved for Title IV funding only when the degree program is not available in Vermont;

(D) ~~have not previously earned an undergraduate bachelor's degree;~~ [Repealed.]

(E) continually demonstrate satisfactory academic progress as determined by criteria established by the Vermont National Guard and VSAC, in consultation with the educational institution at which the individual is enrolled under the Program;

(F) have used available post-September 11, 2001 tuition benefits and other federally funded military tuition assistance; provided, however, that this subdivision shall not apply to:

(i) tuition benefits and other federally funded military tuition assistance for which the individual has not yet earned the full amount of the benefit or tuition;

(ii) Montgomery GI Bill benefits;

(iii) post-September 11, 2001 educational program housing allowances;

(iv) federal educational entitlements;

(v) National Guard scholarship grants;

(vi) loans under section 2856 of this title; and

(vii) other nontuition benefits; and

(G) have submitted a statement of good standing to VSAC signed by the individual's commanding officer within 30 days prior to the beginning of each semester.

(2) An individual may receive more than one undergraduate certificate, undergraduate degree, graduate degree, or other credential recognized by VSAC under the Program, provided that the cost of all certificates, degrees, and credentials received by the individual under the Program does not exceed an amount equal to twice the full-time in-state tuition rate charged by UVM for completion of an undergraduate baccalaureate degree.

(d) Service commitment.

(1) For each full academic year of attendance under the Program, a member shall be required to serve two years in the Vermont National Guard in order to receive the full tuition benefit under the Program.

(2) If a member's service with the Vermont National Guard terminates before the member fulfills this two-year service commitment, other than for good cause as determined by the Vermont National Guard, the individual shall reimburse VSAC a pro rata portion of the tuition paid under the Program pursuant to the terms of an interest-free reimbursement promissory note signed by the individual at the time of entering the Program.

(3) For members participating in the Program on a less than full-time basis, the member's service commitment shall be at the rate of one month of Vermont National Guard service commitment for each credit hour, not to exceed 12 months of service commitment for a single semester.

(e) Termination of tuition benefit.

(1) The Office of the Vermont Adjutant and Inspector General may terminate the tuition benefit provided an individual under the Program if:

(A) the individual's commanding officer revokes the statement of good standing submitted pursuant to subdivision (c)(7) of this section as a result of an investigation or disciplinary action that occurred after the statement of good standing was issued;

(B) the individual is dismissed from the educational institution in which the individual is enrolled under the Program for academic or disciplinary reasons; or

(C) the individual withdraws without good cause from the educational institution in which the individual is enrolled under the Program.

(2) If an individual's tuition benefit is terminated pursuant to subdivision (1) of this subsection, the individual shall reimburse VSAC for the tuition paid under the Program, pursuant to the terms of an interest-free reimbursement promissory note signed by the individual at the time of entering the Program; shall be responsible on a pro rata basis for the remaining tuition cost for the current semester or any courses in which the individual is currently enrolled; and shall be ineligible to receive future tuition benefits under the Program.

(3) If an individual is dismissed for academic or disciplinary reasons from any postsecondary educational institution before receiving tuition benefits under the Program, the Office of the Adjutant and Inspector General may make a determination regarding the individual's eligibility to receive tuition benefits under the Program.

(f) Adoption of policies, procedures, and guidelines.

(1) VSAC, in consultation with the Office of the Adjutant and Inspector General, shall adopt policies, procedures, and guidelines necessary to implement the provisions of this section, which shall include eligibility, application, and acceptance requirements, proration of service requirements for academic semesters or attendance periods shorter than one year, data sharing guidelines, and the criteria for determining "good cause" as used in subdivisions (d)(2) and (e)(1)(C) of this section.

(2) Each educational institution participating in the Program shall adopt policies and procedures for the enrollment of members under the Program. These policies and procedures shall be consistent with the policies, procedures, and guidelines adopted by VSAC under subdivision (1) of this subsection.

(g) Reports.

(1) On or before November 1 of each year, the President, Chancellor, or equivalent position of each educational institution that participated in the Program during the immediately preceding school year shall report to the Vermont National Guard and VSAC regarding the number of members enrolled at its institution during that school year who received tuition benefits under the Program and, to the extent available, the courses or program in which the members were enrolled.

(2) On or before January 15 of each year, the Vermont National Guard and VSAC shall report these data and other relevant performance factors, including information pertaining to the achievement of the goals of this entitlement program and the costs of the Program to date, to the Governor, the House and Senate Committees on Education, and the House Committees on Appropriations and on ~~General, Housing, and Military Affairs~~ Government Operations and Military Affairs. The provisions of 2 V.S.A. § 20(d), expiration of reports, shall not apply to the reports to be made under this subsection

* * * Cardiac Emergency Response Plans * * *

Sec. 12. 16 V.S.A. § 1480 is amended to read:

§ 1480. EMERGENCY OPERATIONS PLANS

* * *

(d) The template maintained by the Vermont School Safety Center shall include, at a minimum, hazard-specific provisions for:

(1) acute cardiac events in schools, including protocols that address:

(A) the use and maintenance of automated external defibrillator (AED) devices;

(B) the specific steps to reduce death from cardiac arrest during school activities or within school or district facilities, which shall be consistent with nationally recognized, evidence-based standards;

(C) the appropriate use of school personnel to respond to incidents involving an individual experiencing sudden cardiac arrest or a similar life-threatening emergency while on school grounds;

(D) implementation of AED placement and routine maintenance within each school or district facility, which shall be consistent with applicable nationally recognized, evidence-based standards, and which shall include a requirement for clearly marked and easily accessible AEDs at each athletic venue where practices or competitions are held;

(E) required staff training in CPR and AED use and practice drills regarding the cardiac response plan; and

(2) an athletic emergency action plan (AEAP) for all public or approved and recognized independent schools with an athletic department or organized athletic program. The AEAP shall detail the steps to be taken in response to a serious or life-threatening injury of a student participating in sports or other athletic activities. The AEAP established by public and independent schools

pursuant to this subdivision shall be consistent with the athletic emergency action plans policy established by the Vermont Principals' Association.

Sec. 13. IMPLEMENTATION

School districts and independent schools shall have a cardiac emergency response plan developed and ready for implementation beginning in the 2026–2027 school year.

* * * Energy Performance Contracting * * *

Sec. 14. 16 V.S.A. § 3448f is amended to read:

§ 3448f. ENERGY PERFORMANCE CONTRACTING; AUTHORIZATION; STATE AID

* * *

(b) Authorization. Notwithstanding any provision of law to the contrary, a district may enter into a performance contract pursuant to this section for a period not to exceed 20 years. Cost-saving measures implemented under the contract shall comply with all State and local building codes.

(c) Selection of qualified contractor.

(1) Request for proposals. The district shall issue a request for proposals from individuals or entities interested in entering into a performance contract (who shall become the "contractor"), shall consider the proposals, and shall select a qualified contractor to engage in final contract negotiations. In developing the request for proposals and in selecting a qualified contractor, the district should make use of any assistance available from Efficiency Vermont, the School Energy Management Program of the Vermont Superintendents Association, and other similar entities. Factors to be considered in the final selection shall include contract terms, comprehensiveness of the proposal, comprehensiveness of cost-saving measures, experience of the contractor, quality of technical approach, and overall benefits to the district.

(2) Financial grade audit. The person selected pursuant to this subsection shall prepare a financial grade energy audit that, upon acceptance by the district, shall be part of the final performance contract executed with the district. If after preparation of the financial grade energy audit the district decides not to execute a performance contract with the contractor, the district shall pay the qualified contractor for costs incurred in preparing the financial grade energy audit. If, however, the district decides to execute a performance contract with the contractor, the costs of the financial grade energy audit shall be part of the costs of the performance contract.

(3) ~~Voter approval of proposed performance contract. If the terms of the proposed performance contract permit the district to make payments to the contractor over a period of time exceeding 10 years, then the district shall not enter into a final performance contract until it receives approval from the electorate to do so.~~ [Repealed.]

* * *

* * * School Library Material Selection Procedures * * *

Sec. 15. 16 V.S.A. § 1624 is amended to read:

§ 1624. SCHOOL LIBRARY MATERIAL SELECTION POLICY

(a) Each school board and each approved independent school shall develop, adopt, ensure the enforcement of, and make available in the manner described under subdivision 563(1) of this title a library material selection policy ~~and~~. Each superintendent and head of school of an approved independent school shall develop and implement procedures for the reconsideration and retention of materials. The policy and procedures shall affirm the importance of intellectual freedom and be guided by the First Amendment to the U.S. Constitution, the Civil Rights Act of 1964, Vermont laws prohibiting discrimination in places of public accommodation, the 2004 American Library Association's Freedom to Read Statement, ~~Vermont's~~ the 2024 Vermont Freedom to Read Statement, and reflect Vermont's diverse people and history, including diversity of race, ethnicity, sex, gender identity, sexual orientation, disability status, religion, and political beliefs.

* * *

* * * Exception to Moratorium on New Approved Independent Schools * * *

Sec. 16. 2023 Acts and Resolves No. 78, Sec. E.511.1 is amended to read:

Sec. E.511.1 MORATORIUM ON APPROVAL OF NEW APPROVED INDEPENDENT SCHOOLS

(a) Notwithstanding any provision of law to the contrary, the State Board of Education shall be prohibited from approving an application for initial approval of an approved independent school until further direction by the General Assembly.

(b) Notwithstanding subsection (a) of this section, a change in either tax status or conversion to a nonprofit organization by a therapeutic approved independent school, absent any other changes, shall not effect the approval status of the school.

* * * Cell Phone and Social Media Use in Schools * * *

Sec. 17. 16 V.S.A. chapter 9, subchapter 7 is added to read:

Subchapter 7. Cell Phone, Personal Electronic Device, and Social Media Use in Schools

§ 581. INTENT

It is the intent of the General Assembly for all students in Vermont to access the benefits of a phone- and social media-free school environment, which promotes focus, improved mental health, and increased social cohesion.

§ 582. DEFINITIONS

As used in this subchapter:

(1) "Cell phone" means any device capable of using cellular technology to facilitate voice service through a commercial telecommunications company, regardless of whether the device can access internet services and electronic mail.

(2) "Individualized health care plan" means a written document developed by a school nurse, in collaboration with parents, students, and other relevant professionals, to outline specific health care needs and management strategies tailored to the unique health condition of a student.

(3) "Parent" means a parent of a student and includes legal guardians who are legally authorized to make education decisions for the student.

(4) "School" means any public school, approved independent school, or career and technical education center located in Vermont.

(5) "Student" means an individual currently enrolled in or registered at a school located in Vermont, as defined under subdivision (4) of this section.

§ 583. STUDENT USE OF CELL PHONES AND PERSONAL ELECTRONIC DEVICES IN SCHOOLS

(a) Model policy.

(1) The Secretary of Education, in consultation with the Vermont School Boards Association, the Vermont Independent School Association, and a representative from the Vermont Coalition for Phone and Social Media Free Schools, shall develop, and review at least annually, a policy to, subject to the exceptions in subdivision (2) of this subsection, prohibit student use of cell phones and non-school-issued personal electronic devices that connect to cellular networks, the internet, or have wireless capabilities at school from arrival to dismissal.

(2) The model policy shall provide exceptions for students to use a cell phone or personal electronic device if such use is:

(A) required as part of a student's individualized health care plan, individualized education program, or 504 plan, which shall be documented according to applicable State and federal law; provided, however, that if such use is required to meet an international student's special education needs or as part of a disability accommodation, and the international student does not have an individualized education program or 504 plan, the need for such use shall be documented in a manner the school deems appropriate;

(B) approved by an administrator for an academic, athletic, or co-curricular purpose, for the most limited use reasonably possible; or

(C) required for compliance with the McKinney-Vento Homeless Assistance Act, 42 U.S.C. §§ 11431–11435.

(b) Policy adoption.

(1) Beginning with the 2026–2027 school year, each school board shall develop, adopt, ensure the enforcement of, and make available in the manner described under subdivision 563(1) of this title a student cell phone and personal electronic device use policy that shall be at least as stringent as the model policy developed by the Secretary. Any school board that fails to adopt a policy shall be presumed to have adopted the most current model policy published by the Secretary.

(2) Beginning with the 2026–2027 school year, each approved independent school shall develop, adopt, and ensure the enforcement of a student cell phone and personal electronic device use policy that shall be at least as stringent as the model policy developed by the Secretary. Any approved independent school that fails to adopt a policy shall be presumed to have adopted the most current model policy published by the Secretary.

§ 584. USE OF SOCIAL MEDIA PLATFORMS IN EDUCATION

Schools, school districts, and supervisory unions shall be prohibited from:

(1) utilizing social media for communication with students directly unless the program or platform is approved for such communication by the school district or independent school; provided, however, that any approved communication program or platform shall allow school officials to archive all communications and prevent all communications from being edited or deleted once a communication has been sent; and

(2) requiring students to use social media for out-of-school academic work, school sports, extracurricular clubs, or any other out-of-school school-sponsored activities.

Sec. 18. CELL PHONE AND PERSONAL ELECTRONIC DEVICE POLICY IMPLEMENTATION

(a) On or before January 1, 2026, the Agency of Education shall develop and publish a model student cell phone and personal electronic device use policy pursuant to Sec. 2 of this act.

(b) On or before July 1, 2026, school boards and approved independent schools shall adopt student cell phone and personal electronic device use policies as required pursuant to Sec. 2 of this act, to be effective in the 2026–2027 school year.

* * * Effective Dates * * *

Sec. 19. EFFECTIVE DATES

(a) Secs. 8 (military-related postsecondary opportunities) and 13 (cardiac emergency response plans implementation) shall take effect on July 1, 2025.

(b) Sec. 12 (16 V.S.A. § 1480(d)) shall take effect on July 1, 2026.

(c) This section and the remainder of this act shall take effect on passage.

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

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

Thereupon, the bill was read the second time by title only pursuant to Rule 43, and pending the question, Shall the Senate recommend to the House the bill be amended as recommended by the Committee on Education?, Senators Ram Hinsdale and Williams moved to amend the proposal of amendment of the Committee on Education in Sec. 17, 16 V.S.A. chapter 9, subchapter 7, cell phone and social media use in schools, in section 583, in subdivision (a)(2)(B), following "approved by an administrator for an academic," by inserting "school-sponsored"

Which was agreed to.

Thereupon, the question, Shall the Senate propose to the House to amend the bill as recommended by the Committee on Education, as amended?, was agreed to.

Thereupon, pending the question, Shall the bill be read a third time?, Senators Hardy, Collamore, Heffernan, Weeks and Williams moved to amend the proposal of amendment by adding a new section to be Sec. 18a and its reader assistance heading to read as follows:

* * * CTE Attendance Outside Service Region * * *

Sec. 18a. STUDENTS ATTENDING A CTE CENTER OUTSIDE THEIR SERVICE REGION

(a) As used in this section:

(1) "Receiving district" means a school district receiving tuition on behalf of a student to whom it provides career technical education.

(2) "Sending district" means a school district paying tuition on behalf of a student to a school district that provides CTE courses.

(b) Secondary students may apply for enrollment into programs offered at CTE centers outside their service region when the center in their service region does not offer the program in which they wish to enroll or they are not able to enroll in the program of their choice. The school district of the students' residence shall pay tuition for that enrollment pursuant to an agreement between the sending district and the receiving district that specifies how costs for such enrollments shall be covered.

(c) Beginning in the 2025–2026 school year, a regional CTE center may provide transportation to and from the technical center for students residing outside the technical center's service region if the student is attending pursuant to subsection (b) of this section.

(d) Any changes in the tuition charged by a career and technical center due to the acceptance of students residing outside of the CTE center's service region shall be reconciled through the tuition reconciliation process outlined in State Board of Education rule 2393, Agency of Education, Career and Technical Education State Board Regulations (22-000-007).

(e) A school district that maintains a secondary school shall provide the requested directory information of enrolled students to a CTE center located outside the school district's assigned CTE service region, for the limited purpose of the CTE center providing information to students and their parents about CTE center offerings in the following situations:

(1) the school district's assigned CTE center has a waitlist for enrollment;

(2) students were denied entry to their assigned CTE center or a program operated by their assigned CTE center; or

(3) when a student has interest in a program not offered at the student's assigned CTE center.

Which was agreed to.

Thereupon, third reading of the bill was ordered.

Rules Suspended; Immediate Consideration; Proposal of Amendment; Third Reading Ordered

H. 231.

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

An act relating to technical corrections to fish and wildlife statutes.

Was taken up for immediate consideration.

Thereupon, Senator Watson, for the Committee on Natural Resources and Energy, to which the bill was referred, reported recommending that the Senate propose to the House to amend the bill by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 10 V.S.A. § 4001 is amended to read:

§ 4001. DEFINITIONS

Words and phrases used in this part, unless otherwise provided, shall be construed to mean as follows:

* * *

(6) ~~Pickerel: the great northern pike, chain pickerel, or muskellunge.~~ [Repealed.]

(7) ~~Pike perch: walleyed or yellow pike.~~ [Repealed.]

* * *

Sec. 2. 10 V.S.A. § 4905 is amended to read:

§ 4905. BIRDS' NESTS AND EGGS; DESTROYING OR ROBBING

A person shall not take or ~~wilfully~~ willfully destroy the nests or eggs of wild birds, other than rock pigeons, ~~the English sparrow, starling, or purple grackle~~ house sparrows, or European starlings, except when necessary to protect buildings and the nests to be removed contain no eggs or chicks and are no longer being used by birds for feeding, or when taken as provided in section 4152 of this title.

Sec. 3. 10 V.S.A. § 4502 is amended to read:

§ 4502. UNIFORM POINT SYSTEM; REVOCATION OF LICENSE

(a) A uniform point system that assigns points to those convicted of a violation of a provision of this part is established. The conviction report from the court shall be prima facie evidence of the points assessed. In addition to other penalties assessed for violation of fish and wildlife statutes, the Commissioner shall suspend licenses issued under this part that are held by a

person who has accumulated 10 or more points in accordance with the provisions of subsection (c) of this section.

(b) A person violating provisions of this part shall receive points for convictions in accordance with the following schedule (all sections are in this title of the Vermont Statutes Annotated):

(1) Except for biological collection violations determined to be nonpoint violations under the rules of the Board, five points shall be assessed for any violation of statutes or rules adopted under this part except those listed in subdivisions (2) and (3) of this subsection.

(2) Ten points shall be assessed for:

* * *

(I) ~~§ 4706. Snaring animals~~ [Repealed.]

* * *

(Y) Appendix § 2~~; Appendix § 33, section 14.3~~. Reporting of big game

* * *

(II) Appendix § 37, ~~as it applies to annual deer limits~~ section 10. Novice season

(JJ) § 4742a. Youth deer hunting weekend. The points shall be assessed solely against the adult who is accompanying the youth hunter.

(KK) § 4908. Youth turkey hunting weekend. The points assessed against the adult accompanying the youth hunter.

(LL) § 4256. Mentored hunting license. The points shall be assessed against the licensed adult who is accompanying the individual holding the mentored hunting license.

(MM) § 4827a. Feeding a black bear

(NN) § 4826. Taking deer doing damage

(OO) § 22a. Taking turkey doing damage

(PP) § 35. Taking moose doing damage

(QQ) ~~Appendix § 22, section 6.7; Appendix § 33, section 13.1(g); Appendix § 37, section 7.7. Possession or transport of a cocked crossbow in or on a motor vehicle, motorboat, airplane, snowmobile, or other motor-propelled vehicle~~ [Repealed.]

(RR) ~~Appendix § 7, section 6.3(b). Hunting bear with any dog not listed on the permit~~ [Repealed.]

* * *

(3) Twenty points shall be assessed for:

(A) ~~§ 4192. General powers and duties; failure to obey warden~~ [Repealed.]

* * *

(I) § 4745. Taking ~~deer~~ big game out of season prohibited

* * *

(O) Appendix § 7, sections 4.2, ~~5.1, 5.2,~~ 5.3, 6.1, 6.2, 6.3(b), 6.3(d), 6.3(e), ~~6.4, 6.5(c), 6.5(d),~~ 7.1, ~~and~~ 7.2, 7.3, and 7.4. Bear, unauthorized taking

(P) Appendix § 22. Turkey season, excluding: requirements for youth turkey hunting season; ~~section 6.2,~~ and size of shot used or possessed~~; and section 6.7, transport of cocked crossbow~~

* * *

(U) Appendix § 37. Deer management rule, excluding requirements for youth deer hunting weekend; requirements for novice season; limitations on feeding of deer; ~~section 7.7, transport of cocked crossbow;~~ reporting big game; and section 11.0, ban of urine and other natural lures

* * *

(W) ~~§ 4711. Crossbow hunting~~ [Repealed.]

(X) ~~Appendix § 4. Hunting with a crossbow without a permit or license~~ [Repealed.]

* * *

(Z) Appendix § 44~~, section 4.6~~. Use of tooth jawed traps

(AA) Appendix § 44~~, section 4.11~~. Taking furbearers with poison

(BB) Appendix § 44~~, section 4.12~~. Taking furbearers from a den

(CC) § 4716. Holding or conducting a coyote-hunting competition

(DD) § 4706. Snaring animals

* * *

Sec. 4. 10 V.S.A. § 4705 is amended to read:

§ 4705. SHOOTING FROM MOTOR VEHICLES OR AIRCRAFT; SHOOTING FROM OR ACROSS HIGHWAY; PERMIT

(a) A person shall not take or attempt to take a wild animal by shooting from a motor vehicle, motorboat, airplane, snowmobile, or other motor-propelled craft or any vehicle drawn by a motor-propelled vehicle except as permitted under subsection (e) of this section.

(b)(1) A person shall not carry or possess while in or on a vehicle propelled by mechanical power or drawn by a vehicle propelled by mechanical power within the right-of-way of a public highway any of the following:

(A) a rifle, air rifle, arrow rifle, pre-charged pneumatic rifle, or shotgun containing a loaded cartridge ~~or,~~ shell, or other projectile in the chamber, mechanism, or in a magazine, or clip within a rifle or shotgun~~, or;~~

(B) a muzzle-loading rifle or muzzle-loading shotgun that has been charged with powder and projectile and the ignition system of which has been enabled by having an affixed or attached percussion cap, primer, battery, or priming powder, except as permitted under subsections (d) and (e) of this section~~.~~; and

(C) unless it is uncocked, a crossbow in or on a motor vehicle, motorboat, airplane, snowmobile, or other motor-propelled craft or any vehicle drawn by a motor-propelled vehicle except as permitted under subsection (e) of this section.

(2) A person who possesses a rifle, crossbow, or shotgun, including a muzzle-loading rifle or muzzle-loading shotgun, in or on a vehicle propelled by mechanical power, or drawn by a vehicle propelled by mechanical power within a right-of-way of a public highway shall upon demand of an enforcement officer exhibit the firearm for examination to determine compliance with this section.

(3) As used in this subsection:

(A) "Air rifle" means a .22 or larger caliber device that fires a bullet solely by the use of unignited compressed gas as the propellant.

(B) "Arrow rifle" means a device that fires an arrow or bolt solely by the use of unignited compressed gas as the propellant.

(C) "Pre-charged pneumatic rifle" means an air rifle or arrow rifle for which the propellant is supplied or introduced by means of a source that is physically separate from the air gun or arrow gun.

* * *

Sec. 5. 23 V.S.A. § 3317(b) is amended to read:

(b) Penalty or fine; $300.00 or $1,000.00 maximum. A person who violates a requirement under 10 V.S.A. § 1454 shall be subject to enforcement under 10 V.S.A. § 8007 or 8008 or a fine under this chapter, provided that the person shall be assessed a penalty or fine of not more than $1,000.00 for each violation. A person who violates a rule adopted under 10 V.S.A. § 1424 shall be subject to enforcement under 10 V.S.A. chapter 201 or a fine under this chapter, provided that the person shall be assessed a penalty of not more than $300.00 for each violation. A person who violates any of the following sections of this title shall be subject to a penalty of not more than $300.00 for each violation:

* * *

Sec. 6. 4 V.S.A. § 1102 is amended to read:

§ 1102. JUDICIAL BUREAU; JURISDICTION

(a) The Judicial Bureau is created within the Judicial Branch under the supervision of the Supreme Court.

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

* * *

(19) Violations of rules adopted under 10 V.S.A. § 1424, relating to the use of public waters.

Sec. 7. 10 V.S.A. § 4255 is amended to read:

§ 4255. LICENSE FEES

(a) Vermont residents may apply for licenses on forms provided by the Commissioner. Fees for each license shall be:

* * *

(c) A permanent or free license may be secured on application to the Department by a person qualifying as follows:

* * *

(2) A person who is legally blind who is a Vermont resident may receive a free permanent fishing license upon submittal of proper proof of blindness as the Commissioner shall require. A person who is legally blind who is a resident in a state that provides a reciprocal privilege for Vermont residents may receive a free one-year fishing license.

(3) A Vermont resident with paraplegia as defined in subdivision 4001(30) of this title or a permanent, severe, physical mobility disability certified by a physician may receive a free permanent fishing license or, if the person qualifies for a hunting license, a free combination hunting and fishing license. A person with paraplegia or a person certified by a physician to have permanent, severe, physical mobility disability who is a resident of a state that provides a reciprocal privilege for Vermont residents may receive a free one-year fishing license or, if the person qualifies for a hunting license, a free one-year combination fishing and hunting license.

(4) A Vermont resident who is a veteran of the U.S. Armed Forces and who is, or ever has been, 60 percent disabled as a result of a service-connected disability may receive a free fishing, hunting, or combination hunting and fishing license that shall include all big game licenses, except for a moose license, upon presentation of a certificate issued by the veterans' administration so certifying. A resident of a state that provides a reciprocal privilege for Vermont veterans and who would qualify for a free license under this subdivision if the person were a Vermont resident may receive a free one-year fishing, hunting, or combination hunting and fishing license.

(5) A person participating in a fishing tournament for Special Olympics may receive a free fishing license valid for that event.

* * *

(7) A certified citizen of a Native American Indian tribe that has been recognized by the State pursuant to 1 V.S.A. chapter 23 may receive free of charge one or all of the permanent fishing, hunting, or trapping licenses set forth in subdivisions (1)(A)–(D) of this subsection if qualified for the license and upon submission of a current and valid tribal identification card.

(8) A person with developmental disabilities who is a Vermont resident may receive a free permanent fishing license upon submission to the Commissioner of a statement signed by the person's treating health care provider, as that term is defined in 18 V.S.A. § 9402, certifying that the person meets the definition of a person with development disabilities. "A person with developmental disabilities" has the same meaning as in 18 V.S.A. § 9302.

* * *

(n) The Commissioner shall maintain an accounting of lost revenue due to the issuance of free licenses. The Commissioner annually on or before January 15 shall submit to the Senate Committees on Appropriations and on Finance and the House Committees on Appropriations and on Ways and Means an accounting of lost revenue from the previous calendar year due to the issuance of free licenses.

Sec. 8. 10 V.S.A. § 4251 is amended to read:

§ 4251. TAKING WILD ANIMALS AND FISH; LICENSE

(a) Except as provided in sections 4253 and 4254b of this title, a person shall not take wild animals or fish without first having procured a license therefor; provided, however, that a person under 15 years of age may take fish in accordance with this part and regulations of the Board, without first having procured a license therefor.

(b) The Commissioner of Fish and Wildlife may designate two days each calendar year as "free fishing days" for which no license shall be required. One day shall occur in the open water fishing season and one day shall occur during the ice fishing season.

(c) The Commissioner of Fish and Wildlife may designate Labor Day weekend each year as "free mentored fishing weekend," during which one unlicensed angler can fish with one licensed angler throughout this three-day period.

Sec. 9. 10 V.S.A. § 4613 is amended to read:

§ 4613. FISHING TOURNAMENTS

(a) No person or organization shall hold a fishing tournament on the waters of the State without first obtaining a permit from the Department of Fish and Wildlife. Tournaments held on the Connecticut River, excluding Moore and Comerford Reservoirs, that do not utilize an access area in Vermont are not required to obtain a permit from the Department of Fish and Wildlife.

(b) A fishing tournament means a contest in which anglers pay a fee to enter and in which the entrants compete for a prize based on the quality or size of the fish they catch. A contest may run multiple days, but the days must be consecutive for that contest to be considered a single event. A tournament that limits the entrants to people below 15 years of age or a tournament held as part of a Special Olympics program shall be exempt from paying the fee required under subsection (d) of this section.

(c) The Commissioner shall adopt rules that establish the procedure for implementation of this section. The rules shall include a provision that an angler may not enter a fish that was caught and confined to an enclosed area prior to the beginning of the tournament.

(d) The Commissioner shall charge a fee ~~of $50.00~~ based on the number of participants for each permit issued under this section and shall deposit the fee collected into the Fish and Wildlife Fund. Tournaments with up to 25 participants shall pay a fee of $10.00; tournaments with 26 to 50 participants

shall pay a fee of $30.00; and tournaments with more than 50 participants shall pay a fee of $100.00.

Sec. 10. 10 V.S.A. § 4518 is amended to read:

§ 4518. BIG GAME VIOLATIONS; THREATENED AND ENDANGERED SPECIES; SUSPENSION; VIOLATIONS

(a) Whoever violates a provision of this part or orders or rules of the Board ~~relating to taking, possessing, transporting, buying, or selling of big game; relating to threatened or endangered species; or relating to the trade in covered animal parts or products~~ that constitutes a big game violation shall be fined not more than ~~$1,000.00~~ $2,000.00 nor less than ~~$400.00~~ $500.00 or imprisoned for not more than 60 days, or both. Upon a second and all subsequent convictions or any conviction while under license suspension related to the requirements of part 4 of this title, the violator shall be fined not more than ~~$4,000.00~~ $5,000.00 nor less than $2,000.00 or imprisoned for not more than ~~60~~ 180 days, or both.

(b) As used in this section, "big game violation" means:

(1) violations relating to taking, possessing, transporting, buying, or selling of big game;

(2) violations of chapter 123 of this title and the rules related to threatened and endangered species;

(3) violation of section 4280 of this title relating to criminal suspensions;

(4) violations of chapter 124 of this title relating to the trade in covered animal parts or products;

(5) interference with hunting, fishing, or trapping in violation of section 4708 of this title; or

(6) illegal commercial importation or possession of wild animals in violation of section 4709 of this title.

Sec. 11. 10 V.S.A. § 4552 is amended to read:

§ 4552. JURISDICTION; VENUE

The Vermont Criminal Division of the Superior Court shall have exclusive jurisdiction over fish and wildlife violations with the exception of violations related to section 4572 and chapters 123 and 124 of this title. Venue for adjudicating fish and wildlife violations shall be the unit of the Criminal Division of the Superior Court having jurisdiction over the geographical area where the offense is stated to have occurred.

Sec. 12. 10 V.S.A. § 4572 is amended to read:

§ 4572. DEFINITIONS

(a) As used in this subchapter, a minor fish and wildlife violation means:

(1) a violation of 10 V.S.A. § 4145 (violation of access and landing area rules);

(2) a violation of 10 V.S.A. § 4251 (taking wild animals and fish without a license);

(3) a violation of 10 V.S.A. § 4266 (failure to carry a license on person or failure to exhibit license);

(4) a violation of 10 V.S.A. § 4267 (false statements in license application; altering license; transferring license to another person; using another person's license; or guiding an unlicensed person);

(5) a violation of 10 V.S.A. § 4713 (tree or ground stands or blinds); ~~or~~

(6) [Repealed.]

(7) a violation of a biological collection rule adopted by the Board under part 4 of this title; or

(8) except for big game offenses and under revocation offenses, any fish and wildlife violation as defined by 10 V.S.A § 4551 and not otherwise listed in this section shall be charged as a minor violation, provided that:

(A) the offender has no prior history of fish and wildlife violations;

(B) no evidence was seized in relation to the violation;

(C) a criminal warrant was not used in relation to the violation; and

(D) there is no possibility of forfeiture.

(b) "Bureau" means the Judicial Bureau as created in 4 V.S.A. § 1102.

Sec. 13. 10 V.S.A. § 4085 is added to read:

§ 4085. REPTILES AND AMPHIBIANS; TAKING; POSSESSION

(a) A person shall not intentionally take a reptile or amphibian in the State unless authorized by rules adopted under subsection (b) of this section.

(b) The Commissioner may establish requirements for the following by rule:

(1) the collection or possession for commercial use, export, or sale of reptiles and amphibians specified by the Commissioner;

(2) the taking of reptiles or amphibians that have been classified as common, widespread, and abundant, known as S5 ranked species, with stable or increasing populations indicated by data collected or compiled by the Department of Fish and Wildlife;

(3) the taking of a reptile or amphibian that due to population, risk to other native species, or risk to ecosystems has been identified as requiring a reduction in population; or

(4) under specified criteria, the taking, collection, or possession of a specified reptile or amphibian for scientific, educational, or noncommercial cultural or ceremonial purposes.

(c) Rules adopted by the Commissioner of Fish and Wildlife under this section shall be designed to maintain the best health, population, and utilization levels of the regulated reptile or amphibian.

Sec. 14. IMPORT, POSSESSION, AND SALE OF REPTILES AND AMPHIBIANS; ENDORSEMENTS

(a)(1) A person shall not import, possess, or sell in the State a pond slider turtle (Trachemys scripta), provided that:

(A) a person may continue to possess a turtle that was legally acquired as a pet prior to July 1, 2025 or that was legally acquired from a pet dealer or commercial collection permittee authorized to sell turtles under subdivision (1)(B) of this subsection; or

(B) a person with a valid pet dealer permit or commercial collection permit may possess and sell a turtle that the person can document they had possession of prior to July 1, 2025.

(2) A person is prohibited from releasing to the wild a pond slider retained as a pet under this subsection. A violation of the prohibition under this section shall be subject to enforcement as a fish and wildlife violation under Title 10 part 4.

(b) Subsection (a) of this section shall be repealed on the effective date of a rule adopted by the Commissioner of Fish and Wildlife under 10 V.S.A. § 4085 regulating the import, possession, or sale of the pond slider turtle (Trachemys scripta).

(c) When the Commissioner of Fish and Wildlife under 10 V.S.A. § 4085(b) authorizes the taking of a reptile or amphibian by hunting, a hunting license issued under 10 V.S.A. part 4 that authorizes the taking of reptiles and amphibians under the license shall include an endorsement indicating the authorized taking.

Sec. 15. 10 V.S.A. § 4709 is amended to read:

§ 4709. TRANSPORT, IMPORTATION, POSSESSION, AND STOCKING OF WILD ANIMALS; POSSESSION OF WILD BOAR OR FERAL SWINE

(a) A person shall not bring into, transport into, transport within, transport through, or possess in the State any live wild bird or animal of any kind, including reptiles, amphibians, or any manner of feral swine, without authorization from the Commissioner or ~~his or her~~ the Commissioner's designee. The importation permit may be granted under ~~such regulations therefor as~~ rules, requirements, or conditions that the Commissioner shall prescribe and only after the Commissioner has made such investigation and inspection of the birds or animals as ~~she or he~~ the Commissioner may deem necessary. The Department may dispose of unlawfully possessed or imported wildlife as it may judge best, and the State may collect treble damages from the violator of this subsection for all expenses incurred.

(b) No person shall bring into the State from another country, state, or province wildlife illegally taken, transported, or possessed contrary to the laws governing the country, state, or province from which the wildlife originated.

(c) No person shall place a Vermont-issued tag on wildlife taken outside the State. No person shall report big game in Vermont when the wildlife is taken outside the State.

(d) Nothing in this section shall prohibit the Commissioner or duly authorized agents of the Department of Fish and Wildlife from bringing into the State for the purpose of planting, introducing, or stocking or from planting, introducing, or stocking in the State any wild bird or animal.

(e) Any person who violates this section may be subject to the penalties set forth in section 4518 of this title and also may be required to pay additional penalties based on reasonable mitigation and potential economic benefit associated with commercial trade.

(f) The Commissioner may bring an action in the unit of the Criminal Division of the Superior Court having jurisdiction over the geographical area where the offense is stated to have occurred, or the Environmental Division of the Superior Court, to compel reasonable mitigation and recover economic benefits for commercial collection and trade violations under this subsection.

(g) Applicants shall pay a permit fee of $100.00.

~~(f)~~(h)(1) The Commissioner shall not issue a permit under this section for the importation or possession of the following live species, a hybrid or genetic variant of the following species, offspring of the following species, or offspring or a hybrid of a genetically engineered variant of the following species: feral swine, including wild boar, wild hog, wild swine, feral pig, feral hog, old world swine, razorback, Eurasian wild boar, or Russian wild boar (Sus scrofo Linnaeus). A feral swine is:

* * *

Sec. 16. 10 V.S.A. § 5403(a) is amended to read:

(a) Except as authorized under this chapter, a person shall not:

(1) take, possess, or transport wildlife or wild plants that are members of a threatened or endangered species; ~~or~~

(2) destroy or adversely impact critical habitat;

(3) sell or offer for sale in intrastate commerce a threatened or endangered species;

(4) deliver, receive, carry, transport, or ship a threatened or endangered species in intrastate commerce; or

(5) import a threatened or endangered species into or export a threatened or endangered species from Vermont.

Sec. 17. 10 V.S.A. § 5408 is amended to read:

§ 5408. AUTHORIZED TAKINGS; INCIDENTAL TAKINGS; DESTRUCTION OF CRITICAL HABITAT

(a) Authorized taking. Notwithstanding any provision of this chapter, after obtaining the advice of the Endangered Species Committee, the Secretary may permit, under such terms and conditions as the Secretary may require as necessary to carry out the purposes of this chapter, the taking of a threatened or endangered species, the destruction of or adverse impact on critical habitat, or any act otherwise prohibited by this chapter if done for any of the following purposes:

(1) scientific purposes;

(2) to enhance the propagation or survival of a threatened or endangered species;

(3) zoological exhibition;

(4) educational purposes;

(5) noncommercial cultural or ceremonial purposes; or

(6) special purposes consistent with the purposes of the federal Endangered Species Act.

(b) Incidental taking. After obtaining the advice of the Endangered Species Committee, the Secretary may permit, under such terms and conditions as necessary to carry out the purposes of this chapter, the incidental taking of a threatened or endangered species or the destruction of or adverse impact on critical habitat if:

(1) the taking is necessary to conduct an otherwise lawful activity;

(2) the taking is attendant or secondary to, and not the purpose of, the lawful activity;

(3) the impact of the permitted incidental take is minimized; and

(4) the incidental taking will not impair the conservation or recovery of any endangered species or threatened species.

* * *

(k) Public notice. ~~Prior~~ Except for threatened and endangered species listed by the Secretary in accordance with subsection 5410(b) of this title, prior to issuing a permit for an incidental taking and prior to the initial issuance or amendment of a general permit under this section, the Secretary shall provide for public notice of ~~no~~ not fewer than 30 days~~,~~ opportunity for written comment~~,~~ and opportunity to request a public informational hearing. ~~The~~ Except for threatened and endangered species listed by the Secretary in accordance with subsection 5410(b) of this title, the Secretary shall post permit applications, permit decisions, and the initial or amended general permits on the website of the Agency of Natural Resources. ~~The~~ Except for threatened and endangered species listed by the Secretary in accordance with subsection 5410(b) of this title, the Secretary also shall provide notice to interested persons who request notice of permit applications, permit decisions, and proposed general permits or proposed amendments to general permits.

(l) General permits.

(1) The Secretary may issue general permits for activities that will not affect the continued survival or recovery of a threatened or endangered species.

* * *

(6) ~~Prior~~ Except for threatened and endangered species listed by the Secretary in accordance with subsection 5410(b) of this title, prior to issuing an initial or amended general permit under this subsection, the Secretary shall:

(A) post a draft of the general permit on the Agency website;

(B) provide public notice of at least 30 days; and

(C) provide for written comments or a public hearing, or both.

(7) For applications for coverage under the terms of an issued general permit, the applicant shall provide notice on a form provided by the Secretary. ~~The~~ Except for threatened and endangered species listed by the Secretary in accordance with subsection 5410(b) of this title, the Secretary shall post notice of the application on the Agency website and shall provide an opportunity for written comment, regarding whether the application complies with the terms and conditions of the general permit, for ~~ten~~ 10 days following receipt of the application.

* * *

Sec. 18. 10 V.S.A. § 5410 is amended to read:

§ 5410. LOCATION CONFIDENTIAL

(a) The Secretary shall not disclose information regarding the specific location of threatened or endangered species sites or habitats except ~~that the Secretary shall disclose information regarding the location of the threatened or endangered species to~~:

(1) to the owner of land upon which the species is located;

(2) to a potential buyer of land upon which the species is located who has a bona fide contract to buy the land and applies to the Secretary for disclosure of threatened or endangered species information; ~~or~~

(3) to qualified individuals or organizations, public agencies, and nonprofit organizations for scientific research or for preservation and planning purposes when the Secretary determines that the preservation of the species is not further endangered by the disclosure; or

(4) during regulatory processes with the exception of threatened or endangered species listed under subsection (b) of this section.

(b) The Secretary shall maintain a subset list of threatened and endangered species whose specific names shall not be included in regulatory planning. The subset list shall include threatened or endangered species for which the species names and locations shall not be disclosed because of the risk that the species will be significantly harmed by unauthorized take, such as illegal collection, commercial trade, human-caused mortality, or destruction of habitat. The list shall be based on the rarity of the species, known collection and commercial trade activities in Vermont and other states or countries,

incidents of human-caused mortality or destruction of habitat, and other factors that present a threat to the continued existence of the species.

(c) When the Secretary issues a permit under this chapter to take a threatened or endangered species or destroy or adversely impact critical habitat and when the Secretary designates critical habitat by rule under section 5402a of this title, the Secretary shall disclose only the municipality and general location where the threatened or endangered species or designated critical habitat is located. When the Secretary designates critical habitat under section 5402a of this title, the Secretary shall notify the municipality in which the critical habitat is located and shall disclose the general location of the designated critical habitat.

Sec. 19. 10 V.S.A. § 4829 is amended to read:

§ 4829. ~~PERSON SUFFERING DAMAGE BY DEER OR BLACK BEAR~~

~~(a) A person engaged in the business of farming who suffers damage by deer to the person's crops, fruit trees, or crop-bearing plants on land not posted against the hunting of deer, or a person engaged in the business of farming who suffers damage by black bear to the person's cattle, sheep, swine, poultry, or bees or bee hives on land not posted against hunting or trapping of black bear is entitled to reimbursement for the damage up to an amount not to exceed $5,000.00 per year, and may apply to the Department of Fish and Wildlife within 72 hours of the occurrence of the damage for reimbursement for the damage. As used in this section, "post" means any signage that would lead a reasonable person to believe that hunting is prohibited on the land.~~

~~(b) As used in this section, a person is "engaged in the business of farming" if he or she earns at least one-half of the farmer's annual gross income from the business of farming, as that term is defined in the Internal Revenue Code, 26 C.F.R. § 1.175-3.~~ [Repealed.]

Sec. 20. EFFECTIVE DATES

This act shall take effect on July 1, 2025, except that:

(1) Sec. 7 (free fishing license; person with developmental disabilities) shall take effect on January 1, 2026; and

(2) in Sec. 13, 10 V.S.A. § 4085(a) (related to the taking of reptiles and amphibians) shall take effect on January 1, 2027.

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

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

Senator Perchlik, for the Committee on Appropriations, to which the bill was referred, reported recommending that the bill ought to pass in concurrence with proposal of amendment as recommended by the Committee on Natural Resources and Energy with further proposal of amendment by striking out Sec. 20, effective dates, in its entirety and inserting in lieu thereof six new sections to be Secs. 20–25 to read as follows:

Sec. 20. 10 V.S.A. § 599a is amended to read:

§ 599a. REPORTS; RULEMAKING

(a) On or before January 15, 2025, the Agency, in consultation with the State Treasurer, shall submit a report to the General Assembly detailing the feasibility and progress of carrying out the requirements of this chapter, including any recommendations for improving the administration of the Program.

(b) The Agency shall adopt rules necessary to implement the requirements of this chapter, including:

(1) adopting methodologies using available science and publicly available data to identify responsible parties and determine their applicable share of covered greenhouse gas emissions; and

(2) requirements for registering entities that are responsible parties and issuing notices of cost recovery demands under the Program~~; and~~

~~(3) the Resilience Implementation Strategy, which shall include:~~

~~(A) practices utilizing nature-based solutions intended to stabilize floodplains, riparian zones, lake shoreland, wetlands, and similar lands;~~

~~(B) practices to adapt infrastructure to the impacts of climate change;~~

~~(C) practices needed to build out early warning mechanisms and support fast, effective response to climate-related threats;~~

~~(D) practices that support economic and environmental sustainability in the face of changing climate conditions; and~~

~~(E) criteria and procedures for prioritizing climate change adaptation projects eligible to receive monies from the Climate Superfund Cost Recovery Program~~.

(c) On or before September 15, 2025, the Secretary shall submit to the House Committee on Environment and the Senate Committee on Natural Resources and Energy a report summarizing the Agency of Natural Resources' adoption of the Resilience Implementation Strategy. The Strategy shall include:

(1) practices utilizing nature-based solutions intended to stabilize floodplains, riparian zones, lake shoreland, wetlands, and similar lands;

(2) practices to adapt infrastructure to the impacts of climate change;

(3) practices needed to build out early warning mechanisms and support fast, effective response to climate-related threats;

(4) practices that support economic and environmental sustainability in the face of changing climate conditions; and

(5) criteria and procedures for prioritizing climate change adaptation projects eligible to receive monies from the Climate Superfund Cost Recovery Program.

(d) In adopting the Strategy, the Agency shall:

(1) consult with the Environmental Justice Advisory Council;

(2) in consultation with other State agencies and departments, including the Department of Public Safety's Division of Vermont Emergency Management, assess the adaptation needs and vulnerabilities of various areas vital to the State's economy, normal functioning, and the health and well-being of Vermonters;

(3) identify major potential, proposed, and ongoing climate change adaptation projects throughout the State;

(4) identify opportunities for alignment with existing federal, State, and local funding streams;

(5) consult with stakeholders, including local governments, businesses, environmental advocates, relevant subject area experts, and representatives of environmental justice focus populations;

(6) consider components of the Vermont Climate Action Plan required under section 592 of this title that are related to adaptation or resilience, as defined in section 590 of this title; and

(7) conduct public engagement in areas and communities that have the most significant exposure to the impacts of climate change, including disadvantaged, low-income, and rural communities and areas.

~~(d)~~(e) Nothing in this section shall be construed to limit the existing authority of a State agency, department, or entity to regulate greenhouse gas emissions or establish strategies or adopt rules to mitigate climate risk and build resilience to climate change.

Sec. 21. 2024 Acts and Resolves No. 122, Sec. 3 is amended to read:

Sec. 3. IMPLEMENTATION

(a) ~~On or before July 1, 2025, the Agency of Natural Resources pursuant to 3 V.S.A. § 837 shall file with the Interagency Committee on Administrative Rules the proposed rule for the adoption of the Resilience Implementation Strategy required pursuant to 10 V.S.A § 599a(b)(3). On or before January 1, 2026, the Agency of Natural Resources shall adopt the final rule establishing the Resilience Implementation Strategy required pursuant to 10 V.S.A § 599a(b)(3).~~ [Repealed.]

(b) On or before July 1, ~~2026~~ 2027, the Agency of Natural Resources pursuant to 3 V.S.A. § 837 shall file with the Interagency Committee on Administrative Rules the proposed rules required pursuant to 10 V.S.A. § 599a(b)(1) and (b)(2). On or before January 1, ~~2027~~ 2028, the Agency of Natural Resources shall adopt the final rule rules required pursuant to 10 V.S.A. § 599a(b)(1) and (b)(2).

Sec. 22. 10 V.S.A. § 596 is amended to read:

§ 596. DEFINITIONS

As used in this chapter:

* * *

(7) "Covered greenhouse gas emissions" means the total quantity of greenhouse gases released into the atmosphere ~~during the covered period~~, expressed in metric tons of carbon dioxide equivalent, resulting from the use of fossil fuels extracted or refined by an entity during the covered period.

* * *

(22) "Responsible party" means any entity or a successor in interest to an entity that during any part of the covered period was engaged in the trade or business of extracting fossil fuel or refining crude oil and is determined by the Agency attributable to for more than one billion metric tons of covered greenhouse gas emissions ~~during the covered period~~. The term responsible party does not include any person who lacks sufficient connection with the State to satisfy the nexus requirements of the U.S. Constitution.

* * *

Sec. 23. 10 V.S.A. § 598(b) is amended to read:

(b) With respect to each responsible party, the cost recovery demand shall be equal to an amount that bears the same ratio to the cost to the State of Vermont and its residents, as calculated by the State Treasurer pursuant to section 599c of this title, from ~~the emission of~~ covered greenhouse ~~gases during the covered period~~ gas emissions as the responsible party's applicable share of covered greenhouse gas emissions bears to the aggregate applicable shares of covered greenhouse gas emissions ~~resulting from the use of fossil fuels extracted or refined during the covered period~~.

Sec. 24. 10 V.S.A. § 599c is amended to read:

§ 599c. STATE TREASURER REPORT ON THE COST TO VERMONT OF COVERED GREENHOUSE GAS EMISSIONS

On or before January 15, ~~2026~~ 2027, the State Treasurer, after consultation with the Interagency Advisory Board to the Climate Action Office, and with any other person or entity whom the State Treasurer decides to consult for the purpose of obtaining and utilizing credible data or methodologies that the State Treasurer determines may aid the State Treasurer in making the assessments and estimates required by this section, shall submit to the Senate Committees on Appropriations, on Finance, on Agriculture, and on Natural Resources and Energy and the House Committees on Appropriations; on Ways and Means; on Agriculture, Food Resiliency, and Forestry; and on Environment ~~and Energy~~ an assessment of the cost to the State of Vermont and its residents ~~of the emission~~ of covered greenhouse ~~gases for the period that began on January 1, 1995 and ended on December 31, 2024~~ gas emissions. The assessment shall include:

* * *

(3) a categorized calculation of the costs that have been incurred and are projected to be incurred in the future within the State of Vermont to abate the effects of covered greenhouse gas emissions ~~from between January 1, 1995 and December 31, 2024~~ on the State of Vermont and its residents.

Sec. 25. EFFECTIVE DATES

(a) This section and Secs. 20–24 (climate superfund act) shall take effect on passage.

(b) All other sections shall take effect on July 1, 2025, except that:

(1) Sec. 7 (free fishing license; person with developmental disabilities) shall take effect on January 1, 2026; and

(2) in Sec. 13, 10 V.S.A. § 4085(a) (related to the taking of reptiles and amphibians) shall take effect on January 1, 2027.

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

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

Thereupon, pending the question, Shall the Senate propose to the House that the bill be amended as recommended by the Committee on Natural Resources and Energy, as amended?, Senator Douglass moved to amend the proposal of amendment of the Committee on Natural Resources and Energy, in Sec. 8., 10 V.S.A. § 4251(c) by striking out one unlicensed angler and inserting "up to four unlicensed anglers aged 15 years or older".

Which was agreed to.

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

Bill Ordered to Lie

S. 109.

House proposal of amendment to Senate bill entitled:

An act relating to miscellaneous judiciary procedures.

Was taken up.

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

Sec. 1. 3 V.S.A. § 164 is amended to read:

§ 164. ADULT COURT DIVERSION PROGRAM

(a) Purpose.

(1) The Attorney General shall develop and administer an adult court diversion program, for both pre-charge and post-charge referrals, available in all counties.

(2) The program shall be designed to provide a restorative option for persons alleged to have caused harm in violation of a criminal statute or who have been charged with violating a criminal statute as well as for victims or those acting on a victim's behalf who have been allegedly harmed by the

~~responsible party~~ person referred to the program. The diversion program can accept referrals to the program as follows:

* * *

(c) Adult diversion program policy and referral requirements.

* * *

(3) Adult post-charge diversion requirements. Each State's Attorney, in cooperation with the Office of the Attorney General and the adult post-charge diversion program, shall develop clear criteria for deciding what types of offenses and offenders will be eligible for diversion; however, the State's Attorney shall retain final discretion over the referral of each case for diversion. All adult post-charge diversion programs receiving financial assistance from the Attorney General shall adhere to the following:

(A) The post-charge diversion program for adults shall only accept persons against whom charges have been filed and the court has found probable cause, but are not adjudicated.

(B) A prosecutor may refer a person to diversion either before or after arraignment and shall notify in writing the diversion program and the court of the prosecutor's ~~of the~~ referral to diversion.

* * *

Sec. 2. 4 V.S.A. § 71 is amended to read:

§ 71. APPOINTMENT AND TERM OF SUPERIOR JUDGES

(a) ~~There shall be 34 Superior judges, whose term of office shall,~~ The number of Superior Judges shall be as determined by the General Assembly. The term of office of a Superior Judge shall, except in the case of an appointment to fill a vacancy or unexpired term, begin on April 1 in the year of their appointment or retention and continue for six years.

* * *

Sec. 3. 4 V.S.A. § 1102 is amended to read:

§ 1102. JUDICIAL BUREAU; JURISDICTION

(a) The Judicial Bureau is created within the Judicial Branch under the supervision of the Supreme Court.

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

* * *

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

* * *

Sec. 4. 4 V.S.A. § 1106 is amended to read:

§ 1106. HEARING

* * *

(d) ~~A~~ Unless otherwise provided by law, a law enforcement officer may void or amend a complaint issued by that officer by so marking the complaint and returning it to the Bureau, regardless of whether the amended complaint is a lesser included violation. At the hearing, a law enforcement officer may, unless otherwise provided by law, void or amend a complaint issued by that officer in the discretion of that officer.

* * *

Sec. 5. 7 V.S.A. § 1005(c) is amended to read:

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

Sec. 6. 12 V.S.A. § 5 is amended to read:

§ 5. DISSEMINATION OF ELECTRONIC CASE RECORDS

(a) The Court shall not permit public access via the ~~Internet~~ internet to criminal, family, or probate case records. The Court may permit criminal justice agencies, as defined in 20 V.S.A. § 2056a, ~~Internet~~ internet access to criminal case records for criminal justice purposes, as defined in 20 V.S.A. § 2056a.

(b) Notwithstanding subsection (a) of this section, the Court shall provide licensed Vermont attorneys in good standing with access via the internet, through the Judiciary's public portal website or otherwise, to nonconfidential criminal, family, and probate case records.

(c) This section shall not be construed to prohibit the Court from providing electronic access to:

(1) court schedules of the Superior Court or opinions of the Criminal Division of the Superior Court;

(2) State agencies in accordance with data dissemination contracts entered into under Rule 12 of the Vermont Rules for Public Access to Court Records; or

(3) decisions, recordings of oral arguments, briefs, and printed cases of the Supreme Court.

Sec. 7. 12 V.S.A. § 4937 is amended to read:

§ 4937. ATTORNEY'S FEES

When a mortgage contains an agreement on the part of the mortgagor to pay the mortgagee, in the event of foreclosure, the attorney's fees incident thereto, and claim is made therefor in the complaint, ~~upon hearing,~~ the court in which the complaint is brought shall allow such fee as in its judgment is just.

Sec. 8. 13 V.S.A. § 4013 is amended to read:

§ 4013. ZIP GUNS~~; SWITCHBLADE KNIVES~~

A person who possesses, sells, or offers for sale a weapon commonly known as a "zip" gun~~, or a weapon commonly known as a switchblade knife, the blade of which is three inches or more in length,~~ shall be imprisoned not more than 90 days or fined not more than $100.00, or both.

Sec. 9. EXPUNGEMENT OF CRIMINAL HISTORY RECORDS

The court shall order the expungement of criminal history records of convictions of 13 V.S.A. § 4013 for possessing, selling, or offering for sale a switchblade knife that occurred prior to July 1, 2025. The process and effect for expungement of these records shall be as provided for in 13 V.S.A. § 7606 and shall be completed by the court and all entities subject to the order not later than July 1, 2026.

Sec. 10. 13 V.S.A. § 5351(7) is amended to read:

(7) "Victim" means:

(A) a person who sustains injury or death as a direct result of the commission or attempted commission of a crime;

(B) an intervenor who is physically injured or killed in an attempt to assist the person described in subdivision (A) of this subdivision (7) or ~~the police~~ a protected professional as defined in subdivision 1028(d)(1) of this title;

(C) a surviving immediate family member of a homicide victim, including a spouse, domestic partner, parent, sibling, child, grandparent, or other survivor who may suffer severe emotional harm as a result of the victim's death as determined on a case-by-case basis in the discretion of the Board; or

(D) a resident of this State who is injured or killed as the result of a crime committed outside the United States.

Sec. 11. 13 V.S.A. § 7282 is amended to read:

§ 7282. SURCHARGE

* * *

(c) ~~SIU surcharge.~~ In addition to any penalty or fine imposed by the court for a criminal offense committed after July 1, 2009, the clerk of the court shall levy an additional surcharge of $100.00 to be deposited in the General Fund, in support of the Specialized Investigative Unit Grants Board created in 24 V.S.A. § 1940(c), and used to pay for the costs of Specialized Investigative Units.

Sec. 12. 14 V.S.A. § 2 is amended to read:

§ 2. DEPOSIT OF WILL FOR SAFEKEEPING; DELIVERY; FINAL DISPOSITION

(a) A will may be deposited for safekeeping in the Probate Division of the Superior Court for the district in which the testator resides on payment to the court of the applicable fee required by ~~32 V.S.A. § 1434(a)(17)~~ 32 V.S.A. § 1434(a)(18). The register shall give to the testator a receipt, shall safely keep each will so deposited, and shall keep an index of the wills so deposited.

* * *

Sec. 13. 14 V.S.A. § 3068 is amended to read:

§ 3068. HEARING

* * *

(e)(1) If upon completion of the hearing and consideration of the record the court finds that the respondent is not a person in need of guardianship, it shall dismiss the petition and seal the records of the proceeding.

(2) If a motion to withdraw the petition is made before the final hearing, the court shall dismiss the petition and seal the records of the proceeding.

(f) If upon completion of the hearing and consideration of the record the court finds that the petitioner has proved by clear and convincing evidence that the respondent is a person in need of guardianship or will be a person in need of guardianship on attaining 18 years of age, it shall enter judgment specifying the powers of the guardian pursuant to sections 3069 and 3070 of this title and the duties of the guardian pursuant to section 3071 of this title.

(g) Any party to the proceeding before the court may appeal the court's decision in the manner provided in section 3080 of this title.

Sec. 14. 14 V.S.A. § 4051 is amended to read:

§ 4051. STATUTORY FORM POWER OF ATTORNEY

A document substantially in the following form may be used to create a statutory form power of attorney that has the meaning and effect prescribed by this chapter.

VERMONT STATUTORY FORM POWER OF ATTORNEY IMPORTANT INFORMATION

* * *

GRANT OF SPECIFIC AUTHORITY (OPTIONAL)

My agent MAY NOT do any of the following specific acts for me UNLESS I have INITIALED the specific authority listed below:

(CAUTION: Granting any of the following will give your agent the authority to take actions that could significantly reduce your property or change how your property is distributed at your death. INITIAL ONLY the specific authority you WANT to give your agent.)

( ) An agent who is not an ancestor, spouse, or descendant may exercise authority under this power of attorney to create in the agent or in an individual to whom the agent owes a legal obligation of support an interest in my property whether by gift, rights of survivorship, beneficiary designation, disclaimer, or otherwise

( ) Create, amend, revoke, or terminate an inter vivos, family, living, irrevocable, or revocable trust

( ) Consent to the modification or termination of a noncharitable irrevocable trust under 14A V.S.A. § 411

( ) Make a gift, subject to the limitations of 14 V.S.A. § 4047 (gifts) and any special instructions in this power of attorney

~~( ) Consent to the modification or termination of a noncharitable irrevocable trust under 14A V.S.A. § 411~~

( ) Create, amend, or change rights of survivorship

( ) Create, amend, or change a beneficiary designation

( ) Waive the principal's right to be a beneficiary of a joint and survivor annuity, including a survivor benefit under a retirement plan

( ) Exercise fiduciary powers that the principal has authority to delegate

( ) Authorize another person to exercise the authority granted under this power of attorney

( ) Disclaim or refuse an interest in property, including a power of appointment

( ) Exercise authority with respect to elective share under 14 V.S.A. § 319

( ) Exercise waiver rights under 14 V.S.A. § 323

( ) Exercise authority over the content and catalogue of electronic communications and digital assets under 14 V.S.A. chapter 125 (Vermont Revised Uniform Fiduciary Access to Digital Assets Act)

( ) Exercise authority with respect to intellectual property, including, without limitation, copyrights, contracts for payment of royalties, and trademarks

( ) Convey, or revoke or revise a grantee designation, by enhanced life estate deed pursuant to 27 V.S.A. chapter 6 or under common law.

* * *

Sec. 15. 14A V.S.A. § 1316 is amended to read:

§ 1316. OFFICE OF TRUST DIRECTOR

Unless the terms of a trust provide otherwise, the rules applicable to a trustee apply to a trust director regarding the following matters:

(1) acceptance under section 701 of this title;

(2) giving of bond to secure performance under section 702 of this title;

(3) reasonable compensation under section 708 of this title;

(4) resignation under section 705 of this title;

(5) removal under section 706 of this title; and

(6) vacancy and appointment of successor under section 704 of this title.

Sec. 16. 33 V.S.A. § 5204(b)(2)(A) is amended to read:

(2)(A)(i) The Family Division of the Superior Court shall hold a hearing under subsection (c) of this section to determine whether jurisdiction should be transferred to the Criminal Division under subsection (a) of this section if the delinquent act set forth in the petition is:

(I) [Repealed.]

(II) human trafficking or aggravated human trafficking in violation of 13 V.S.A. § 2652 or 2653;

(III) defacing a firearm's serial number in violation of ~~13 V.S.A. § 4024~~ 13 V.S.A. § 4026; or

(IV) straw purchasing of firearm in violation of 13 V.S.A. § 4025; and

(ii) the child had attained 16 years of age but not 19 years of age at the time the act was alleged to have occurred.

Sec. 17. 33 V.S.A. § 5225 is amended to read:

§ 5225. PRELIMINARY HEARING; RISK ASSESSMENT

(a) Preliminary hearing. A preliminary hearing shall be held at the time and date specified on the citation or as otherwise ordered by the court. If a child is taken into custody prior to the preliminary hearing, the preliminary hearing shall be at the time of the temporary care hearing. Counsel for the child shall be assigned prior to the preliminary hearing.

(b) Risk and needs screening.

(1) Prior to the preliminary hearing, the child shall be afforded an opportunity to undergo a risk and needs screening, which shall be conducted by the Department or by a community provider that has contracted with the Department to provide risk and need screenings for children alleged to have committed delinquent acts.

(2) If the child participates in such a screening, the Department or the community provider shall report the risk level result of the screening, the number and source of the collateral contacts made, and the recommendation for charging or other alternatives to the State's Attorney. The State's Attorney shall consider the results of the risk and needs screening in determining whether to file a charge. In lieu of filing a charge, the State's Attorney may refer a child directly to a youth-appropriate community-based provider that has been approved by the Department, which may include pre-charge diversion pursuant to 3 V.S.A. § 163, a community justice center, or a balanced and restorative justice program. Referral to a community-based provider pursuant to this subsection shall not require the State's Attorney to file a charge. If the community-based provider does not accept the case or if the child fails to complete the program in a manner deemed satisfactory and timely by the provider, the child's case shall return to the State's Attorney for charging consideration.

* * *

Sec. 18. 27 V.S.A. § 348 is amended to read:

§ 348. INSTRUMENTS CONCERNING REAL PROPERTY VALIDATED

(a) When an instrument of writing shall have been on record in the office of the clerk in the proper town for a period of 15 years, and there is a defect in the instrument because it omitted to state any consideration or was not sealed, witnessed, acknowledged, validly acknowledged, or because a license to sell was not issued or is defective, the instrument shall, from and after the

expiration of 15 years from the filing thereof for record, be valid. Nothing in this section shall be construed to affect any rights acquired by grantees, assignees, or encumbrancers under the instruments described in the preceding sentence, nor shall this section apply to conveyances or other instruments of writing, the validity of which is brought in question in any suit now pending in any courts of the State.

* * *

(d) A release, discharge, or assignment of mortgage interest executed by a commercial lender with respect to a one- to four-family residential real property, including a residential unit in a condominium or in a common interest community as defined in Title 27A, that recites authority to act on behalf of the record holder of the mortgage under a power of attorney but where the power of attorney is not of record shall have the same effect as if executed by the record holder of the mortgage unless, within three years after the instrument is recorded, an action challenging the release, discharge, or assignment is commenced and a copy of the complaint is recorded in the land records of the town where the release, discharge, or assignment is recorded. This subsection shall not apply to releases, discharges, or assignments obtained by fraud or forgery.

(e) A power of attorney made for the purpose of conveying, leasing, mortgaging, or affecting any interest in real property that has been acknowledged and signed in the presence of at least one witness shall be valid, notwithstanding its failure to comply with 14 V.S.A. § 3503 or the requirements of the Emergency Administrative Rules for Remote Notarial Acts adopted by the Vermont Secretary of State, unless within three years after recording, an action challenging its validity is commenced and a copy of the complaint is recorded in the land records of the town where the power of attorney is recorded. This subsection shall not apply to a power of attorney obtained by fraud or forgery.

(f) Notwithstanding section 305 of this title, a deed, mortgage, lease, or other instrument executed for the purpose of conveying or encumbering real property executed by a person purporting to act as the agent or attorney-in-fact for the party named in the deed, mortgage, lease, or other instrument that has been recorded for at least 15 years in the land records where the real property is located shall be valid even if no power of attorney authorizing and empowering an agent or attorney-in-fact appears of record, unless, within 15 years after recording, an action challenging the validity of the deed, mortgage, lease, or other instrument is commenced and a copy of the complaint is recorded in the land records of the town where the property is located. This subsection shall not apply to an instrument obtained by fraud or forgery.

Sec. 19. 32 V.S.A. § 1003 is amended to read:

§ 1003. STATE OFFICERS

* * *

(c) The officers of the Judicial Branch named in this subsection shall be entitled to annual salaries as follows:

	Annual Salary as of July 14 2024	Annual Salary as of July 13, 2025
(1) Chief Justice of Supreme Court	$214,024	$225,581
(2) Each Associate Justice	$204,264	$215,294
(3) ~~Administrative~~ Chief Superior Judge	$204,264	$215,294
(4) Each Superior Judge	$194,185	$204,671
(5) [Repealed.]		
(6) Each Magistrate	$146,413	$154,319
(7) Each Judicial Bureau hearing officer	$146,413	$154,319

* * *

Sec. 20. 2023 Acts and Resolves No. 27, Sec. 5 (forensic facility report) is amended to read:

Sec. 5. [Deleted.]

Sec. 21. 2023 Acts and Resolves No. 40, Sec. 4 is amended to read:

Sec. 4. REPEALS

* * *

(c) 28 V.S.A. § 126 (Coordinated Justice Reform Advisory Council) is repealed on ~~July 1, 2028~~ July 1, 2025.

Sec. 22. [Deleted.]

Sec. 23. [Deleted.]

Sec. 24. FIREARM SURRENDER ORDER COMPLIANCE WORKING GROUP; REPORT

(a) Creation. The Office of the Attorney General shall convene a Firearm Surrender Order Compliance Working Group to develop a uniform process to

ensure compliance with court orders to surrender firearms. The Working Group shall examine the statutory or policy changes necessary to create a uniform process to monitor compliance, support entities charged with storing and returning surrendered firearms pursuant to court orders, and identify a stable and reliable funding source for any additional resources needed to monitor compliance.

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

(1) the Attorney General or designee, who shall be the chair;

(2) the Chief Superior Court Judge or designee;

(3) the Defender General or designee;

(4) one State's Attorney or designee, appointed by the Department of State's Attorneys and Sheriffs;

(5) a member, appointed by the Vermont Network Against Domestic and Sexual Violence;

(6) a member of the Vermont State Police, appointed by the Commissioner of Public Safety;

(7) a police chief, appointed by the Vermont Association of Chiefs of Police; and

(8) a federal firearms licensee, appointed by the Attorney General.

(c) Consultation. The Working Group shall consult with stakeholders including:

(1) the Commissioner of Corrections;

(2) family law practitioners;

(3) victim advocates;

(4) advocates from culturally specific advocacy organizations that work with domestic violence victims;

(5) the Vermont Federation of Sportsmen's Clubs;

(6) the Vermont Office of the Bureau of Alcohol Tobacco and Firearms;

(7) the Vermont Medical Society;

(8) the Commissioner of Mental Health;

(9) the Vermont Center for Crime Victim Services;

(10) the Vermont Council on Domestic Violence; and

(11) the Commissioner of Fish and Wildlife.

(d) Report. On or before November 15, 2025, the Working Group shall report its recommendations to the House and Senate Committees on Judiciary and to the Joint Legislative Justice Oversight Committee. The report shall include:

(1) a workable statewide compliance model that is adaptable to both the Family and Criminal Divisions of the Superior Courts and that ensures:

(A) accountability of respondents and defendants while addressing safety needs of the plaintiffs and victims; and

(B) proper storage and return of firearms surrendered pursuant to court orders; and

(2) recommendations for any legislative changes necessary to support the model.

(e) Meetings. The Working Group shall meet not more than six times.

(f) Compensation and reimbursement. Members of the Working Group who are not employees of the State of Vermont or who are not otherwise compensated or reimbursed for their attendance shall be entitled to compensation and reimbursement of expenses pursuant to 32 V.S.A. § 1010 for not more than six meetings.

Sec. 25. 15A V.S.A. § 3-504 is amended to read:

§ 3-504. GROUNDS FOR TERMINATING RELATIONSHIP OF PARENT AND CHILD

(a) If a respondent answers or appears at the hearing and asserts parental rights, the court shall proceed with the hearing expeditiously. If the court finds, upon clear and convincing evidence, that any one of the following grounds exists and that termination is in the best interests of the minor, the court shall order the termination of any parental relationship of the respondent to the minor:

* * *

(2) In the case of a minor over six months of age at the time the petition is filed, the respondent did not exercise parental responsibility for a period of at least six months immediately preceding the filing of the petition. In making a determination under this subdivision, the court shall consider all relevant factors, which may include the respondent's failure to:

(A) make reasonable and consistent payments, in accordance with the respondent's financial means, for the support of the minor, although legally obligated to do so;

(B) regularly communicate or visit with the minor; or

(C) during any time the minor was not in the physical custody of the other parent, manifest an ability and willingness to assume legal and physical custody of the minor.

* * *

Sec. 25a. 33 V.S.A. § 5231(d) is amended to read:

(d) Termination of parental rights. If the Commissioner or the attorney for the child seeks an order terminating parental rights of one or both parents and transfer of custody to the Commissioner without limitation as to adoption, the court shall consider the best interests of the child in accordance with section 5114 of this title. The Department's Family Services Division shall not consider payment of child support to the Family Services Division to offset the cost of foster care as a factor in a petition to terminate parental rights.

Sec. 25b. 33 V.S.A. § 5317(d) is amended to read:

(d) Termination of parental rights. If the Commissioner or the attorney for the child seeks an order at disposition terminating the parental rights of one or both parents and transfer of legal custody to the Commissioner without limitation as to adoption, the court shall consider the best interests of the child in accordance with section 5114 of this title. The Department's Family Services Division shall not consider payment of child support to the Family Services Division to offset the cost of foster care as a factor in a petition to terminate parental rights.

Sec. 26. Sec. 1. 15 V.S.A. § 202 is amended to read:

§ 202. PENALTY FOR DESERTION OR NONSUPPORT

A married person who, without just cause, shall desert or willfully neglect or refuse to provide for the support and maintenance of ~~his or her~~ the person's spouse and children, leaving them in destitute or necessitous circumstances or a parent who, without lawful excuse, shall desert or willfully neglect or refuse to provide for the support and maintenance of ~~his or her~~ the child ~~or an adult child possessed of sufficient pecuniary or physical ability to support his or her parents, who unreasonably neglects or refuses to provide such support when the parent is destitute, unable to support himself or herself, and resident in this State,~~ shall be imprisoned not more than two years or fined not more than $300.00, or both. Should a fine be imposed, the court may order the same to be paid in whole or in part to the needy spouse~~, parent,~~ or to the guardian,

custodian, or trustee of the child. The Office of Child Support attorneys, in addition to any other duly authorized person, may prosecute cases under this section in Vermont Superior Court.

Sec. 27. 2023 Acts and Resolves No. 19, Sec. 5 is amended to read:

Sec. 5. [Deleted.]

Sec. 28. 2023 Acts and Resolves No. 19, Sec. 6 is amended to read:

Sec. 6. EFFECTIVE DATES

* * *

(b) ~~Sec. 5 (marriage licenses; 32 V.S.A. § 1712) shall take effect on July 1, 2025.~~ [Deleted.]

* * *

Sec. 29. 13 V.S.A. § 7556 is amended to read:

§ 7556. APPEAL FROM CONDITIONS OF RELEASE OR BAIL REVOCATION DENIAL

(a) A person who is detained, or whose release on a condition requiring ~~him or her~~ the person to return to custody after specified hours is continued, after review of ~~his or her~~ the person's application pursuant to subsection 7554(d) or (e) of this title by a judicial officer, other than a judge of the court having original jurisdiction over the offense with which ~~he or she~~ the person is charged or a Justice of the Supreme Court, may move the court having original jurisdiction over the offense with which ~~he or she~~ the person is charged to amend the order. The motion shall be determined promptly.

(b) When a person is detained after a court denies a motion under subsection (a) of this section or when conditions of release have been imposed or amended by the judge of the court having original jurisdiction over the offense charged, an appeal may be taken to a single Justice of the Supreme Court who may hear the matter or at ~~his or her~~ the Justice's discretion refer it to the entire Supreme Court for hearing. No further appeal may lie from the ruling of a single Justice in matters to which this subsection applies. Any order so appealed shall be affirmed if it is supported by the proceedings below. If the order is not supported, the Supreme Court or single Justice hearing the matter may remand the case for a further hearing or may, with or without additional evidence, order the person released. The appeal shall be determined forthwith.

(c)(1) When a person is released, with or without bail or other conditions of release, an appeal may be taken by the State to a single Justice of the Supreme Court who may hear the matter or at ~~his or her~~ the Justice's

discretion refer it to the entire Supreme Court for hearing. No further appeal may lie from the ruling of a single Justice in matters to which this subsection applies. Any order so appealed shall be affirmed if it is supported by the proceedings below. If the order is not supported, the Supreme Court or single Justice hearing the matter may remand the case for a further hearing or may, with or without additional evidence, modify or vacate the order. The appeal shall be determined ~~forthwith~~ promptly.

(2) When a request to revoke bail pursuant to section 7575 of this title is denied, a prosecutor may appeal the court's order in accordance with the procedure outlined in subdivision (1) of this subsection.

(d) A person held without bail under section 7553a of this title prior to trial shall be entitled to an independent, second evidentiary hearing on the merits of the denial of bail, which shall be a hearing de novo by a single Justice of the Supreme Court forthwith. Pursuant to 4 V.S.A. § 22 the Chief Justice may appoint and assign a retired justice or judge with ~~his or her~~ the retired justice's or judge's consent or a Superior judge or District judge to a special assignment on the Supreme Court to conduct that de novo hearing. Such hearing de novo shall be an entirely new evidentiary hearing without regard to the record compiled before the trial court; except, the parties may stipulate to the admission of portions of the trial court record.

(e) A person held without bail prior to trial shall be entitled to review of that determination by a panel of three Supreme Court Justices within seven business days after bail is denied.

Sec. 30. 28 V.S.A. § 818 is amended to read:

§ 818. EARNED TIME; REDUCTION OF TERM

* * *

(b) The earned time program implemented pursuant to this section shall comply with the following standards:

* * *

(4) The Department shall:

(A) ensure that all victims of record are notified of the earned time program at its outset and made aware of the option to receive notifications from the Department pursuant to this subdivision;

(B) provide timely notice not less frequently than every 90 days to the offender, and to any victim who opts to receive the notice, any time the offender receives a reduction in ~~his or her~~ the offender's term of supervision pursuant to this section;

(C) maintain a system that documents and records all such reductions in each offender's permanent record; and

(D) record any reduction in an offender's term of supervision pursuant to this section on a monthly basis and ensure that victims who want information regarding changes in ~~scheduled~~ an offender's minimum release ~~dates~~ date have access to such information.

* * *

Sec. 31. VICTIM NOTIFICATION SYSTEM TASK FORCE; REPORT

(a) Creation. There is created the Victim Notification System Task Force to review and improve the responsiveness of Vermont's victim notification system.

(b) Membership. The Task Force shall be composed of the following members:

(1) the Commissioner of Corrections or designee;

(2) the Executive Director of the Center for Crime Victim Services or designee;

(3) the Executive Director of State's Attorneys and Sheriffs or designee;

(4) a member, appointed by the Vermont Network Against Domestic and Sexual Violence;

(5) the Victims Service Director of the Vermont State Police;

(6) two persons who are either victims or survivors of crimes, appointed by the Center for Crime Victim Services; and

(7) a member, appointed by the Commissioner of Corrections, who is familiar with the capability and technical operations of the VINE system.

(c) Powers and duties. The Task Force shall study the current state of Vermont's victim notification system, including:

(1) improving victims' accessibility to information;

(2) ensuring that the entire notification process is trauma-informed, including all notifications, communications, and informational materials;

(3) expanding the use of automated notification systems in order to increase options and maximize communication choices for victims and survivors; and

(4) recommendations for necessary training and resources.

(d) Assistance. The Task Force shall have the administrative, technical, and legal assistance of the Department of Corrections.

(e) Report. On or before November 15, 2025, the Task Force shall submit its findings and recommendations as a written report in the form of proposed legislation to the Joint Legislative Justice Oversight Committee, the House Committees on Corrections and Institutions and on Judiciary, and the Senate Committees on Institutions and on Judiciary.

(f) Meetings.

(1) The Commissioner of Corrections or designee shall call the first meeting of the Task Force to occur on or before August 1, 2025.

(2) The Committee shall select a chair from among its members at the first meeting.

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

(4) The Task Force shall cease to exist on February 15, 2026.

Sec. 32. ADULT INVOLUNTARY GUARDIANSHIP WORKING GROUP; REPORT

(a) Creation. Theres is created the Adult Involuntary Guardianship Working Group to study jurisdiction of proceedings involving the involuntary guardianship of adults. The Working Group shall examine the advisability of consolidating adult involuntary guardianships under 14 V.S.A. chapter 111, subchapter 12 ("Title 14 involuntary guardianships") with guardianships for persons with developmental disabilities under 18 V.S.A. chapter 215 ("Title 18 guardianships"), or otherwise amending the statutes to ensure that respondents under Title 18 guardianships have access to voluntary guardianships that is equal to the access to voluntary guardianships available under Title 14.

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

(1) the Commissioner of Disabilities, Aging, and Independent Living or designee;

(2) the Chief Superior Court Judge or designee;

(3) the Court Administrator or designee;

(4) a superior judge with experience in Title 18 guardianships, appointed by the Chief Justice;

(5) a probate judge, appointed by the Chief Justice;

(6) a guardian ad litem, appointed by the Court Administrator;

(7) an attorney with experience in adult guardianships, appointed by the Vermont Bar Association;

(8) an attorney with experience in adult guardianships, appointed by Vermont Legal Aid;

(9) an independent mental health evaluator, appointed by the Commissioner of Disabilities, Aging, and Independent Living; and

(10) a member, appointed by the Vermont Center for Independent Living.

(c) Meetings.

(1) The Commissioner of Disabilities, Aging, and Independent Living shall call the first meeting of the Working Group to occur on or before August 1, 2025.

(2) The Working Group shall select a chair from among its members at the first meeting.

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

(d) Report.

(1)(A) On or before December 15, 2025, the Working Group shall report its recommendations, including any proposed legislative changes, to the House and Senate Committees on Judiciary, the House Committee on Human Services, and the Senate Committee on Health and Welfare.

(B) The report shall recommend whether:

(i) Title 14 involuntary guardianship proceedings and Title 18 guardianship proceedings should be consolidated in one division of the Superior Court; or

(ii) Title 14 involuntary guardianship proceedings and Title 18 guardianship proceedings should remain in separate divisions of the Superior Court as provided for in existing law.

(2) With respect to subdivisions (1)(B)(i) and (ii) of this subsection (d), the report shall address:

(A) the judicial resources and oversight that would be required;

(B) whether, notwithstanding 12 V.S.A. § 2553 or 2555, the Vermont Supreme Court should have appellate jurisdiction over guardianship proceedings;

(C) the relationship between guardianships under subdivisions (1)(B)(i) and (ii) of this subsection (d) and voluntary guardianships under 14 V.S.A. § 2671;

(D) any legislative changes that would need to be made under either recommendation to ensure that respondents under Title 18 guardianships have access to voluntary guardianships that is equal to the access to voluntary guardianships available under Title 14; and

(E) any other matters deemed relevant by the Working Group, including any matters not currently under the jurisdiction of Title 14 guardianships or Title 18 guardianships.

Sec. 33. 4 V.S.A. § 39 is amended to read:

§ 39. CAPITAL BUDGET REQUESTS; COUNTY COURTHOUSES

(a) On or before October 1 each year, any county requesting capital funds for its courthouse, or court operations, shall submit a request to the Court Administrator. As used in this subsection, "court operations" does not include operating expenses.

(b) The Court Administrator shall evaluate requests based on the following criteria:

(1) whether the funding request is consistent with a capital program developed pursuant to 24 V.S.A. § 133(e)(3);

(2) whether the project that is the subject of the request has been included in the list of capital projects in the county's budget pursuant to 24 V.S.A. § 133(e)(1), and, if so, the description of the project included in the budget;

(3) whether the county has established a capital reserve fund pursuant to 24 V.S.A. § 133(e)(3), and, if so, the amount of annual contributions the county has made to the fund;

(4) whether the funding request relates to an emergency that will affect the court operations and the administration of justice;

~~(2)~~(5) whether there is a State-owned courthouse in the county that could absorb court activities in lieu of this capital investment;

~~(3)~~(6) whether the county consistently has invested in major maintenance in the courthouse;

~~(4)~~(7) whether the request relates to a State-mandated function;

~~(5)~~(8) whether the request diverts resources of other current Judiciary capital priorities;

~~(6)~~(9) whether the request is consistent with the long-term capital needs of the Judiciary, including providing court services adapted to modern needs and requirements; and

~~(7)~~(10) any other criteria as deemed appropriate by the Court Administrator.

(c) Based on the criteria described in subsection (b) of this section, the Court Administrator shall make a recommendation to the Commissioner of Buildings and General Services regarding whether the county's request should be included as part of the Judiciary's request for capital funding in the Governor's annual proposed capital budget request.

(d) On or before January 15 of each year, the Court Administrator shall advise the House Committee on Corrections and Institutions and the Senate Committee on Institutions of all county requests received and the Court Administrator's recommendations for the proposed capital budget request.

Sec. 34. REPORT

On or before January 15, 2026, the Court Administrator and a representative of the Association of County Judges appointed by the President of that Association shall jointly report to the House Committee on Corrections and Institutions and the Senate Committee on Institutions on the progress made to implement the provisions of Sec. 33 of this act. The report shall include a description of the steps taken and processes considered, and any proposed legislative changes necessary, to ensure that capital budget requests for county courthouses include the information required by Sec. 33 of this act.

Sec. 35. 23 V.S.A. § 1210(c) is amended to read:

(c) Second offense. A person convicted of violating section 1201 of this title who has been convicted of another violation of that section within the last 20 years shall be fined not more than $1,500.00 or imprisoned not more than two years, or both. At least ~~200~~ 80 hours of community service shall be performed, or 60 consecutive hours of the sentence of imprisonment shall be served and may not be suspended or deferred or served as a supervised sentence, except that credit for a sentence of imprisonment may be received for time served in a residential alcohol facility pursuant to sentence if the program is successfully completed.

Sec. 36. REPEAL

Sec. 35 of this act shall be repealed on July 1, 2028.

Sec. 37. FAMILY FORENSIC EVALUATOR RECOMMENDATIONS

(a) The General Assembly requests that the Chief Superior Judge, the Director of the Office of Professional Regulation, and the Executive Director of the Vermont Psychological Association work collaboratively to examine the following:

(1) the extent of the need for and geographic distribution of family forensic evaluators in complex parental rights and responsibilities cases heard in the Family Division;

(2) barriers to increasing the availability of family forensic evaluators in Vermont and whether protections regarding ethical complaints are warranted; and

(3) strategies for increasing the number of family forensic evaluators in Vermont.

(b) The General Assembly requests that the parties listed in subsection (a) of this section submit their recommendations to the General Assembly on or before November 1, 2025.

Sec. 38. CHILD AND PARENT LEGAL REPRESENTATION; TASK FORCE; REPORT

(a) Creation. There is created the Child and Parent Legal Representation Task Force to study the need and viability of an improved legal representation system for children and families who are involved in judicial or administrative proceedings concerning Children in Need of Care or Supervision (CHINS) or substantiations of abuse or neglect.

(b) Membership. The Task Force shall be composed of the following members:

(1) the Chief Justice of the Vermont Supreme Court or designee, who shall be the chair;

(2) the Court Administrator or designee;

(3) the Commissioner for Children and Families or designee;

(4) the Defender General or designee;

(5) the Child, Youth, and Family Advocate or designee;

(6) the Executive Director of Voices for Vermont's Children or designee;

(7) the Executive Director of the Vermont Parent Representation Center, Inc.;

(8) the Attorney General or designee; and

(9) the Executive Director of State's Attorneys and Sheriffs or designee.

(c) Powers and duties. The Task Force shall assess and determine whether reform of Vermont's legal representation for children and families is necessary by exploring the following topics:

(1) standards recommended by the American Bar Association, U.S. Children's Bureau, and the *Study of CHINS Case Processing in Vermont* authored by the National Center for State Courts and published in May of 2021;

(2) compliance with funding and reporting requirements in order for Vermont to leverage funding under Title IV-E of the Social Security Act;

(3) identifying the processes and amounts of Title IV-E funds and other funding sources to support any reformed system;

(4) using an interdisciplinary model of representation, including pay scales, performance measures, supervision and evaluation processes, and recommended caseloads for attorneys, social workers, and other child and family representatives; and

(5) other topics relevant to creating a reformed child and parent representation system.

(d) Assistance. The Task Force shall have administrative, technical, and legal assistance of the Court Administrator's Office.

(e) Report. On or before December 15, 2025, the Task Force shall submit a report that proposes any necessary reforms to the legal representation system for children and families who are involved in CHINS proceedings or substantiations of abuse or neglect, along with proposed legislation to implement such reforms to the Senate Committees on Judiciary and on Health and Welfare and the House Committees on Judiciary and on Human Services.

(f) Meetings.

(1) The Chief Justice of the Supreme Court or designee shall call the first meeting of the Task Force to occur on or before August 1, 2025.

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

(3) The Task Force shall cease to exist on May 15, 2026.

Sec. 39. EFFECTIVE DATES

This act shall take effect on passage, except that Sec. 1 shall take effect on July 2, 2025 and Sec. 33 shall take effect on July 1, 2026.

Thereupon, pending the question, Shall the Senate concur in the House proposal of amendment?, on motion of Senator Hashim, the bill was ordered to lie.

House Concurrent Resolution Adopted in Concurrence

H.C.R. 151.

House concurrent resolution entitled:

House concurrent resolution congratulating Casella Waste Systems, Inc. on the company's 50th anniversary.

Was taken up.

Thereupon, the question, Shall the concurrent resolution be adopted in concurrence?, was agreed to.

Rules Suspended; Bill Passed in all Remaining Stages of Passage; Bill Passed In Concurrence with Proposal of Amendment; Rules Suspended; Bill Messaged

H. 231.

On motion of Senator Baruth, the rules were suspended and House bill entitled:

An act relating to technical corrections to fish and wildlife statutes.

Was placed in all remaining stages of its passage in concurrence with proposal of amendment.

Thereupon, the bill was read the third time and passed in concurrence with proposal of amendment.

On motion of Senator Baruth, the rules were suspended, and the bill was ordered messaged to the House forthwith.

Appointments Confirmed

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

Boulanger, David of Hinesburg - Member of the State Labor Relations Board - August 15, 2024 to June 30, 2030.

Haskell, Sabina of Burlington - Executive Director Office of Workforce Strategy and Development - January 6, 2025 to February 28, 2025.

Keenan, Kathleen of St. Albans - Member of the Employment Security

Board - March 1, 2025 to February 28, 2031.

Mathieu, Corey of Westford - Member of the Board of Liquor and Lottery - July 1, 2024 to January 31, 2026.

McQuesten, Gary of Plainfield - Member of the Occupational Safety and Health Review Board - March 1, 2025 to February 28, 2031.

Richardson, Amy of Northfield - Member of the Vermont Housing and Conservation Board - February 1, 2025 to January 31, 2028.

Appointments Confirmed

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

Becher, Jeffrey of Vergennes - Member of the Electricians' Licensing Board - July 1, 2024 to June 30, 2027.

Bourdon, Kevin of Vergennes - Member of the Electricians' Licensing Board - July 1, 2024 to June 30, 2027.

Plant, Bryan of Bristol - Commissioner, Vermont State Housing Authority - May 1, 2024 to February 29, 2028.

Wadhams, Emily of Burlington - Member of the Vermont Housing and Conservation Board - April 9, 2024 to January 31, 2027.

Appointment Confirmed

The following Gubernatorial appointment was confirmed by the Senate, upon a full report given by the Committee to which it was referred:

The nomination of

Kurrle, Lindsay of Middlesex - Secretary, Department of Commerce and Community Development, Agency of - March 1, 2025 to February 28, 2027.

Was confirmed by the Senate on a roll call, Yeas 28, Nays 0.

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, Beck, Brennan, Brock, Chittenden, Clarkson, Collamore, Cummings, Douglass, Gulick, Hardy, Harrison, Hart, Hashim, Heffernan, Ingalls, Lyons, Major, Mattos, Norris, Perchlik, Plunkett, Ram Hinsdale, Watson, Weeks, Westman, White, Williams.

Those Senators who voted in the negative were: None.

Those Senators absent and not voting were: Bongartz, Vyhovsky.

Committee of Conference Appointed

S. 12.

An act relating to sealing criminal history records.

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

Senator Hashim
Senator Norris
Senator Mattos

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

Adjournment

On motion of Senator Baruth the Senate recessed until four o'clock in the afternoon.

Called to Order

The Senate was called to order by the President.

Proposal of Amendment; Third Reading Ordered; Rules Suspended; Bill Placed in All Remaining Stages of Passage; Bill Passed in Concurrence with Proposal of Amendment; Rules Suspended; Bill Messaged

H. 454.

House bill entitled:

An act relating to transforming Vermont's education governance, quality, and finance systems.

Was taken up.

Thereupon, the bill was read the second time by title only pursuant to Rule 43 and pending the question, Shall the bill be read a third time?, Senators Hardy, Bongartz, Baruth and Ram Hinsdale moved that the Senate propose to the House to amend the bill by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Findings and Intent * * *

Sec. 1. FINDINGS; INTENT; PLAN

(a) The General Assembly finds that:

(1) In 1997, the first piece of law the General Assembly enacted in response to the Brigham decision stated, "[t]he right to public education is integral to Vermont's constitutional form of government and its guarantees of political and civil rights…[and] fundamental for the success of Vermont's children in a rapidly-changing society and global marketplace as well as the State's own economic and social prosperity." 16 V.S.A. § 1.

(2) From the very first attempt at creating a basic frame of government, Vermont's founders chose to include a right to public education, the only governmental service included in Vermont's first Constitution of 1777.

(3) As the U.S. Supreme Court stated in Brown v. Board of Education, 347 U.S. 483 (1954), "education is perhaps the most important function of state and local governments…[i]t is required in the performance of our most basic public responsibilities…[i]t is the very foundation of good citizenship."

(4) The most enduring legacy of *Brigham v. State*, 166 Vt. 246 (1997) is the State's responsibility to ensure substantially equal educational opportunities for all Vermont students.

(5) The education system is still reeling from the effects of a global pandemic, yet the same challenges that have faced Vermont's education system remain. Thirty to 40 years ago, Vermont educated more than 110,000 students each year. Today, there are approximately 84,000 students in the public education system. Many schools have lost a significant number of students and, with them, the ability to offer robust services and programs at every school. Vermont's youth need to be prepared for a rapidly evolving future.

(6) Vermonters deserve an exceptional educational system that is stable and predictable and where a student's home address does not dictate the quality of education they receive. School district size and boundaries, school size, and class size are all influential factors in shaping the quality of instruction and overall student outcomes. The effectiveness of our schools depends on teacher quality, resource availability, and the unique strengths of local communities. Change in our educational system is needed. Systems are made of people, so change must come carefully and thoughtfully, with meaningful engagement by all Vermonters.

(b) Intent; plan.

(1) To ensure each student is provided substantially equal educational opportunities that will prepare them to thrive in a 21st-century world, it is the intent of the General Assembly to work strategically, intentionally, and thoughtfully to ensure that each incremental change made to Vermont's public education system provides strength and support to its only constitutionally required governmental service.

(2) It is further the intent of the General Assembly to:

(A) in the 2026 session:

(i) enact new, larger school district boundaries that would be effective July 1, 2027;

(ii) enact updates to career and technical education governance systems, both at the local and statewide levels, that are reflective of the larger public education governance transformation to new, larger school districts; and

(iii) create a coordinated and coherent statewide strategy for career and technical education that is responsive to students and the State's workforce needs and that provides opportunities for more integration between career and technical education and traditional high school work;

(B) provide or enable the provision of the necessary staffing, resources, and support to the Agency of Education, the Secretary of State's Office, town clerks, and other integral parties to the election system to hold the first school board member elections within the newly created school districts in a special election in March 2028; and

(C) provide or enable the provision of the necessary staffing, resources, and support to the Agency of Education, State Board of Education, and other integral parties to ensure that the necessary guidance and funding is in place to allow for a smooth and successful transition between the operation of Vermont's current 119 school districts to the new, larger school districts, with new school districts assuming responsibility for the education of all resident students on July 1, 2029.

* * * Commission on the Future of Public Education * * *

Sec. 2. 2024 Acts and Resolves No. 183, Sec. 1 is amended to read:

Sec. 1. THE COMMISSION ON THE FUTURE OF PUBLIC EDUCATION; REPORTS

(a) Creation. There is hereby created the Commission on the Future of Public Education in Vermont. The right to education is fundamental for the success of Vermont's children in a rapidly changing society and global marketplace as well as for the State's own economic and social prosperity. The Commission shall study the provision of education in Vermont and make recommendations for a statewide vision for Vermont's public education system to ensure that all students are afforded substantially equal educational opportunities in an efficient, sustainable, and stable education system. The Commission shall also make recommendations for the strategic policy changes necessary to make Vermont's educational vision a reality for all Vermont students.

(b) Membership. The Commission shall be composed of the following members and, to the extent possible, the members shall represent the State's geographic, gender, racial, and ethnic diversity:

(1) the Secretary of Education or designee;

(2) the Chair of the State Board of Education or designee;

(3) the Tax Commissioner or designee;

(4) one current member of the House of Representatives, appointed by the Speaker of the House;

(5) one current member of the Senate, appointed by the Committee on Committees;

(6) one representative from the Vermont School Boards Association (VSBA), appointed by the VSBA Executive Director;

(7) one representative from the Vermont Principals' Association (VPA), appointed by the VPA Executive Director;

(8) one representative from the Vermont Superintendents Association (VSA), appointed by the VSA Executive Director;

(9) one representative from the Vermont National Education Association (VTNEA), appointed by the VTNEA Executive Director;

(10) one representative from the Vermont Association of School Business Officials (VASBO) with experience in school construction projects, appointed by the President of VASBO;

(11) the Chair of the Census-Based Funding Advisory Group, created under 2018 Acts and Resolves No. 173;

(12) the Executive Director of the Vermont Rural Education Collaborative; and

(13) one representative from the Vermont Independent Schools Association (VISA), appointed by the President of VISA.

(c) Steering group. On or before July 1, 2024, the Speaker of the House shall appoint two members of the Commission, the Committee on Committees shall appoint two members of the Commission, and the Governor shall appoint two members of the Commission to serve as members of a steering group. The steering group shall provide leadership to the Commission and shall work with a consultant or consultants to analyze the issues, challenges, and opportunities facing Vermont's public education system, as well as develop and propose a work plan to formalize the process through which the Commission shall seek to achieve its final recommendations. The formal work

plan shall be approved by a majority of the Commission members. The steering group ~~shall form a subcommittee of the Commission to address education finance topics in greater depth and~~ may form one or more ~~additional~~ subcommittees of the Commission to address ~~other~~ key topics in greater depth, as necessary. ~~The steering group may appoint non-Commission members to the education finance subcommittee. All other subcommittees shall be composed solely of Commission members.~~

(d) Collaboration and information review.

(1) The Commission ~~shall~~ may seek input from and collaborate with key stakeholders, as directed by the steering group. At a minimum, the Commission shall consult with:

(A) the Department of Mental Health;

(B) the Department of Labor;

(C) the President of the University of Vermont or designee;

(D) the Chancellor of the Vermont State Colleges Corporation or designee;

(E) a representative from the Prekindergarten Education Implementation Committee;

(F) the Office of Racial Equity;

(G) a representative with expertise in the Community Schools model in Vermont;

(H) the Vermont Youth Council;

(I) the Commission on Public School Employee Health Benefits; and

(J) an organization committed to ensuring equal representation and educational equity.

(2) The Commission shall also review and take into consideration existing educational laws and policy, including legislative reports the Commission deems relevant to its work and, at a minimum, 2015 Acts and Resolves No. 46, 2018 Acts and Resolves No. 173, 2022 Acts and Resolves No. 127, and 2023 Acts and Resolves No. 76.

(e) Duties of the Commission. The Commission shall study Vermont's public education system and make recommendations to ensure all students are afforded quality educational opportunities in an efficient, sustainable, and equitable education system that will enable students to achieve the highest academic outcomes. The result of the Commission's work shall be ~~a recommendation for a statewide vision for Vermont's public education system,~~

~~with recommendations for the policy changes necessary to make Vermont's educational vision a reality~~ recommendations for the State-level education governance system, including the roles and responsibilities of the Agency of Education and the State Board of Education. In creating and making its recommendations, the Commission shall engage in the following:

(1) Public engagement. The Commission shall conduct not fewer than 14 public meetings to inform the work required under this section. At least one meeting of the Commission as a whole or a subcommittee of the Commission shall be held in each county. The Commission shall publish a draft of its final recommendations on or before October 1, 2025, solicit public feedback, and incorporate such feedback into its final recommendations. When submitting its final recommendations to the General Assembly, the Commission shall include all public feedback received as an addendum to its final report. The public feedback process shall include:

(A) a minimum 30-day public comment period, during which time the Commission shall accept written comments from the public and stakeholders; and

(B) a public outreach plan that maximizes public engagement and includes notice of the availability of language assistance services when requested.

(2) Policy considerations. In developing its recommendations, the Commission shall consider and prioritize the following topics:

(A) Governance, resources, and administration. The Commission shall study and make recommendations regarding education governance at the State level, including the role of the Agency of Education in the provision of services and support for the education system. Recommendations under this subdivision (A) shall include, at a minimum, the following:

(i) whether changes need to be made to the structure of the Agency of Education, including whether it better serves the recommended education vision of the State as an agency or a department;

(ii) what are the staffing needs of the Agency of Education;

(iii) whether changes need to be made to the composition, role, and function of the State Board of Education to better serve the recommended education vision of the State;

(iv) what roles, functions, or decisions should be a function of local control and what roles, functions, or decisions should be a function of control at the State level, including whether there should be a process for the community served by an elementary school to have a voice in decisions

regarding school closures and, if so, recommendations for what that process shall entail; ~~and~~

(v) ~~the effective integration of career and technical education in the recommended education vision of the State~~ how to maintain and improve community engagement and local decision-making with transitional and new school boards and how to improve voter turnout for school elections throughout the creation and implementation of new school districts and a new school funding formula; and

(vi) an analysis of the impact of health care costs on the Education Fund, including recommendations for whether, and if so, what, changes need to be made to contain costs.

(B) ~~Physical size and footprint of the education system. The Commission shall study and make recommendations regarding how the unique geographical and socioeconomic needs of different communities should factor into the provision of education in Vermont, taking into account and building upon the recommendations of the State Aid to School Construction Working Group. Recommendations under this subdivision (B) shall include, at a minimum, the following:~~

~~(i) an analysis and recommendation for the most efficient and effective number and location of school buildings, school districts, and supervisory unions needed to achieve Vermont's vision for education, provided that if there is a recommendation for any change, the recommendation shall include an implementation plan;~~

~~(ii) an analysis of the capacity and ability to staff all public schools with a qualified workforce, driven by data on class-size recommendations;~~

~~(iii) analysis of whether, and if so, how, collaboration with Vermont's postsecondary schools may support the development and retention of a qualified educator workforce;~~

~~(iv) an analysis of the current town tuition program and whether, and if so, what, changes are necessary to meet Vermont's vision for education, including the legal and financial impact of funding independent schools and other private institutions, including consideration of the following:~~

~~(I) the role designation, under 16 V.S.A. § 827, should play in the delivery of public education; and~~

~~(II) the financial impact to the Education Fund of public dollars being used in schools located outside Vermont; and~~

~~(v) an analysis of the current use of private therapeutic schools in the provision of special education services and whether, and if so, what, changes are necessary to meet Vermont's special education needs, including the legal and financial impact of funding private therapeutic schools.~~ [Repealed.]

(C) ~~The role of public schools. The Commission shall study and make recommendations regarding the role public schools should play in both the provision of education and the social and emotional well-being of students. Recommendations under this subdivision (C) shall include, at a minimum, the following:~~

~~(i) how public education in Vermont should be delivered;~~

~~(ii) whether Vermont's vision for public education shall include the provision of wraparound supports and collocation of services;~~

~~(iii) whether, and if so, how, collaboration with Vermont's postsecondary schools may support and strengthen the delivery of public education; and~~

~~(iv) what the consequences are for the Commission's recommendations regarding the role of public schools and other service providers, including what the role of public schools means for staffing, funding, and any other affected system, with the goal of most efficiently utilizing State funds and services and maximizing federal funding.~~ [Repealed.]

(D) ~~Education finance system. The Commission shall explore the efficacy and potential equity gains of changes to the education finance system, including weighted educational opportunity payments as a method to fund public education. The Commission's recommendations shall be intended to result in an education funding system designed to afford substantially equal access to a quality basic education for all Vermont students in accordance with State v. Brigham, 166 Vt. 246 (1997). Recommendations under this subdivision (D) shall include, at a minimum, the following:~~

~~(i) allowable uses for the Education Fund that shall ensure sustainable and equitable use of State funds;~~

~~(ii) the method for setting tax rates to sustain allowable uses of the Education Fund;~~

~~(iii) whether, and if so, what, alternative funding models would create a more affordable, sustainable, and equitable education finance system in Vermont, including the consideration of a statutory, formal base amount of per pupil education spending and whether school districts should be allowed to spend above the base amount;~~

~~(iv) adjustments to the excess spending threshold, including recommendations that target specific types of spending;~~

~~(v) the implementation of education spending caps on different services, including administrative and support services and categorical aid;~~

~~(vi) how to strengthen the understanding and connection between school budget votes and property tax bills;~~

~~(vii) adjustments to the property tax credit thresholds to better match need to the benefit;~~

~~(viii) a system for ongoing monitoring of the Education Fund and Vermont's education finance system, to include consideration of a standing Education Fund advisory committee;~~

~~(ix) an analysis of the impact of healthcare costs on the Education Fund, including recommendations for whether, and if so, what, changes need to be made to contain costs; and~~

~~(x) implementation details for any recommended changes to the education funding system.~~ [Repealed.]

(E) Additional considerations. The Commission may consider any other topic, factor, or issue that it deems relevant to its work and recommendations.

(f) Reports. The Commission shall prepare and submit to the General Assembly the following:

(1) a formal, written work plan, which shall include a communication plan to maximize public engagement, on or before September 15, 2024;

(2) a written report containing its preliminary findings and recommendations, including short-term cost containment considerations for the 2025 legislative session, on or before December 15, 2024; and

(3) a written report containing its final findings and recommendations ~~for a statewide vision for Vermont's public education system and the policy changes necessary to make that educational vision a reality~~ based on its analysis of the State-level governance topics contained in subdivision (e)(2)(A) of this section, on or before December 1, 2025~~; and~~

~~(4) proposed legislative language to advance any recommendations for the education funding system on or before December 15, 2025~~.

(g) Assistance. The Agency of Education shall contract with one or more independent consultants or facilitators to provide technical and legal assistance to the Commission for the work required under this section. For the purposes

of scheduling meetings and providing administrative assistance, the Commission shall have the assistance of the Agency of Education. The Agency shall also provide the educational and financial data necessary to facilitate the work of the Commission. School districts shall comply with requests from the Agency to assist in data collections.

(h) Meetings.

(1) The Secretary of Education shall call the first meeting of the Commission to occur on or before July 15, 2024.

(2) The Speaker of the House and the President Pro Tempore shall jointly select a Commission chair.

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

(4) Meetings shall be conducted in accordance with Vermont's Open Meeting Law pursuant to 1 V.S.A. chapter 5, subchapter 2.

(5) The Commission shall cease to exist on December 31, 2025.

(i) Compensation and reimbursement. Members of the Commission shall be entitled to per diem compensation and reimbursement of expenses as permitted under 32 V.S.A. § 1010 for not more than 30 meetings, including subcommittee meetings. These payments shall be made from monies appropriated to the Agency of Education.

* * * School District Redistricting * * *

Sec. 3. SCHOOL DISTRICT REDISTRICTING TASK FORCE; REPORT

(a) Creation. There is created the School District Redistricting Task Force to recommend new school district boundaries and configurations to the General Assembly.

(b) Membership. The Task Force shall be composed of the following members:

(1) the Director of the Vermont Center for Geographic Information;

(2) the Chair of the Vermont School Boards Association or designee;

(3) the Secretary of Education or designee;

(4) the Chair of the Vermont Superintendents Association or designee:

(5) the Chair of the Vermont Association of Planning and Development Agencies or designee;

(6) two members, appointed by the Speaker of the House:

(A) one member who shall be a current member of the House of Representatives; and

(B) one member with expertise in education data analysis who shall not be a current member of the House of Representatives;

(7) two members, appointed by the Senate Committee on Committees:

(A) one member who shall be a current member of the Senate; and

(B) one member with expertise in GIS analysis who shall not be a current member of the Senate;

(8) the chair of the Commission on the Future of Public Education or designee; and

(9) the Executive Director of the Vermont Association of School Business Officials or designee.

(c) Powers and duties. In consultation with the Commission on the Future of Public Education, the Task Force shall study and consider different configurations for school district consolidation and propose not fewer than three options for new school district boundaries. At least one boundary proposal recommendation shall consider the use of supervisory unions and supervisory districts, allow for the continuation of a tuitioning system that provides continued access to independent schools that have served geographic areas that do not operate public schools for the grades served by the independent schools, and to the extent practical, not separate geographic areas that contain nonoperating school districts as such districts exist on July 1, 2025.

(1) Proposed new school districts shall not have an average daily membership of more than 8,000 prekindergarten through grade 12 students.

(2) Proposed new school districts shall also be, to the greatest extent possible, grand list and pupil count balanced, demographically equitable, logistically feasible, and create the least amount of disruption to students as possible.

(3) In creating the proposed districts, the Task Force shall consider:

(A) current school district and town boundaries and other historic and current community connections, including access to regional services for students, such as designated agencies;

(B) geographic barriers, including mountains and rivers;

(C) population distribution;

(D) location, capacity, and the facility condition index score of current school buildings;

(E) transportation and employment patterns and practices:

(F) grand list values and current education spending;

(G) student demographics;

(H) the debt, liabilities, and assets of current school districts;

(I) staffing levels and salary scales; and

(J) any other factor the Task Force deems relevant.

(4) The report of the Task Force shall include detailed maps for each proposal, which shall include:

(A) boundaries of the new proposed school districts;

(B) average daily membership for the new proposed school districts;

(C) grand list value of the new proposed school districts; and

(D) the pros and cons for each proposal.

(5) The Task Force shall hold not fewer than two public hearings to receive and consider feedback from members of the public regarding school district consolidation and proposed boundaries and may coordinate with the Commission on the Future of Public Education's public engagement process to maximize public input regarding the development of the proposed new school district boundaries.

(d) Assistance. The Task Force shall have the administrative, technical, and legal assistance of the Agency of Digital Services, Vermont Center for Geographic Information. The Task Force may also retain the services of one or more independent third parties to provide contracted resources as the Task Force deems necessary.

(e) Report and maps. On or before November 1, 2025, the Task Force shall submit a written report to the House Committees on Education and on Government Operations and Military Affairs and the Senate Committees on Education and on Government Operations with its proposals for new consolidated school district boundaries. The report shall include how each proposal meets the requirements contained in subdivisions (c)(1) and (2) of this section, how the considerations in subdivision (c)(3) of this section factored into each proposal, and the pros and cons of each proposal. The detailed maps required under subdivision (c)(4) of this section shall also be included with the report.

(f) Meetings.

(1) The Chair of the Vermont School Boards Association shall call the first meeting of the Task Force to occur on or before July 15, 2025.

(2) The Chair of the Vermont School Boards Association shall be the chair.

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

(4) The Task Force shall cease to exist on May 31, 2026.

(g) Compensation and reimbursement. Members of the Task Force shall be entitled to per diem compensation and reimbursement of expenses as permitted under 32 V.S.A. § 1010 for not more than eight meetings. These payments shall be made from monies appropriated to the Agency of Digital Services.

(h) Appropriation. The sum of $100,000.00 is appropriated to the Office of Legislative Counsel from the General Fund in fiscal year 2026 to hire one or more consultants pursuant to subsection (d) of this section.

Sec. 3a. TRANSITIONAL SCHOOL BOARDS; TRANSITION GRANTS

(a) Definitions. As used in this section:

(1) "Base amount" means a per pupil amount of $15,033.00, which shall be adjusted for inflation annually on or before November 15 by the Secretary of Education. As used in this subdivision, "adjusted for inflation" means adjusting the base dollar amount by the National Income and Product Accounts (NIPA) implicit price deflator for state and local government consumption expenditures and gross investment published by the U.S. Department of Commerce, Bureau of Economic Analysis, from fiscal year 2025 through the fiscal year for which the amount is being determined, and rounding upward to the nearest whole dollar amount.

(2) "Forming districts" means all school districts, including union school districts, that are located within the geographical boundaries of a new school district created by the General Assembly during the 2026 session, prior to the operational date of the new school district.

(3) "New school district" means a larger, consolidated school district created by the General Assembly during the 2026 session.

(4) "New school district school board" means the elected school board of a new school district.

(5) "Operational date" means the date on which the new school district will assume full and sole responsibility for the education of all resident students in the grades for which it is organized.

(b) Creation of transitional school boards. On or before January 1, 2027, a transitional school board shall be formed for each new school district created by the General Assembly during the 2026 session. Each transitional school board shall be composed of the chair of each school board from each of the forming districts, as such school boards existed on December 31, 2026; provided, however, that by majority vote the board of a forming district may designate another board member to serve on the transitional board instead of the chair.

(c) Initial meeting of transitional board. The superintendent of the supervisory union with the forming district with the highest average daily membership shall convene the first meeting of the transitional board to occur not later than 14 days after the organizational meeting of the new school district. The agenda for the first meeting of the transitional board shall include the election by the transitional board members of:

(1) one of their members to serve as chair of the transitional board; and

(2) one of their members to serve as clerk of the transitional board.

(d) Duties and authority of transitional board. During the period of its existence, the transitional board shall serve as the new district's school board and shall perform all functions required of and have all authority granted to the transitional board and the new school district school board, including:

(1) preparing an initial budget for the new school district;

(2) following the principles of apportionment followed by the legislative apportionment board, create voting districts within each new school district that are compact, contiguous, and drawn to achieve substantially equal weighting of votes and that meet the requirements of applicable State and federal law to allow for initial elections of the new school district school board members to occur in March 2028; and

(3) performing all necessary transitional processes, including:

(A) the transitional processes enumerated in 16 V.S.A. § 716;

(B) the hiring of a superintendent; and

(C) any other business process necessary to ensure the new school district is ready to assume the full and sole responsibility for the education of all resident students in the grades for which it is organized on July 1, 2029.

(e) New school district school board. The transitional board shall cease to exist and the new school district school board shall be solely responsible for the governance of the new school district upon the swearing in of all new school district school board members, which shall occur within 14 days after

the initial election of new school district school board members in March 2028.

(f) Transition facilitation grants.

(1) Upon notice of formation of a transitional school board pursuant to subsection (b) of this section, the Secretary of Education shall pay the transitional school board of each new school district a transition facilitation grant from the Education Fund equal to the lesser of:

(A) five percent of the base amount, as defined in subdivision (a)(1) of this section, multiplied by the greater of either the combined enrollment or the average daily membership of the forming districts on October 1, 2026; or

(B) $250,000.00.

(2) Grants awarded under this subsection shall be used by new school districts for the legal and other consulting services necessary ensure new school districts are fully operational on July 1, 2029.

* * * Scale * * *

Sec. 4. SCALE; INTENT

It is the intent of the General Assembly to transform education in Vermont by leveraging attainable and research-based scale to increase equity of opportunity and promote efficiency and affordability.

Sec. 5. 16 V.S.A. § 165 is amended to read:

§ 165. EDUCATION QUALITY STANDARDS; EQUAL EDUCATIONAL OPPORTUNITIES; INDEPENDENT SCHOOL MEETING EDUCATION QUALITY STANDARDS

(a) In order to carry out Vermont's policy that all Vermont children will be afforded educational opportunities that are substantially equal in quality, each Vermont public school, including each career technical center, shall meet the following education quality standards:

* * *

(9) The school complies with average class size minimum standards; provided, however, that when class size minimums apply to content areas, an individual class may be smaller than the minimum average. As used in this subdivision, "content area" means a group of courses within a specific licensing endorsement area.

(A) Class size standards.

(i) The average class size minimum for kindergarten and first grade classes shall be 10 students.

(ii) The average class size minimum for grades two through five shall be 12 students.

(iii) The average class size minimum for grades six through eight in all required content areas shall be 15 students.

(iv) The average class size minimum for grades nine through 12 in all required content area classes shall be 18 students.

(v) Multiage classrooms for grades kindergarten through eight shall be limited to two grade levels per classroom.

(vi) Prekindergarten, career and technical education, flexible pathways, terminal courses, advanced placement courses, courses that require specialized equipment, and driver's education classes shall be excluded from the class size minimum requirements in this subdivision (9). Small group services for the purpose of providing special education, supplemental or targeted academic intervention, or English learner instruction shall also be excluded from the class size minimum requirements in this subdivision (9).

(vii) Class sizes shall not exceed the maximum occupancy limits established by local and State fire codes, including egress and safety requirements.

(B) Waivers. If a school board determines that it operates a school that is unable to comply with the class size minimum standards due to geographic isolation, or a school has developed an implementation plan to meet the standards contained in this subdivision (9) that may include consolidation or merger, the school board may ask the State Board of Education to grant it waiver from this subdivision (9). The State Board shall define what qualifies as geographic isolation in its rules adopted pursuant to subdivision (a)(3) of this section. The State Board's decision shall be final.

(C) State Board action. If the Secretary determines that a school is not meeting the class size minimum standards set forth in this subdivision (9) over the course of three consecutive school years, the Secretary may recommend to the State Board one or more of the actions listed in subsection (b) of this section, regardless of whether the school is meeting all other education quality standards. The State Board shall then follow the procedure of subsection (c) of this section.

(b) Annually, the Secretary shall determine whether students in each Vermont public school are provided educational opportunities substantially equal to those provided in other public schools. If the Secretary determines that a school is not meeting the education quality standards listed in subsection (a) of this section or that the school is making insufficient progress in improving student performance in relation to the standards for student

performance set forth in subdivision 164(9) of this title, ~~he or she~~ the Secretary shall describe in writing actions that a district must take in order to meet either or both sets of standards and shall provide technical assistance to the school. If the school fails to meet the standards or make sufficient progress within two years ~~of~~ following the determination, the Secretary shall recommend to the State Board one or more of the following actions:

(1) the Agency continue to provide technical assistance for one more cycle of review;

(2) the State Board adjust supervisory union boundaries or responsibilities of the superintendency pursuant to section 261 of this title;

(3) the Secretary assume administrative control of an individual school, school district, or supervisory union, including budgetary control to ensure sound financial practices, only to the extent necessary to correct deficiencies;

(4) the State Board close an individual school or schools and require that the school district pay tuition to another public school or an approved independent school pursuant to chapter 21 of this title; or

(5) the State Board require two or more school districts to consolidate their governance structures.

(c) The State Board, after offering the school board an opportunity for a hearing, shall either dismiss the Secretary's recommendation or order that one or more of the actions listed in subsection (b) of this section be taken. The action ordered by the State Board shall be the least intrusive consistent with the need to provide students attending the school substantially equal educational opportunities. A school board aggrieved by an order of the State Board may appeal the order in accordance with the Rules of Civil Procedure.

* * *

(e) If the Secretary determines at any time that the failure of a school to meet the education quality standards listed in subsection (a) of this section is severe or pervasive, potentially results in physical or emotional harm to students or significant deprivation of equal education opportunities, and the school has either unreasonably refused to remedy the problem or its efforts have proved ineffective, ~~he or she~~ the Secretary may recommend to the State Board one or more of the actions listed in subsection (b) of this section. The State Board shall then follow the procedure of subsection (c) of this section.

* * *

(g) In addition to the education quality standards provided in subsection (a) of this section, each Vermont school district shall meet the school district quality standards adopted by rule of the Agency of Education regarding the

business, facilities management, and governance practices of school districts. These standards shall include a process for school district quality reviews to be conducted by the Agency of Education. Annually, the Secretary shall publish metrics regarding the outcomes of school district quality reviews.

Sec. 6. FAILURE TO COMPLY WITH EDUCATION QUALITY STANDARDS; STATE BOARD ACTION

Notwithstanding 16 V.S.A. § 165(b)(4) and (5) and any other provision of law to the contrary, the State Board shall be prohibited from ordering school district consolidation or school consolidation if a school fails to comply with class size minimum education quality standards and the resulting consolidation would result in school construction costs in excess of the applicable district's capital reserve account until the General Assembly establishes new school district boundaries and takes further action regarding the consequences for failure to meet education quality standards.

Sec. 7. STATE BOARD OF EDUCATION; RULES; REPORT

(a) Rules. On or before August 1, 2026, the State Board of Education shall initiate rulemaking to amend:

(1) The Education Quality Standards rule 2000 series, Agency of Education, Education Quality Standards (22-000-003), pursuant to 3 V.S.A. chapter 25 to ensure compliance with the class size minimum standards set pursuant to 16 V.S.A. § 165(a)(9).

(2) The approved independent school rule 2200 series, Agency of Education, Independent School Program Approval (22-000-004), pursuant to 3 V.S.A. chapter 25, to require approved independent schools that intend to accept public tuition to comply with the class size minimum standards set pursuant to 16 V.S.A. § 165(a)(9). The amendments shall also create a process for review by the State Board for failure to meet the class size minimum requirements and the corresponding actions the Board may take for such noncompliance; provided, however, that the Board shall provide an approved independent school a substantially similar opportunity to come into compliance with class size minimum standards that it would provide to a public school.

(b) Report. On or before December 1, 2025, the State Board of Education shall submit a written report to the House and Senate Committees on Education with proposed standards for schools to be deemed "small by necessity."

Sec. 8. PROHIBITION ON SCHOOL CLOSURE AND TRANSITION TO PAYING TUITION

Notwithstanding any provision of law to the contrary, a school district shall be prohibited from closing an existing public school and then providing for the education of its resident students by paying tuition for its students to attend a public or approved independent school chosen by the parents of the district's students. If a school district that closes an existing public school is unable to provide for the education of its affected resident students in a different school or schools operated by the district, the school district shall provide for the education of its resident students by designating three or fewer public schools to serve as the public school or schools of the district; provided, however, that if the closed public school is located in a geographically isolated area, as defined by the State Board of Education, and there is no reasonably accessible public school to designate, the applicable school district may provide for the education of its affected resident students by offering tuition pursuant to 16 V.S.A. chapter 21. Notwithstanding any provision of law to the contrary, if designation is required pursuant to this section, the designation process contained in 16 V.S.A. § 827 shall apply to schools operating grades kindergarten through grade 12, or any subset of grades therein.

Sec. 9. 16 V.S.A. § 3440 is added to read:

§ 3440. STATEMENT OF POLICY

It is the intent of this chapter to encourage the efficient use of public funds to modernize school infrastructure in alignment with current educational needs. School construction projects supported by this chapter should be developed taking consideration of standards of quality for public schools under section 165 of this title and prioritizing cost, geographic accessibility, 21st century education facilities standards, statewide enrollment trends, and capacity and scale that support best educational practices. Further, it is the intent of this chapter to encourage the use of existing infrastructure to meet the needs of Vermont students. Joint construction projects between two or more school districts and consolidation of buildings within a district where feasible and educationally appropriate are encouraged.

Sec. 10. 16 V.S.A. § 3442 is added to read:

§ 3442. STATE AID FOR SCHOOL CONSTRUCTION PROGRAM

The Agency of Education shall be responsible for implementing the State Aid for School Construction Program according to the provisions of this chapter. The Agency shall be responsible for:

(1) reviewing all preliminary applications for State school construction aid and issuing an approval or denial in accordance with section 3445 of this chapter;

(2) adopting rules pursuant to 3 V.S.A. chapter 25 pertaining to school construction and capital outlay, including rules to specify a point prioritization methodology and a bonus incentive structure aligned with the legislative intent expressed in section 3440 of this title;

(3) including as part of its budget submitted to the Governor pursuant to subdivision 212(21) of this title its annual school construction funding request;

(4) developing a prequalification and review process for project delivery consultants and architecture and engineering firms specializing in prekindergarten through grade 12 school design, renovation, or construction and maintaining a list of such prequalified firms and consultants;

(5) providing technical assistance and guidance to school districts and supervisory unions on all phases of school capital projects;

(6) providing technical advice and assistance, training, and education to school districts, supervisory unions, general contractors, subcontractors, construction or project managers, designers, and other vendors in the planning, maintenance, and establishment of school facility space;

(7) maintaining a current list of school construction projects that have received preliminary approval, projects that have received final approval, and the priority points awarded to each project;

(8) collecting, maintaining, and making publicly available quarterly progress reports of all ongoing school construction projects that shall include, at a minimum, the costs of the project and the time schedule of the project;

(9) recommending policies and procedures designed to reduce borrowing for school construction programs at both State and local levels;

(10) conducting a needs survey at least every five years to ascertain the capital construction, reconstruction, maintenance, and other capital needs for all public schools and maintaining such data in a publicly accessible format;

(11) developing a formal enrollment projection model or using projection models already available;

(12) encouraging school districts and supervisory unions to investigate opportunities for the maximum utilization of space in and around the district or supervisory union;

(13) collecting and maintaining a clearinghouse of prototypical school plans, as appropriate, that may be consulted by eligible applicants;

(14) retaining the services of consultants, as necessary, to effectuate the roles and responsibilities listed within this section; and

(15) notwithstanding 2 V.S.A. § 20(d), annually on or before December 15, submitting a written report to the General Assembly regarding the status and implementation of the State Aid for School Construction Program, including the data required to be collected pursuant to this section.

Sec. 11. 16 V.S.A. § 3443 is added to read:

§ 3443. STATE AID FOR SCHOOL CONSTRUCTION ADVISORY BOARD

(a) Creation. There is hereby created the State Aid for School Construction Advisory Board, which shall advise the Agency on the implementation of the State Aid for School Construction Program in accordance with the provisions of this chapter, including the adoption of rules, setting of statewide priorities, criteria for project approval, and recommendations for project approval and prioritization.

(b) Membership.

(1) Composition. The Board shall be composed of the following eight members:

(A) four members who shall serve as ex officio members:

(i) the State Treasurer or designee;

(ii) the Commissioner of Buildings and General Services or designee;

(iii) the Executive Director of the Vermont Bond Bank or designee; and

(iv) the Chair of the State Board of Education or designee; and

(B) four members, none of whom shall be a current member of the General Assembly, who shall serve four-year terms as follows:

(i) two members, appointed by the Speaker of the House, each of whom shall have expertise in education or construction, real estate, or finance and one of whom shall represent a supervisory union; and

(ii) two members, appointed by the Committee on Committees, each of whom shall have expertise in education or construction, real estate, or finance and one of whom shall be an educator.

(2) Members with four-year terms.

(A) A member with a term limit shall serve a term of four years and until a successor is appointed. A term shall begin on January 1 of the year of appointment and run through December 31 of the last year of the term. Terms of these members shall be staggered so that not all terms expire at the same time.

(B) A vacancy created before the expiration of a term shall be filled in the same manner as the original appointment for the unexpired portion of the term.

(C) A member with a term limit shall not serve more than two consecutive terms. A member appointed to fill a vacancy created before the expiration of a term shall not be deemed to have served a term for the purpose of this subdivision (C).

(c) Duties. The Board shall advise the Agency on the implementation of the State Aid for School Construction Program in accordance with the provisions of this chapter, including:

(1) rules pertaining to school construction and capital outlay;

(2) project priorities;

(3) proposed legislation the Board deems desirable or necessary related to the State Aid for School Construction Program, the provisions of this chapter, and any related laws;

(4) policies and procedures designed to reduce borrowing for school construction programs at both State and local levels;

(5) development of a formal enrollment projection model or the consideration of using projection models already available;

(6) processes and procedures necessary to apply for, receive, administer, and comply with the conditions and requirements of any grant, gift, appropriation of property, services, or monies;

(7) the collection and maintenance of a clearinghouse of prototypical school plans that may be consulted by eligible applicants and recommended incentives to utilize such prototypes;

(8) the determination of eligible cost components of projects for funding or reimbursement, including partial or full eligibility for project components for which the benefit is shared between the school and other municipal and community entities;

(9) development of a long-term vision for a statewide capital plan in accordance with needs and projected funding;

(10) collection and maintenance of data on all public school facilities in the State, including information on size, usage, enrollment, available facility space, and maintenance;

(11) advising districts on the use of a needs survey to ascertain the capital construction, reconstruction, maintenance, and other capital needs for schools across the State; and

(12) encouraging school districts and supervisory unions to investigate opportunities for the maximum utilization of space in and around the district or supervisory union.

(d) Meetings.

(1) The Chair of the State Board of Education shall call the first meeting of the Board to occur on or before September 1, 2025.

(2) The Board shall select a chair from among its members at the first meeting.

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

(4) The Board shall meet not more than six times per year.

(e) Assistance. The Board shall have the administrative, technical, and legal assistance of the Agency of Education.

(f) Compensation and reimbursement. Members of the Board shall be entitled to per diem compensation and reimbursement of expenses as permitted under 32 V.S.A. § 1010 for not more than six meetings per year.

(g) Report. On or before December 15, 2025, the Board shall submit a written report to the House Committees on Education and on Ways and Means and the Senate Committees on Education and on Finance on recommendations for addressing the transfer of any debt obligations from current school districts to future school districts as contemplated by Vermont's education transformation.

Sec. 12. PROSPECTIVE REPEAL OF STATE AID FOR SCHOOL CONSTRUCTION ADVISORY BOARD

16 V.S.A. § 3443 (State Aid for School Construction Advisory Board) is repealed on July 1, 2035.

Sec. 13. 16 V.S.A. § 3444 is added to read:

§ 3444. SCHOOL CONSTRUCTION AID SPECIAL FUND

(a) Creation. There is created the School Construction Aid Special Fund, to be administered by the Agency of Education. Monies in the Fund shall be used for the purposes of:

(1) awarding aid to school construction projects under section 3445 of this title;

(2) awarding grants through the Facilities Master Plan Grant Program established in section 3441 of this title;

(3) funding administrative costs of the State Aid for School Construction Program; and

(4) awarding emergency aid under section 3445 of this title.

(b) Funds. The Fund shall consist of:

(1) any amounts transferred or appropriated to it by the General Assembly;

(2) any amounts deposited in the Fund from the Supplemental District Spending Reserve; and

(3) any interest earned by the Fund.

Sec. 14. 16 V.S.A. § 3445 is added to read:

§ 3445. APPROVAL AND FUNDING OF SCHOOL CONSTRUCTION PROJECTS

(a) Construction aid.

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

(2) Approval of preliminary application.

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

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

(ii) economic efficiencies;

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

(iv) statewide educational initiatives.

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

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

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

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

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

(dd) deterioration of an existing building; or

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

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

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

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

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

(I) engages robust community involvement;

(II) considers regional solutions;

(III) evaluates environmental contaminants; and

(IV) produces a facilities master plan that unites the applicant's vision statement, educational needs, enrollment projections, renovation needs, and construction projects.

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

(4) Request for legislative appropriation. The Agency shall submit its annual school construction funding request to the Governor as part of its budget pursuant to subdivision 212(21) of this title. Following submission of the Governor's recommended budget to the General Assembly pursuant to 32 V.S.A. § 306, the House Committee on Education and the Senate Committee on Education shall recommend a total school construction appropriation for the next fiscal year to the General Assembly.

(5) Final approval for construction aid.

(A) Unless approved by the Secretary for good cause in advance of commencement of construction, a school district shall not begin construction before the Secretary approves a final application. A school district may submit a written final application to the Secretary at any time following approval of a preliminary application.

(B) The Secretary may approve a final application for a project provided that:

(i) the project has received preliminary approval;

(ii) the district has voted funds or authorized a bond for the total estimated cost of the project;

(iii) the district has made arrangements for project construction supervision by persons competent in the building trades;

(iv) the district has provided for construction financing of the project during a period prescribed by the Agency;

(v) the project has otherwise met the requirements of this chapter;

(vi) if the proposed project includes a playground, the project includes a requirement that the design and construction of playground equipment follow the guidelines set forth in the U.S. Consumer Product Safety Commission Handbook for Public Playground Safety; and

(vii) if the total estimated cost of the proposed project is less than $50,000.00, no performance bond or irrevocable letter of credit shall be required.

(C) The Secretary may provide that a grant for a high school project is conditioned upon the agreement of the recipient to provide high school instruction for any high school pupil living in an area prescribed by the Agency who may elect to attend the school.

(D) A district may begin construction upon receipt of final approval. However, a district shall not be reimbursed for debt incurred due to borrowing of funds in anticipation of aid under this section.

(6) Award of construction aid.

(A) The base amount of an award shall be 20 percent of the eligible debt service cost of a project. Projects are eligible for additional bonus incentives as specified in rule for up to an additional 20 percent of the eligible debt service cost. Amounts shall be awarded annually.

(B) As used in subdivision (A) of this subdivision (6), "eligible debt service cost" of a project means the product of the lifetime cost of the bond authorized for the project and the ratio of the approved cost of a project to the total cost of the project.

(b) Emergency aid. Notwithstanding any other provision of this section, the Secretary may grant aid for a project the Secretary deems to be an emergency in the amount of 30 percent of eligible project costs, up to a maximum eligible total project cost of $300,000.00.

Sec. 15. 16 V.S.A. § 3446 is added to read:

§ 3446. APPEAL

Any municipal corporation as defined in section 3447 of this title aggrieved by an order, allocation, or award of the Agency of Education may, within 30 days, appeal to the Superior Court in the county in which the project is located.

Sec. 16. TRANSFER OF RULEMAKING AUTHORITY; TRANSFER OF RULES

(a) The statutory authority to adopt rules by the State Board of Education pertaining to school construction and capital outlay adopted under 16 V.S.A. § 3448(e) and 3 V.S.A. chapter 25 is transferred from the State Board of Education to the Agency of Education.

(b) All rules pertaining to school construction and capital outlay adopted by the State Board of Education under 3 V.S.A. chapter 25 prior to July 1, 2026 shall be deemed the rules of the Agency of Education and remain in effect until amended or repealed by the Agency of Education pursuant to 3 V.S.A. chapter 25.

(c) The Agency of Education shall provide notice of the transfer to the Secretary of State and the Legislative Committee on Administrative Rules in accordance with 3 V.S.A. § 848(d)(2).

Sec. 17. REPEALS

(a) 16 V.S.A. § 3448 (approval of funding of school construction projects; renewable energy) is repealed on July 1, 2026.

(b) 16 V.S.A. § 3448a (appeal) is repealed on July 1, 2026.

Sec. 18. 16 V.S.A. § 828 is amended to read:

§ 828. TUITION TO APPROVED SCHOOLS; AGE; APPEAL

(a) A school district shall not pay the tuition of a student except to:

(1) a public school~~,~~ located in Vermont;

(2) an approved independent school~~,~~ that:

(A) is located in Vermont;

(B) is approved under section 166 of this title on or before July 1, 2025;

(C) is located within either:

(i) a supervisory district that does not operate a public school for some or all grades as of July 1, 2024; or

(ii) a supervisory union with one or more member school districts that does not operate a public school for some or all grades as of July 1, 2024;

(D) had at least 25 percent of its Vermont resident student enrollment composed of students attending on a district-funded tuition basis pursuant to chapter 21 of this title during the 2023–2024 school year; and

(E) complies with the minimum class size requirements contained in subdivision 165(a)(9) of this title and State Board rule; provided, however, that if a school is unable to comply with the class size minimum standards due to geographic isolation or a school has developed an implementation plan to meet the class size minimum requirements, the school may ask the State Board to grant it a waiver from this subdivision (E), which decision shall be final;

(3) an independent school meeting education quality standards~~,~~;

(4) a tutorial program approved by the State Board~~,~~;

(5) an approved education program~~, or~~;

(6) ~~an independent school in another state or country approved under the laws of that state or country, that complies with the reporting requirement under subsection 4010(c) of this title,~~ a public school located in another state; or

(7) a therapeutic approved independent school located in Vermont or another state or country that is approved under the laws of that state or country.

(b) ~~nor shall payment~~ Payment of tuition on behalf of a person shall not be denied on account of age.

(c) Unless otherwise provided, a person who is aggrieved by a decision of a school board relating to eligibility for tuition payments, the amount of tuition payable, or the school the person may attend, may appeal to the State Board and its decision shall be final.

(d) As used in this section, "therapeutic approved independent school" means an approved independent school that limits enrollment for publicly funded students residing in Vermont to students who are on an individualized education program or plan under Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. § 794, or who are enrolled pursuant to a written agreement between a local education agency and the school or pursuant to a court order.

Sec. 19. TUITION TRANSITION

A school district that pays tuition pursuant to the provisions of 16 V.S.A. chapter 21 in effect on June 30, 2025 shall continue to pay tuition on behalf of a resident student enrolled for the 2024–2025 school year in or who has been accepted for enrollment for the 2025–2026 school year by an approved independent school subject to the provisions of 16 V.S.A. § 828 in effect on June 30, 2025, until such time as the student graduates from that school.

* * * Statewide Cohesion * * *

Sec. 20. STATEWIDE COHESION; INTENT

It is the intent of the General Assembly to consolidate structures and systems that are foundational to the administration of education.

Sec. 21. AGENCY OF EDUCATION; REPORT

On or before December 1, 2025, the Agency of Education shall submit a written report and recommended legislative language, as applicable, to the House and Senate Committees on Education with the following:

(1) In consultation with educators and administrators, a proposed implementation plan for statewide financial data and student information systems.

(2) Recommendations for a school construction division within the Agency of Education, including position descriptions and job duties for each position within the division, a detailed description of the assistance the division would provide to the field, and the overall role the Agency would play within a State aid to school construction program.

(3) A progress report regarding the development of clear, unambiguous guidance that would be provided to school officials and school board members regarding the business processes and transactions that would need to occur to facilitate school district mergers into larger, consolidated school districts,

including the merging of data systems, asset and liability transfers, and how to address collective bargaining agreements for both educators and staff. The report shall include a detailed description of how the Agency will provide support and consolidation assistance to the field in each of these areas and an estimate of the costs associated with such work.

(4) In consultation with superintendents, directors of therapeutic independent schools, special education directors, and, in the opinion of the Agency, other experts, recommendations for the need for cooperative education services and the oversight of therapeutic schools within the school governance framework both at a State and local level.

* * * State-Level Governance * * *

Sec. 22. STATE-LEVEL GOVERNANCE; INTENT

It is the intent of the General Assembly to ensure that the State Board of Education is the independent, transparent, and public facing body for public education and to ensure the Board maintains its ability provide an important outlet for the public to engage in the rulemaking process and regularly provide public comment regarding the state of Vermont's education system.

Sec. 23. 16 V.S.A. § 161 is amended to read:

§ 161. STATE BOARD OF EDUCATION; APPOINTMENT OF MEMBERS; TERM; VACANCY

The State Board shall consist of ~~ten~~ 10 members. Two of the members shall be secondary students, one of whom shall be a full member and the other of whom shall be a junior member who may not vote. ~~All~~ Eight members, including the two student members, shall be appointed by the Governor with the advice and consent of the Senate. One member shall be appointed by the Speaker of the House and one member shall be appointed by the Senate Committee on Committees. In the appointment of the nonstudent members, priority shall be given to the selection of persons with a demonstrated commitment to ensuring quality education for Vermont students. To the extent possible, the members shall represent the State's geographic, gender, racial, and ethnic diversity. The Secretary shall serve on the State Board as a nonvoting member.

(1) Upon the expiration of the respective terms of those members of the Board previously appointed, excluding the student members, the ~~Governor~~ appointing authority that made the initial appointment to the expired term shall, biennially in the month of February with the advice and consent of the Senate, as applicable, appoint members for terms of six years. The terms shall begin March 1 of the year in which the appointments are made. A member

serving a term of six years shall not be eligible for reappointment for successive terms.

(2) In the event of any vacancy occurring in the membership of the Board, the ~~Governor~~ appointing authority that made the initial appointment to the vacated term shall fill the vacancy with a qualified person whose appointment shall be for the unexpired portion of the term.

(3) Biennially, the Board shall choose a member of the Board to be its chair.

(4) Annually, using an application process that is open and accessible to all eligible students, the Governor shall appoint a Vermont secondary school student who will continue to be a secondary student for at least two years following taking office, to serve on the State Board for two years, beginning on July 1 of the year of appointment. The student member shall not vote during the first year and shall be a full and voting member during the second year of ~~his or her~~ the student's term.

Sec. 24. TRANSITION PERIOD APPOINTMENTS; STATE BOARD OF EDUCATION

(a) Members currently serving on the State Board of Education may continue to serve for the duration of the term to which they were appointed.

(b) Beginning on July 1, 2025, as terms of currently serving members expire, appointments of successors shall be made in accordance with the considerations and appointment authority contained in 16 V.S.A. § 161.

(1) The Speaker of the House shall make the first appointment to a vacant or expired seat that occurs after July 1, 2025 and shall make any subsequent appointments to fill the vacated or expired term for that same seat after the initial transition period appointment.

(2) The Senate Committee on Committees shall make the second appointment to a vacant or expired seat that occurs after July 1, 2025 and shall make any subsequent appointments to fill the vacated or expired term for that same seat after the initial transition period appointment.

(3) The Governor shall make the third appointment, with the advice and consent of the Senate, to a vacant or expired seat that occurs after July 1, 2025 and shall make any subsequent appointments to fill the vacated or expired term for that same seat after the initial transition period appointment.

(c) Once the first three appointments after July 1, 2025 are made in accordance with subsection (b) of this section, the Governor shall make all subsequent appointments for the remaining five non-student seats, with the advice and consent of the Senate, in accordance with 16 V.S.A. § 161.

Sec. 25. 16 V.S.A. § 162 is amended to read:

§ 162. REMOVAL OF BOARD MEMBERS

After notice and hearing, the Governor may remove a member of the State Board for incompetency, failure to discharge ~~his or her~~ the member's duties, malfeasance, illegal acts, or other cause inimical to the welfare of the public schools; and in case of such removal, ~~he or she~~ the appointing authority that made the initial appointment shall appoint a person to fill the unexpired term.

Sec. 26. STATE BOARD OF EDUCATION; REVIEW OF RULES; APPROPRIATION

(a) The State Board of Education shall review each rule series the State Board is responsible for and make a determination as to the continuing need for, appropriateness of, or need for updating of said rules. On or before December 1, 2026, the State Board of Education shall submit a written report to the House and Senate Committees on Education with its recommendation for rules that are no longer needed and a plan to update rules that are still necessary, including the order in which the Board proposes to update the rules and any associated costs or staffing needs.

(b) The sum of $200,000.00 is appropriated from the General Fund to the Agency of Education in fiscal year 2026 to provide the State Board of Education with the contracted resources necessary to review and update the Board's rules.

* * * Tuition * * *

Sec. 27. 16 V.S.A. § 823 is amended to read:

§ 823. ~~ELEMENTARY~~ TUITION

(a) Tuition for ~~elementary~~ students shall be paid by the district in which the student is a resident. The district shall pay ~~the full tuition charged its students attending a public elementary school~~ to a receiving school an amount equal to the base amount contained in subdivision 4001(16) of this title multiplied by the sum of one and any weights applicable to the resident student under section 4010 of this title, for each resident student attending the receiving school. ~~If a payment made to a public elementary school is three percent more or less than the calculated net cost per elementary pupil in the receiving school district for the year of attendance, the district shall be reimbursed, credited, or refunded pursuant to section 836 of this title. Notwithstanding the provisions of this subsection or of subsection 825(b) of this title, the boards of both the receiving and sending districts may enter into tuition agreements with terms differing from the provisions of those subsections, provided that the receiving district must offer identical terms to all sending districts, and further provided that the~~

~~statutory provisions apply to any sending district that declines the offered terms.~~

(b) ~~Unless the electorate of a school district authorizes payment of a higher amount at an annual or special meeting warned for the purpose, the tuition paid to an approved independent elementary school or an independent school meeting education quality standards shall not exceed the least of:~~

~~(1) the average announced tuition of Vermont union elementary schools for the year of attendance;~~

~~(2) the tuition charged by the approved independent school for the year of attendance; or~~

~~(3) the average per-pupil tuition the district pays for its other resident elementary students in the year in which the student is enrolled in the approved independent school.~~ [Repealed.]

Sec. 28. REPEALS

16 V.S.A. §§ 824 (high school tuition), 825 (maximum tuition rate; calculated net cost per pupil defined), 826 (notice of tuition rates; special education charges), and 836 (tuition overcharge or undercharge) are repealed on July 1, 2029.

* * * Special Education Delivery * * *

Sec. 29. STATE OF SPECIAL EDUCATION DELIVERY; AGENCY OF EDUCATION; REPORT

(a) On or before September 1, 2025, the Agency of Education shall submit a written report to the House and Senate Committees on Education, the House Committee on Ways and Means, and the Senate Committee on Finance addressing the factors contributing to growth in extraordinary special education reimbursement costs. The report shall include detailed information regarding the current state of special education delivery in Vermont, including an update on the implementation of special education changes enacted pursuant to 2018 Acts and Resolves No. 173 (Act 173). The report shall include a description of the current state of support for students with disabilities in Vermont and recommended changes to structure, practice, and law with the goal of:

(1) improving the delivery of special education services and managing the rising extraordinary special education costs as Vermont's special education finance system transitions from a census block grant to a weight for special education costs;

(2) ensuring better, more inclusive services in the least restrictive environment in a way that makes efficient and effective use of limited resources while resulting in the best outcomes;

(3) responding to the challenges of fully implementing Act 173 and the lessons learned from implementation efforts to date;

(4) ensuring that the delivery of special education is responsive to student needs; and

(5) addressing drivers of growth of extraordinary expenditures in special education.

(b) The report shall include:

(1) An analysis of the costs of and services provided for students with extraordinary needs in specialized settings, separated by school-district-operated specialized programs, independent nonprofit programs, and independent for-profit programs. The report shall include a geographic map with the location of all specialized programs within the State of Vermont, as well as the following information for each individual specialized program:

(A) disability categories served;

(B) grade levels served;

(C) the number of students with IEPs and the average duration of time each student spent in the program over the last 10 years;

(D) average cost per pupil, inclusive of extraordinary spending and any costs in excess of general tuition rates;

(E) years of experience, training, and tenure of licensed special education staff;

(F) a review of the findings of all investigations conducted by the Agency of Education; and

(G) a review of the Agency's public assurance capabilities, with respect to special education programs in all settings, and an analysis of the effectiveness of current oversight or rule, and recommended changes if needed.

(2) An evaluation of the state of implementation of Act 173, including examples of where implementation has been successful, where it has not, and why.

(3) Identification of drivers of accelerating costs within the special education system.

(4) Identification of barriers to the success of students with disabilities.

(5) A description of how specialized programs for students with extraordinary needs operated by school districts, independent nonprofit schools, and independent for-profit schools are funded, with an analysis of the benefits and risks of each funding model.

(6) An assessment of whether Vermont's current special education laws ensure equitable access for all students with disabilities to education alongside their peers in a way that is consistent with the Vermont education quality standards for public schools and the right to a free appropriate public education (FAPE) under the Individuals with Disabilities Education Act, 20 U.S.C. §§ 1400–1482.

(7) A review of the capacity of the Agency to support and guide school districts on the effective support of students with disabilities, as well as compliance with federal law, which shall include:

(A) a review of final reports of investigations conducted by the Agency in school-district-operated specialized programs, independent nonprofit programs, and independent for-profit programs in the previous 10 years and an evaluation of what practices could reduce adverse findings in these settings;

(B) an assessment of the ability of the State to ensure State resources are used in the most efficient and effective way possible to support the success of students with disabilities and their access to a free and appropriate public education;

(C) a review of any pending and recent federal findings against the State or school districts, as well as progress on corrective actions;

(D) a review of the Agency's staffing and capacity to review and conduct monitoring and visits to schools, especially independent settings;

(E) a description of the process and status of reviews and approvals of approved independent schools that provide special education and therapeutic schools; and

(F) recommendations for whether the Agency has capacity to ensure timely review of approved independent schools and provide sufficient oversight for specialized programs in nonprofit independent schools and for-profit independent schools.

(8) Recommendations for needed capacity at the Agency to provide technical assistance and support to school districts in the provision of special education services.

(9) An analysis of whether more strategic support for better primary first instruction and more successful implementation of Act 173 needs to be in

place for a weighted funding model for special education to succeed, including a suggested transition timeline, with indicators, to be incorporated into the Agency's strategic plan.

(10) If warranted, a review of options for changes to practice, structure, and law that ensure students with disabilities are provided access to quality education, in the least restrictive environment, in a cost-effective way that is consistent with State and federal law, which may include a review of the possible role of BOCES and the impact of larger districts on effective, high-quality support for students with disabilities.

Sec. 30. SPECIAL EDUCATION STRATEGIC PLAN; AGENCY OF EDUCATION

(a) Strategic plan. In consultation with the State Advisory Panel on Special Education established under 16 V.S.A. § 2945, the Agency of Education shall develop a three-year strategic plan for the delivery of special education services in Vermont. The strategic plan shall include unambiguous measurable outcomes and a timeline for implementation. The strategic plan shall be informed by the analysis and findings of the report required of the Agency under Sec. 29 of this act and be designed to ensure successful implementation of 2018 Acts and Resolves No. 173 (Act 173) and provide the supports and processes that need to be in place for the transition to a weighted funding model for special education to succeed, including a suggested transition timeline, with benchmarks for success. The strategic plan shall also include contingency recommendations for special education funding in the event federal special education funding under the Individuals with Disabilities Education Act, 20 U.S.C. §§ 1400–1482, is no longer available or transitions to a system that requires more planning and management on the part of the State to ensure funds are distributed equitably.

(b) Reports.

(1) On or before December 1, 2025, the Agency shall submit the three-year strategic plan created pursuant to subsection (a) of this section to the House and Senate Committees on Education, the House Committee on Ways and Means, and the Senate Committee on Finance.

(2) On or before December 1 of 2026, 2027, 2028, and 2029, the Agency shall submit a written report to the House and Senate Committees on Education, the House Committee on Ways and Means, and the Senate Committee on Finance with a detailed update on the Agency's implementation of its strategic plan and any recommendations for legislative changes needed to ensure a successful transition to a weighted funding model and continued successful implementation of Act 173.

Sec. 31. POSITION; AGENCY OF EDUCATION

(a) Establishment of one new permanent, classified position is authorized in the Agency of Education in fiscal year 2026, to support development and implementation of the three-year strategic plan required under Sec. 30 of this act.

(b) The sum of $150,000.00 is appropriated from the General Fund to the Agency of Education's base budget in fiscal year 2026 for the purposes of funding the position created in subsection (a) of this section. The Agency shall include funding for this permanent position in their annual base budget request in subsequent years.

* * * Agency of Education Transformation Support * * *

Sec. 32. AGENCY OF EDUCATION; TRANSFORMATION APPROPRIATION

The sum of $3,400,000.00 is appropriated from the General Fund to the Agency of Education in fiscal year 2026 to support education transformation work as follows:

(1) $200,000.00 to support school boards transitioning to new governance models as contemplated in this act;

(2) $562,500.00 for positions established in Sec. 33 of this act; and

(3) $2,637,500.00 for contracted services to support school districts with administrative activities relating to consolidation, including accounting, budget and operational practice, and to support education quality activities including the alignment of curricula, instructional materials, and teaching activities.

Sec. 33. EDUCATION TRANSFORMATION; POOL POSITIONS

The General Fund appropriation in Sec. 32 of this act shall fund five limited service classified positions taken from the position pool. The pool positions shall be used to establish the following limited service classified positions at the Agency of Education in fiscal year 2026 to support education transformation work:

(1) one Business Operations Support Specialist;

(2) one Data Integration Support Specialist;

(3) one Curriculum and Education Quality Standards Integration Specialist;

(4) one Learning and Teaching Integration Specialist; and

(5) one School Facilities Field Support Specialist.

* * * State Funding of Public Education * * *

Sec. 34. 16 V.S.A. § 4001 is amended to read:

§ 4001. DEFINITIONS

As used in this chapter:

(1) "Average daily membership" of a school district ~~or, if needed in order to calculate the appropriate homestead tax rate, of the municipality as defined in 32 V.S.A. § 5401(9),~~ in any year means:

* * *

(6) ~~"Education spending" means the amount of the school district budget, any assessment for a joint contract school, career technical center payments made on behalf of the district under subsection 1561(b) of this title, and any amount added to pay a deficit pursuant to 24 V.S.A. § 1523(b) that is paid for by the school district, but excluding any portion of the school budget paid for from any other sources such as endowments, parental fundraising, federal funds, nongovernmental grants, or other State funds such as special education funds paid under chapter 101 of this title.~~

~~(A) [Repealed.]~~

~~(B) For all bonds approved by voters prior to July 1, 2024, voter-approved bond payments toward principal and interest shall not be included in "education spending" for purposes of calculating excess spending pursuant to 32 V.S.A. § 5401(12).~~ [Repealed.]

* * *

(13) "~~Base education~~ Categorical base amount" means a number used to calculate categorical grants awarded under this title that is equal to $6,800.00 per equalized pupil, adjusted as required under section 4011 of this title.

(14) ~~"Per pupil education spending" of a school district in any school year means the per pupil education spending of that school district as determined under subsection 4010(f) of this title.~~ [Repealed.]

* * *

(16) "Base amount" means a per pupil cost-factor amount of $15,033.00, which shall be adjusted for inflation annually on or before November 15 by the Secretary of Education. As used in this subdivision, "adjusted for inflation" means adjusting the base dollar amount by the National Income and Product Accounts (NIPA) implicit price deflator for state and local government consumption expenditures and gross investment published by the U.S. Department of Commerce, Bureau of Economic

Analysis, from fiscal year 2025 through the fiscal year for which the amount is being determined, and rounding upward to the nearest whole dollar amount.

(17) "Educational opportunity payment" means the base amount multiplied by the school district's weighted long-term membership as determined under section 4010 of this title.

Sec. 35. 16 V.S.A. § 4010 is amended to read:

§ 4010. DETERMINATION OF WEIGHTED LONG-TERM MEMBERSHIP AND ~~PER PUPIL EDUCATION SPENDING~~ EDUCATION OPPORTUNITY PAYMENT

(a) Definitions. As used in this section:

(1) "EL pupils" means pupils described under section 4013 of this title.

(2) "FPL" means the Federal Poverty Level.

(3) "Weighting categories" means the categories listed under subsection (b) of this section.

(4) "Child with a disability" has the same meaning as in section 2942 of this title.

(5) "Disability" means any of:

(A) a specific learning disability or a speech or language impairment, each of which is identified as "Category A";

(B) an emotional disturbance, intellectual disability, developmental delay, or other health impairment, each of which is identified as "Category B"; or

(C) autism spectrum disorder, deaf-blindness, hearing impairment, orthopedic impairment, traumatic brain injury, or visual impairment, each of which is identified as "Category C."

(6) "English language proficiency level" means each of the English language proficiency levels published as a standardized measure of academic language proficiency in WIDA ACCESS for ELLs 2.0 and available to members of the WIDA consortium of state departments of education.

(7) "Newcomer or SLIFE" means a pupil identified as a New American or as a student with limited or interrupted formal education.

(b) Determination of average daily membership and weighting categories. On or before the first day of December during each school year, the Secretary shall determine the average daily membership, as defined in subdivision 4001(1) of this title, of each school district for the current school year and shall ~~perform the following tasks.~~,

~~(1) Using~~ using average daily membership, list for each school district the number of:

~~(A) pupils in prekindergarten;~~

~~(B) pupils in kindergarten through grade five;~~

~~(C) pupils in grades six through eight;~~

~~(D) pupils in grades nine through 12;~~

~~(E)~~(1) pupils whose families are at or below 185 percent of FPL, using the highest number of pupils in the district:

~~(i)~~(A) that meet this definition under the universal income declaration form; or

~~(ii)~~(B) who are directly certified for free and reduced-priced meals; ~~and~~

~~(F)~~(2) EL pupils that have been most recently assessed at an English language proficiency level of:

(A) Level 1;

(B) Level 2 or 3;

(C) Level 4; or

(D) Level 5 or 6;

(3) EL pupils that are identified as Newcomer or SLIFE; and

(4) Children with a disability whose disability is identified as:

(A) Category A;

(B) Category B; or

(C) Category C, provided that a child with multiple disabilities shall be counted solely under this subdivision (C).

~~(2)(A) Identify all school districts that have low population density, measured by the number of persons per square mile residing within the land area of the geographic boundaries of the district as of July 1 of the year of determination, equaling:~~

~~(i) fewer than 36 persons per square mile;~~

~~(ii) 36 or more persons per square mile but fewer than 55 persons per square mile; or~~

~~(iii) 55 or more persons per square mile but fewer than 100 persons per square mile.~~

~~(B) Population density data shall be based on the best available U.S. Census data as provided to the Agency of Education by the Vermont Center for Geographic Information.~~

~~(C) Using average daily membership, list for each school district that has low population density the number of pupils in each of subdivisions (A)(i) (iii) of this subdivision (2).~~

~~(3)(A) Identify all school districts that have one or more small schools, which are schools that have an average two-year enrollment of:~~

~~(i) fewer than 100 pupils; or~~

~~(ii) 100 or more pupils but fewer than 250 pupils.~~

~~(B) As used in subdivision (A) of this subdivision (3), "average two-year enrollment" means the average enrollment of the two most recently completed school years, and "enrollment" means the number of pupils who are enrolled in a school operated by the district on October 1. A pupil shall be counted as one whether the pupil is enrolled as a full-time or part-time student.~~

~~(C) Using average two-year enrollment, list for each school district that has a small school the number of pupils in each of subdivisions (A)(i) (ii) of this subdivision (3).~~

(c) Reporting on weighting categories to the Agency of Education. Each school district shall annually report to the Agency of Education by a date established by the Agency the information needed in order for the Agency to compute the weighting categories under subsection (b) of this section for that district. In order to fulfill this obligation, a school district that pays public tuition on behalf of a resident student (sending district) to a public school in another school district, an approved independent school, or an out-of-state school (each a receiving school) may request the receiving school to collect this information on the sending district's resident student, and if requested, the receiving school shall provide this information to the sending district in a timely manner.

(d) Determination of weighted long-term membership. For each weighting category ~~except the small schools weighting category under subdivision (b)(3) of this section~~, the Secretary shall compute the weighting count by using the long-term membership, as defined in subdivision 4001(7) of this title, in that category.

(1) ~~The Secretary shall first apply grade level weights. Each pupil included in long-term membership shall count as one, multiplied by the following amounts:~~

~~(A) prekindergarten negative 0.54;~~

~~(B) grades six through eight – 0.36; and~~

~~(C) grades nine through 12 – 0.39.~~ [Repealed.]

(2) ~~The Secretary shall next apply a weight for pupils whose family is at or below 185 percent of FPL.~~ Each pupil included in long-term membership whose family is at or below 185 percent of FPL shall receive an additional weighting amount of ~~1.03~~ 1.02.

(3) ~~The Secretary shall next apply a weight for EL pupils.~~ Each EL pupil included in long-term membership shall receive an additional weighting amount, based on the EL pupil's English language proficiency level, of ~~2.49~~:

(A) 2.11, if assessed as Level 1;

(B) 1.41, if assessed as Level 2 or 3;

(C) 1.20, if assessed as Level 4; or

(D) 0.12, if assessed as Level 5 or 6.

(4) ~~The Secretary shall then apply a weight for pupils living in low population density school districts.~~ Each EL pupil that is a Newcomer or SLIFE included in long-term membership ~~residing in a low population density school district, measured by the number of persons per square mile residing within the land area of the geographic boundaries of the district as of July 1 of the year of determination,~~ shall receive an additional weighting amount of~~:~~ 0.42

~~(A) 0.15, where the number of persons per square mile is fewer than 36 persons;~~

~~(B) 0.12, where the number of persons per square mile is 36 or more but fewer than 55 persons; or~~

~~(C) 0.07, where the number of persons per square mile is 55 or more but fewer than 100~~.

(5) ~~The Secretary shall lastly apply a weight for pupils who attend a small school. If the number of persons per square mile residing within the land area of the geographic boundaries of a school district as of July 1 of the year of determination is 55 or fewer, then, for each pupil listed under subdivision (b)(3)(C) of this section (pupils who attend small schools)~~ Each child with a disability included in long-term membership shall receive an additional weighting amount, based on the categorization of the child's disability, of:

(A) ~~where the school has fewer than 100 pupils in average two-year enrollment, the school district shall receive an additional weighting amount of~~

~~0.21 for each pupil included in the small school's average two-year enrollment~~ 0.79, if the disability is identified as Category A; ~~or~~

(B) ~~where the small school has 100 or more but fewer than 250 pupils, the school district shall receive an additional weighting amount of 0.07 for each pupil included in the small school's average two-year enrollment~~ 1.89, if the disability is identified as Category B; or

(C) 2.49, if the disability is identified as Category C.

(6) A school district's weighted long-term membership shall equal long-term membership plus the cumulation of the weights assigned by the Secretary under this subsection.

(e) Hold harmless. A district's weighted long-term membership shall in no case be less than 96 and one-half percent of its actual weighted long-term membership the previous year prior to making any adjustment under this subsection.

(f) Determination of ~~per pupil education spending~~ educational opportunity payment. ~~As soon as reasonably possible after a school district budget is approved by voters, the Secretary shall determine the per pupil education spending for the next fiscal year for the school district. Per pupil education spending shall equal a school district's education spending divided by its weighted long-term membership~~ The Secretary shall determine each school district's educational opportunity payment by multiplying the school district's weighted long-term membership determined under subsection (d) of this section by the base amount.

* * *

(h) Updates to weights, base amount, and transportation reimbursement. On or before January 1, ~~2027~~ 2026 and on or before January 1 of every fifth year thereafter, the Agency of Education and the Joint Fiscal Office shall calculate, based on their consensus view, updates to the weights and the base amount, including any inflationary measure, to account for cost changes underlying those weights and shall issue a written report on their work to the House and Senate Committees on Education, the House Committee on Ways and Means, and the Senate Committee on Finance. The General Assembly shall update the weights under this section, the base amount, and transportation reimbursement under section 4016 of this title not less than every five years and the implementation date for the updated weights and transportation reimbursement shall be delayed by a year in order to provide school districts with time to prepare their budgets. Updates to the weights may include recalibration, recalculation, adding or eliminating weights, or any combination of these actions.

Sec. 36. 16 V.S.A. § 4011 is amended to read:

§ 4011. EDUCATION PAYMENTS

(a) Annually, the General Assembly shall appropriate funds to pay for ~~statewide education spending~~ each school district's educational opportunity payment and supplemental district spending, as defined in 32 V.S.A. § 5401, the small schools and sparsity support grants under section 4019 of this chapter, and a portion of a ~~base education~~ categorical base amount for each adult education and secondary credential program student.

(b) For each fiscal year, the categorical base ~~education~~ amount shall be $6,800.00, which shall be adjusted for inflation annually on or before November 15 by the Secretary of Education. As used in this subsection, "adjusted for inflation" means adjusting the categorical base dollar amount by the National Income and Product Accounts (NIPA) implicit price deflator for state and local government consumption expenditures and gross investment published by the U.S. Department of Commerce, Bureau of Economic Analysis, from fiscal year 2005 through the fiscal year for which the amount is being determined, and rounding upward to the nearest whole dollar amount.

(c) Annually, each school district shall receive ~~an education spending payment~~ for support of education costs its educational opportunity payment determined pursuant to subsection 4010(f) of this chapter and a dollar amount equal to its supplemental district spending, if applicable to that school district, as defined in 32 V.S.A. § 5401. ~~An unorganized town or gore shall receive an amount equal to its per pupil education spending for that year for each student. No district shall receive more than its education spending amount.~~

(d) [Repealed.]

(e) [Repealed.]

(f) Annually, the Secretary shall pay to a local adult education and literacy provider, as defined in section 942 of this title, that provides an adult education and secondary credential program an amount equal to 26 percent of the categorical base ~~education~~ amount for each student who completes the diagnostic portions of the program, based on an average of the previous two years; 40 percent of the payment required under this subsection shall be from State funds appropriated from the Education Fund and 60 percent of the payment required under this subsection shall be from State funds appropriated from the General Fund.

* * *

(i) Annually, on or before October 1, the Secretary shall send to school boards for inclusion in town reports and publish on the Agency website ~~the following information:~~

~~(1) the statewide average district per pupil education spending for the current fiscal year; and~~

~~(2)~~ a statewide comparison of student-teacher ratios among schools that are similar in number of students and number of grades.

Sec. 37. 16 V.S.A. § 4019 is added to read:

§ 4019. SMALL SCHOOLS; SPARSE SCHOOLS; SUPPORT GRANTS

(a) Definitions. As used in this section:

(1) "Enrollment" means the number of students who are enrolled in a school operated by the school district on October 1. A student shall be counted as one whether the student is enrolled as a full-time or part-time student.

(2) "Small school" means a school that:

(A) has fewer than 100 pupils in two-year average enrollment; and

(B) has been determined by the State Board of Education, on an annual basis, to be "small by necessity" under standards consistent with those submitted to the General Assembly pursuant to Sec. 7(b) of this act.

(3) "Sparse area" means a geographic area corresponding to a zip code where the number of persons per square mile residing within the land area of the geographic boundaries of the zip code as of July 1 of the year of determination is fewer than 55 persons.

(4) "Sparse school" means a school within a sparse area.

(4) "Two-year average enrollment" means the average enrollment of the two most recently completed school years.

(b) Small schools support grant. Annually, the Secretary shall pay a small schools support grant to each school district for each small school within the school district in an amount determined by multiplying the two-year average enrollment in the small school by $3,157.00.

(c) Sparse schools support grant. Annually, the Secretary shall pay a sparse schools support grant to each school district for each sparse school within the school district in an amount determined by multiplying the two-year average enrollment in the sparse school by $1,954.00.

(d) Inflationary adjustment. Each dollar amount under subsections (b) and (c) of this section shall be adjusted for inflation annually on or before

November 15 by the Secretary. As used in this subsection, "adjusted for inflation" means adjusting the dollar amount by the National Income and Product Accounts (NIPA) implicit price deflator for state and local government consumption expenditures and gross investment published by the U.S. Department of Commerce, Bureau of Economic Analysis, from fiscal year 2025 through the fiscal year for which the amount is being determined, and rounding upward to the nearest whole dollar amount.

Sec. 38. 16 V.S.A. § 4025 is amended to read:

§ 4025. EDUCATION FUND

(a) The Education Fund is established to comprise the following:

(1) all revenue paid to the State from the statewide education tax on nonhomestead and homestead property under 32 V.S.A. chapter 135;

(2) all revenue paid to the State from the supplemental district spending tax imposed pursuant to 32 V.S.A. § 5402(f);

* * *

(b) Monies in the Education Fund shall be used for the following:

* * *

(3) ~~To make payments required under 32 V.S.A. § 6066(a)(1) and only that portion attributable to education taxes, as determined by the Commissioner of Taxes, of payments required under 32 V.S.A. § 6066(a)(3).~~ The State Treasurer shall withdraw funds from the Education Fund upon warrants issued by the Commissioner of Finance and Management based on information supplied by the Commissioner of Taxes. The Commissioner of Finance and Management may draw warrants for disbursements from the Fund in anticipation of receipts. All balances in the Fund at the end of any fiscal year shall be carried forward and remain a part of the Fund. Interest accruing from the Fund shall remain in the Fund.

* * *

Sec. 39. 16 V.S.A. § 4026 is amended to read:

§ 4026. EDUCATION FUND BUDGET STABILIZATION RESERVE~~; CREATION AND PURPOSE~~

* * *

(e) ~~The enactment of this chapter and other provisions of the Equal Educational Opportunity Act of which it is a part have been premised upon estimates of balances of revenues to be raised and expenditures to be made under the act for such purposes as education spending payments, categorical~~

~~State support grants, provisions for property tax income sensitivity, payments in lieu of taxes, current use value appraisals, tax stabilization agreements, the stabilization reserve established by this section, and for other purposes.~~ If the stabilization reserve established under this section should in any fiscal year be less than 5.0 percent of the prior fiscal year's appropriations from the Education Fund, as defined in subsection (b) of this section, the Joint Fiscal Committee shall review the information provided pursuant to 32 V.S.A. § 5402b and provide the General Assembly its recommendations for change necessary to restore the stabilization reserve to the statutory level provided in subsection (b) of this section.

Sec. 40. 16 V.S.A. § 4028 is amended to read:

§ 4028. FUND PAYMENTS TO SCHOOL DISTRICTS

(a) On or before September 10, December 10, and April 30 of each school year, one-third of ~~the education spending payment under section 4011 of this title~~ each school district's educational opportunity payment as determined under subsection 4010(f) of this chapter and supplemental district spending, as defined in 32 V.S.A. § 5401, shall become due to school districts~~, except that districts that have not adopted a budget by 30 days before the date of payment under this subsection shall receive one-quarter of the base education amount and upon adoption of a budget shall receive additional amounts due under this subsection~~.

(b) Payments made for special education under chapter 101 of this title, for career technical education under chapter 37 of this title, and for other aid and categorical grants paid for support of education shall also be from the Education Fund.

(c)~~(1) Any district that has adopted a school budget that includes high spending, as defined in 32 V.S.A. § 5401(12), shall, upon timely notice, be authorized to use a portion of its high spending penalty to reduce future education spending:~~

~~(A) by entering into a contract with an operational efficiency consultant or a financial systems consultant to examine issues such as transportation arrangements, administrative costs, staffing patterns, and the potential for collaboration with other districts;~~

~~(B) by entering into a contract with an energy or facilities management consultant; or~~

~~(C) by engaging in discussions with other school districts about reorganization or consolidation for better service delivery at a lower cost.~~

~~(2) To the extent approved by the Secretary, the Agency shall pay the district from the property tax revenue to be generated by the high spending increase to the district's spending adjustment as estimated by the Secretary, up to a maximum of $5,000.00. For the purposes of this subsection, "timely notice" means written notice from the district to the Secretary by September 30 of the budget year. If the district enters into a contract with a consultant pursuant to this subsection, the consultant shall not be an employee of the district or of the Agency. A copy of the consultant's final recommendations or a copy of the district's recommendations regarding reorganization, as appropriate, shall be submitted to the Secretary, and each affected town shall include in its next town report an executive summary of the consultant's or district's final recommendations and notice of where a complete copy is available. No district is authorized to obtain funds under this section more than one time in every five years.~~ [Repealed.]

* * *

Sec. 41. 16 V.S.A. § 563 is amended to read:

§ 563. POWERS OF SCHOOL BOARDS; FORM OF VOTE

The school board of a school district, in addition to other duties and authority specifically assigned by law:

* * *

(11)(A) Shall prepare and distribute annually a proposed budget for the next school year according to such major categories as may from time to time be prescribed by the Secretary.

(B) [Repealed.]

(C) At a school district's annual or special meeting, the electorate may vote to provide notice of availability of the school budget required by this subdivision to the electorate in lieu of distributing the budget. If the electorate of the school district votes to provide notice of availability, it must specify how notice of availability shall be given, and such notice of availability shall be provided to the electorate at least 30 days before the district's annual meeting. The proposed budget shall be prepared and distributed at least ~~ten~~ 10 days before a sum of money is voted on by the electorate. Any proposed budget shall show the following information in a format prescribed by the Secretary:

(i) all revenues from all sources, and expenses, including as separate items any assessment for a supervisory union of which it is a member and any tuition to be paid to a career technical center; and including the report

required in subdivision 242(4)(D) of this title itemizing the component costs of the supervisory union assessment;

(ii) the specific amount of any deficit incurred in the most recently closed fiscal year and how the deficit was or will be remedied;

(iii) the anticipated homestead tax rate and ~~the percentage of household income used to determine income sensitivity in the district as a result of passage of the budget, including those portions of the tax rate attributable to supervisory union assessments~~ nonhomestead tax rate; ~~and~~

(iv) the definition of "~~education spending~~ supplemental district spending," the ~~number of pupils and number of equalized pupils in~~ long-term membership of the school district, and the district's ~~education spending~~ per ~~equalized~~ pupil supplemental district spending in the proposed budget and in each of the prior three years; and

(v) the supplemental district spending yield.

(D) The board shall present the budget to the voters by means of a ballot in the following form:

"Article #1 (School Budget):

Shall the voters of the school district approve the school board to expend $ _____, which is the amount the school board has determined to be necessary in excess of the school district's educational opportunity payment for the ensuing fiscal year?

The _____ District estimates that this proposed budget, if approved, will result in per pupil ~~education~~ supplemental district spending of $_____, which is _____% higher/lower than per pupil ~~education~~ supplemental district spending for the current year, and a supplemental district spending tax rate of _____ per $100.00 of equalized education property value."

* * *

Sec. 42. REPEALS

(a) 16 V.S.A. § 4031 (unorganized towns and gores) is repealed.

(b) 2022 Acts and Resolves No. 127, Sec. 8 (suspension of excess spending penalty, hold harmless provision, and ballot language requirement) is repealed.

(c) 16 V.S.A. § 2961 (census grant; special education) is repealed.

Sec. 43. 16 V.S.A. § 4032 is added to read

§ 4032. SUPPLEMENTAL DISTRICT SPENDING RESERVE

(a) There is hereby created the Supplemental District Spending Reserve within the Education Fund. Any recapture, as defined in 32 V.S.A. § 5401, paid to the Education Fund as part of the revenue from the supplemental district spending tax imposed pursuant to 32 V.S.A. § 5402(f) shall be reserved within the Supplemental District Spending Reserve.

(b) In any fiscal year in which the amounts raised through the supplemental district spending tax imposed pursuant to 32 V.S.A. § 5402(f) are insufficient to cover payment to each school district of its supplemental district spending, the Supplemental District Spending Reserve shall be used by the Commissioner of Finance and Management to the extent necessary to offset the deficit as determined by generally accepted accounting principles.

(c) Any funds remaining in the Supplemental District Spending Reserve at the close of the fiscal year after accounting for the process under subsection (b) of this section shall be transferred into the School Construction Aid Special Fund established in section 3444 of this title.

Sec. 44. AGENCY OF EDUCATION; TRANSPORTATION REIMBURSEMENT GUIDELINES

On or before December 15, 2025, the Agency of Education shall submit a written report to the House Committees on Ways and Means and on Education and the Senate Committees on Finance and on Education on clear and equitable guidelines for minimum transportation to be provided and covered by transportation reimbursement grant under 16 V.S.A. § 4016 as part of Vermont's education transformation.

Sec. 45. REPORTS; JOINT FISCAL OFFICE; INFLATIONARY MEASURES; PREKINDERGARTEN EDUCATION FUNDING

(a) On or before December 15, 2025, the Joint Fiscal Office shall submit a report to the House Committees on Ways and Means and on Education and the Senate Committees on Finance and on Education that analyzes the National Income and Product Accounts (NIPA) implicit price deflator for state and local government consumption expenditures and gross investment published by the U.S. Department of Commerce, Bureau of Economic Analysis, and alternative inflationary measures that may be applied to state education funding systems. As part of the report, the Joint Fiscal Office shall analyze options and provide considerations for selecting an inflationary measure appropriate to Vermont's education funding system.

(b) On or before December 15, 2025, the Joint Fiscal Office shall submit a report to the House Committee on Ways and Means, the Senate Committee on Finance, and the House and Senate Committees on Education on the current funding systems for prekindergarten education, the Child Care Financial

Assistance Program, or any other early care and learning systems. The report shall review financial incentives in these existing early care and learning systems. As part of the report, the Joint Fiscal Office shall provide considerations for changing the funding streams associated with these early care and learning systems to align with the education transformation initiatives envisioned in this act.

Sec. 45a. FOUNDATION FORMULA; JOINT FISCAL OFFICE; REPORT

(a) The Joint Fiscal Office shall contract with a contractor with expertise in Vermont's education funding system to develop a cost-factor foundation formula for Vermont's education system that includes tiered weights for CTE, English learners, and special education, and any other weights determined to be empirically necessary for an adequate and equitable education. The contractor shall recommend suitable geographic measures for determining sparsity within the foundation formula and shall specifically address the effects of using zip code as a geographic measure. The report shall include a detailed explanation of the analysis of the work done to arrive at the recommended weights and whether it costs more to educate a secondary student than an elementary student in Vermont. The contractor shall submit the foundation formula and analysis of geographic measures to the House Committee on Ways and Means, the Senate Committee on Finance, and the House and Senate Committees on Education on or before December 1, 2026.

(b) The sum of $150,000.00 is appropriated to the Joint Fiscal Office from the General Fund in fiscal year 2026 to hire a consultant for the purposes in subsection (a) of this section.

Sec. 45b. EDUCATIONAL OPPORTUNITY PAYMENTS; TRANSITION; FYS 2030–2033

(a) Notwithstanding 16 V.S.A. § 4001(16), in each of fiscal years 2030, 2031, 2032, and 2033, the educational opportunity payment for a school district shall equal the educational opportunity payment for the school district as calculated pursuant to 16 V.S.A. § 4010(f) plus a yearly adjustment equal to:

(1) in fiscal year 2030, the transition gap multiplied by 0.80;

(2) in fiscal year 2031, the transition gap multiplied by 0.60;

(3) in fiscal year 2032, the transition gap multiplied by 0.40; and

(4) in fiscal year 2033, the transition gap multiplied by 0.20.

(b) As used in this section:

(1) "Adjusted for inflation" means adjusting the school district's education spending by the National Income and Product Accounts (NIPA) implicit price deflator for state and local government consumption expenditures and gross investment published by the U.S. Department of Commerce, Bureau of Economic Analysis, from fiscal year 2028 through the fiscal year for which the amount is being determined and rounding upward to the nearest whole dollar amount.

(2) "Transition gap" means the amount, whether positive or negative, that results from subtracting the school district's educational opportunity payment as calculated pursuant to 16 V.S.A. § 4010(f) from the school district's education spending in fiscal year 2028, as adjusted for inflation. The school district's education spending shall be adjusted for inflation annually on or before November 15 by the Secretary of Education.

Sec. 45c. 32 V.S.A. § 5414 is amended to read:

§ 5414. CREATION; EDUCATION FUND ADVISORY COMMITTEE

* * *

(e) Meetings.

(1) The Commissioner of Taxes shall call the first meeting of the Committee to occur on or before July 15, ~~2025~~ 2027.

* * *

* * * Education Property Tax Rate Formula * * *

Sec. 46. 32 V.S.A. § 5401 is amended to read:

§ 5401. DEFINITIONS

As used in this chapter:

* * *

(8) ~~"Education spending" means "education spending" as defined in 16 V.S.A. § 4001(6).~~ [Repealed.]

* * *

(12) ~~"Excess spending" means:~~

~~(A) The per pupil spending amount of the district's education spending, as defined in 16 V.S.A. § 4001(6), plus any amount required to be added from a capital construction reserve fund under 24 V.S.A. § 2804(b).~~

~~(B) In excess of 118 percent of the statewide average district per pupil education spending increased by inflation, as determined by the Secretary of Education on or before November 15 of each year based on the~~

~~passed budgets to date. As used in this subdivision, "increased by inflation" means increasing the statewide average district per pupil education spending for fiscal year 2025 by the most recent New England Economic Project cumulative price index, as of November 15, for state and local government purchases of goods and services, from fiscal year 2025 through the fiscal year for which the amount is being determined.~~ [Repealed.]

(13)~~(A) "Education property tax spending adjustment" means the greater of one or a fraction in which the numerator is the district's per pupil education spending plus excess spending for the school year, and the denominator is the property dollar equivalent yield for the school year, as defined in subdivision (15) of this section.~~

~~(B) "Education income tax spending adjustment" means the greater of one or a fraction in which the numerator is the district's per pupil education spending plus excess spending for the school year, and the denominator is the income dollar equivalent yield for the school year, as defined in subdivision (16) of this section.~~ [Repealed.]

* * *

(15) ~~"Property dollar equivalent yield" means the amount of per pupil education spending that would result if the homestead tax rate were $1.00 per $100.00 of equalized education property value and the statutory reserves under 16 V.S.A. § 4026 and section 5402b of this title were maintained.~~ [Repealed.]

(16) ~~"Income dollar equivalent yield" means the amount of per pupil education spending that would result if the income percentage in subdivision 6066(a)(2) of this title were 2.0 percent and the statutory reserves under 16 V.S.A. § 4026 and section 5402b of this title were maintained.~~ [Repealed.]

(17) ~~"Statewide adjustment" means the ratio of the aggregate education property tax grand list of all municipalities to the aggregate value of the equalized education property tax grand list of all municipalities.~~ [Repealed.]

(18) "Recapture" means the amount of revenue raised through imposition of the supplemental district spending tax pursuant to subsection 5402(f) of this chapter that is in excess of the school district's supplemental district spending.

(19) "Supplemental district spending" means the spending that the voters of a school district approve in excess of the school district's educational opportunity payment, as defined in 16 V.S.A. § 4001(17), for the fiscal year, provided that the voters of a school district other than an interstate school district shall not approve spending in excess of 10 percent of the product of the base amount, as defined in 16 V.S.A. § 4001(16), and the school district's long-term membership, as defined in 16 V.S.A. § 4001(7).

(20) "Supplemental district spending yield" means the amount of property tax revenue per long-term membership as defined in 16 V.S.A. § 4001(7) that would be raised in the school district with the lowest taxing capacity using a supplemental district spending tax rate of $1.00 per $100.00 of equalized education property value.

(21) "Per pupil supplemental district spending" means the per pupil amount of supplemental district spending resulting from dividing a school district's supplemental district spending by its long-term membership as defined in 16 V.S.A. § 4001(7).

(22) "School district with the lowest taxing capacity" means the school district other than an interstate school district anticipated to have the lowest aggregate equalized education property tax grand list of its municipal members per long-term membership as defined in 16 V.S.A. § 4001(7) in the following fiscal year.

Sec. 47. 32 V.S.A. § 5402 is amended to read:

§ 5402. EDUCATION PROPERTY TAX LIABILITY

(a) A statewide education tax is imposed on all nonhomestead and homestead property at ~~the following rates:~~

~~(1) The tax rate for nonhomestead property shall be $1.59 per $100.00 divided by the statewide adjustment.~~

~~(2) The tax rate for homestead property shall be $1.00 multiplied by the education property tax spending adjustment for the municipality per $100.00 of equalized education property value as most recently determined under section 5405 of this title. The homestead property tax rate for each municipality that is a member of a union or unified union school district shall be calculated as required under subsection (e) of this section.~~ a uniform tax rate for nonhomestead property and a uniform tax rate for homestead property set sufficient to cover expenditures from the Education Fund other than supplemental district spending, after accounting for the forecasted available revenues. It is the intention of the General Assembly that the nonhomestead property tax rate and the homestead property tax rate under this section shall be adopted for each fiscal year by act of the General Assembly.

(b) The statewide education tax shall be calculated as follows:

(1) The Commissioner of Taxes shall determine for each municipality the education tax rates under subsection (a) of this section divided by the ~~number resulting from dividing the~~ municipality's most recent common level of appraisal ~~by the statewide adjustment~~. The legislative body in each municipality shall then bill each property taxpayer at the homestead or

nonhomestead rate determined by the Commissioner under this subdivision, multiplied by the education property tax grand list value of the property, properly classified as homestead or nonhomestead property and without regard to any other tax classification of the property not authorized under this chapter. Statewide education property tax bills shall show the tax due and the calculation of the rate determined under subsection (a) of this section, divided by ~~the number resulting from dividing~~ the municipality's most recent common level of appraisal ~~by the statewide adjustment~~, multiplied by the current grand list value of the property to be taxed. Statewide education property tax bills shall also include language provided by the Commissioner pursuant to subsection 5405(g) of this title.

(2) Taxes assessed under this section shall be assessed and collected in the same manner as taxes assessed under chapter 133 of this title with no tax classification other than as homestead or nonhomestead property; provided, however, that the tax levied under this chapter shall be billed to each taxpayer by the municipality in a manner that clearly indicates the tax is separate from any other tax assessed and collected under chapter 133, including an itemization of the separate taxes due. The bill may be on a single sheet of paper with the statewide education tax and other taxes presented separately and side by side.

(3) ~~If a district has not voted a budget by June 30, an interim homestead education tax shall be imposed at the base rate determined under subdivision (a)(2) of this section, divided by the number resulting from dividing the municipality's most recent common level of appraisal by the statewide adjustment, but without regard to any spending adjustment under subdivision 5401(13) of this title. Within 30 days after a budget is adopted and the deadline for reconsideration has passed, the Commissioner shall determine the municipality's homestead tax rate as required under subdivision (1) of this subsection.~~ [Repealed.]

(c)(1) The treasurer of each municipality shall by December 1 of the year in which the tax is levied and on June 1 of the following year pay to the State Treasurer for deposit in the Education Fund one-half of the municipality's statewide nonhomestead tax and one-half of the municipality's homestead education tax, as determined under subdivision (b)(1) of this section.

(2) The Secretary of Education shall determine each municipality's net nonhomestead education tax payment and its net homestead education tax payment to the State based on grand list information received by the Secretary not later than the March 15 prior to the June 1 net payment. Payment shall be accompanied by a return prescribed by the Secretary of Education. Each municipality may retain 0.225 of one percent of the total education tax

collected, only upon timely remittance of net payment to the State Treasurer or to the applicable school district or districts.

(d) [Repealed.]

(e) ~~The Commissioner of Taxes shall determine a homestead education tax rate for each municipality that is a member of a union or unified union school district as follows:~~

~~(1) For a municipality that is a member of a unified union school district, use the base rate determined under subdivision (a)(2) of this section and a spending adjustment under subdivision 5401(13) of this title based upon the per pupil education spending of the unified union.~~

~~(2) For a municipality that is a member of a union school district:~~

~~(A) Determine the municipal district homestead tax rate using the base rate determined under subdivision (a)(2) of this section and a spending adjustment under subdivision 5401(13) of this title based on the per pupil education spending in the municipality who attends a school other than the union school.~~

~~(B) Determine the union district homestead tax rate using the base rate determined under subdivision (a)(2) of this section and a spending adjustment under subdivision 5401(13) of this title based on the per pupil education spending of the union school district.~~

~~(C) Determine a combined homestead tax rate by calculating the weighted average of the rates determined under subdivisions (A) and (B) of this subdivision (2), with weighting based upon the ratio of union school long-term membership, as defined in 16 V.S.A. § 4001(7), from the member municipality to total long-term membership of the member municipality; and the ratio of long-term membership attending a school other than the union school to total long-term membership of the member municipality. Total long-term membership of the member municipality is based on the number of pupils who are legal residents of the municipality and attending school at public expense. If necessary, the Commissioner may adopt a rule to clarify and facilitate implementation of this subsection (e).~~ [Repealed.]

(f)(1) A supplemental district spending tax is imposed on all homestead and nonhomestead property in each member municipality of a school district that approves spending pursuant to a budget presented to the voters of a school district under 16 V.S.A. § 563. The Commissioner of Taxes shall determine the supplemental district spending tax rate for each school district by dividing the school district's per pupil supplemental district spending as certified by the Secretary of Education by the supplemental district spending yield. The legislative body in each member municipality shall then bill each property

taxpayer at the rate determined by the Commissioner under this subsection, divided by the municipality's most recent common level of appraisal and multiplied by the current grand list value of the property to be taxed. The bill shall show the tax due and the calculation of the rate.

(2) The supplemental district spending tax assessed under this subsection shall be assessed and collected in the same manner as taxes assessed under chapter 133 of this title with no tax classification other than as homestead or nonhomestead property; provided, however, that the tax levied under this chapter shall be billed to each taxpayer by the municipality in a manner that clearly indicates the tax is separate from any other tax assessed and collected under chapter 133 and the statewide education property tax under this section, including an itemization of the separate taxes due. The bill may be on a single sheet of paper with the supplemental district spending tax, the statewide education tax, and other taxes presented separately and side by side.

(3) The treasurer of each municipality shall on or before December 1 of the year in which the tax is levied and on or before June 1 of the following year pay to the State Treasurer for deposit in the Education Fund one-half of the municipality's supplemental district spending tax, as determined under subdivision (1) of this subsection.

(4) The Secretary of Education shall determine each municipality's net supplemental district spending tax payment to the State based on grand list information received by the Secretary not later than the March 15 prior to the June 1 net payment. Payment shall be accompanied by a return prescribed by the Secretary of Education. Each municipality may retain 0.225 of one percent of the total supplemental district spending tax collected, only upon timely remittance of net payment to the State Treasurer or to the applicable school district.

Sec. 48. 32 V.S.A. § 5402b is amended to read:

§ 5402b. STATEWIDE EDUCATION TAX ~~YIELDS~~ RATES; SUPPLEMENTAL DISTRICT SPENDING YIELD; RECOMMENDATION OF THE COMMISSIONER

(a) Annually, not later than December 1, the Commissioner of Taxes, after consultation with the Secretary of Education, the Secretary of Administration, and the Joint Fiscal Office, shall calculate and recommend a ~~property dollar equivalent yield, an income dollar equivalent yield, and a~~ nonhomestead property tax rate, a homestead property tax rate, and the supplemental district spending yield for the following fiscal year. In making these calculations, the Commissioner shall assume~~:~~ the statutory reserves are maintained at five percent pursuant to 16 V.S.A. § 4026 and the amounts in the Supplemental

District Spending Reserve are unavailable for any purpose other than that specified in 16 V.S.A. § 4032(b)

~~(1) the homestead base tax rate in subdivision 5402(a)(2) of this title is $1.00 per $100.00 of equalized education property value;~~

~~(2) the applicable percentage in subdivision 6066(a)(2) of this title is 2.0;~~

~~(3) the statutory reserves under 16 V.S.A. § 4026 and this section were maintained at five percent;~~

~~(4) the percentage change in the average education tax bill applied to nonhomestead property and the percentage change in the average education tax bill of homestead property and the percentage change in the average education tax bill for taxpayers who claim a credit under subsection 6066(a) of this title are equal;~~

~~(5) the equalized education grand list is multiplied by the statewide adjustment in calculating the property dollar equivalent yield; and~~

~~(6) the nonhomestead rate is divided by the statewide adjustment~~.

(b) For each fiscal year, the ~~property dollar equivalent~~ supplemental district spending yield ~~and the income dollar equivalent yield~~ shall be the same as in the prior fiscal year, unless set otherwise by the General Assembly.

* * *

(d) Along with the recommendations made under this section, the Commissioner shall include:

(1) the base amount as defined in 16 V.S.A. § 4001(16);

(2) for each school district, the estimated long-term membership, weighted long-term membership, and aggregate equalized education property tax grand list of its municipal members;

(3) for each school district, the estimated aggregate equalized education property tax grand list of its municipal members per long-term membership;

(4) the estimated school district with the lowest taxing capacity; and

(5) the range of per pupil supplemental district spending between all districts in the State for the previous year.

* * *

Sec. 48a. HOMESTEAD PROPERTY TAX RATE; TRANSITION; FYS 2030–2033

(a) Notwithstanding 32 V.S.A. § 5402, in each of fiscal years 2030, 2031, 2032, and 2033, the homestead property tax rate for a school district shall equal the homestead property tax rate imposed pursuant to 32 V.S.A. § 5402 plus a yearly adjustment equal to:

(1) in fiscal year 2030, the transition gap multiplied by 0.80;

(2) in fiscal year 2031, the transition gap multiplied by 0.60;

(3) in fiscal year 2032, the transition gap multiplied by 0.40; and

(4) in fiscal year 2033, the transition gap multiplied by 0.20.

(b) As used in this section, "transition gap" means the amount, whether positive or negative, that results from subtracting the uniform homestead property tax rate for fiscal year 2030 were it calculated assuming no tax rate transition under this section from the homestead property tax rate for the school district in fiscal year 2029.

* * * Conforming Revisions; Statewide Property Tax Rate * * *

Sec. 49. 32 V.S.A. § 5404a(b)(1) is amended to read:

(b)(1) An agreement affecting the education property tax grand list defined under subsection (a) of this section shall reduce the municipality's education property tax liability under this chapter for the duration of the agreement or exemption without extension or renewal, and for a maximum of 10 years. A municipality's property tax liability under this chapter shall be reduced by any difference between the amount of the education property taxes collected on the subject property and the amount of education property taxes that would have been collected on such property if its fair market value were taxed at the equalized ~~nonhomestead~~ rate for the tax year.

Sec. 50. 32 V.S.A. § 5405(g) is amended to read:

(g) The Commissioner shall provide to municipalities for the front of property tax bills the ~~district~~ homestead property tax rate before equalization, the ~~nonresidential~~ nonhomestead property tax rate before equalization, and the calculation process that creates the equalized homestead and nonhomestead tax rates. The Commissioner shall further provide to municipalities for the back of property tax bills an explanation of the common level of appraisal, including its origin and purpose.

* * * Statewide Property Tax Credit Repeal; Homestead Exemption Created * * *

Sec. 51. 32 V.S.A. § 5400 is amended to read:

§ 5400. STATUTORY PURPOSES

* * *

(c) The statutory purpose of the exemption for qualified housing in subdivision 5404a(a)(6) of this title is to ensure that taxes on this rent-restricted housing provided to Vermonters of low and moderate income are more equivalent to property taxed ~~using the State~~ as a homestead ~~rate~~ property and to adjust the costs of investment in rent-restricted housing to reflect more accurately the revenue potential of such property.

* * *

(j) The statutory purpose of the homestead property tax exemption in subdivision 6066(a)(1) of this title is to reduce the property tax liability for Vermont households with low and moderate household income.

Sec. 52. 32 V.S.A. chapter 154 is amended to read:

CHAPTER 154. HOMESTEAD PROPERTY TAX EXEMPTION, MUNICIPAL PROPERTY TAX CREDIT, AND RENTER CREDIT

§ 6061. DEFINITIONS

As used in this chapter ~~unless the context requires otherwise~~:

(1) "~~Property~~ Municipal property tax credit" means a credit of the prior tax year's ~~statewide or~~ municipal property tax liability ~~or a homestead owner credit,~~ as authorized under ~~section~~ subdivision 6066(a)(2) of this ~~title, as the context requires~~ chapter.

* * *

(8) ~~"Annual tax levy" means the property taxes levied on property taxable on April 1 and without regard to the year in which those taxes are due or paid.~~ [Repealed.]

(9) "Taxable year" means the calendar year preceding the year in which the claim is filed.

(10) [Repealed.]

(11) "Housesite" means that portion of a homestead, as defined under subdivision 5401(7) of this title but not under subdivision 5401(7)(G) of this title, that includes as much of the land owned by the claimant surrounding the dwelling as is reasonably necessary for use of the dwelling as a home, but in

no event more than two acres per dwelling unit, and, in the case of multiple dwelling units, not more than two acres per dwelling unit up to a maximum of 10 acres per parcel.

(12) "Claim year" means the year in which a claim is filed under this chapter.

(13) "Homestead" means a homestead as defined under subdivision 5401(7) of this title, but not under subdivision 5401(7)(G) of this title, and declared on or before October 15 in accordance with section 5410 of this title.

(14) ~~"Statewide education tax rate" means the homestead education property tax rate multiplied by the municipality's education spending adjustment under subdivision 5402(a)(2) of this title and used to calculate taxes assessed in the municipal fiscal year that began in the taxable year.~~ [Repealed.]

* * *

(21) "Homestead property tax exemption" means a reduction in the amount of housesite value subject to the statewide education tax and the supplemental district spending tax in the claim year as authorized under sections 6066 and 6066a of this chapter.

§ 6062. NUMBER AND IDENTITY OF CLAIMANTS; APPORTIONMENT

* * *

(d) Whenever a housesite is an integral part of a larger unit such as a farm or a multi-purpose or multi-dwelling building, property taxes paid shall be that percentage of the total property tax as the value of the housesite is to the total value. Upon a claimant's request, the listers shall certify to the claimant the value of ~~his or her~~ the claimant's homestead and housesite.

* * *

§ 6063. CLAIM AS PERSONAL; CREDIT AND EXEMPTION AMOUNT AT TIME OF TRANSFER

(a) The right to file a claim under this chapter is personal to the claimant and shall not survive ~~his or her~~ the claimant's death, but the right may be exercised on behalf of a claimant by ~~his or her~~ the claimant's legal guardian or attorney-in-fact. When a claimant dies after having filed a timely claim, the municipal property tax credit and the homestead exemption amount shall be ~~credited~~ applied to the ~~homestead~~ property tax liability of the claimant's estate as provided in section 6066a of this title.

(b) In case of sale or transfer of a residence~~,~~ after April 1 of the claim year:

(1) any municipal property tax credit ~~amounts~~ amount related to that residence shall be allocated to the ~~seller~~ transferor at closing unless the parties otherwise agree;

(2) any homestead property tax exemption related to that residence based on the transferor's household income under subdivision 6066(a)(1) of this chapter shall cease to be in effect upon transfer; and

(3) a transferee who is eligible to declare the residence as a homestead but for the requirement to own the residence on April 1 of the claim year shall, notwithstanding subdivision 5401(7) and subsection 5410(b) of this title, be eligible to apply for a homestead property tax exemption in the claim year when the transfer occurs by filing with the Commissioner of Taxes a homestead declaration pursuant to section 5410 of this title and a claim for exemption on or before the due date prescribed under section 6068 of this chapter.

* * *

§ 6065. FORMS; TABLES; NOTICES

(a) In administering this chapter, the Commissioner shall provide suitable claim forms with tables of allowable claims, instructions, and worksheets for claiming a homestead property tax exemption and municipal property tax credit.

(b) Prior to June 1, the Commissioner shall also prepare and supply to each town in the State notices describing the homestead property tax exemption and municipal property tax credit for inclusion in property tax bills. The notice shall be in simple, plain language and shall explain how to file for a homestead property tax exemption and a municipal property tax credit, where to find assistance filing for a credit or an exemption, or both, and any other related information as determined by the Commissioner. The notice shall direct taxpayers to a resource where they can find versions of the notice translated into the five most common non-English languages in the State. A town shall include such notice in each tax bill and notice of delinquent taxes that it mails to taxpayers who own in that town a residential property, without regard for whether the property was declared a homestead pursuant to subdivision 5401(7) of this title.

(c) Notwithstanding the provisions of subsection (b) of this section, towns that use envelopes or mailers not able to accommodate notices describing the homestead property tax exemption and municipal property tax credit may distribute such notices in an alternative manner.

§ 6066. COMPUTATION OF HOMESTEAD PROPERTY TAX EXEMPTION, MUNICIPAL PROPERTY TAX CREDIT, AND RENTER CREDIT

(a) ~~An eligible claimant who owned the homestead on April 1 of the year in which the claim is filed shall be entitled to a credit for the prior year's homestead property tax liability amount determined as follows:~~

~~(1)(A) For a claimant with household income of $90,000.00 or more:~~

~~(i) the statewide education tax rate, multiplied by the equalized value of the housesite in the taxable year;~~

~~(ii) minus (if less) the sum of:~~

~~(I) the income percentage of household income for the taxable year; plus~~

~~(II) the statewide education tax rate, multiplied by the equalized value of the housesite in the taxable year in excess of $225,000.00.~~

~~(B) For a claimant with household income of less than $90,000.00 but more than $47,000.00, the statewide education tax rate, multiplied by the equalized value of the housesite in the taxable year, minus (if less) the sum of:~~

~~(i) the income percentage of household income for the taxable year; plus~~

~~(ii) the statewide education tax rate, multiplied by the equalized value of the housesite in the taxable year in excess of $400,000.00.~~

~~(C) For a claimant whose household income does not exceed $47,000.00, the statewide education tax rate, multiplied by the equalized value of the housesite in the taxable year, minus the lesser of:~~

~~(i) the sum of the income percentage of household income for the taxable year plus the statewide education tax rate, multiplied by the equalized value of the housesite in the taxable year in excess of $400,000.00; or~~

~~(ii) the statewide education tax rate, multiplied by the equalized value of the housesite in the taxable year reduced by $15,000.00.~~

~~(2) "Income percentage" in this section means two percent, multiplied by the education income tax spending adjustment under subdivision 5401(13)(B) of this title for the property tax year that begins in the claim year for the municipality in which the homestead residence is located~~

(1) An eligible claimant who owned the homestead on April 1 of the claim year and whose household income does not exceed $100,000.00 shall be

entitled to a homestead property tax exemption in the claim year in an amount determined as follows:

If household income (rounded to the nearest dollar) is:	then the claimant is entitled to a homestead property tax exemption against the first $425,000.00 in housesite value of this percent:
$0.00 — 9,999.00	99.00
$10,000.00 — 14,999.00	97.00
$15,000.00 — 24,999.00	95.00
$25,000.00 — 39,999.00	90.00
$40,000.00 — 44,999.00	85.00
$45,000.00 — 49,999.00	80.00
If household income (rounded to the nearest dollar) is:	then the claimant is entitled to a homestead property tax exemption against the first $400,000.00 in housesite value of this percent:
$50,000.00 — 54,999.00	75.00
$55,000.00 — 59,999.00	65.00
$60,000.00 — 64,999.00	55.00
$65,000.00 — 69,999.00	45.00
$70,000.00 — 74,999.00	35.00
$75,000.00 — 79,999.00	25.00
$80,000.00 — 84,999.00	20.00
$85,000.00 —89,999.00	15.00
$90,000.00 —94,999.00	10.00
$95,000.00 — 100,000.00	5.00

~~(3)~~(2) ~~A~~ An eligible claimant who owned the homestead on April 1 of the claim year and whose household income does not exceed $47,000.00 shall also be entitled to ~~an additional~~ a credit amount ~~from~~ against the claimant's municipal taxes for the upcoming fiscal year that is equal to the amount by which the municipal property taxes for the municipal fiscal year that began in

the taxable year upon the claimant's housesite exceeds a percentage of the claimant's household income for the taxable year as follows:

If household income (rounded to the nearest dollar) is:	then the taxpayer is entitled to credit for the reduced property tax in excess of this percent of that income:
$0.00 — 9,999.00	1.50
$10,000.00 — 47,000.00	3.00

~~(4) A claimant whose household income does not exceed $47,000.00 shall also be entitled to an additional credit amount from the claimant's statewide education tax for the upcoming fiscal year that is equal to the amount by which the education property tax for the municipal fiscal year that began in the taxable year upon the claimant's housesite, reduced by the credit amount determined under subdivisions (1) and (2) of this subsection, exceeds a percentage of the claimant's household income for the taxable year as follows:~~

~~If household income (rounded to the nearest dollar) is:~~	~~then the taxpayer is entitled to credit for the reduced property tax in excess of this percent of that income:~~
~~$0.00 — 9,999.00~~	~~0.5~~
~~$10,000.00 — 24,999.00~~	~~1.5~~
~~$25,000.00 — 47,000.00~~	~~2.0~~

~~(5)~~(3) In no event shall the homestead property tax exemption provided for in subdivision (1) of this subsection reduce the housesite value below zero. In no event shall the municipal property tax credit provided for in subdivision ~~(3) or (4)~~(2) of this subsection exceed the amount of the reduced municipal property tax. ~~The credits under subdivision (4) of this subsection shall be calculated considering only the tax due on the first $400,000.00 in equalized housesite value.~~

(4) Each dollar amount in subdivision (1) of this subsection shall be adjusted for inflation annually on or before November 15 by the Commissioner of Taxes. As used in this subdivision, "adjusted for inflation" means adjusting the dollar amount by the National Income and Product Accounts (NIPA) implicit price deflator for state and local government consumption expenditures and gross investment published by the U.S. Department of Commerce, Bureau of Economic Analysis, from fiscal year 2025 through the fiscal year for which the amount is being determined and rounding upward to the nearest whole dollar amount.

(b)(1) An eligible claimant who rented the homestead shall be entitled to a credit for the taxable year in an amount not to exceed $2,500.00, to be calculated as follows:

* * *

(c) To be eligible for an ~~adjustment~~ exemption or credit under this chapter, the claimant:

(1) must have been domiciled in this State during the entire taxable year;

(2) may not be a person claimed as a dependent by any taxpayer under the federal Internal Revenue Code during the taxable year; and

(3) in the case of a renter, shall have rented property for at least six calendar months, which need not be consecutive, during the taxable year.

(d) The owner of a mobile home that is sited on a lot not owned by the homeowner may include an amount determined under subdivision 6061(7) of this title as allocable rent paid on the lot with the amount of property taxes paid by the homeowner on the home for the purpose of computation of ~~credits~~ the municipal property tax credit under subdivision (a)~~(3)~~(2) of this section, unless the homeowner has included in the claim an amount of property tax on common land under the provisions of subsection (e) of this section.

(e) Property taxes paid by a cooperative, not including a mobile home park cooperative, allocable to property used as a homestead shall be attributable to the co-op member for the purpose of computing the ~~credit of~~ property tax liability of the co-op member under this section. Property owned by a cooperative declared as a homestead may only include the homestead and a pro rata share of any common land owned or leased by the cooperative, not to exceed the two-acre housesite limitation. The share of the cooperative's assessed value attributable to the housesite shall be determined by the cooperative and specified annually in a notice to the co-op member. Property taxes paid by a mobile home park cooperative, allocable to property used as a housesite, shall be attributed to the owner of the housesite for the purpose of computing the ~~credit of~~ property tax liability of the housesite owner under this section. Property owned by the mobile home park cooperative and declared as a housesite may only include common property of the cooperative contiguous with at least one mobile home lot in the park, not to exceed the two-acre housesite limitation. The share attributable to any mobile home lot shall be determined by the cooperative and specified in the cooperative agreement. A co-op member who is the housesite owner shall be entitled to a property tax credit in an amount determined by multiplying the property taxes allocated under this subsection by the percentage of the exemption for which the

housesite owner's household income qualifies under subdivision (a)(1) of this section.

(f) [Repealed.]

(g) Notwithstanding subsection (d) of this section, if the land surrounding a homestead is owned by a nonprofit corporation or community land trust with tax exempt status under 26 U.S.C. § 501(c)(3), the homeowner may include an allocated amount as property tax paid on the land with the amount of property taxes paid by the homeowner on the home for the purposes of computation of ~~the credit~~ property tax liability under this section. The allocated amount shall be determined by the nonprofit corporation or community land trust on a proportional basis. The nonprofit corporation or community land trust shall provide to that homeowner, by January 31, a certificate specifying the allocated amount. The certificate shall indicate the proportion of total property tax on the parcel that was assessed for municipal property tax and for statewide property tax and the proportion of total value of the parcel. A homeowner under this subsection shall be entitled to a property tax credit in an amount determined by multiplying the property taxes allocated under this subsection by the percentage of the exemption for which the homeowner's household income qualifies under subdivision (a)(1) of this section.

(h) A homestead owner shall be entitled to an additional property tax credit amount equal to one percent of the amount of income tax refund that the claimant elects to allocate to payment of homestead property tax under section 6068 of this title.

(i) ~~Adjustments~~ The homestead property tax exemption and the municipal property tax credit under subsection (a) of this section shall be calculated without regard to any exemption under subdivision 3802(11) of this title.

§ 6066a. DETERMINATION OF HOMESTEAD PROPERTY TAX EXEMPTION AND MUNICIPAL PROPERTY TAX CREDIT

(a) Annually, the Commissioner shall determine the homestead property tax exemption and the municipal property tax credit amount under section 6066 of this title, related to a homestead owned by the claimant, based on the prior taxable year's income and for the municipal property tax credit, crediting property taxes paid in the prior year, and for the homestead property tax exemption, exempting the housesite value in the claim year. The Commissioner shall notify the municipality in which the housesite is located of the amount of the homestead property tax exemption and municipal property tax credit for the claimant for homestead property tax liabilities on a monthly basis. The municipal property tax credit of a claimant who was assessed property tax by a town that revised the dates of its fiscal year, however, is the

excess of the property tax that was assessed in the last 12 months of the revised fiscal year, over the adjusted property tax of the claimant for the revised fiscal year, as determined under section 6066 of this title, related to a homestead owned by the claimant.

(b) The Commissioner shall include in the total homestead property tax exemption and municipal property tax credit amount determined under subsection (a) of this section, for credit to the taxpayer for homestead property tax and supplemental district spending tax liabilities, any income tax overpayment remaining after allocation under section 3112 of this title and setoff under section 5934 of this title, which the taxpayer has directed to be used for payment of property taxes.

(c) The Commissioner shall notify the municipality of any claim and refund amounts unresolved by November 1 at the time of final resolution, including adjudication, if any; provided, however, that towns will not be notified of any additional credit amounts after November 1 of the claim year, and such amounts shall be paid to the claimant by the Commissioner.

(d) [Repealed.]

(e) At the time of notice to the municipality, the Commissioner shall notify the taxpayer of the homestead property tax ~~credit~~ exemption amount determined under subdivision 6066(a)(1) of this title~~, the amount determined under subdivision 6066(a)(3) of this title,~~; any ~~additional~~ municipal property credit ~~amounts~~ amount due the homestead owner under ~~section~~ subdivision 6066(a)(2) of this title~~,~~; the amount of income tax refund, if any, allocated to payment of homestead property tax liabilities~~,~~; and any late-claim reduction amount.

(f)(1) For taxpayers and amounts stated in the notice to towns on or before July 1, municipalities shall create and send to taxpayers a homestead property tax bill, instead of the bill required under subdivision 5402(b)(1) of this title, providing the total amount allocated to payment of homestead education property tax liabilities and notice of the balance due. Municipalities shall apply the amount of the homestead property tax exemption allocated under this chapter to current year property taxes in equal amounts to each of the taxpayers' property tax installments that include education taxes and the amount of the municipal property tax credit allocated under this chapter to current year municipal property taxes in equal amounts to each of the taxpayers' property tax installments that include municipal taxes. Notwithstanding section 4772 of this title, if a town issues a corrected bill as a result of the notice sent by the Commissioner under subsection (a) of this section, issuance of the corrected new bill does not extend the time for payment of the original bill nor relieve the taxpayer of any interest or penalties

associated with the original bill. If the corrected bill is less than the original bill, and there are also no unpaid current year taxes, interest, or penalties, and no past year delinquent taxes or penalties and interest charges, any overpayment shall be reflected on the corrected tax bill and refunded to the taxpayer.

(2) For homestead property tax exemption and municipal property tax credit amounts for which municipalities receive notice after November 1, municipalities shall issue a new homestead property tax bill with notice to the taxpayer of the total amount allocated to payment of homestead property tax liabilities and notice of the balance due.

(3) The homestead property tax exemption and municipal property tax credit amount determined for the taxpayer shall be allocated first to current year housesite value and property tax on the homestead parcel, next to current-year homestead parcel penalties and interest, next to any prior year homestead parcel penalties and interest, and last to any prior year housesite value and property tax on the homestead parcel. No homestead property tax exemption or municipal credit shall be allocated to a housesite value or property tax liability for any year after the year for which the claim or refund allocation was filed. No municipal tax-reduction incentive for early payment of taxes shall apply to any amount allocated to the property tax bill under this chapter.

(4) If the homestead property tax exemption or the municipal property tax credit amount as described in subsection (e) of this section exceeds the property tax, penalties, and interest due for the current and all prior years, the municipality shall refund the excess to the taxpayer, without interest, within 20 days of the first date upon which taxes become due and payable or 20 days after notification of the exemption or credit amount by the Commissioner of Taxes, whichever is later.

(g) The Commissioner of Taxes shall pay monthly to each municipality the amount of municipal property tax credit of which the municipality was last notified related to municipal property tax on homesteads within that municipality, as determined by the Commissioner of Taxes.

§ 6067. ~~CREDIT~~ CLAIM LIMITATIONS

(a) Claimant. Only one individual per household per taxable year shall be entitled to a homestead exemption claim or property tax credit claim, or both, under this chapter.

(b) Other states. An individual who received a homestead exemption or credit with respect to property taxes assessed by another state for the taxable year shall not be entitled to receive a credit under this chapter.

(c) Dollar amount. No ~~taxpayer~~ claimant shall receive a renter credit under subsection 6066(b) of this title in excess of $2,500.00. No ~~taxpayer~~ claimant shall receive a municipal property tax credit under subdivision 6066(a)~~(3)~~(2) of this title greater than $2,400.00 ~~or cumulative credit under subdivisions 6066(a)(1)-(2) and (4) of this title greater than $5,600.00~~.

§ 6068. APPLICATION AND TIME FOR FILING

(a) A homestead property tax exemption or municipal property tax credit claim or request for allocation of an income tax refund to homestead property tax payment shall be filed with the Commissioner on or before the due date for filing the Vermont income tax return, without extension, and shall describe the school district in which the homestead property is located and shall particularly describe the homestead property for which the exemption or credit ~~or allocation~~ is sought, including the school parcel account number prescribed in subsection 5404(b) of this title. A renter credit claim shall be filed with the Commissioner on or before the due date for filing the Vermont income tax return, without extension.

(b)(1) If ~~the~~ a claimant files a municipal property tax credit claim after October 15 but on or before March 15 of the following calendar year, the municipal property tax credit under this chapter:

~~(1)~~(A) shall be reduced in amount by $150.00, but not below $0.00;

~~(2)~~(B) shall be issued directly to the claimant; and

~~(3)~~(C) shall not require the municipality where the claimant's property is located to issue an adjusted ~~homestead~~ property tax bill.

(2) If a claimant files a homestead property tax exemption claim under this chapter after October 15 but on or before March 15 of the following calendar year, the claimant shall pay a penalty of $150.00 and the municipality where the claimant's property is located shall not be required to issue an adjusted property tax bill.

(c) No request for allocation of an income tax refund or for a renter credit claim may be made after October 15. No homestead property tax exemption or municipal property tax credit claim may be made after March 15 of the calendar year following the due date under subsection (a) of this section.

* * *

§ 6070. DISALLOWED CLAIMS

A claim shall be disallowed if the claimant received title to ~~his or her~~ the claimant's homestead primarily for the purpose of receiving benefits under this chapter.

§ 6071. EXCESSIVE AND FRAUDULENT CLAIMS

(a) In any case in which it is determined under the provisions of this title that a claim is or was excessive and was filed with fraudulent intent, the claim shall be disallowed in full and the Commissioner may impose a penalty equal to the amount claimed. A disallowed claim may be recovered by assessment as income taxes are assessed. The assessment, including assessment of penalty, shall bear interest from the date the claim was credited against property tax or income tax or paid by the State until repaid by the claimant at the rate per annum established from time to time by the Commissioner pursuant to section 3108 of this title. The claimant in that case, and any person who assisted in the preparation of filing of such excessive claim or supplied information upon which the excessive claim was prepared, with fraudulent intent, shall be fined not more than $1,000.00 or be imprisoned not more than one year, or both.

(b) In any case in which it is determined that a claim is or was excessive, the Commissioner may impose a 10 percent penalty on such excess, and if the claim has been paid or credited against property tax or income tax otherwise payable, the municipal property tax credit or homestead exemption shall be reduced or canceled and the proper portion of any amount paid shall be similarly recovered by assessment as income taxes are assessed, and such assessment shall bear interest at the rate per annum established from time to time by the Commissioner pursuant to section 3108 of this title from the date of payment or, in the case of credit of a municipal property tax bill under section 6066a of this title, from December 1 of the year in which the claim is filed until refunded or paid.

* * *

§ 6073. ~~REGULATIONS~~ RULES OF THE COMMISSIONER

The Commissioner may, from time to time, ~~issue~~ adopt, amend, and withdraw ~~regulations~~ rules interpreting and implementing this chapter.

§ 6074. AMENDMENT OF CERTAIN CLAIMS

At any time within three years after the date for filing claims under subsection 6068(a) of this chapter, a claimant who filed a claim by October 15 may file to amend that claim with regard to housesite value, ~~housesite education tax,~~ housesite municipal tax, and ownership percentage or to correct the amount of household income reported on that claim.

Sec. 53. DEPARTMENT OF TAXES; HOMESTEAD DECLARATION; SAMPLE FORM;

On or before December 15, 2025, the Department of Taxes shall provide to the House Committee on Ways and Means and the Senate Committee on Finance suggestions for updating the homestead declaration under 32 V.S.A. § 5410 to address the implementation of the homestead exemption under section 19 of this act, which may be provided as a sample form.

Sec. 53a. DEPARTMENT OF TAXES; HOMESTEAD EXEMPTION; REPORT

(a) It is the intent of the General Assembly to transition the way income-based property tax relief is provided to homestead property owners from the existing credit system towards an income-based homestead exemption.

(b) On or before January 15, 2026, the Department of Taxes, in consultation with the Joint Fiscal Office, shall submit a proposal to the House Committee on Ways and Means and the Senate Committee on Finance designing a homestead exemption structure that minimizes the:

(1) property tax impacts for homestead property owners under the new education tax structure established in this act;

(2) benefit cliffs compared to those in the existing credit system; and

(3) aggregate fiscal impact relative to the existing credit system.

(c) The Department of Taxes shall additionally include with its proposal recommendations for an inflationary adjustment measure suited to the income sensitivity and housesite value measures of the proposed homestead exemption.

* * * Conforming Revisions; Property Tax Credit Repeal * * *

Sec. 54. 11 V.S.A. § 1608 is amended to read:

§ 1608. ELIGIBILITY FOR PROPERTY TAX RELIEF

Members of cooperative housing corporations shall be eligible to apply for and receive a homestead property tax ~~adjustment~~ exemption and municipal property tax credit under 32 V.S.A. § 6066, subject to the conditions of eligibility set forth therein.

Sec. 55. 32 V.S.A. § 3102(j) is amended to read:

(j) Tax bills prepared by a municipality under subdivision 5402(b)(1) of this title showing only the amount of total tax due shall not be considered confidential return information under this section. For the purposes of calculating ~~credits~~ the homestead property tax exemption and the municipal

property tax credit under chapter 154 of this title, information provided by the Commissioner to a municipality under subsection 6066a(a) of this title and information provided by the municipality to a taxpayer under subsection 6066a(f) shall be considered confidential return information under this section.

Sec. 56. 32 V.S.A. § 3206(b) is amended to read:

(b) As used in this section, "extraordinary relief" means a remedy that is within the power of the Commissioner to grant under this title, a remedy that compensates for the result of inaccurate classification of property as homestead or nonhomestead pursuant to section 5410 of this title through no fault of the taxpayer, or a remedy that makes changes to a taxpayer's homestead property tax exemption, municipal property tax credit, or renter credit claim necessary to remedy the problem identified by the Taxpayer Advocate.

* * * Future Review of Foundation Formula * * *

Sec. 57. 32 V.S.A. § 5414 is amended to read:

§ 5414. CREATION; EDUCATION FUND ADVISORY COMMITTEE

(a) Creation. There is created the Education Fund Advisory Committee to monitor Vermont's education financing system, conduct analyses, assist with the transformation of Vermont's education finance system, and perform the duties under subsection (c) of this section.

* * *

(c) Powers and duties.

(1) Annually, on or before December 15, the Committee shall make recommendations to the General Assembly regarding:

(A) updating the weighting factors using the weighting model and methodology used to arrive at the weights enacted under 2022 Acts and Resolves No. 127, which may include recalibration, recalculation, adding or eliminating weights, or any combination of these actions, as necessary;

(B) changes to, or the addition of new or elimination of existing, categorical aid, as necessary;

(C) changes to income levels eligible for a property tax credit under section 6066 of this title;

(D) means to adjust the revenue sources for the Education Fund;

(E) means to improve equity, transparency, and efficiency in education funding statewide;

(F) the amount of the Education Fund stabilization reserve;

(G) school district use of reserve fund accounts;

(H) national best practices for addressing intra-school district effects of a foundation formula, including through the use of weighting factors;

(I) whether to transition from a cost-based foundation formula to an evidence-based foundation formula;

(J) methods for ensuring school districts spend their educational opportunity payments on the costs that underlie Vermont's foundation formula; and

(K) any other topic, factor, or issue the Committee deems relevant to its work and recommendations.

* * *

Sec. 58. 16 V.S.A. § 4001 is amended to read:

§ 4001. DEFINITIONS

As used in this chapter:

* * *

(16) "Base amount" means a per pupil ~~cost-factor~~ evidence-based amount of $~~15,033.00~~ 10,000.00, which shall be adjusted for inflation annually on or before November 15 by the Secretary of Education. As used in this subdivision, "adjusted for inflation" means adjusting the base dollar amount by the National Income and Product Accounts (NIPA) implicit price deflator for state and local government consumption expenditures and gross investment published by the U.S. Department of Commerce, Bureau of Economic Analysis, from fiscal year 2025 through the fiscal year for which the amount is being determined, and rounding upward to the nearest whole dollar amount.

* * *

Sec. 59. 16 V.S.A. § 4010 is amended to read:

§ 4010. DETERMINATION OF WEIGHTED LONG-TERM MEMBERSHIP AND EDUCATION OPPORTUNITY PAYMENT

* * *

(d) Determination of weighted long-term membership. For each weighting category, the Secretary shall compute the weighting count by using the long-term membership, as defined in subdivision 4001(7) of this title, in that category.

(1) [Repealed.]

(2) Each pupil included in long-term membership whose family is at or below 185 percent of FPL shall receive an additional weighting amount of ~~1.02~~ 1.00.

(3) Each EL pupil included in long-term membership shall receive an additional weighting amount, based on the EL pupil's English language proficiency level, of:

(A) ~~2.11~~ 1.00, if assessed as Level 1;

(B) ~~1.41~~ 1.00, if assessed as Level 2 or 3;

(C) ~~1.20~~ 1.00, if assessed as Level 4; or

(D) ~~0.12~~ 1.00, if assessed as Level 5 or 6.

(4) Each EL pupil that is a Newcomer or SLIFE included in long-term membership shall receive an additional weighting amount of ~~0.42~~ 1.00.

(5) Each child with a disability included in long-term membership shall receive an additional weighting amount, based on the categorization of the child's disability, of:

(A) ~~0.79~~ 1.00, if the disability is identified as Category A;

(B) ~~1.35~~ 1.00, if the disability is identified as Category B; or

(C) ~~2.49~~ 1.00, if the disability is identified as Category C.

* * *

* * * Grand List Parcel Data * * *

Sec. 60. 32 V.S.A. § 4152 is amended to read:

§ 4152. CONTENTS

(a) When completed, the grand list of a town shall be in such form as the Director prescribes and shall contain such information as the Director prescribes, including:

(1) In alphabetical order, the name of each real property owner and each owner of taxable personal property.

(2) The last known mailing address of all such owners.

(3) A brief description of each parcel of taxable real estate in the town. ~~"Parcel"~~ As used in this subdivision, "parcel" means a separate and sellable lot or piece of real estate. Parcels may be combined to represent all contiguous land in the same ownership, together with all improvements thereon.

Sec. 61. PROPERTY TAX CLASSIFICATIONS STUDY; IMPLEMENTATION PROPOSAL

On or before December 15, 2025, in consultation with relevant stakeholders, the Commissioner of Taxes shall submit in writing to the House Committee on Ways and Means and the Senate Committee on Finance a report regarding the establishment of a system for property tax classifications that would allow for different tax rates on different classes of property. The report shall include:

(1) one or more ways to define, identify, and classify residential properties based on present-day use;

(2) a proposed method for classifying mixed-use parcels wherein different portions of the same parcel are used for different purposes;

(3) proposed methods for collecting the data necessary to administer the proposed tax classification system, including a description of any new or revised forms;

(4) a proposed method for appeals under the proposed tax classification system; and

(5) proposed methods to ensure taxpayer compliance with the new system, including ways to prevent taxpayers from circumventing the legislative intent to tax properties used primarily as second homes and short-term rentals at a higher rate.

* * * Regional Assessment Districts * * *

Sec. 62. 32 V.S.A. chapter 121, subchapter 1A is added to read:

Subchapter 1A. Statewide and Regional Property Assessment

§ 3415. LEGISLATIVE INTENT

It is the intent of the General Assembly in adopting this subchapter to create regional assessment districts so that:

(1) properties on grand lists are regularly reappraised;

(2) property data collection is consistent and standardized across the State; and

(3) property valuation is conducted by trained and certified individuals and firms.

§ 3416. REGIONAL ASSESSMENT DISTRICTS; ESTABLISHMENT

(a) There are hereby established 12 regional assessment districts, whose member municipalities shall fully and jointly reappraise their grand lists every

six years pursuant to subsection 3417(b) of this subchapter. Member municipalities shall contract jointly with one or more third parties to conduct reappraisals.

(b) Each county shall constitute one regional assessment district, except that Franklin and Grand Isle Counties shall constitute one district and Essex and Orleans Counties shall constitute one district.

§ 3417. STANDARD GUIDELINES; PROCEDURES; RULEMAKING

(a) The Director of Property Valuation and Review shall establish standard guidelines and procedures, and may adopt rules, for regional assessment districts, including:

(1) guidelines for contracting with third parties to conduct or assist with reappraisals, including standard reappraisal contract terms;

(2) standards for the collection and recordation of parcel data;

(3) requirements relating to information technology, including standards for data software contracts and computer-assisted mass appraisal systems; and

(4) standardized practices for a full reappraisal, including cases in which physical inspections are unnecessary and how technology is to be utilized.

(b) The Director of Property Valuation and Review shall establish a schedule for each regional assessment district to fully reappraise every six years. The Director, at the Director's discretion, may alter the reappraisal schedule for a regional assessment district or for one or more of a regional assessment district's member municipalities.

* * * Transition to Regional Assessment Districts * * *

Sec. 63. TRANSITION; ANNUAL PROGRESS REPORT

(a) Notwithstanding 32 V.S.A. § 4041a or any other provision of law to the contrary:

(1) the Director of Property Valuation and Review shall not order any new municipal reappraisals of grand list properties that is not part of a regionalized reappraisal system on and after January 1, 2027;

(2) a reappraisal order for which a municipality does not have a contract in place before January 1, 2030 shall no longer have the force and effect of law on and after January 1, 2030, except for those that are part of a regionalized reappraisal system; and

(3) a municipality shall not enter into a new reappraisal contract on or after January 1, 2027, except for those that are part of a regionalized reappraisal system.

(b) On or before every January 15 from January 15, 2027 to January 15, 2030, the Commissioner of Taxes shall submit a report to the House Committee on Ways and Means and the Senate Committee on Finance relating to the progress made in preparing for the implementation of regional assessment districts pursuant to this act.

Sec. 64. REGIONAL ASSESSMENT DISTRICT STAKEHOLDER WORKING GROUP

On or before January 15, 2026, the Department of Taxes, in consultation with relevant stakeholders, shall submit recommendations to the House Committee on Ways and Means and the Senate Committee on Finance advising on the implementation of regional assessment districts and on the development of guidelines, procedures, and rules needed to effectuate a regionalized reappraisal system. The recommendations will include an analysis of the advantages and disadvantages of having the State take full responsibility for regionalized appraisals. In making its recommendation, the Department of Taxes shall provide suggestions for legislative language that address:

(1) the authority or authorities who will contract for and conduct reappraisals;

(2) the authority or authorities who will hear and decide property valuation appeals;

(3) amendments necessary to conform statute to the change from an April 1 to January 1 grand list assessment date; and

(4) any other recommended revisions to achieve a regionalized reappraisal system.

* * * Miscellaneous Tax * * *

Sec. 65. 32 V.S.A. § 6066a(f)(1) is amended to read:

(f)(1) For taxpayers and amounts stated in the notice to towns on or before July 1, municipalities shall create and send to taxpayers a homestead property tax bill, instead of the bill required under subdivision 5402(b)(1) of this title, providing the total amount allocated to payment of homestead education property tax liabilities and notice of the balance due. Nothing in this subdivision, however, shall be interpreted as altering the requirement under subdivision 5402(b)(2) of this title that the statewide education homestead tax be billed in a manner that is stated clearly and separately from any other tax. Municipalities shall apply the amount allocated under this chapter to current year property taxes in equal amounts to each of the taxpayers' property tax installments that include education taxes. Notwithstanding section 4772 of this

title, if a town issues a corrected bill as a result of the notice sent by the Commissioner under subsection (a) of this section, issuance of the corrected new bill does not extend the time for payment of the original bill nor relieve the taxpayer of any interest or penalties associated with the original bill. If the corrected bill is less than the original bill, and there are also no unpaid current year taxes, interest, or penalties, and no past year delinquent taxes or penalties and interest charges, any overpayment shall be reflected on the corrected tax bill and refunded to the taxpayer.

Sec. 66. 32 V.S.A. § 5252 is amended to read:

§ 5252. LEVY AND NOTICE OF SALE; SECURING PROPERTY

(a) When the collector of taxes of a town or of a municipality within it has for collection a tax assessed against real estate in the town and the taxpayer owes a minimum of $1,500.00 and is delinquent for a period longer than one year, the collector may extend a warrant on such land. However, no warrant shall be extended until a delinquent taxpayer is given an opportunity to enter a written reasonable repayment plan pursuant to subsection (c) of this section. If a collector receives notice from a mobile home park owner pursuant to 10 V.S.A. § 6248(b), the collector shall, within 15 days after the notice, commence tax sale proceedings to hold a tax sale within 60 days after the notice. If the collector fails to initiate such proceedings, the town may initiate tax sale proceedings only after complying with 10 V.S.A. § 6249(f). If the tax collector extends the warrant, the collector shall:

* * *

Sec. 67. 32 V.S.A. § 4465 is amended to read:

§ 4465. APPOINTMENT OF PROPERTY VALUATION HEARING OFFICER; OATH; PAY

When an appeal to the Director is not withdrawn or forwarded by the Director to Superior Court pursuant to subsection 4461(a) of this title, the Director shall refer the appeal in writing to a person not employed by the Director, appointed by the Director as hearing officer. The Director shall have the right to remove a hearing officer for inefficiency, malfeasance in office, or other cause. In like manner, the Director shall appoint a hearing officer to fill any vacancy created by resignation, removal, or other cause. Before entering into their duties, persons appointed as hearing officers shall take and subscribe the oath of the office prescribed in the Constitution, which oath shall be filed with the Director. The ~~Director~~ Commissioner of Taxes shall pay each hearing officer ~~a sum not to exceed $150.00 per diem for each day wherein hearings are held~~ $38.00 per hour plus a cost-of-living adjustment in an amount equal to any adjustment approved for exempt employees by the Secretary of

Administration, together with reasonable expenses as the ~~Director~~ Commissioner may determine. A hearing officer may subpoena witnesses, records, and documents in the manner provided by law for serving subpoenas in civil actions and may administer oaths to witnesses.

Sec. 68. 32 V.S.A. § 5402(c)(2) is amended to read:

(2) The Secretary of Education shall determine each municipality's net nonhomestead education tax payment and its net homestead education tax payment to the State based on grand list information received by the Secretary not later than the March 15 prior to the June 1 net payment. Payment shall be accompanied by a return prescribed by the Secretary of Education. Each municipality may retain 0.225 of one percent of the total education tax collected, only upon timely remittance of net payment to the State Treasurer or to the applicable school district or districts. ~~Each municipality may also retain $15.00 for each late property tax credit claim filed after April 15 and before September 2, as notified by the Department of Taxes, for the cost of issuing a new property tax bill.~~

Sec. 69. 32 V.S.A. § 5401(13) is amended to read:

(13)(A) "Education property tax spending adjustment" means the greater of one or a fraction in which:

(i) the numerator is the district's per pupil education spending plus excess spending for the school year, and

(ii) the denominator is the property dollar equivalent yield for the school year, as defined in subdivision (15) of this section~~, multiplied by the statewide adjustment~~.

(B) "Education income tax spending adjustment" means the greater of one or a fraction in which the numerator is the district's per pupil education spending plus excess spending for the school year, and the denominator is the income dollar equivalent yield for the school year, as defined in subdivision (16) of this section.

* * * Effective Dates * * *

Sec. 70. EFFECTIVE DATES

(a) This section and the following sections shall take effect on passage:

(1) Sec. 1 (findings; intent; plan);

(2) Sec. 2 (Commission on the Future of Public Education);

(3) Sec. 3 (School District Redistricting Task Force);

(4) Sec. 32 (Agency of Education transformation support);

(5) Sec. 33. (Agency of Education positions);

(6) Sec. 44 (transportation reimbursement guidelines);

(7) Sec. 45 (inflationary measures; prekindergarten; reports);

(8) Sec. 45a (foundation formula report);

(9) Sec. 45c (Education Fund Advisory Committee; delay);

(10) Sec. 53 (homestead declaration sample form);

(11) Sec. 53a (homestead exemption report);

(12) Sec. 61 (tax classification study);

(13) Sec. 63 (regional assessment district transition);

(14) Sec. 64 (RAD stakeholder working group);

(15) Sec. 65 (inadvertently removed language);

(16) Sec. 66 (minimum debt for tax sales);

(17) Sec. 68 (property tax credit late fee); and

(18) Sec. 69 (education property tax spending adjustment).

(b) The following sections shall take effect on July 1, 2025:

(1) Sec. 4 (scale; intent);

(2) Sec. 7 (SBE rules; report);

(3) Sec. 8 (school closure);

(4) Sec. 11 (16 V.S.A. § 3443);

(5) Sec. 12 (School Construction Advisory Board sunset);

(6) Sec. 18 (16 V.S.A. § 828);

(7) Sec. 19 (tuition transition);

(8) Sec. 20 (statewide cohesion; intent);

(9) Sec. 21 (AOE report; graduation requirements);

(10) Sec. 22 (State-level governance; intent);

(11) Sec. 23 (16 V.S.A. § 161);

(12) Sec. 24 (SBE appointments transition);

(13) Sec. 25 (16 V.S.A. § 162);

(14) Sec. 26 (SBE rule review; appropriation);

(15) Sec. 29 (special education report);

(16) Sec. 30 (AOE special education strategic plan);

(17) Sec. 31 (AOE position);

(18) Sec. 60 (grand list parcel definition); and

(19) Sec. 67 (PVR hearing officer pay).

(c) The following sections shall take effect on July 1, 2026:

(1) Sec. 3a (transitional school boards);

(2) Sec. 5 (class size minimums);

(3) Sec. 6 (failure to comply with class size minimums);

(4) Sec. 9 (school construction policy);

(5) Sec. 10 (16 V.S.A. § 3442);

(6) Sec. 13 (16 V.S.A. § 3444);

(7) Sec. 14 (16 V.S.A. § 3445);

(8) Sec. 15 (16 V.S.A. § 3446);

(9) Sec. 16 (transfer of rulemaking authority); and

(10) Sec. 17 (repeals).

(d) Sec. 48 (December 1 letter) shall take effect on July 1, 2028.

(e) The following sections shall take effect on July 1, 2029, provided that the new school districts contemplated by this act have assumed responsibility for the education of all resident students and that the expert tasked with developing a cost-factor foundation formula has provided to the General Assembly the report pursuant to Sec. 45a to provide the General Assembly an opportunity to enact legislation in consideration of the report:

(1) Secs. 27 (16 V.S.A. § 823) and 28 (repeals);

(2) Secs. 34–43 (transition to cost-factor foundation formula);

(3) Sec. 45b (educational opportunity payment transition);

(4) Secs. 46, 47, 49, and 50 (statewide education tax; supplemental district spending tax);

(5) Sec. 48a (homestead property tax rate transition);

(6) Secs. 51, 52, and 54–56 (property tax credit repeal; creation of homestead exemption); and

(7) Sec. 57 (Education Fund Advisory Committee; review of foundation formula).

(f) Sec. 62 (regional assessment districts) shall take effect on January 1, 2030.

(g) Secs. 58 and 59 (transition to evidence-based foundation formula) shall take effect upon:

(1) development and review of an evidence-based foundation formula by professional judgment panels;

(2) compliance by 90 percent of Vermont classes with class-size minimum standards set in the education quality standards;

(3) compliance by 90 percent of Vermont school buildings with school size standards set in the education quality standards; and

(4) implementation of a multitiered system of supports in each classroom in each Vermont school.

Which was agreed to.

The President *pro tempore* Assumes the Chair

The President Resumes the Chair

Thereupon, pending the question, Shall the bill be read a third time?, Senator Vyhovsky moved to amend the proposal of amendment, as follows:

First: By adding a new section to be Sec. 53b to read as follows:

Sec. 53b. 32 V.S.A. § 5410 is amended to read:

§ 5410. DECLARATION OF HOMESTEAD

(a) A homestead owner shall declare ownership of a homestead for purposes of education property tax and provide the homestead owner's household income as defined in section 6061 of this title.

(b) Annually, on or before the due date for filing the Vermont income tax return, without extension, each homestead owner shall, on a form prescribed by the Commissioner, which shall be verified under the pains and penalties of perjury, declare the owner's homestead, if any, as of, or expected to be as of, April 1 of the year in which the declaration is made, and provide the homestead owner's household income as defined in section 6061 of this title.

* * *

Second: In Sec. 70, effective dates, by striking out subsection (b) in its entirety and inserting in lieu thereof the following:

(b) The following sections shall take effect on July 1, 2025:

(1) Sec. 3 (scale; intent);

(2) Sec. 6 (SBE rules; report);

(3) Sec. 7 (school size; intent);

(4) Sec. 8 (school closure);

(5) Sec. 11 (16 V.S.A. § 3443);

(6) Sec. 12 (School Construction Advisory Board sunset);

(7) Sec. 18 (16 V.S.A. § 828);

(8) Sec. 19 (tuition transition);

(9) Sec. 20 (statewide cohesion; intent);

(10) Sec. 21 (AOE report);

(11) Sec. 22 (State-level governance; intent);

(12) Sec. 23 (16 V.S.A. § 161);

(13) Sec. 24 (SBE appointments transition);

(14) Sec. 25 (16 V.S.A. § 162);

(15) Sec. 26 (SBE rule review; appropriation);

(16) Sec. 29 (special education report);

(17) Sec. 30 (AOE special education strategic plan);

(18) Sec. 31 (AOE position);

(19) Sec. 53b (32 V.S.A. § 5410);

(20) Sec. 60 (grand list parcel definition); and

(21) Sec. 67 (PVR hearing officer pay).

Which was disagreed to.

Thereupon, pending the question, Shall the bill be read a third time?, Senator Vyhovsky moved to amend the proposal of amendment, as follows:

First: By adding a reader assistance heading and a new section to be Sec. 69a. to read as follows:

* * * Education Fund Cost Report * * *

Sec. 69a. COSTS ON THE EDUCATION FUND; REPORT

On or before January 15, 2026, the Joint Fiscal Office, in consultation with the Secretary of Education, shall submit a report to the House Committees on Education and on Ways and Means and the Senate Committees on Education and on Finance that estimates the annual cost of providing health care and

social services to students in public schools and the impact of those costs on the Education Fund.

Second: In Sec. 70, effective dates, by striking out subdivisions (a)(16) and (a)(17) in their entireties and inserting in lieu thereof the following:

(16) Sec. 68 (property tax credit late fee);

(17) Sec. 69 (education property tax spending adjustment); and

(18) Sec. 69a (study on costs to the Education Fund).

Which was disagreed to.

Thereupon, pending the question, Shall the bill be read a third time?, Senator Beck moved to amend the proposal of amendment as follows:

First: By adding two new sections to be Secs. 69a–69b to read as follows:

Sec. 69a. ALLOWABLE GROWTH IN EDUCATION SPENDING FOR FISCAL YEARS 2027 AND 2028

(a) Notwithstanding any other provision of law, for fiscal years 2027 and 2028 only, "excess spending" under 32 V.S.A. § 5401(12) means the per pupil education spending, as defined in 16 V.S.A. § 4001(14), adjusted to include any amount required to be added to education spending from a Capital Construction Reserve Fund under 24 V.S.A. § 2804(b), that is in excess of the district's per pupil education spending in the prior fiscal year, plus the district's allowable growth.

(b) For fiscal years 2027 and 2028, the "allowable growth" for any individual school district is an amount equal to the actual amount of per pupil education spending in the district in the prior fiscal year, multiplied by the district's "allowable growth percentage," provided that the minimum allowable growth percentage for a school district shall be one percent. A district's "allowable growth percentage" means a percentage that results from the following equation: the highest per pupil education spending in any district in the State, excluding gores, in the prior fiscal year, divided by the actual amount of per pupil education spending in the district in the prior fiscal year, minus one, multiplied by five and one-half percent. For the purpose of the calculations made under this section, the term "per pupil education spending" shall include all the adjustments under 16 V.S.A. § 4001(6)(B).

Sec. 69b. REPEAL

2022 Acts and Resolves No. 127, Sec. 8(a) (suspension of excess spending penalty) is repealed.

Second: In Sec. 70, effective dates, in subsection (c), by striking out subdivisions (9) and (10) in their entireties and inserting in lieu thereof new subdivisions (9)–(11) to read as follows:

(9) Sec. 16 (transfer of rulemaking authority);

(10) Sec. 17 (repeals); and

(11) Secs. 69a and 69b (allowable growth; FYs 27–28).

Thereupon, pending the question, Shall the proposal of amendment be amended as recommended by Senator Beck?, Senator Beck requested and was granted leave to withdraw the proposal of amendment.

Thereupon, pending the question, Shall the bill be read the third time?, Senator Beck moved to amend the proposal of amendment as follows:

First: By striking out Sec. 27, 16 V.S.A. § 823, in its entirety and inserting in lieu thereof new Sec. 27 to read as follows:

Sec. 27. 16 V.S.A. § 823 is amended to read:

§ 823. ~~ELEMENTARY~~ TUITION

(a) Tuition for ~~elementary~~ students shall be paid by the district in which the student is a resident. The district shall pay ~~the full tuition charged its students attending a public elementary school~~ to a receiving school an amount equal to the base amount contained in subdivision 4001(17) of this title multiplied by the sum of one and any weights applicable to the resident student under section 4010 of this title, prorated to correspond to the district's approved percentage, as defined in subdivision 4001(16) of this title; provided, however, that a district that operates no grades shall pay 100 percent. ~~If a payment made to a public elementary school is three percent more or less than the calculated net cost per elementary pupil in the receiving school district for the year of attendance, the district shall be reimbursed, credited, or refunded pursuant to section 836 of this title. Notwithstanding the provisions of this subsection or of subsection 825(b) of this title, the boards of both the receiving and sending districts may enter into tuition agreements with terms differing from the provisions of those subsections, provided that the receiving district must offer identical terms to all sending districts, and further provided that the statutory provisions apply to any sending district that declines the offered terms.~~

(b) ~~Unless the electorate of a school district authorizes payment of a higher amount at an annual or special meeting warned for the purpose, the tuition paid to an approved independent elementary school or an independent school meeting education quality standards shall not exceed the least of:~~

~~(1) the average announced tuition of Vermont union elementary schools for the year of attendance;~~

~~(2) the tuition charged by the approved independent school for the year of attendance; or~~

~~(3) the average per-pupil tuition the district pays for its other resident elementary students in the year in which the student is enrolled in the approved independent school.~~ [Repealed.]

Second: By striking out Sec. 34 in its entirety and inserting in lieu thereof new Sec. 34 to read as follows:

Sec. 34. 16 V.S.A. § 4001 is amended to read:

§ 4001. DEFINITIONS

As used in this chapter:

(1) "Average daily membership" of a school district ~~or, if needed in order to calculate the appropriate homestead tax rate, of the municipality as defined in 32 V.S.A. § 5401(9),~~ in any year means:

* * *

(6) ~~"Education spending" means the amount of the school district budget, any assessment for a joint contract school, career technical center payments made on behalf of the district under subsection 1561(b) of this title, and any amount added to pay a deficit pursuant to 24 V.S.A. § 1523(b) that is paid for by the school district, but excluding any portion of the school budget paid for from any other sources such as endowments, parental fundraising, federal funds, nongovernmental grants, or other State funds such as special education funds paid under chapter 101 of this title.~~

~~(A) [Repealed.]~~

~~(B) For all bonds approved by voters prior to July 1, 2024, voter-approved bond payments toward principal and interest shall not be included in "education spending" for purposes of calculating excess spending pursuant to 32 V.S.A. § 5401(12).~~ [Repealed.]

* * *

(13) "~~Base education~~ Categorical base amount" means a number used to calculate categorical grants awarded under this title that is equal to $6,800.00 per ~~equalized~~ pupil, adjusted as required under section 4011 of this title.

(14) ~~"Per pupil education spending" of a school district in any school year means the per pupil education spending of that school district as determined under subsection 4010(f) of this title.~~ [Repealed.]

* * *

(16) "Approved percentage" means the percentage of the foundation amount approved by the voters of the school district pursuant to section 563 of this title, provided that the voters shall only approve a percentage within the range of 85–100 percent.

(17) "Base amount" means a per pupil amount of $15,033.00, which shall be adjusted for inflation annually on or before November 15 by the Secretary of Education. As used in this subdivision, "adjusted for inflation" means adjusting the base dollar amount by the National Income and Product Accounts (NIPA) implicit price deflator for state and local government consumption expenditures and gross investment published by the U.S. Department of Commerce, Bureau of Economic Analysis, from fiscal year 2025 through the fiscal year for which the amount is being determined and rounding upward to the nearest whole dollar amount.

(18) "Educational opportunity payment" means the product of the school district's foundation amount and the school district's approved percentage as determined under section 4010 of this title.

(19) "Foundation amount" means the base amount multiplied by the school district's weighted long-term membership as determined under section 4010 of this title.

Third: By striking out Sec. 41 in its entirety and inserting in lieu thereof new Sec. 41 to read as follows:

Sec. 41. 16 V.S.A. § 563 is amended to read:

§ 563. POWERS OF SCHOOL BOARDS; FORM OF VOTE

The school board of a school district, in addition to other duties and authority specifically assigned by law:

* * *

(11)(A) Shall prepare and distribute annually a proposed budget for the next school year according to such major categories as may from time to time be prescribed by the Secretary.

(B) [Repealed.]

(C) At a school district's annual or special meeting, the electorate may vote to provide notice of availability of the school budget required by this subdivision to the electorate in lieu of distributing the budget. If the electorate of the school district votes to provide notice of availability, it must specify how notice of availability shall be given, and such notice of availability shall be provided to the electorate at least 30 days before the district's annual

meeting. The proposed budget shall be prepared and distributed at least ~~ten~~ 10 days before a sum of money is voted on by the electorate. Any proposed budget shall show the following information in a format prescribed by the Secretary:

(i) all revenues from all sources, and expenses, including as separate items any assessment for a supervisory union of which it is a member and any tuition to be paid to a career technical center; and including the report required in subdivision 242(4)(D) of this title itemizing the component costs of the supervisory union assessment;

(ii) the specific amount of any deficit incurred in the most recently closed fiscal year and how the deficit was or will be remedied;

(iii) the anticipated uniform homestead tax rate and ~~the percentage of household income used to determine income sensitivity in the district as a result of passage of the budget, including those portions of the tax rate attributable to supervisory union assessments~~ uniform nonhomestead tax rate; ~~and~~

(iv) the definition of "foundation amount";

(v) the definition of "~~education spending~~ supplemental district spending," the ~~number of pupils and number of equalized pupils in~~ long-term membership of the school district, and the district's ~~education spending~~ per ~~equalized~~ pupil supplemental district spending in the proposed budget and in each of the prior three years; and

(vi) the supplemental district spending yield.

(D) The board shall present the budget to the voters by means of a ballot in the following form, provided that the board of a school district that does not operate any grades for its resident students shall only present for vote the supplemental district spending budget:

"Article #1 (School Budget):

Shall the voters of the school district approve the school board to expend $ _____ % of the foundation amount, which is the ~~amount~~ percentage of the foundation amount the school board has determined to be necessary for the ensuing fiscal year and which equals $ _____?

The _____ District estimates that this proposed budget, if approved, will result in ~~per pupil education spending of $_____, which is _____% higher/lower than per pupil education spending for the current year~~ a homestead property tax rate of _____ per $100.00 of equalized education property value, which is _____% of the uniform homestead property tax rate."

(E) If the board determines that additional spending is necessary in excess of 100 percent of the foundation amount, the board shall present the supplemental district spending budget to the voters by means of a ballot in the following form:

"Article #2 (Supplemental District Spending Budget):

Shall the voters of the school district approve the school board to expend $ _____, which is the amount the school board has determined to be necessary in excess of the school district's educational opportunity payment for the ensuing fiscal year?

The _____ District estimates that this proposed budget, if approved, will result in per pupil supplemental district spending of $_____, which is _____% higher/lower than per pupil supplemental district spending for the current year, and a supplemental district spending tax rate of _____ per $100.00 of equalized education property value."

* * *

Fourth: By striking out Sec. 43 in its entirety and inserting in lieu thereof new Sec. 43 to read as follows:

Sec. 43. 16 V.S.A. § 4032 is added to read

§ 4032. SUPPLEMENTAL DISTRICT SPENDING RESERVE

(a) There is hereby created the Supplemental District Spending Reserve within the Education Fund. Any revenue remaining from the supplemental district spending tax imposed pursuant to 32 V.S.A. § 5402(f) after accounting for the payment of supplemental district spending to each school district shall be reserved within the Supplemental District Spending Reserve.

(b) In any fiscal year in which the amounts raised through the supplemental district spending tax imposed pursuant to 32 V.S.A. § 5402(f) are insufficient to cover payment to each school district of its supplemental district spending, the Supplemental District Spending Reserve shall be used by the Commissioner of Finance and Management to the extent necessary to offset the deficit as determined by generally accepted accounting principles.

Fifth: By striking out Sec. 45b, educational opportunity payments; transition; FYs 2030–2033, in its entirety and inserting in lieu thereof new Sec. 45b to read as follows:

Sec. 45b. [Deleted.]

Sixth: By striking out Secs. 46–50 and their reader assistance headings in their entireties and inserting in lieu thereof new reader assistance headings and Secs. 46–50 to read as follows:

* * * Education Property Tax Rate Formula * * *

Sec. 46. 32 V.S.A. § 5401 is amended to read:

§ 5401. DEFINITIONS

As used in this chapter:

* * *

(8) ~~"Education spending" means "education spending" as defined in 16 V.S.A. § 4001(6).~~ [Repealed.]

* * *

(12) ~~"Excess spending" means:~~

~~(A) The per pupil spending amount of the district's education spending, as defined in 16 V.S.A. § 4001(6), plus any amount required to be added from a capital construction reserve fund under 24 V.S.A. § 2804(b).~~

~~(B) In excess of 118 percent of the statewide average district per pupil education spending increased by inflation, as determined by the Secretary of Education on or before November 15 of each year based on the passed budgets to date. As used in this subdivision, "increased by inflation" means increasing the statewide average district per pupil education spending for fiscal year 2025 by the most recent New England Economic Project cumulative price index, as of November 15, for state and local government purchases of goods and services, from fiscal year 2025 through the fiscal year for which the amount is being determined.~~ [Repealed.]

(13)~~(A) "Education property tax spending adjustment" means the greater of one or a fraction in which the numerator is the district's per pupil education spending plus excess spending for the school year, and the denominator is the property dollar equivalent yield for the school year, as defined in subdivision (15) of this section.~~

~~(B) "Education income tax spending adjustment" means the greater of one or a fraction in which the numerator is the district's per pupil education spending plus excess spending for the school year, and the denominator is the income dollar equivalent yield for the school year, as defined in subdivision (16) of this section.~~ [Repealed.]

* * *

(15) ~~"Property dollar equivalent yield" means the amount of per pupil education spending that would result if the homestead tax rate were $1.00 per $100.00 of equalized education property value and the statutory reserves under 16 V.S.A. § 4026 and section 5402b of this title were maintained.~~ [Repealed.]

(16) ~~"Income dollar equivalent yield" means the amount of per pupil education spending that would result if the income percentage in subdivision 6066(a)(2) of this title were 2.0 percent and the statutory reserves under 16 V.S.A. § 4026 and section 5402b of this title were maintained.~~ [Repealed.]

(17) ~~"Statewide adjustment" means the ratio of the aggregate education property tax grand list of all municipalities to the aggregate value of the equalized education property tax grand list of all municipalities.~~ [Repealed.]

(18) "Per pupil supplemental district spending" means the per pupil amount of supplemental district spending resulting from dividing a school district's supplemental district spending by its long-term membership as defined in 16 V.S.A. § 4001(7).

(19) "State average taxing capacity" means the ratio, in the following fiscal year, of the anticipated aggregate equalized education property tax grand list of all municipalities to the anticipated aggregate long-term membership, as defined in 16 V.S.A. § 4001(7), of all school districts.

(20) "Supplemental district spending" means the spending that the voters of a school district approve in excess of the school district's educational opportunity payment, as defined in 16 V.S.A. § 4001(18), for the fiscal year, provided that the voters of a school district other than an interstate school district shall not approve spending in excess of 15 percent of the school district's unweighted foundation amount.

(21) "Supplemental district spending yield" means the amount of property tax revenue per long-term membership as defined in 16 V.S.A. § 4001(7) that would be raised in a school district with the State average taxing capacity using a supplemental district spending tax rate of $1.00 per $100.00 of equalized education property value.

(22) "Unweighted foundation amount" means the base amount, as defined in 16 V.S.A. § 4001(17), multiplied by the school district's long-term membership as determined under 16 V.S.A. § 4010.

Sec. 47. 32 V.S.A. § 5402 is amended to read:

§ 5402. EDUCATION PROPERTY TAX LIABILITY

(a) A statewide education tax is imposed on all nonhomestead and homestead property at ~~the following rates:~~

~~(1) The tax rate for nonhomestead property shall be $1.59 per $100.00 divided by the statewide adjustment.~~

~~(2) The tax rate for homestead property shall be $1.00 multiplied by the education property tax spending adjustment for the municipality per $100.00~~

~~of equalized education property value as most recently determined under section 5405 of this title. The homestead property tax rate for each municipality that is a member of a union or unified union school district shall be calculated as required under subsection (e) of this section~~ a uniform tax rate for nonhomestead property and a uniform tax rate for homestead property set sufficient to cover expenditures from the Education Fund, after accounting for the forecasted available revenues and any anticipated revenues from the supplemental district spending tax. It is the intention of the General Assembly that the nonhomestead property tax rate and the homestead property tax rate under this section shall be adopted for each fiscal year by act of the General Assembly.

(b) The statewide education tax shall be calculated as follows:

(1) The Commissioner of Taxes shall determine for each municipality the education tax rates under subsection (a) of this section divided by the ~~number resulting from dividing the~~ municipality's most recent common level of appraisal ~~by the statewide adjustment~~ and, for the homestead property tax rate, multiplied by the municipality's approved percentage as defined in 16 V.S.A. § 4001(16). The legislative body in each municipality shall then bill each property taxpayer at the homestead or nonhomestead rate determined by the Commissioner under this subdivision, multiplied by the education property tax grand list value of the property, properly classified as homestead or nonhomestead property and without regard to any other tax classification of the property. Statewide education property tax bills shall show the tax due and the calculation of the rate determined under subsection (a) of this section, divided by ~~the number resulting from dividing~~ the municipality's most recent common level of appraisal ~~by the statewide adjustment~~, multiplied by the current grand list value of the property to be taxed. Statewide education property tax bills shall also include language provided by the Commissioner pursuant to subsection 5405(g) of this title.

(2) Taxes assessed under this section shall be assessed and collected in the same manner as taxes assessed under chapter 133 of this title with no tax classification other than as homestead or nonhomestead property; provided, however, that the tax levied under this chapter shall be billed to each taxpayer by the municipality in a manner that clearly indicates the tax is separate from any other tax assessed and collected under chapter 133, including an itemization of the separate taxes due. The bill may be on a single sheet of paper with the statewide education tax and other taxes presented separately and side by side.

(3) If a district has not voted a budget by June 30, an interim homestead education tax shall be imposed at 85 percent of the ~~base~~ uniform homestead

property tax rate determined under ~~subdivision~~ subsection (a)~~(2)~~ of this section, divided by the ~~number resulting from dividing the~~ municipality's most recent common level of appraisal ~~by the statewide adjustment, but without regard to any spending adjustment under subdivision 5401(13) of this title~~. Within 30 days after a budget is adopted and the deadline for reconsideration has passed, the Commissioner shall determine the municipality's homestead tax rate as required under subdivision (1) of this subsection.

(c)(1) The treasurer of each municipality shall by December 1 of the year in which the tax is levied and on June 1 of the following year pay to the State Treasurer for deposit in the Education Fund one-half of the municipality's statewide nonhomestead tax and one-half of the municipality's homestead education tax, as determined under subdivision (b)(1) of this section.

(2) The Secretary of Education shall determine each municipality's net nonhomestead education tax payment and its net homestead education tax payment to the State based on grand list information received by the Secretary not later than the March 15 prior to the June 1 net payment. Payment shall be accompanied by a return prescribed by the Secretary of Education. Each municipality may retain 0.225 of one percent of the total education tax collected, only upon timely remittance of net payment to the State Treasurer or to the applicable school district or districts.

(d) [Repealed.]

(e) The Commissioner of Taxes shall determine a homestead education tax rate for each municipality that is a member of a union or unified union school district as follows:

(1) For a municipality that is a member of a unified union school district, use the ~~base~~ uniform homestead property tax rate determined under ~~subdivision~~ subsection (a)~~(2)~~ of this section ~~and a spending adjustment under subdivision 5401(13) of this title based upon the per pupil education spending of the unified union~~ multiplied by the approved percentage for the unified union school district.

(2) For a municipality that is a member of a union school district that is not a unified union school district:

(A) Determine the ~~municipal district~~ homestead property tax rate for each union school district of which the municipality is a member using the ~~base~~ uniform homestead property tax rate determined under ~~subdivision~~ subsection (a)~~(2)~~ of this section ~~and a spending adjustment under subdivision 5401(13) of this title based on the per pupil education spending in the municipality who attends a school other than the union school~~ multiplied by the approved percentage for the union school district.

(B) ~~Determine the union district homestead tax rate using the base rate determined under subdivision (a)(2) of this section and a spending adjustment under subdivision 5401(13) of this title based on the per pupil education spending of the union school district.~~

~~(C)~~ Determine a combined homestead tax rate by calculating the weighted average of the rates determined under ~~subdivisions~~ subdivision (A) ~~and (B)~~ of this subdivision (2), with weighting based upon the ~~ratio of union school~~ proportion of the municipality's total long-term membership, as defined in 16 V.S.A. § 4001(7), ~~from the member municipality to total long-term membership of the member municipality; and the ratio of long-term membership attending a school other than the union school to total long-term membership of the member municipality~~ attending each union school district. Total long-term membership of the member municipality is based on the number of pupils who are legal residents of the municipality and attending school at public expense. If necessary, the Commissioner may adopt a rule to clarify and facilitate implementation of this subsection (e).

(f)(1) A supplemental district spending tax is imposed on all homestead and nonhomestead property in each member municipality of a school district that approves spending pursuant to a budget presented to the voters of a school district under 16 V.S.A. § 563. The Commissioner of Taxes shall determine the supplemental district spending tax rate for each school district by dividing the school district's per pupil supplemental district spending as certified by the Secretary of Education by the supplemental district spending yield. The legislative body in each member municipality shall then bill each property taxpayer at the rate determined by the Commissioner under this subsection, divided by the municipality's most recent common level of appraisal and multiplied by the current grand list value of the property to be taxed. The bill shall show the tax due and the calculation of the rate.

(2) The supplemental district spending tax assessed under this subsection shall be assessed and collected in the same manner as taxes assessed under chapter 133 of this title with no tax classification other than as homestead or nonhomestead property; provided, however, that the tax levied under this chapter shall be billed to each taxpayer by the municipality in a manner that clearly indicates the tax is separate from any other tax assessed and collected under chapter 133 and the statewide education property tax under this section, including an itemization of the separate taxes due. The bill may be on a single sheet of paper with the supplemental district spending tax, the statewide education tax, and other taxes presented separately and side by side.

(3) The treasurer of each municipality shall on or before December 1 of the year in which the tax is levied and on or before June 1 of the following

year pay to the State Treasurer for deposit in the Education Fund one-half of the municipality's supplemental district spending tax, as determined under subdivision (1) of this subsection.

(4) The Secretary of Education shall determine each municipality's net supplemental district spending tax payment to the State based on grand list information received by the Secretary not later than the March 15 prior to the June 1 net payment. Payment shall be accompanied by a return prescribed by the Secretary of Education. Each municipality may retain 0.225 of one percent of the total supplemental district spending tax collected, only upon timely remittance of net payment to the State Treasurer or to the applicable school district.

Sec. 48. 32 V.S.A. § 5402b is amended to read:

§ 5402b. STATEWIDE EDUCATION TAX ~~YIELDS~~ RATES; SUPPLEMENTAL DISTRICT SPENDING YIELD; RECOMMENDATION OF THE COMMISSIONER

(a) Annually, not later than December 1, the Commissioner of Taxes, after consultation with the Secretary of Education, the Secretary of Administration, and the Joint Fiscal Office, shall calculate and recommend ~~a property dollar equivalent yield, an income dollar equivalent yield, and~~ a uniform nonhomestead property tax rate, a uniform homestead property tax rate, and the supplemental district spending yield for the following fiscal year. In making these calculations, the Commissioner shall assume~~:~~ that the statutory reserves are maintained at five percent pursuant to 16 V.S.A. § 4026 and the amounts in the Supplemental District Spending Reserve are unavailable for any purpose other than that specified in 16 V.S.A. § 4032(b)

~~(1) the homestead base tax rate in subdivision 5402(a)(2) of this title is $1.00 per $100.00 of equalized education property value;~~

~~(2) the applicable percentage in subdivision 6066(a)(2) of this title is 2.0;~~

~~(3) the statutory reserves under 16 V.S.A. § 4026 and this section were maintained at five percent;~~

~~(4) the percentage change in the average education tax bill applied to nonhomestead property and the percentage change in the average education tax bill of homestead property and the percentage change in the average education tax bill for taxpayers who claim a credit under subsection 6066(a) of this title are equal;~~

~~(5) the equalized education grand list is multiplied by the statewide adjustment in calculating the property dollar equivalent yield; and~~

~~(6) the nonhomestead rate is divided by the statewide adjustment~~.

(b) For each fiscal year, the ~~property dollar equivalent~~ supplemental district spending yield ~~and the income dollar equivalent yield~~ shall be the same as in the prior fiscal year, unless set otherwise by the General Assembly.

* * *

(d) Along with the recommendations made under this section, the Commissioner shall include:

(1) the base amount as defined in 16 V.S.A. § 4001(17);

(2) the anticipated aggregate equalized education property tax grand list of all municipalities;

(3) the anticipated aggregate long-term membership, as defined in 16 V.S.A. § 4001(7), of all school districts;

(4) the State average taxing capacity; and

(5) the range of per pupil supplemental district spending between all districts in the State for the previous year.

* * *

Sec. 49. [Deleted.]

* * * Conforming Revisions; Statewide Property Tax Rate * * *

Sec. 50. 32 V.S.A. § 5405(g) is amended to read:

(g) The Commissioner shall provide to municipalities for the front of property tax bills the district homestead property tax rate before equalization, the ~~nonresidential~~ nonhomestead property tax rate before equalization, and the calculation process that creates the equalized homestead and nonhomestead tax rates. The Commissioner shall further provide to municipalities for the back of property tax bills an explanation of the common level of appraisal, including its origin and purpose.

Seventh: By striking out Sec. 70, effective dates, in its entirety and inserting in lieu thereof new Sec. 70 to read as follows:

Sec. 70. EFFECTIVE DATES

(a) This section and the following sections shall take effect on passage:

(1) Sec. 1 (findings; intent; plan);

(2) Sec. 2 (Commission on the Future of Public Education);

(3) Sec. 3 (School District Redistricting Task Force);

(4) Sec. 32 (Agency of Education transformation support);

(5) Sec. 33. (Agency of Education positions);

(6) Sec. 44 (transportation reimbursement guidelines);

(7) Sec. 45 (inflationary measures; prekindergarten; reports);

(8) Sec. 45a (foundation formula report);

(9) Sec. 45c (Education Fund Advisory Committee; delay);

(10) Sec. 53 (homestead declaration sample form);

(11) Sec. 53a (homestead exemption report);

(12) Sec. 61 (tax classification study);

(13) Sec. 63 (regional assessment district transition);

(14) Sec. 64 (RAD stakeholder working group);

(15) Sec. 65 (inadvertently removed language);

(16) Sec. 66 (minimum debt for tax sales);

(17) Sec. 68 (property tax credit late fee); and

(18) Sec. 69 (education property tax spending adjustment).

(b) The following sections shall take effect on July 1, 2025:

(1) Sec. 4 (scale; intent);

(2) Sec. 7 (SBE rules; report);

(3) Sec. 8 (school closure);

(4) Sec. 11 (16 V.S.A. § 3443);

(5) Sec. 12 (School Construction Advisory Board sunset);

(6) Sec. 18 (16 V.S.A. § 828);

(7) Sec. 19 (tuition transition);

(8) Sec. 20 (statewide cohesion; intent);

(9) Sec. 21 (AOE report; graduation requirements);

(10) Sec. 22 (State-level governance; intent);

(11) Sec. 23 (16 V.S.A. § 161);

(12) Sec. 24 (SBE appointments transition);

(13) Sec. 25 (16 V.S.A. § 162);

(14) Sec. 26 (SBE rule review; appropriation);

(15) Sec. 29 (special education report);

(16) Sec. 30 (AOE special education strategic plan);

(17) Sec. 31 (AOE position);

(18) Sec. 60 (grand list parcel definition); and

(19) Sec. 67 (PVR hearing officer pay).

(c) The following sections shall take effect on July 1, 2026:

(1) Sec. 3a (transitional school boards);

(2) Sec. 5 (class size minimums);

(3) Sec. 6 (failure to comply with class size minimums);

(4) Sec. 9 (school construction policy);

(5) Sec. 10 (16 V.S.A. § 3442);

(6) Sec. 13 (16 V.S.A. § 3444);

(7) Sec. 14 (16 V.S.A. § 3445);

(8) Sec. 15 (16 V.S.A. § 3446);

(9) Sec. 16 (transfer of rulemaking authority); and

(10) Sec. 17 (repeals).

(d) Sec. 48 (December 1 letter) shall take effect on July 1, 2027.

(e) The following sections shall take effect on July 1, 2028, provided that the new school districts contemplated by this act have assumed responsibility for the education of all resident students and that the General Assembly has received the report provided pursuant to section 45a of this act:

(1) Secs. 27 (16 V.S.A. § 823) and 28 (repeals);

(2) Secs. 34–43 (transition to cost-factor foundation formula);

(3) Secs. 46, 47, and 50 (statewide education tax; supplemental district spending tax);

(4) Secs. 51, 52, and 54–56 (property tax credit repeal; creation of homestead exemption); and

(5) Sec. 57 (Education Fund Advisory Committee; review of foundation formula).

(f) Sec. 62 (regional assessment districts) shall take effect on January 1, 2030.

(g) Secs. 58 and 59 (transition to evidence-based foundation formula) shall take effect upon:

(1) development and review of an evidence-based foundation formula by professional judgment panels;

(2) compliance by 90 percent of Vermont classes with class-size minimum standards set in the education quality standards;

(3) compliance by 90 percent of Vermont school buildings with school size standards set in the education quality standards; and

(4) implementation of a multitiered system of supports in each classroom in each Vermont school.

Which was disagreed to, on a roll call, Yeas 13, Nays 17.

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

Roll Call

Those Senators who voted in the affirmative were: Beck, Brennan, Brock, Collamore, Douglass, Hart, Heffernan, Ingalls, Mattos, Norris, Weeks, Westman, Williams.

Those Senators who voted in the negative were: Baruth, Bongartz, Chittenden, Clarkson, Cummings, Gulick, Hardy, Harrison, Hashim, Lyons, Major, Perchlik, Plunkett, Ram Hinsdale, Vyhovsky, Watson, White.

Thereupon, third reading was ordered.

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

Thereupon the bill was read the third time and passed in concurrence with proposal of amendment.

Thereupon, on motion of Senator Baruth, the rules were suspended, and the bill was ordered messaged to the House forthwith.

Rules Suspended; Bills Messaged

On motion of Senator Baruth, the rules were suspended, and the following bills were ordered messaged to the House forthwith:

H. 91, H. 472.

Point of Privilege Journalized

During announcements, on a point of personal privilege, Senator Heffernan addressed the Chair, and on motion of Senator Baruth, his remarks were entered into the Journal.

"Thank you, Mr. President.

"I ask for a moment of personal privilege.

"I stand before you today not to make a political statement, but to honor the men and women who have made the ultimate sacrifice in service to our nation.

"As I reflect on my 33 years of service in the United States Air Force, I've witnessed firsthand the dedication and courage of those who gave their lives so that we may enjoy the freedoms we hold dear. The pain and heartache their families endure is profound knowing their loved ones will never come home, never again share a moment together.

"Those who serve in our armed forces live by the core value of service before self—a value that transcends political affiliation. Regardless of who leads the country, even in times of disagreement with the Commander in Chief, it is their unwavering belief in freedom and duty that carries them forward.

"This Memorial Day, I ask each of you to pause—just for a moment—and remember those who gave everything so we can live freely, speak openly, and pursue our dreams.

"Before we adjourn, I respectfully ask that we say the Pledge of Allegiance together, in remembrance of the fallen.

"Thank you, Mr. President."

Message from the House No. 69

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 considered Senate proposals of amendment to the following House bills:

H. 1. An act relating to accepting and referring complaints by the State Ethics Commission.

H. 44. An act relating to miscellaneous amendments to the laws governing impaired driving.

And has severally concurred therein.

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. 12. An act relating to sealing criminal history records.

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

Rep. LaLonde of South Burlington
Rep. Burditt of West Rutland
Rep. Dolan of Essex Junction.

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. 126. An act relating to health care payment and delivery system reform.

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

Rep. Black of Essex
Rep. McFaun of Barre Town
Rep. Berbeco of Winooski.

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

H.C.R. 151. House concurrent resolution congratulating Casella Waste Systems, Inc. on the company's 50th anniversary.

H.C.R. 152. House concurrent resolution honoring Silas R. Loomis for his more than half century of extraordinary municipal public service as the esteemed Castleton First Constable.

H.C.R. 153. House concurrent resolution congratulating Ronald Loomis on his receipt of the 2025 Shaftsbury Ordinary Hero Award.

H.C.R. 154. House concurrent resolution recognizing May 2025 as Mental Health Awareness Month in Vermont.

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

House Concurrent Resolutions

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

Offered by Reps. Harvey and Canfield,

Offered by Senators Collamore, Weeks and Williams,

H.C.R. 152.

House concurrent resolution honoring Silas R. Loomis for his more than half century of extraordinary municipal public service as the esteemed Castleton First Constable.

Offered by Rep. Durfee,

Offered by Sens. Bongartz and Plunkett,

H.C.R. 153.

House concurrent resolution congratulating Ronald Loomis on his receipt of the 2025 Shaftsbury Ordinary Hero Award.

Offered by Reps. Berbeco and Cina,

H.C.R. 154.

House concurrent resolution recognizing May 2025 as Mental Health Awareness Month in Vermont.

Adjournment

On motion of Senator Baruth, the Senate adjourned, to reconvene on Tuesday, May 27, 2025, at ten o'clock in the forenoon pursuant to J.R.S. 27.

TUESDAY, MAY 27, 2025

The Senate was called to order by the President.

Devotional Exercises

A moment of silence was observed in lieu of devotions.

Pledge of Allegiance

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

Bill Referred to Committee on Appropriations

H. 321.

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

An act relating to miscellaneous cannabis amendments.

Bill Passed in Concurrence with Proposal of Amendment

H. 480.

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

An act relating to miscellaneous amendments to education law.

Proposals of Amendment; Third Reading Ordered

H. 397.

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

An act relating to miscellaneous amendments to the statutes governing emergency management and flood response.

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

* * * Division of Emergency Management; Plans and Reports * * *

Sec. 1. 20 V.S.A. § 3a is amended to read:

§ 3a. EMERGENCY MANAGEMENT DIVISION; DUTIES; BUDGET

(a) In addition to other duties required by law, the Division of Emergency Management shall:

* * *

(3) Annually on or before the last legislative day in January, provide an update and presentation to the House Committee on Government Operations and Military Affairs and the Senate Committee on Government Operations concerning all action items in the all-hazards mitigation plan required by subdivision (1) of this subsection.

* * *

Sec. 2. 20 V.S.A. § 41 is amended to read:

§ 41. STATE EMERGENCY MANAGEMENT PLAN

The ~~Department of Public Safety's Vermont~~ Division of Emergency Management ~~Division~~, in consultation with stakeholders, shall create, and republish as needed, but not less than every five years, a comprehensive State Emergency Management Plan. The Plan shall:

(1) detail response systems during all-hazards events, including communications, coordination among State, local, private, and volunteer entities, and the deployment of State and federal resources~~. The Plan shall also~~;

(2) detail the State's emergency preparedness measures and goals, including those for the prevention of, protection against, mitigation of, and recovery from all-hazards events~~. The Plan shall~~; and

(3) include templates and guidance for regional emergency management and for local emergency plans that support municipalities in their respective emergency management planning.

* * * Voluntary Buyouts * * *

Sec. 3. 20 V.S.A. § 48 is amended to read:

§ 48. COMMUNITY RESILIENCE AND DISASTER MITIGATION GRANT PROGRAM

* * *

(c) Administration; implementation.

(1) Grant awards. The Department of Public Safety, in coordination with the Department of Environmental Conservation, shall administer the Program, which shall award grants for the following:

* * *

(C) projects that implement disaster mitigation measures, adaptation, or repair, including watershed restoration, voluntary buyouts for flood-impacted or -prone properties, and similar activities that directly reduce risks to communities, lives, public collections of historic value, and property; and

* * *

* * * Division of Emergency Management; Assistance to Municipalities * * *

Sec. 4. 20 V.S.A. § 51 is added to read:

§ 51. DIVISION OF EMERGENCY MANAGEMENT; ALL-HAZARD AND WEATHER ALERT SYSTEMS FOR MUNICIPAL CORPORATIONS

Upon request of a municipal corporation, the Division of Emergency Management shall assist the municipal corporation with access to the following:

(1) a statewide river observation and modeling system that details current river level observations and models river flood outlooks; and

(2) a statewide enhanced weather forecasting and alert system that:

(A) predicts local and regional conditions using advanced modeling; and

(B) issues real-time warnings for potentially dangerous weather through multiple communication channels.

* * * Needs Assessment Report * * *

Sec. 5. DIVISION OF EMERGENCY MANAGEMENT; STATE STAKEHOLDERS; NEEDS ASSESSMENT; REPORT

The Division of Emergency Management shall conduct a needs assessment to identify any additional staffing, resources, technical needs, or authority needed to carry out the provisions of this act. On or before November 15, 2025, the Division shall submit a written report to the House Committees on Appropriations and on Government Operations and Military Affairs and the Senate Committees on Appropriations and on Government Operations containing the needs assessments conducted by the State agencies and departments identified in this section.

* * * Municipal Finances and Indebtedness * * *

Sec. 6. 24 V.S.A. § 1585 is added to read:

§ 1585. UNASSIGNED FUND BALANCE

Monies from a budget approved by the voters at an annual or special meeting that are not expended by the end of a municipality's fiscal year shall be under the control and direction of the legislative body of the municipality and may be carried forward from year to year as an unassigned fund balance. Unassigned fund balances may be invested and reinvested as are other monies received by a town treasurer and may be expended for any public purpose as established by the legislative body of the municipality.

Sec. 7. 24 V.S.A. § 1790 is added to read:

§ 1790. EMERGENCY BORROWING; ALL-HAZARD EVENT OR STATE OF EMERGENCY

The legislative body of a municipality may borrow money, in the name of the municipal corporation, by issuance of its notes or orders for the purpose of paying expenses of the municipal corporation or for public improvements associated with an all-hazards event or a declared state of emergency pursuant to 20 V.S.A. chapter 1. The notes or orders shall be for a period of not more than five years or a term not to exceed the reasonably anticipated useful life of the improvements or assets financed by the notes or orders.

Sec. 8. 24 V.S.A. § 1759 is amended to read:

§ 1759. DENOMINATIONS; PAYMENTS; INTEREST

(a)(1) Any bond issued under this subchapter shall draw interest at a rate not to exceed the rate approved by the voters of the municipal corporation in accordance with section 1758 of this title, or if no rate is specified in the vote under that section, at a rate approved by the legislative ~~branch~~ body of the

municipal corporation, ~~such~~ the interest to be payable ~~semiannually~~ as determined by the legislative body of the municipal corporation. ~~Such~~ The bonds or bond shall be payable serially, the first payment to be deferred not later than from one to five years after the issuance of the bonds and subsequent principal payments or debt service payments, which include both principal and interest payments, to be continued annually in ~~equal~~ substantially level or ~~diminishing~~ declining amounts, as determined by the legislative body of the municipality, so that the entire debt will be paid in not more than 20 years from the date of issue.

(2) In the case of bonds issued for the purchase or development of a municipal forest, the first payment may be deferred not more than 30 years from the date of issuance ~~thereof~~ of the bond. ~~Thereafter such~~ After any deferral period, the bonds or bond shall be payable annually in ~~equal~~ substantially level or ~~diminishing amounts~~ declining annual debt service as the legislative body of the municipal corporation may determine, so that the entire debt will be paid in not more than 60 years from the date of issue.

* * *

(b) General obligation bonds authorized under this subchapter for the purpose of financing the improvement, construction, acquisition, repair, renovation, and replacement of a municipal plant as defined in 30 V.S.A. § 2901 shall be paid serially, the first payment to be deferred not later than from one to five years after the issuance of the bonds, and subsequent principal payments or debt service payments, which include both principal and interest payments, to be continued annually in substantially level or declining amounts, as determined by the legislative body of the municipal corporation, so that the entire debt will be paid ~~over a term equal to the useful life of the financed improvements, but~~ not more than 40 years from the date of issue, ~~and may be so arranged that beginning with the first year in which principal is payable, the amount of principal and interest in any year shall be as nearly equal as is practicable according to the denomination in which such bonds are issued,~~ notwithstanding other permissible payment schedules authorized by this section.

* * * Dam Drawdown During Emergency Flood Events * * *

Sec. 9. 20 V.S.A. § 9 is amended to read:

§ 9. EMERGENCY POWERS OF GOVERNOR

(a) Subject to the provisions of this chapter, in the event of an all-hazards event in or directed upon the United States or Canada that causes or may cause substantial damage or injury to persons or property within the State in any manner, the Governor may declare a state of emergency within the entire State

or any portion or portions of the State. Thereafter, the Governor shall have and may exercise for as long as the Governor determines the emergency to exist the following additional powers within ~~such~~ the area or areas:

* * *

(b)(1) In consultation with the Secretary of Natural Resources or designee, the Governor may authorize the Agency of Natural Resources to waive applicable permits and restrictions under 10 V.S.A. chapter 47 or the Vermont Water Quality Standards to allow dams within the State to draw down water levels in anticipation of a flood event that is likely to cause substantial damage or injury to persons or property. Waivers may only be issued if the Director of the Division of Emergency Management, in consultation with the Secretary of Natural Resources or designee, has significant reason to believe that authorizing an advance drawdown will decrease the risk of substantial damage to persons or property within the State. The Secretary or designee shall, to the extent feasible, consult with applicable dam owners for federally licensed sites. Dam operators operating under a waiver shall be required to make every effort to minimize the environmental impact of a water level drawdown under the authorized waiver.

(2) Dam owners authorized to use a waiver under this subsection shall be required to develop a drawdown plan that is approved by the Secretary prior to implementation of a drawdown. This subdivision shall not apply to dam owners that have other plans approved by the Secretary in effect that address emergency drawdowns. The drawdown plan shall at minimum include the following:

(A) hydrologic and hydraulic modeling of the dam, reservoir, and downstream channel performed by an engineer experienced in dam safety engineering that proves the public safety benefit of pre-event drawdown;

(B) dam owner communications with downstream communities and applicable regulators prior to and during drawdown operations;

(C) maximum safe reservoir drawdown rates and outflows, as well as ramping rates for drawdown operations;

(D) target drawdown elevation in the reservoir;

(E) refill plan if unable to achieve during storm event;

(F) monitoring and reporting requirements of drawdown operations; and

(G) documentation of plan updates and revisions over time.

Sec. 10. [Deleted.]

* * * Local Option Tax; Amount Paid to Municipality * * *

Sec. 11. 24 V.S.A. § 138 is amended to read:

§ 138. LOCAL OPTION TAXES

* * *

(c)(1) Any tax imposed under the authority of this section shall be collected and administered by the Department of Taxes, in accordance with State law governing such State tax or taxes and subdivision (2) of this subsection; provided, however, that a sales tax imposed under this section shall be collected on each sale that is subject to the Vermont sales tax using a destination basis for taxation. Except with respect to taxes collected on the sale of aviation jet fuel, a per-return fee of $5.96 shall be assessed, ~~70~~ 75 percent of which shall be borne by the municipality, and ~~30~~ 25 percent of which shall be borne by the State to be paid from the PILOT Special Fund. Notwithstanding 32 V.S.A. § 603 or any other provision of law or municipal charter to the contrary, revenue from the fee shall be used to compensate the Department for the costs of administering and collecting the local option tax and of administering the State appraisal and litigation program established in 32 V.S.A. § 5413. The fee shall be subject to the provisions of 32 V.S.A. § 605.

* * *

(d)(1) Except as provided in subsection (c) of this section and subdivision (2) of this subsection with respect to taxes collected on the sale of aviation jet fuel, of the taxes collected under this section, ~~70~~ 75 percent of the taxes shall be paid on a quarterly basis to the municipality in which they were collected, after reduction for the costs of administration and collection under subsection (c) of this section. Revenues received by a municipality may be expended for municipal services only, and not for education expenditures. Any remaining revenue shall be deposited into the PILOT Special Fund established by 32 V.S.A. § 3709.

* * *

* * * Municipal Charters; Local Option Tax Revenue Share * * *

Sec. 12. 24 App. V.S.A. chapter 3, § 102d is amended to read:

§ 102d. LOCAL OPTION SALES TAX AUTHORITY

The Burlington City Council is authorized to impose a one percent sales tax upon sales within the City that are subject to the State of Vermont sales tax with the same exemptions as the State sales tax. The City sales tax shall be effective beginning on the next tax quarter following 30 days' notice in 2006

to the Department of Taxes, or shall be effective on the next tax quarter following 90 days' notice to the Department of Taxes if notice is given in 2007 or after. Any tax imposed under the authority of this section shall be collected and administered by the Vermont Department of Taxes in accordance with State law governing the State sales tax. ~~Seventy percent of the~~ The taxes collected shall be paid to the City~~, and the remaining amount of the taxes collected shall be remitted to the State Treasurer for deposit in the PILOT Special Fund first established in 1997 Acts and Resolves No. 60, Sec. 89. The cost of administration and collection of this tax shall be paid 70 percent by the City and 30 percent by the State from the PILOT Special Fund~~ pursuant to 24 V.S.A. § 138. The tax to be paid to the City~~, less its obligation for 70 percent of the costs of administration and collection,~~ pursuant to 24 V.S.A. § 138 shall be paid ~~to the City~~ on a quarterly basis and may be expended by the City for municipal services only and not for education expenditures.

Sec. 13. 24 App. V.S.A. chapter 5, § 1214 is amended to read:

§ 1214. LOCAL OPTION TAXES

Local option taxes are authorized under this section for the purpose of affording the City an alternative method of raising municipal revenues. Accordingly:

* * *

(3) ~~Of the taxes reported under this section, 70 percent shall be paid to the City for calendar years thereafter. Such revenues~~ The City's local option tax revenue may be expended by the City for municipal services only and not for educational expenditures. The remaining amount of the taxes reported shall be remitted monthly to the State Treasurer for deposit in the PILOT Special Fund set forth in 32 V.S.A. § 3709. Taxes due to the City under this section shall be paid by the State on a quarterly basis.

Sec. 14. 24 App. V.S.A. chapter 127, § 1308a is amended to read:

§ 1308a. SALES, ROOMS, MEALS, AND ALCOHOLIC BEVERAGES TAX

* * *

(d) ~~Of the taxes collected under this section, 70 percent~~ The share of taxes due to the Town pursuant to 24 V.S.A. § 138 shall be paid to the Town on a quarterly basis ~~to the Town~~ after reduction for the costs of administration and collection under subsection (c) of this section. Revenues received by the Town may be expended for municipal services only and not for education expenditures. Any remaining revenues shall be deposited in the PILOT Special Fund established by 32 V.S.A. § 3709.

Sec. 15. 24 App. V.S.A. chapter 171, § 18 is amended to read:

§ 18. LOCAL OPTIONS TAX

The Selectboard is authorized to impose a one percent sales tax, a one percent meals and alcoholic beverages tax, and a one percent rooms tax upon sales within the Town that are subject to the State of Vermont tax on sales, meals, alcoholic beverages, and rooms. The Town tax shall be implemented in the event the State local options tax as provided for in 24 V.S.A. § 138 is repealed or the 70-percent allocation to the town is reduced. A tax imposed under the authority of this section shall be collected and administered by the Vermont Department of Taxes in accordance with State law governing the State tax on sales, meals, alcoholic beverages, and rooms. The ~~amount of 70 percent of the~~ taxes collected shall be paid to the Town~~, and the remaining amount of the taxes collected shall be remitted to the State Treasurer for deposit in the Pilot Special Fund first established in 1997 Acts and Resolves No. 60, § 89~~ pursuant to 24 V.S.A. § 138. The cost of administration and collection of this tax shall be paid ~~70 percent by the Town and 30 percent by the State from the Pilot Special Fund~~ pursuant to 24 V.S.A. § 138. The tax to be paid to the Town~~, less its obligation for the 70 percent of the costs of administration and collection,~~ pursuant to 24 V.S.A. § 138 shall be paid to the Town on a quarterly basis and may be expended by the Town for municipal services only and not for education expenditures. The Town may repeal the local option taxes by Australian ballot vote.

* * * Division of Emergency Management; Technical Corrections * * *

Sec. 16. 20 V.S.A. chapter 1 is amended to read:

CHAPTER 1. EMERGENCY MANAGEMENT

* * *

§ 2. DEFINITIONS

As used in this chapter:

* * *

(3) "Director" means the Director of ~~Vermont~~ the Division of Emergency Management of the Department of Public Safety.

* * *

§ 3. VERMONT EMERGENCY MANAGEMENT ~~DIVISION~~

(a) There is hereby created within the Department of Public Safety ~~a division to~~ the Division of Emergency Management, which may also be known as ~~the~~ Vermont Emergency Management ~~Division~~.

* * *

§ 4. LANGUAGE ASSISTANCE SERVICES FOR STATE EMERGENCY COMMUNICATIONS

(a) If an all-hazards event occurs, the ~~Vermont Emergency Management~~ Division shall ensure that language assistance services are available for all State communications regarding the all-hazards event, including relevant press conferences and emergency alerts, as soon as practicable. Language assistance services shall be provided for:

* * *

(c) Annually, the ~~Vermont Emergency Management~~ Division shall hold a public meeting with members of the Vermont Deaf, Hard of Hearing, and DeafBlind Advisory Council; the Office of Racial Equity; the Vermont Association of Broadcasters; and other relevant stakeholders to review the adequacy and efficacy of the provision and distribution of language assistance services of emergency communications over mass communication platforms to individuals who are Deaf, Hard of Hearing, and DeafBlind as well as individuals with limited English language proficiency.

* * *

Sec. 17. 20 V.S.A. § 112 is amended to read:

§ 112. ADDITIONAL PROVISIONS — ARTICLE X

* * *

(b) The ~~director~~ Director of ~~the~~ Vermont ~~emergency management service~~ Emergency Management shall be the authorized representative in regard to a request from a party state or by Vermont for aid that does not involve personnel or elements of the Vermont National Guard.

* * *

(d) The ~~director~~ Director of Vermont ~~emergency management~~ Emergency Management shall be responsible for handling any and all documents necessary to obtain reimbursement hereunder for services rendered to a requesting state, or within Vermont by another assisting state.

* * *

Sec. 18. 10 V.S.A. § 599a is amended to read:

§ 599a. REPORTS; RULEMAKING

* * *

(c) In adopting the Strategy, the Agency shall:

* * *

(2) in consultation with other State agencies and departments, including the Department of Public Safety's Division of ~~Vermont~~ Emergency Management, assess the adaptation needs and vulnerabilities of various areas vital to the State's economy, normal functioning, and the health and well-being of Vermonters;

* * *

Sec. 19. 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:

* * *

(24) To the Division of ~~Vermont~~ Emergency Management at the Department of Public Safety for the purposes of emergency management and communication, and to the Department of Housing and Community Development and any organization then under contract with the Department of Housing and Community Development to carry out a statewide housing needs assessment for the purpose of the statewide housing needs assessment, provided that the disclosure relates to the information collected on the landlord certificate pursuant to subsection 6069(c) of this title.

* * *

* * * Rulemaking; Federal Regulations Incorporated by Reference * * *

Sec. 20. 3 V.S.A. § 850 is added to read:

§ 850. RULES; INCORPORATION OF FEDERAL REGULATIONS

Any federal regulation incorporated by reference into a Vermont Rule as of January 1, 2025 shall continue in effect as a State rule until January 31, 2029 or when the State rule is next amended, whichever is sooner, regardless of whether the federal rule was later repealed or amended. The secretary of an agency or commissioner of a department, as applicable, shall provide notice of these incorporated regulations by posting them on the agency or department website. Nothing in this section shall prevent the secretary or commissioner from adopting or amending a rule pursuant to this chapter, including emergency rulemaking.

* * * Property Tax Overpayment Refunds; City of Barre and Town of Milton * * *

Sec. 21. EDUCATION FUND REFUND; CITY OF BARRE TIF DISTRICT; TAX INCREMENT; FY 2016–FY 2020

Notwithstanding any other provision of law, the sum of $437,028.00 shall be transferred from the Education Fund to the City of Barre not later than fiscal year 2026 to compensate the City for overpayments of education property taxes in fiscal years 2016 through 2020 due to insufficient retention of tax increment from the City's Tax Increment Financing District fund.

Sec. 22. EDUCATION FUND REFUND; MILTON TOWN CORE TIF DISTRICT; TAX INCREMENT; FY 2017–FY 2023

Notwithstanding any other provision of law, the sum of $184,451.00 shall be transferred from the Education Fund to the Town of Milton not later than fiscal year 2026 to compensate the Town for overpayments of education property taxes in fiscal years 2017 through 2023 due to insufficient retention of tax increment from the Town Core's Tax Increment Financing District fund.

Sec. 23. REPEAL

3 V.S.A. § 850 (rules; incorporation of federal regulations) is repealed on January 31, 2029.

* * * Effective Dates * * *

Sec. 24. EFFECTIVE DATES

(a) This section and Sec. 20 (rules; incorporation of federal regulations) shall take effect on passage.

(b) Sec. 11 (local option taxes) shall take effect on October 1, 2025.

(c) All other sections shall take effect on July 1, 2025.

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

Senator Cummings, for the Committee on Finance, to which the bill was referred, reported recommending that the Senate propose to the House that the bill be amended as recommended by the Committee on Government Operations with the following amendment thereto:

By adding a new section to be Sec. 22a to read as follows:

Sec. 22a. 2023 Acts and Resolves No. 72, Sec. 37 is amended to read:

Sec. 37. TAX INCREMENT FINANCING DISTRICT; CITY OF BARRE; EXTENSION; INCREMENT

(a) Notwithstanding 2021 Acts and Resolves No. 73, Sec. 26a, amending 2020 Acts and Resolves No. 175, Sec. 29, or any other provision of law, the authority of the City of Barre to incur indebtedness is hereby extended to March 31, ~~2026~~ 2028.

(b) Notwithstanding any other provision of law, the authority of the City of Barre to retain municipal and education tax increment is hereby extended until June 30, 2039.

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

Senator Perchlik, for the Committee on Appropriations, to which the bill was referred, reported recommending that the Senate propose to the House that the bill be amended as recommended by the Committees on Government Operations and on Finance with the following proposal of amendment thereto:

By striking out Secs. 21 and 22 in their entireties and inserting in lieu thereof a new Sec. 21 to read as follows:

Sec. 21. GENERAL FUND TRANSFER TO THE EDUCATION FUND; APPROPRIATION FOR COMPENSATION FOR OVERPAYMENT

(a) In fiscal year 2026, in addition to any other fund transfers made, $621,479.00 shall be transferred from the General Fund to the Education Fund to compensate the City of Barre and the Town of Milton for overpayment of education property tax increment from Tax Increment Financing District funds, pursuant to the findings of State Auditor Reports Nos. 21-03 and 24-06.

(b) Notwithstanding 16 V.S.A. § 4025, in fiscal year 2026, $621,479.00 Education Fund shall be appropriated to the Department of Taxes for the following:

(1) $437,028.00 to make a payment to the City of Barre to compensate the City for overpayments of education property taxes in fiscal years 2016 through 2020 due to insufficient retention of tax increment by the City's Tax Increment Financing District fund; and

(2) $184,451.00 to make a payment to the Town of Milton to compensate the Town for overpayments of education property taxes in fiscal years 2017 through 2023 due to insufficient retention of tax increment by the Town's Tax Increment Financing District fund.

and by renumbering the remaining sections to be numerically correct.

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

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

Thereupon, the recommendation of the Committee on Government Operations, as amended, was further amended as recommended by the Committee on Appropriations.

Thereupon, the pending question, Shall the Senate propose to the House that the bill be amended as recommended by the Committee on Government Operations, as amended?, was agreed to and third reading of the bill was ordered.

Rules Suspended; Bill Messaged

On motion of Senator Baruth, the rules were suspended, and the following bill was ordered messaged to the House forthwith:

H. 480.

Adjournment

On motion of Senator Baruth the Senate adjourned until two o'clock in the afternoon.

Message from the House No. 70

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 bills originating in the Senate of the following titles:

S. 69. An act relating to an age-appropriate design code.

S. 123. An act relating to miscellaneous changes to laws related to motor vehicles.

S. 127. An act relating to housing and housing development.

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

The House has considered Senate proposal of amendment to House bill entitled:

H. 91. An act relating to the Vermont Homeless Emergency Assistance and Responsive Transition to Housing Program.

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. Wood of Waterbury
Rep. Maguire of Rutland City
Rep. McGill of Bridport.

Called to Order

The Senate was called to order by the President.

Senate Proposal of Amendment Amended; Bill Passed in Concurrence with Proposal of Amendment

H. 50.

House bill entitled:

An act relating to identifying underutilized State buildings and land.

Was taken up.

Thereupon, pending third reading of the bill, Senators Douglass, Harrison, Ingalls, Major, Plunkett and Watson moved to amend the Senate proposal of amendment by striking out subsection (g) in its entirety and inserting in lieu thereof a new subsection (g) to read as follows:

(g) The head of each agency shall prepare and forward to the Commissioner of Buildings and General Services ~~when requested by the Commissioner~~ annually in a format prescribed by the Commissioner an inventory of~~:~~ square footage available for use; square footage in actual use; square footage not in use; square footage used for storage; square footage that is unfinished; cost per square foot for rent; cost per square foot for operation and maintenance; and the source of funds for rent, operation, and maintenance, including the act and section numbers of a legislative directive if applicable. The head of each agency shall additionally indicate in its inventory in a format prescribed by the Commissioner whether any building is vacant and whether any land is unnecessary for the statutory purpose of the agency.

Which was agreed to.

Thereupon, the bill was read the third time and passed in concurrence with proposal of amendment.

Committee of Conference Appointed

H. 91.

An act relating to the Vermont Homeless Emergency Assistance and Responsive Transition to Housing Program.

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

Senator Lyons
Senator Gulick
Senator Vyhovsky

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

Recess

On motion of Senator Baruth the Senate recessed until three o'clock and fifteen minutes in the afternoon.

Called to Order

The Senate was called to order by the President.

House Proposal of Amendment Concurred In

S. 59.

House proposal of amendment to Senate bill entitled:

An act relating to amendments to Vermont's Open Meeting Law.

Was taken up.

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

Sec. 1. 1 V.S.A. § 310 is amended to read:

§ 310. DEFINITIONS

As used in this subchapter:

* * *

(9) "Undue hardship" means an action ~~required to achieve compliance would require~~ requiring significant difficulty or expense to the unit of government to which a public body belongs, considered in light of factors including the overall size of the entity, ~~sufficient~~ the availability of necessary

personnel and ~~staffing availability~~ staff, the entity's ~~budget~~ available resources, and the costs associated with compliance.

Sec. 2. 1 V.S.A. § 312 is amended to read:

§ 312. RIGHT TO ATTEND MEETINGS OF PUBLIC ~~AGENCIES~~ BODIES

(a)(1) All meetings of a public body are declared to be open to the public at all times, except as provided in section 313 of this title. No resolution, rule, regulation, appointment, or formal action shall be considered binding except as taken or made at such open meeting, except as provided under subdivision 313(a)(2) of this title. A meeting of a public body is subject to the public accommodation requirements of 9 V.S.A. chapter 139. A public body shall electronically record all public hearings held to provide a forum for public comment on a proposed rule, pursuant to 3 V.S.A. § 840. The public shall have access to copies of such electronic recordings as described in section 316 of this title.

* * *

(3)(A) State ~~nonadvisory~~ public bodies; hybrid meeting requirement; exception for advisory bodies. Any public body of the State, except advisory bodies, shall:

~~(A)~~(i) hold all regular and special meetings in a hybrid fashion, which shall include both a designated physical meeting location and a designated electronic meeting platform;

~~(B)~~(ii) electronically record all meetings; and

~~(C)~~(iii) for a minimum of 30 days following the approval and posting of the official minutes for a meeting, retain the audiovisual recording and post the recording in a designated electronic location.

(B) Exception; site inspections and field visits. This subdivision (3) shall not apply to gatherings of a State public body for purposes of a site inspection or field visit.

(C) Application of subdivision; State public bodies only. This subdivision (3) applies exclusively to State public bodies.

* * *

(5) State ~~nonadvisory~~ public bodies; State and local advisory bodies; designating electronic platforms. ~~State nonadvisory~~ A public ~~bodies~~ body meeting ~~in a hybrid fashion~~ pursuant to subdivision (3) ~~of this subsection and State and local advisory bodies meeting without a physical meeting location~~ or advisory body meeting pursuant to subdivision (4) of this subsection shall designate and use an electronic platform that allows the direct access,

attendance, and participation of the public, including access by telephone. The public body shall post information that enables the public to directly access the designated electronic platform and include this information in the published agenda or public notice for the meeting.

(6) Local ~~nonadvisory~~ public bodies; meeting recordings.

(A) A public body of a municipality or political subdivision, except advisory bodies, shall record or cause to record, in audio or video form, any meeting of the public body and post a copy of the recording in a designated electronic location for a minimum of 30 days following the ~~approval and~~ posting of the ~~official~~ minutes for a meeting. This subdivision (A) shall not apply to gatherings of a public body for purposes of a site inspection or field visit.

* * *

(c)(1) The time and place of all regular meetings subject to this section shall be clearly designated by statute, charter, regulation, ordinance, bylaw, resolution, or other determining authority of the public body, and this information shall be available to any person upon request. The time and place of all public hearings and meetings scheduled by all Executive Branch State agencies, departments, boards, or commissions shall be available to the public as required under 3 V.S.A. § 2222(c).

(2) The time, place, and purpose of a special meeting subject to this section shall be publicly announced at least 24 hours before the meeting. Municipal public bodies shall post notices of special meetings in or near the municipal clerk's office and in at least two other designated public places in the municipality or a neighboring municipality, at least 24 hours before the meeting. In addition, notice shall be given, either orally or in writing, to each member of the public body at least 24 hours before the meeting, except that a member may waive notice of a special meeting.

* * *

(d)(1) At least 48 hours prior to a regular meeting, and at least 24 hours prior to a special meeting, a meeting agenda shall be:

* * *

(B) in the case of a municipal public body, posted in or near the municipal office and in at least two other designated public places in the municipality or a neighboring municipality.

* * *

(3) A meeting agenda shall contain sufficient details concerning the specific matters to be discussed by the public body. Whenever a public body includes an executive session as an item on a posted meeting agenda, the public body shall list the agenda item as "proposed executive session" and indicate the nature of the business of the executive session.

(4)(A) Any addition to or deletion from the agenda shall be made as the first act of business at the meeting.

* * *

(k) Training.

(1) Annually, the following officers shall participate in a professional training that addresses the procedures and requirements of this subchapter:

(A) for municipalities and political subdivisions, the chair of the legislative body, town manager, and mayor; ~~and~~

(B) for the State, the chair of any public body that is not an advisory body; and

(C) the members of a State advisory body, provided that the advisory body is composed entirely of members who are not government officers or employees.

* * *

Sec. 3. 1 V.S.A. § 313 is amended to read:

§ 313. EXECUTIVE SESSIONS

(a) No public body may hold or conclude an executive session from which the public is excluded, except by the affirmative vote of two-thirds of its members present in the case of any public body of State government or of a majority of its members present in the case of any public body of a municipality or other political subdivision. A motion to go into executive session shall indicate the nature of the business of the executive session, and no other matter may be considered in the executive session. ~~Such~~ The vote to enter executive session shall be taken in the course of an open meeting and the result of the vote recorded in the minutes. No formal or binding action shall be taken in executive session except for actions relating to the securing of real estate options under subdivision (2) of this subsection. Minutes of an executive session need not be taken, but if they are, the minutes shall, notwithstanding subsection 312(b) of this title, be exempt from public copying and inspection under the Public Records Act. A public body may not hold an executive session except to consider one or more of the following:

* * *

(10) security, cybersecurity, or emergency response measures, the disclosure of which could jeopardize public safety; or

(11) confidential business information relating to the interest rates for publicly financed loans, provided that the public body is a State public body and the creditor for the loan.

* * *

Sec. 4. LEGISLATIVE INTENT

It is the intent of the General Assembly that section 5 of this act amend 13 V.S.A. § 1026 to conform subdivision (a)(4) of that section with the constitutional requirements articulated in the Supreme Court of Vermont decision *State v. Colby*, 185 Vt. 464 (2009).

Sec. 5. 13 V.S.A. § 1026 is amended to read:

§ 1026. DISORDERLY CONDUCT

(a) A person is guilty of disorderly conduct if ~~he or she~~ the person, with intent to cause public inconvenience or annoyance, or recklessly creates a risk thereof:

* * *

(4) without lawful authority, disturbs any lawful assembly or meeting of persons; or

* * *

(c) As used in this section:

(1) "Disturbs any lawful assembly or meeting of persons" means conduct that substantially impairs the effective conduct of an assembly or meeting, including conduct that:

(A) causes an assembly or meeting to terminate prematurely; or

(B) consists of numerous and sustained efforts to disrupt an assembly or meeting after being asked to desist.

(2) "Meeting" includes a meeting of a public body, as those terms are defined in 1 V.S.A. § 310.

Sec. 6. EFFECTIVE DATE

This act shall take effect on passage.

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

Message from the House No. 71

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 House bills of the following titles:

H. 209. An act relating to intranasal epinephrine in schools

H. 266. An act relating to the 340B prescription drug pricing program.

And has severally concurred therein with further proposals of amendment thereto, in the adoption of which the concurrence of the Senate is requested.

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

H. 222. An act relating to civil orders of protection.

H. 482. An act relating to Green Mountain Care Board authority to adjust a hospital's reimbursement rates and to appoint a hospital observer.

And has severally concurred therein.

The House has considered Senate proposal of amendment to House bill entitled:

H. 454. An act relating to transforming Vermont's education governance, quality, and finance systems.

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. Conlon of Cornwall
Rep. Kornheiser of Brattleboro
Rep. Taylor of Milton.

Committee of Conference Appointed

H. 454.

An act relating to transforming Vermont's education governance, quality, and finance systems.

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

Senator Bongartz
Senator Cummings
Senator Beck

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

Rules Suspended; Bill Messaged

On motion of Senator Baruth, the rules were suspended, and the following bill was ordered messaged to the House forthwith:

H. 50.

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. 59, H. 91.

Adjournment

On motion of Senator Baruth, the Senate adjourned until ten o'clock in the forenoon on Wednesday, May 28, 2025.

WEDNESDAY, MAY 28, 2025

The Senate was called to order by the President.

Devotional Exercises

A moment of silence was observed in lieu of devotions.

Rules Suspended; Bills on Notice Calendar for Immediate Consideration

On motion of Senator Baruth, the rules were suspended, and the following bills, appearing on the Calendar for notice, were ordered to be brought up for immediate consideration:

S.123, S. 127.

House Proposal of Amendment Not Concurred In; Committee of Conference Requested; Committee of Conference Appointed

S. 123.

House proposal of amendment to Senate bill entitled:

An act relating to miscellaneous changes to laws related to motor vehicles.

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:

* * * Plug-in Electric Vehicles * * *

Sec. 1. 23 V.S.A. § 4(28) is amended to read:

(28) "Pleasure car" shall include all motor vehicles not otherwise defined in this title and shall include plug-in electric vehicles, battery electric vehicles, or plug-in hybrid electric vehicles as defined pursuant to subdivision (85) of this section.

* * * Veteran's Designation * * *

Sec. 2. 23 V.S.A. § 7 is amended to read:

§ 7. ENHANCED DRIVER'S LICENSE; MAINTENANCE OF DATABASE INFORMATION; FEE

* * *

(b)(1) In addition to any other requirement of law or rule, before an enhanced license may be issued to an individual, the individual shall present for inspection and copying satisfactory documentary evidence to determine identity and U.S. citizenship. ~~An~~ A new application shall be accompanied by a photo identity document, documentation showing the individual's date and place of birth, proof of the individual's Social Security number, and documentation showing the individual's principal residence address. New and renewal application forms shall include a space for the applicant to request that a "veteran" designation be placed on the enhanced license.

(2) If a veteran, as defined in 38 U.S.C. § 101(2) and including an individual disabled during active military, naval, air, or space service, as defined in 38 U.S.C. § 101(24), requests a veteran designation and provides a Department of Defense Form 214 or other proof of veteran status specified by the Commissioner, and the Office of Veterans' Affairs confirms the individual's status as an honorably discharged veteran; a veteran discharged under honorable conditions; or an individual disabled during active military, naval, air, or space service, the identification card shall include the term "veteran" on its face.

(3) To be issued, an enhanced license must meet the same requirements as those for the issuance of a U.S. passport. Before an application may be processed, the documents and information shall be verified as determined by the Commissioner.

(4) Any additional personal identity information not currently required by the U.S. Department of Homeland Security shall need the approval of either

the General Assembly or the Legislative Committee on Administrative Rules prior to the implementation of the requirements.

* * *

* * * Documentation of Anatomical Gift * * *

Sec. 3. 23 V.S.A. § 115 is amended to read:

§ 115. NONDRIVER IDENTIFICATION CARDS

* * *

(g) An identification card issued to a first-time applicant and any subsequent renewals by that person shall contain a photograph or imaged likeness of the applicant. The photographic identification card shall be available at a location designated by the Commissioner. An individual issued an identification card under this subsection that contains an imaged likeness may renew ~~his or her~~ the individual's identification card by mail. Except that a renewal by an individual required to have a photograph or imaged likeness under this subsection must be made in person so that an updated imaged likeness of the individual is obtained not less often than once every nine years.

* * *

(k) At the option of the applicant, ~~his or her~~ the applicant's valid Vermont license may be surrendered in connection with an application for an identification card. In those instances, the fee due under subsection (a) of this section shall be reduced by:

* * *

(n) The Commissioner shall provide a form that, upon the individual's execution, shall serve as a document of an anatomical gift under 18 V.S.A. chapter 110. An indicator shall be placed on the nondriver identification card of any individual who has executed an anatomical gift form in accordance with this section.

* * * Disability Placards for Volunteer Drivers * * *

Sec. 4. 23 V.S.A. § 304a is amended to read:

§ 304a. SPECIAL REGISTRATION PLATES AND PLACARDS FOR INDIVIDUALS WITH DISABILITIES

(a) As used in this section:

(1) "Ambulatory disability" means an impairment that prevents or impedes walking. An individual shall be considered to have an ambulatory disability if ~~he or she~~ the individual:

* * *

(F) is severely limited in ~~his or her~~ the individual's ability to walk due to an arthritic, neurological, or orthopedic condition.

* * *

(b) Special registration plates or removable windshield placards, or both, shall be issued by the Commissioner. The placard shall be issued without a fee to an individual who is blind or has an ambulatory disability. One set of plates shall be issued without additional fees for a vehicle registered or leased to an individual who is blind or has an ambulatory disability or to a parent or guardian of an individual with a permanent disability. The Commissioner shall issue these placards or plates under rules adopted by ~~him or her~~ the Commissioner after proper application has been made to the Commissioner by any person residing within the State. Application forms shall be available on request at the Department of Motor Vehicles.

(1) Upon application for a special registration plate or removable windshield placard, the Commissioner shall send a form prescribed by ~~him or her~~ the Commissioner to the applicant to be signed and returned by a licensed physician, licensed physician assistant, or licensed advanced practice registered nurse. The Commissioner shall file the form for future reference and issue the placard or plate. A new application shall be submitted every four years in the case of placards and at every third registration renewal for plates but in no case greater than every four years. When a licensed physician, licensed physician assistant, or licensed advanced practice registered nurse has previously certified to the Commissioner that an applicant's condition is both permanent and stable, a special registration plate or placard need not be renewed.

* * *

(3) An individual with a disability who abuses such privileges or allows individuals not disabled to abuse the privileges provided in this section may have this privilege revoked after suitable notice and opportunity for hearing has been given ~~him or her~~ the individual by the Commissioner. Hearings under the provisions of this section shall be held in accordance with sections 105–107 of this title and shall be subject to review by the Civil Division of the Superior Court of the county where the individual with a disability resides.

(4) An applicant for a registration plate or placard for individuals with disabilities may request the Civil Division of the Superior Court in the county in which ~~he or she~~ the applicant resides to review a decision by the Commissioner to deny ~~his or her~~ the applicant's application for a special registration plate or placard.

* * *

(6) On a form prescribed by the Commissioner, a nonprofit organization that provides volunteer drivers to transport individuals who have an ambulatory disability or are blind may apply to the Commissioner for a placard. ~~Placards shall be marked "volunteer driver."~~ The organization shall ensure proper use of placards and maintain an accurate and complete record of the volunteer drivers to whom the placards are given by the organization. Placards shall be returned to the organization when the volunteer driver is no longer performing that service. Abuse of the privileges provided by the placards may result in the privileges being revoked and the placards repossessed by the Commissioner. Revocation may occur only after suitable notice and opportunity for a hearing. Hearings shall be held in accordance with sections 105–107 of this title.

* * *

(e)(1) An individual, other than an eligible person, who for ~~his or her~~ the individual's own purposes parks a vehicle in a space for individuals with disabilities shall be subject to a civil penalty of not less than $200.00 for each violation and shall be liable for towing charges.

(2) An individual, other than an eligible person, who displays a special registration plate or removable windshield placard not issued to ~~him or her~~ the individual under this section and parks a vehicle in a space for individuals with disabilities, shall be subject to a civil penalty of not less than $400.00 for each violation and shall be liable for towing charges.

* * *

(f) Individuals who have a temporary ambulatory disability may apply for a temporary removable windshield placard to the Commissioner on a form prescribed by ~~him or her~~ the Commissioner. The placard shall be valid for a period of up to six months and displayed as required under the provisions of subsection (c) of this section. The application shall be signed by a licensed physician, licensed physician assistant, or licensed advanced practice registered nurse. The validation period of the temporary placard shall be established on the basis of the written recommendation from a licensed physician, licensed physician assistant, or licensed advanced practice registered nurse. The Commissioner shall adopt rules to implement the provisions of this subsection.

* * * Fees * * *

Sec. 5. 23 V.S.A. § 115(a) is amended to read:

(a)(1) Any Vermont resident may make application to the Commissioner and be issued an identification card that is attested by the Commissioner as to true name, correct age, residential address unless the listing of another address is requested by the applicant or is otherwise authorized by law, and any other identifying data as the Commissioner may require that shall include, in the case of minor applicants, the written consent of the applicant's parent, guardian, or other person standing in loco parentis.

(2) Every application for an identification card shall be signed by the applicant and shall contain such evidence of age and identity as the Commissioner may require, consistent with subsection (l) of this section. New and renewal application forms shall include a space for the applicant to request that a "veteran" designation be placed on the applicant's identification card. If a veteran, as defined in 38 U.S.C. § 101(2) and including an individual disabled during active military, naval, air, or space service, as defined in 38 U.S.C. § 101(24), requests a veteran designation and provides a Department of Defense Form 214 or other proof of veteran status specified by the Commissioner, and the Office of Veterans' Affairs confirms the veteran's status as an honorably discharged veteran; a veteran discharged under honorable conditions; or an individual disabled during active military, naval, air, or space service, the identification card shall include the term "veteran" on its face.

(3) The Commissioner shall require payment of a fee of $29.00 at the time application for an identification card is made, except that an initial nondriver identification card shall be issued at no charge to:

(A) an individual who surrenders the individual's license in connection with a suspension or revocation under subsection 636(b) of this title due to a physical or mental condition; or

(B) an individual under 23 years of age who was in the care and custody of the Commissioner for Children and Families pursuant to 33 V.S.A. § 4903(4) in Vermont after attaining 14 years of age.

Sec. 6. 23 V.S.A. § 376 is amended to read:

§ 376. STATE, MUNICIPAL, FIRE DEPARTMENT, AND RESCUE ORGANIZATION MOTOR VEHICLES

* * *

(h)(1) The EV infrastructure fee, required pursuant subsections 361(b) and (c) of this subchapter, shall not be charged for vehicles owned by the State.

(2) The EV infrastructure fee, required pursuant subsections 361(b) and (c) of this subchapter, shall not be charged for vehicles that are owned by any county or municipality in the State and used by that county or municipality or another county or municipality in this State for county or municipal purposes.

(i)(1) The EV infrastructure fee, required pursuant subsections 361(b) and (c) of this subchapter, shall not be charged for a motor truck, trailer, ambulance, or other motor vehicle that is:

(A) owned by a volunteer fire department or other volunteer firefighting organization, an ambulance service, or an organization conducting rescue operations; and

(B) used solely for firefighting, emergency medical, or rescue purposes, or any combination of those activities.

(2) A motor vehicle or trailer subject to the provisions of this subsection shall be plainly marked on both sides of the body or cab to indicate its ownership.

Sec. 7. 23 V.S.A. § 378 is amended to read:

§ 378. VETERANS' EXEMPTIONS

No fees, including the annual emissions fee required pursuant to 3 V.S.A. § 2822(m)(1) and the electric vehicle infrastructure fees required pursuant to section 361 of this subchapter, shall be charged ~~an honorably discharged~~ to a veteran of the U.S. Armed Forces who received a discharge under other than dishonorable conditions and is a resident of the State of Vermont for the registration of a motor vehicle that the veteran has acquired with financial assistance from the U.S. Department of Veterans Affairs, or for the registration of a motor vehicle owned by ~~him or her~~ the veteran during ~~his or her~~ the veteran's lifetime obtained as a replacement thereof, when ~~his or her~~ the veteran's application is accompanied by a copy of an approved VA Form 21-4502 issued by the U.S. Department of Veterans Affairs certifying ~~him or her~~ the veteran to be entitled to the financial assistance.

Sec. 8. 23 V.S.A. § 608 is amended to read:

§ 608. FEES

* * *

(b) An additional fee of $4.00 per year shall be paid for a motorcycle endorsement. The endorsement may be obtained for either a two-year or four-year period, to be coincidental with the length of the operator's license.

(c)(1) Individuals under 23 years of age who were in the care and custody of the Commissioner for Children and Families pursuant to 33 V.S.A.

§ 4903(4) in Vermont after attaining 14 years of age shall be provided with operator's licenses or operator privilege cards at no charge.

(2) No additional fee shall be due for a motorcycle endorsement for an individual under 23 years of age who was in the care and custody of the Commissioner for Children and Families pursuant to 33 V.S.A. § 4903(4) in Vermont after attaining 14 years of age.

* * * Learner's Permits * * *

Sec. 9. 23 V.S.A. § 617 is amended to read:

§ 617. LEARNER'S PERMIT

* * *

(b)(1) Notwithstanding the provisions of subsection (a) of this section, any licensed person may apply to the Commissioner of Motor Vehicles for a learner's permit for the operation of a motorcycle in the form prescribed by the Commissioner. The Commissioner shall offer both a motorcycle learner's permit that authorizes the operation of three-wheeled motorcycles only and a motorcycle learner's permit that authorizes the operation of any motorcycle. The Commissioner shall require payment of a fee of $24.00 at the time application is made, except that no fee shall be charged for an individual under 23 years of age who was in the care and custody of the Commissioner for Children and Families pursuant to 33 V.S.A. § 4903(4) in Vermont after attaining 14 years of age.

(2) After the applicant has successfully passed all parts of the applicable motorcycle endorsement examination, other than a skill test, the Commissioner may issue to the applicant a learner's permit that entitles the applicant, subject to subsection 615(a) of this title, to operate a three-wheeled motorcycle only, or to operate any motorcycle, upon the public highways for a period of 120 days from the date of issuance. The fee for the examination shall be $11.00, except that no fee shall be charged for an individual under 23 years of age who was in the care and custody of the Commissioner for Children and Families pursuant to 33 V.S.A. § 4903(4) in Vermont after attaining 14 years of age.

(3) A motorcycle learner's permit may be renewed only twice upon payment of a $24.00 fee. An individual under 23 years of age who was in the care and custody of the Commissioner for Children and Families pursuant to 33 V.S.A. § 4903(4) in Vermont after attaining 14 years of age shall not be charged a fee for the renewal of a motorcycle learner's permit.

(4) If, during the original permit period and two renewals the permittee has not successfully passed the applicable skill test or motorcycle rider training

course, the permittee may not obtain another motorcycle learner's permit for a period of 12 months from the expiration of the permit unless:

(A) ~~he or she~~ the permittee has successfully completed the applicable motorcycle rider training course; or

(B) the learner's permit and renewals thereof authorized the operation of any motorcycle and the permittee is seeking a learner's permit for the operation of three-wheeled motorcycles only.

* * *

(c) No learner's permit may be issued to any person under 18 years of age unless the parent or guardian of, or a person standing in loco parentis to, the applicant files ~~his or her~~ written consent to the issuance with the Commissioner.

(d)(1) An applicant shall pay $24.00 to the Commissioner for each learner's permit or a duplicate or renewal thereof.

(2) An applicant under 23 years of age who was in the care and custody of the Commissioner for Children and Families pursuant to 33 V.S.A. § 4903(4) in Vermont after attaining 14 years of age shall not be charged a fee for a learner's permit or a duplicate or renewal thereof.

(3) A replacement learner's permit for the operation of a motorcycle may be generated from the applicant's electronic account for no charge.

(e)(1) A learner's permit~~, which is not a learner's permit~~ for the operation of a motorcycle~~,~~ shall contain a photograph or imaged likeness of the individual. A learner's permit for a motor vehicle shall contain a photograph or imaged likeness of the individual if the permit is obtained in person. ~~The photographic learner's permit shall be available at locations designated by the Commissioner.~~

(2) An individual issued a permit under this subsection may renew ~~his or her~~ the individual's permit by mail or online, but a permit holder who chooses to have a photograph or imaged likeness under this subsection must renew in person so that an updated imaged likeness of the individual is obtained not less often than once every nine years.

* * *

* * * Commercial Learner's Permit * * *

Sec. 10. 23 V.S.A. § 4111a is amended to read:

§ 4111a. COMMERCIAL LEARNER'S PERMIT

(a) Contents of permit. A commercial learner's permit shall contain the following:

* * *

(3) physical and other information to identify and describe the permit holder, including the month, day, and year of birth; sex; ~~and~~ height; and photograph;

* * *

Sec. 11. 23 V.S.A. § 4122 is amended to read:

§ 4122. DEFERRING IMPOSITION OF SENTENCE; PROHIBITION ON MASKING OR DIVERSION

(a) No court, State's Attorney, or law enforcement officer may utilize the provisions of 13 V.S.A. § 7041 or any other program to defer imposition of sentence or judgment if the defendant holds a commercial driver's license, commercial learner's permit, or was operating a commercial motor vehicle when the violation occurred and is charged with violating any State or local traffic law other than ~~a~~ parking ~~violation~~, vehicle weight, or vehicle defect violations.

* * *

* * * License Examinations * * *

Sec. 12. 23 V.S.A. § 632 is amended to read:

§ 632. EXAMINATION REQUIRED; WAIVER

(a) Before an operator's or a junior operator's license is issued to an applicant for the first time in this State, or before a renewal license is issued to an applicant whose previous Vermont license had expired more than three years prior to the application for renewal, the applicant shall pass a satisfactory examination, except that the Commissioner may, in ~~his or her~~ the Commissioner's discretion, waive the examination when the applicant holds a chauffeur's, junior operator's, or operator's license in force at the time of application or within three years prior to the application in some other jurisdiction where an examination is required similar to the examination required in this State.

(b) The examination shall consist of:

* * *

(3) at the discretion of the Commissioner, such other examination or demonstration as ~~he or she~~ the Commissioner may prescribe, including an oral eye examination.

(c) An applicant may have an individual of ~~his or her~~ the applicant's choosing at the oral examination or road test to serve as an interpreter, including to translate any oral commands given as part of the road test.

Sec. 13. 23 V.S.A. § 634 is amended to read:

§ 634. FEE FOR EXAMINATION

* * *

(b)(1) ~~A~~ Beginning on or before July 1, 2026, a scheduling fee of $29.00 shall be paid by the applicant before the applicant may schedule the road test required under section 632 of this title. ~~Unless an applicant gives the Department at least 48 hours' notice of cancellation, if~~

(2) If the applicant does not appear as scheduled, the $29.00 scheduling fee ~~is~~ shall be forfeited, unless either:

(A) the applicant gives the Department at least 48 hours' notice; or

(B) the applicant shows good cause for the cancellation, as determined by the Commissioner.

(3) If the applicant appears for the scheduled road test, the fee shall be applied toward the license examination fee. ~~The Commissioner may waive the scheduling fee until the Department is capable of administering the fee electronically.~~

* * *

* * * Non-Real ID Operator's Privilege Cards * * *

Sec. 14. 23 V.S.A. § 603 is amended to read:

§ 603. APPLICATION FOR AND ISSUANCE OF LICENSE

(a)(1) The Commissioner or ~~his or her~~ the Commissioner's authorized agent may license operators and junior operators when an application, on a form prescribed by the Commissioner, signed and sworn to by the applicant for the license, is filed with ~~him or her~~ the Commissioner, accompanied by the required license fee and any valid license from another state or Canadian jurisdiction is surrendered.

(2) The Commissioner may, however, in ~~his or her~~ the Commissioner's discretion, refuse to issue a license to any person whenever ~~he or she~~ the Commissioner is satisfied from information given ~~him or her~~ the Commissioner by credible persons, and upon investigation, that the person is mentally or physically unfit or, because of ~~his or her~~ the person's habits or record as to crashes or convictions, is unsafe to be trusted with the operation of motor vehicles. A person refused a license under the provisions of this

subsection shall be entitled to hearing as provided in sections 105–107 of this title.

* * *

(d) Except as provided in subsection (e) of this section:

(1) ~~A~~ An applicant who is a citizen of a foreign country shall produce ~~his or her~~ the applicant's passport and visa, alien registration receipt card (green card), or other proof of legal presence for inspection and copying as a part of the application process for an operator's license, junior operator's license, or learner's permit.

(2) An operator's license, junior operator's license, or learner's permit issued to an applicant who is a citizen of a foreign country shall expire coincidentally with ~~his or her~~ the applicant's authorized duration of stay.

(e)(1) A citizen of a foreign country unable to establish legal presence in the United States who furnishes reliable proof of Vermont residence and of name, date of birth, and place of birth, and who satisfies all other requirements of this chapter for obtaining a license or permit, shall be eligible to obtain an operator's privilege card, a junior operator's privilege card, or a learner's privilege card.

* * *

(f) ~~Persons~~ Applicant's able to establish lawful presence in the United States but who otherwise fail to comply with the requirements of the REAL ID Act of 2005, Pub. L. No. 109-13, §§ 201-202, shall be eligible for an operator's privilege card, a junior operator's privilege card, or a learner's privilege card, provided the applicant furnishes reliable proof of Vermont residence and of name, date of birth, and place of birth, and satisfies all other requirements of this chapter for obtaining a license or permit. The Commissioner shall require applicants under this subsection to furnish a document or a combination of documents that reliably proves the applicant's Vermont residence and ~~his or her~~ the applicant's name, date of birth, and place of birth.

* * *

(h) A privilege card issued under this section shall:

(1) on its face bear the phrase ~~"privilege card"~~ "non-Real ID" and text indicating that it is not valid for federal identification or official purposes; and

* * *

* * * License Extension * * *

Sec. 15. 23 V.S.A § 604 is added to read:

§ 604. EARLY RENEWAL

(a) The holder of an operator's license or privilege card issued under the provisions of this subchapter may renew the operator's license or privilege card at any time prior to the expiration of the operator's license or privilege card. If one or more years remain before the expiration of the operator's license or privilege card, the Commissioner shall reduce the cost of the renewed operator's license or privilege card by an amount that is proportionate to the number of years rounded down to the next whole year remaining before the expiration of the operator's license or privilege card.

(b) All application and documentation requirements for the renewal of an operator's license or privilege card shall apply to the early renewal of an operator's license or privilege card.

Sec. 16. 23 V.S.A. § 115b is added to read:

§ 115b. EARLY RENEWAL

(a) The holder of nondriver identification card issued under the provisions of section 115 of this chapter may renew the nondriver identification card at any time prior to the expiration of the nondriver identification card. If one or more years remain before the expiration of the nondriver identification card, the Commissioner shall reduce the cost of the renewed nondriver identification card by an amount that is proportionate to the number of years rounded down to the next whole year remaining before the expiration of the nondriver identification card.

(b) All application and documentation requirements for the renewal of a nondriver identification card pursuant to section 115 of this chapter shall apply to the early renewal of a nondriver identification card.

Sec. 17. INFORMATION REGARDING PRIVILEGE CARDS AND NONDRIVER IDENTIFICATION CARDS; INTENT

It is the intent of the General Assembly that the Commissioner of Motor Vehicles shall ensure that any individual who is unable to or does not wish to comply with the requirements of the REAL ID Act of 2005, Pub. L. No. 109-13, §§ 201 and 202 shall continue to be informed of the option of obtaining an operator's privilege card pursuant to the provisions of 23 V.S.A. § 603(f) or a nondriver identification card pursuant to the provisions of 23 V.S.A. § 115.

Sec. 18. OUTREACH; UPDATES

(a) On or before November 15, 2025, the Department of Motor Vehicles shall develop and implement a public education and outreach campaign to inform Vermont residents about:

(1) an individual's ability to obtain an operator's license, operator's privilege card, or nondriver identification card;

(2) an individual's ability under Vermont law to self-attest with respect to the gender marker on the individual's operator's license, operator's privilege card, or nondriver identification card; and

(3) reduced fees that are available to individuals who meet certain requirements.

(b) The Commissioner shall provide two brief, written updates to the House and Senate Committees on Transportation regarding the implementation and utilization of 23 V.S.A. §§ 115b and 604. The first shall be due not more than 30 days after the Department implements the provisions of 23 V.S.A. §§ 115b and 604 and the second shall be due in January 2026.

* * * Commercial Driving Instructors * * *

Sec. 19. 23 V.S.A. § 705 is amended to read:

§ 705. QUALIFICATIONS FOR INSTRUCTOR'S LICENSE

(a) In order to qualify for an instructor's license, each applicant shall:

(1) not have been convicted of:

(A) a felony nor incarcerated for a felony within the 10 years prior to the date of application;

(B) a violation of section 1201 of this title or a like offense in another jurisdiction reported to the Commissioner pursuant to subdivision 3905(a)(2) of this title within the three years prior to the date of application;

(C) a subsequent violation of an offense listed in subdivision 2502(a)(5) of this title or of section 674 of this title; or

(D) a sex offense that requires registration pursuant to 13 V.S.A. chapter 167, subchapter 3;

(2) pass ~~such~~ an examination ~~as~~ required by the Commissioner ~~shall require~~ on:

(A) traffic laws;

(B) safe driving practices;

(C) operation of motor vehicles; and

(D) qualifications as a teacher;

(3) be physically able to operate a motor vehicle and to train others in such operation;

(4) have five years' experience as a licensed operator and be at least 21 years of age on date of application; and

(5) pay the application and license fees prescribed in section 702 of this title.

(b) Commercial motor vehicle instructors shall satisfy the requirements of subdivisions (a)(1), (2), (3), and (5) of this section, and:

(1) If the commercial motor vehicle instructor is a behind the wheel (BTW) instructor, shall either:

(A)(i) hold a CDL of the same or higher class and with all endorsements necessary to operate the commercial motor vehicle for which training is to be provided;

(ii) have at least two years of experience driving a commercial motor vehicle requiring the same or higher class of CDL and any applicable endorsements required to operate the commercial motor vehicle for which training is to be provided; and

(iii) meet any additional applicable State requirements for commercial motor vehicle instructors; or

(B)(i) hold a CDL of the same or higher class and with all endorsements necessary to operate the commercial motor vehicle for which training is to be provided;

(ii) have at least two years' experience as a BTW instructor; and

(iii) meet any additional applicable State requirements for commercial motor vehicle instructors.

(2) If the commercial motor vehicle instructor is a theory instructor, the instructor shall:

(A)(i) hold a CDL of the same or higher class and with all endorsements necessary to operate the commercial motor vehicle for which training is to be provided;

(ii) have at least two years of experience driving a commercial motor vehicle requiring the same or higher class of CDL and any applicable endorsements required to operate the commercial motor vehicle for which training is to be provided; and

(iii) meet any additional applicable State requirements for commercial motor vehicle instructors; or

(B)(i) hold a CDL of the same or higher class and with all endorsements necessary to operate the commercial motor vehicle for which training is to be provided;

(ii) have at least two years' experience as a BTW instructor; and

(iii) meet any additional applicable State requirements for commercial motor vehicle instructors.

* * * Motorcycle Instructors * * *

Sec. 20. 23 V.S.A. § 734 is amended to read:

§ 734. INSTRUCTOR REQUIREMENTS AND TRAINING

* * *

(b) The Department shall establish minimum requirements for the qualifications of a rider training instructor. The minimum requirements shall include the following:

* * *

(3) the instructor shall have at least ~~four~~ two years of licensed experience as a motorcycle ~~riding experience~~ operator during the last ~~five~~ four years;

* * *

(7) an applicant shall not be eligible for instructor status until ~~his or her~~ the applicant's driving record for the preceding five years, or the maximum number of years less than five for which a state retains driving records, is furnished; and

* * *

* * * Motor Vehicle Taxes * * *

Sec. 21. 32 V.S.A. § 8902 is amended to read:

§ 8902. DEFINITIONS

Unless otherwise expressly provided, as used in this chapter:

* * *

(5)(A) "Taxable cost" means the purchase price as defined in subdivision (4) of this section or the taxable cost as determined under section 8907 of this title.

(B) For any purchaser who has paid tax on the purchase or use of a motor vehicle that was sold or traded by the purchaser or for which the purchaser received payment under a contract of insurance, the taxable cost of the replacement motor vehicle other than a leased vehicle shall exclude:

~~(A)~~(i) The value allowed by the seller on any motor vehicle accepted by the seller as part of the consideration of the motor vehicle, provided the motor vehicle accepted by the seller is owned and previously or currently registered or titled by the purchaser, with no change of ownership since registration or titling, except for motor vehicles for which registration is not required under the provisions of Title 23 or motor vehicles received under the provisions of subdivision 8911(8) of this title.

~~(B)~~(ii) The amount received from the sale of a motor vehicle last registered or titled in the seller's name, the amount not to exceed the clean trade-in value of the same make, type, model, and year of manufacture as designated by the manufacturer and as shown in the ~~NADA Official Used Car Guide (New England edition)~~ J.D. Power Values, or any comparable publication, provided ~~such~~ the sale occurs within three months after the taxable purchase. However, this three-month period shall be extended day-for-day for any time that a member of a guard unit or of the U.S. Armed Forces, as defined in 38 U.S.C. § 101(10), spends outside Vermont due to activation or deployment and an additional 60 days following the individual's return from activation or deployment. ~~Such~~ The amount shall be reported on forms supplied by the Commissioner of Motor Vehicles.

~~(C)~~(iii) The amount actually paid to the purchaser within three months prior to the taxable purchase by any insurer under a contract of collision, comprehensive, or similar insurance with respect to a motor vehicle owned by ~~him or her~~ the purchaser, provided that the vehicle is not subject to the tax imposed by subsection 8903(d) of this title and provided that one of these events occur:

~~(i)~~(I) the motor vehicle with respect to which ~~such~~ the payment is made by the insurer is accepted by the seller as a trade-in on the purchased motor vehicle before the repair of the damage giving rise to insurer's payment; or

~~(ii)~~(II) the motor vehicle with respect to which ~~such~~ the payment is made to the insurer is treated as a total loss and is sold for dismantling.

~~(D)~~(C) A purchaser shall be entitled to a partial or complete refund of taxes paid under subsection 8903(a) or (b) of this title if an insurer makes a payment to ~~him or her~~ the purchaser under contract of collision,

comprehensive, or similar insurance after ~~he or she~~ the purchaser has paid the tax imposed by this chapter, if ~~such~~ the payment by the insurer is either:

* * *

~~(E)~~(D) The purchase price of a motor vehicle subject to the tax imposed by subsections 8903(a) and (b) of this title shall not be reduced by the value received or allowed in connection with the transfer of a vehicle that was registered for use as a short-term rental vehicle.

* * *

Sec. 22. 32 V.S.A. § 8907 is amended to read:

§ 8907. COMMISSIONER; COMPUTATION OF TAXABLE COSTS

(a) The Commissioner may investigate the taxable cost of any motor vehicle transferred subject to the provisions of this chapter. If the motor vehicle is not acquired by purchase in Vermont or is received for an amount that does not represent actual value, or if no tax form is filed or it appears to the Commissioner that a tax form contains fraudulent or incorrect information, the Commissioner may, in the Commissioner's discretion, fix the taxable cost of the motor vehicle at the clean trade-in value of vehicles of the same make, type, model, and year of manufacture as designated by the manufacturer, as shown in ~~the NADA Official Used Car Guide (New England Edition)~~ J.D. Power Values or any comparable publication, less the lease end value of any leased vehicle. The Commissioner may develop a process to determine the value of vehicles that do not have clean trade-in value in J.D. Power Values. The Commissioner may compute and assess the tax due and notify the purchaser verbally, if the purchaser is at a DMV location, or immediately by ~~certified~~ mail, and the purchaser shall remit the same within 15 days ~~thereafter~~ after notice is sent or provided.

* * *

Sec. 23. 32 V.S.A. § 8914 is amended to read:

§ 8914. REFUND

Any overpayment of such tax as determined by the Commissioner shall be refunded. To be eligible to receive a refund, a person shall submit a request for a refund within one year after paying the tax.

* * * Refund of Registration Fee * * *

Sec. 24. 23 V.S.A. § 326 is amended to read:

§ 326. REFUND UPON LOSS OF VEHICLE

The Commissioner may cancel the registration of a motor vehicle when the owner of the motor vehicle proves to the Commissioner's satisfaction that the motor vehicle has been totally destroyed by fire or, through crash or wear, has become wholly unfit for use and has been dismantled. After the Commissioner cancels the registration and the owner returns to the Commissioner either the registration certificate or the number plate or number plates, or other proof of cancellation to the satisfaction of the Commissioner, the Commissioner shall certify to the Commissioner of Finance and Management the fact of the cancellation, giving the name of the owner of the motor vehicle, the owner's address, the amount of the registration fee paid, and the date of cancellation. The Commissioner of Finance and Management shall issue the Commissioner of Finance and Management's warrant in favor of the owner for such percent of the registration fee paid as the unexpired term of the registration bears to the entire registration period, but in no case shall the Commissioner of Finance and Management retain less than $5.00 of the fee paid.

* * * Fuel Tax Refunds * * *

Sec. 25. 23 V.S.A. § 3020 is amended to read:

§ 3020. CREDITS AND REFUNDS

(a) Credits.

(1) A user who purchased fuel within this State from a dealer or distributor upon which ~~he or she~~ the user paid the tax at the time of purchase, or a user exempt from the payment of the tax under subsection 3003(d) of this title who purchased fuel within this State upon which ~~he or she~~ the user paid tax at the time of purchase, shall be entitled to a credit equal to the amount of tax per gallon in effect when the fuel was purchased. When the amount of the credit to which any user is entitled for any reporting period exceeds the amount of ~~his or her~~ the user's tax for the same period, the excess shall be credited to the user's tax account and the user shall be notified of the date and amount of the credit by mail.

* * *

(3) A user who also sells or delivers fuel subject to the tax imposed by 32 V.S.A. chapter 233 upon which the tax imposed by this chapter has been paid shall be entitled to a credit equal to the amount of such tax paid pursuant to this chapter. When the amount of the credit to which any user is entitled for

any reporting period exceeds the amount of ~~his or her~~ the user's tax for the same period, the excess shall be credited to the user's tax account and the user shall be notified of the date and amount of the credit by mail.

* * *

(b) Refunds. A user may request, in writing by mail, a refund of any credits in the user's tax account, but in no case may a user collect a refund requested more than ~~33~~ 12 months following the date the amount was credited to the user's tax account.

* * *

* * * Alteration of Odometers * * *

Sec. 26. 23 V.S.A. § 1704a is amended to read:

§ 1704a. ALTERATION OF ODOMETERS

(a) ~~Any person who sells~~ No person shall:

(1) sell, ~~attempts~~ attempt to sell, or ~~causes~~ cause to be sold any motor vehicle, highway building appliance, motorboat, all-terrain vehicle, or snowmobile ~~and has actual knowledge that~~ if the odometer, hubometer reading, or clock meter reading has been changed, tampered with, or defaced without first disclosing ~~same and a person who changes, tampers with, or defaces, or who attempts~~ that information to the buyer;

(2) change, tamper with, or deface, or attempt to change, tamper with, or deface~~,~~ any ~~gauge, dial, or other mechanical instrument, commonly known as an~~ odometer, hubometer, or clock meter~~,~~ in a motor vehicle, highway building appliance, motorboat, all-terrain vehicle, or snowmobile~~, which, under normal circumstances and without being changed, tampered with, or defaced, is designed to show by numbers or words the distance that the motor vehicle, highway building appliance, motorboat, all-terrain vehicle, or snowmobile travels,~~; or ~~who~~

(3) willfully ~~misrepresents~~ misrepresent the odometer, hubometer, or clock meter reading on the odometer disclosure statement or similar statement, title, or bill of sale.

(b) A person who violates subsection (a) of this section shall be fined not more than $1,000.00 for a first offense and fined not more than $2,500.00 for each subsequent offense.

* * * Definition of Conviction * * *

Sec. 27. 23 V.S.A. § 102 is amended to read:

§ 102. DUTIES OF COMMISSIONER

* * *

(d)(1) The Commissioner may authorize background investigations for potential employees, which may include criminal, traffic, and financial records checks; provided, however, that the potential employee is notified and has the right to withdraw ~~his or her~~ their name from application. Additionally, employees who are involved in the manufacturing or production of operator's licenses and identification cards, including enhanced licenses, or who have the ability to affect the identity information that appears on a license or identification card, or current employees who will be assigned to such positions, shall be subject to appropriate background checks and shall be provided notice of the background check and the contents of that check. These background checks shall include a name-based and fingerprint-based criminal history records check using at a minimum the Federal Bureau of Investigation's National Crime Information Center and the Integrated Automated Fingerprint Identification database and State repository records on each covered employee.

(2) Employees may be subject to further appropriate security clearances if required by federal law, including background investigations that may include criminal and traffic records checks and providing proof of U.S. citizenship.

(3) The Commissioner may, in connection with a formal disciplinary investigation, authorize a criminal or traffic record background investigation of a current employee; provided, however, that the background review is relevant to the issue under disciplinary investigation. Information acquired through the investigation shall be provided to the Commissioner or designated division director and must be maintained in a secure manner. If the information acquired is used as a basis for any disciplinary action, it must be given to the employee during any pretermination hearing or contractual grievance hearing to allow the employee an opportunity to respond to or dispute the information. If no disciplinary action is taken against the employee, the information acquired through the background check shall be destroyed.

(e) As used in this section, "conviction" has the same meaning as in subdivision 4(60) of this title.

Sec. 28. 23 V.S.A. § 108 is amended to read:

§ 108. APPLICATION FORMS

(a) The Commissioner shall prepare and furnish all forms for applications, crash reports, conviction reports, a pamphlet containing the full text of the motor vehicle laws of the State, and all other forms needed in the proper

conduct of ~~his or her~~ the Commissioner's office. ~~He or she~~ The Commissioner shall furnish an adequate supply of ~~such~~ registration forms, license applications, and motor vehicle laws each year to each town clerk, and to ~~such~~ other persons ~~as may so~~ upon request.

(b) As used in this section, "conviction" has the same meaning as in subdivision 4(60) of this title.

Sec. 29. 23 V.S.A. § 1709 is amended to read:

§ 1709. REPORT OF CONVICTIONS TO COMMISSIONER OF MOTOR VEHICLES

(a) The Judicial Bureau and every court having jurisdiction over offenses committed under any law of this State or municipal ordinance regulating the operation of motor vehicles on the highways shall forward a record of any conviction to the Commissioner within 10 days for violation of any State or local law relating to motor vehicle traffic control, other than a parking violation.

(b) As used in this section, "conviction" has the same meaning as in subdivision 4(60) of this title.

Sec. 30. 23 V.S.A. § 1200 is amended to read:

§ 1200. DEFINITIONS

As used in this subchapter:

* * *

(11) As used in this section, "conviction" has the same meaning as in subdivision 4(60) of this title.

* * * Drunken Driving * * *

Sec. 31. 23 V.S.A. § 1205 is amended to read:

§ 1205. CIVIL SUSPENSION; SUMMARY PROCEDURE

(a) Refusal; alcohol concentration at or above legal limits; suspension periods.

* * *

(2) Upon affidavit of a law enforcement officer that the officer had reasonable grounds to believe that the person was operating, attempting to operate, or in actual physical control of a vehicle in violation of section 1201 of this title and that the person submitted to a test and the test results indicated that the person's alcohol concentration was at or above a limit specified in subsection 1201(a) of this title, at the time of operating, attempting to operate,

or being in actual physical control, the Commissioner shall suspend the person's operating license or nonresident operating privilege or the privilege of an unlicensed operator to operate a vehicle for a period of 90 days and until the person complies with section 1209a of this title. However, during the suspension, an eligible person may operate under the terms of an ignition interlock RDL or ignition interlock certificate issued pursuant to section 1213 of this title.

* * *

(b) Form of officer's affidavit. A law enforcement officer's affidavit in support of a suspension under this section shall be in a standardized form for use throughout the State and shall be sufficient if it contains the following statements:

* * *

(4) The officer informed the person of ~~his or her~~ the person's rights under subsection 1202(d) of this title.

(5) The officer obtained an evidentiary test (noting the time and date the test was taken) and the test indicated that the person's alcohol concentration was at or above a legal limit specified in subsection 1201(a) or (d) of this title, or the person refused to submit to an evidentiary test.

* * *

(c) Notice of suspension. On behalf of the Commissioner of Motor Vehicles, a law enforcement officer requesting or directing the administration of an evidentiary test shall serve notice of intention to suspend and of suspension on a person who refuses to submit to an evidentiary test or on a person who submits to a test the results of which indicate that the person's alcohol concentration was at or above a legal limit specified in subsection 1201(a) or (d) of this title, at the time of operating, attempting to operate, or being in actual physical control of a vehicle in violation of section 1201 of this title. The notice shall be signed by the law enforcement officer requesting the test. A copy of the notice shall be sent to the Commissioner of Motor Vehicles, and a copy shall be mailed or given to the defendant within three business days after the date the officer receives the results of the test. If mailed, the notice is deemed received three days after mailing to the address provided by the defendant to the law enforcement officer. A copy of the affidavit of the law enforcement officer shall also be mailed by first-class mail or given to the defendant within seven days after the date of notice.

* * *

(h) Final hearing.

(1) If the defendant requests a hearing on the merits, the court shall schedule a final hearing on the merits to be held within 21 days after the date of the preliminary hearing. In no event may a final hearing occur more than 42 days after the date of the alleged offense without the consent of the defendant or for good cause shown. The final hearing may only be continued by the consent of the defendant or for good cause shown. The issues at the final hearing shall be limited to the following:

* * *

(D) Whether the test was taken and the test results indicated that the person's alcohol concentration was at or above a legal limit specified in subsection 1201(a) or (d) of this title, at the time of operating, attempting to operate, or being in actual physical control of a vehicle in violation of section 1201 of this title, whether the testing methods used were valid and reliable, and whether the test results were accurate and accurately evaluated. Evidence that the test was taken and evaluated in compliance with rules adopted by the Department of Public Safety shall be prima facie evidence that the testing methods used were valid and reliable and that the test results are accurate and were accurately evaluated.

* * *

(i) Finding by the court. The court shall electronically forward a report of the hearing to the Commissioner. Upon a finding by the court that the law enforcement officer had reasonable grounds to believe that the person was operating, attempting to operate, or in actual physical control of a vehicle in violation of section 1201 of this title and that the person refused to submit to a test, or upon a finding by the court that the law enforcement officer had reasonable grounds to believe that the person was operating, attempting to operate, or in actual physical control of a vehicle in violation of section 1201 of this title and that the person submitted to a test and the test results indicated that the person's alcohol concentration was at or above a legal limit specified in subsection 1201(a) or (d) of this title, at the time the person was operating, attempting to operate, or in actual physical control, the person's operating license, or nonresident operating privilege, or the privilege of an unlicensed operator to operate a vehicle shall be suspended or shall remain suspended for the required term and until the person complies with section 1209a of this title. Upon a finding in favor of the person, the Commissioner shall cause the suspension to be canceled and removed from the record, without payment of any fee.

* * *

(n) Presumption. In a proceeding under this section, if at any time within two hours of operating, attempting to operate, or being in actual physical control of a vehicle a person had an alcohol concentration ~~of~~ at or above a legal limit specified in subsection 1201(a) or (d) of this title, it shall be a rebuttable presumption that the person's alcohol concentration was at or above the applicable limit at the time of operating, attempting to operate, or being in actual physical control.

* * *

Sec. 32. 23 V.S.A. § 1205(d) is amended to read:

(d) Form of notice. The notice of intention to suspend and of suspension shall be in a form prescribed by the Supreme Court. The notice shall include an explanation of rights, a form to be used to request a hearing, and, if a hearing is requested, the date, time, and location of the Criminal Division of the Superior Court where the person must appear for a preliminary hearing. The notice shall also contain, in boldface print, the following:

(1) You have the right to ask for a hearing to contest the suspension of your operator's license.

(2) ~~This notice shall serve as a temporary operator's license and is valid until 12:01 a.m. of the date of suspension.~~ If this is your first violation of section 1201 of this title and if you do not request a hearing, your license will be suspended as provided in this notice. If this is your second or subsequent violation of section 1201 of this title, your license will be suspended on the 11th day after you receive this notice. It is a crime to drive while your license is suspended unless you have been issued an ignition interlock restricted driver's license or ignition interlock certificate.

* * *

* * * Registration Fees for Trucks * * *

Sec. 33. 23 V.S.A. § 367 is amended to read:

§ 367. TRUCKS

(a)(1) The annual fee for registration of tractors, truck-tractors, or motor trucks except truck cranes, truck shovels, road oilers, bituminous distributors, and farm trucks used as specified in subsection (f) of this section shall be based on the total weight of the truck-tractor or motor truck, including body and cab plus the heaviest load to be carried. In computing the fees for registration of tractors, truck-tractors, or motor trucks with trailers or semi-trailers attached, except trailers or semi-trailers with a gross weight of less than ~~6,000~~ 6,099 pounds, the fee shall be based upon the weight of the tractor, truck-tractor, or motor truck, the weight of the trailer or semi-trailer, and the

weight of the heaviest load to be carried by the combined vehicles. In addition to the fee set out in the following schedule, the fee for vehicles weighing between ~~10,000~~ 10,100 and ~~25,999~~ 26,099 pounds inclusive shall be an additional $42.53, the fee for vehicles weighing between ~~26,000~~ 26,100 and ~~39,999~~ 40,099 pounds inclusive shall be an additional $85.03, the fee for vehicles weighing between ~~40,000~~ 40,100 and ~~59,999~~ 60,099 pounds inclusive shall be an additional $297.68, and the fee for vehicles ~~60,000~~ 60,100 pounds and over shall be an additional $467.80. The fee shall be computed at the following rates per 1,000 pounds of weight determined pursuant to this subdivision and rounded up to the nearest whole dollar; the minimum fee for registering a tractor, truck-tractor, or motor truck to ~~6,000~~ 6,099 pounds shall be the same as for the pleasure car type:

$18.21 when the weight ~~exceeds 6,000 pounds but does not exceed 8,000 pounds~~ is at least 6,100 pounds but not more than 8,099 pounds.

$20.83 when the weight ~~exceeds 8,000 pounds but does not exceed 12,000 pounds~~ is at least 8,100 pounds but not more than 12,099 pounds.

$22.97 when the weight ~~exceeds 12,000 pounds but does not exceed 16,000 pounds~~ is at least 12,100 pounds but not more than 16,099 pounds.

$24.56 when the weight ~~exceeds 16,000 pounds but does not exceed 20,000 pounds~~ is at least 16,100 pounds but not more than 20,099 pounds.

$25.71 when the weight ~~exceeds 20,000 pounds but does not exceed 30,000 pounds~~ is at least 20,100 pounds but not more than 30,099 pounds.

$26.26 when the weight ~~exceeds 30,000 pounds but does not exceed 40,000 pounds~~ 30,100 pounds but not more than 40,099 pounds.

$26.90 when the weight ~~exceeds 40,000 pounds but does not exceed 50,000 pounds~~ is at least 40,100 pounds but not more than 50,099 pounds.

$27.13 when the weight ~~exceeds 50,000 pounds but does not exceed 60,000 pounds~~ is at least 50,100 pounds but not more than 60,099 pounds.

$28.06 when the weight ~~exceeds 60,000 pounds but does not exceed 70,000 pounds~~ is at least 60,100 pounds but not more than 70,099 pounds.

$29.00 when the weight ~~exceeds 70,000 pounds but does not exceed 80,000 pounds~~ is at least 70,100 pounds but not more than 80,099 pounds.

$29.94 when the weight ~~exceeds 80,000 pounds but does not exceed 90,000 pounds~~ is at least 80,100 pounds but not more than 90,099 pounds.

(2) ~~Fractions of 1,000 pounds shall be computed at the next highest 1,000 pounds, excepting, however, fractions of hundredweight shall be disregarded.~~ [Repealed.]

* * *

* * * Purchase and Use Tax * * *

Sec. 34. 32 V.S.A. § 8902 is amended to read:

§ 8902. DEFINITIONS

Unless otherwise expressly provided, as used in this chapter:

* * *

(6) "Motor vehicle" ~~shall have~~ has the same ~~definition~~ meaning as in 23 V.S.A. § 4(21).

* * *

(12) "Mail" has the same meaning as in 23 V.S.A. § 4(87).

Sec. 35. 32 V.S.A. § 8905 is amended to read:

§ 8905. COLLECTION OF TAX; EDUCATION; APPEALS

(a) Every purchaser of a motor vehicle subject to a tax under subsection 8903(a) of this title shall forward ~~such~~ the tax form to the Commissioner, together with the amount of tax due at the time of first registering or transferring a registration to ~~such~~ the motor vehicle as a condition precedent to registration ~~thereof~~ of the vehicle.

(b) Every person subject to a use tax under subsection 8903(b) of this title shall forward ~~such~~ the tax form and the tax due to the Commissioner with the registration application or transfer, as the case may be, and fee at the time of first registering or transferring a registration to ~~such~~ the motor vehicle as a condition precedent to registration ~~thereof~~ of the vehicle.

* * *

(d) Every person required to collect the use tax under subsection 8903(d) of this title shall forward ~~such~~ the tax and a report of ~~same~~ the tax on forms prescribed and furnished by the Commissioner at the frequency determined by the Commissioner.

* * *

(f) Every person subject to the tax imposed by subsection 8903(g) of this title shall forward the tax form and the tax due to the Commissioner along with the title application and fee at the time of applying for a certificate of title to ~~such~~ the motor vehicle as a condition precedent to the titling ~~thereof~~ of the motor vehicle.

(g) The Commissioner shall establish procedures for taxpayers to file an appeal regarding the taxpayer's liability for the tax due pursuant to section

8903 of this chapter and compliance with the requirements of this section. The procedures shall include a process by which a taxpayer can resolve the dispute prior to the issuance of a final administrative decision on the appeal.

(h) The Commissioner shall create educational and outreach materials for taxpayers that provide information regarding the appeal process established pursuant to subsection (g) of this section and opportunities to resolve disputes.

* * * Excessive Speed * * *

Sec. 36. 23 V.S.A. § 2502 is amended to read:

§ 2502. POINT ASSESSMENT; SCHEDULE

(a) Unless the assessment of points is waived by a Superior judge or a Judicial Bureau hearing officer in the interests of justice and in accordance with subsection 2501(b) of this title, a person operating a motor vehicle shall have points assessed against ~~his or her~~ the person's driving record for convictions for moving violations of the indicated motor vehicle statutes in accord with the following schedule: (All references are to this title of the Vermont Statutes Annotated.)

* * *

(9) Eight points assessed for sections 1003 ~~and~~, 1007, and 1097. State speed zones and local speed limits, more than 30 miles per hour over and in excess of the speed limit.

* * *

* * * Tinted Windows * * *

Sec. 37. 2024 Acts and Resolves No. 165, Secs. 14, 15, and 16 are amended to read:

Sec. 14. [Deleted.]

Sec. 15. [Deleted.]

Sec. 16. [Deleted.]

* * * All-Terrain Vehicles * * *

Sec. 38. 23 V.S.A. § 3501 is amended to read:

§ 3501. DEFINITIONS

As used in this chapter:

(1) "All-terrain vehicle" or "ATV" means any nonhighway recreational vehicle, except snowmobiles, having not less than two low pressure tires (10 pounds per square inch, or less); not wider than ~~64~~ 72 inches, with two-wheel

ATVs having permanent, full-time power to both wheels; and having a dry weight of less than 2,500 pounds, when used for cross-country travel on trails or on any one of the following or a combination thereof: land, water, snow, ice, marsh, swampland, and natural terrain. An ATV on a public highway shall be considered a motor vehicle, as defined in section 4 of this title, only for the purposes of those offenses listed in subdivisions 2502(a)(1)(H), (N), (R), (U), (Y), (FF), (GG), (II), and (AAA); (2)(A) and (B); (3)(A), (B), (C), and (D); (4)(A) and (B); and (5) of this title and as provided in section 1201 of this title. An ATV does not include an electric personal assistive mobility device, a motor-assisted bicycle, or an electric bicycle.

* * *

* * * Purchase and Use Tax and Inspections Report * * *

Sec. 39. MOTOR VEHICLE PURCHASE AND USE TAX; INSPECTIONS; REPORT

(a) On or before January 31, 2026, the Commissioner of Motor Vehicles 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 the process for determining the taxable cost of a used motor vehicle for purposes of the purchase and use tax and the impact of annual motor vehicle safety and emissions inspections on Vermonters.

(b) The report shall include, at a minimum, the following:

(1) the number of persons during calendar years 2024 and 2025 who utilized the dealer appraisal process for determining the taxable cost of a used motor vehicle for purposes of the purchase and use tax;

(2) the age and type of vehicles for which the dealer appraisal process was utilized during calendar years 2024 and 2025;

(3) the difference between the clean trade-in value and the appraised value of vehicles for which the dealer appraisal process was utilized during calendar years 2024 and 2025;

(4) the number of appeals of the taxable cost of a motor vehicle that were filed in calendar years 2024 and 2025;

(5) the number appeals that resulted in a revision of the taxable cost and the difference between the originally assessed taxable cost and the revised taxable cost following the appeal;

(6) a summary of issues identified by persons contacting the Department pursuant to subsection (c) of this section;

(7) a summary of funding and other assistance related to annual motor vehicle safety and emissions inspections that is available to Vermonters with lower income;

(8) an examination of the potential approaches to reduce the financial burden of annual motor vehicle safety and emissions inspections on Vermonters, including the potential to reduce the frequency of inspections to every two years; and

(9) any recommendations for legislative action.

(c)(1) The Commissioner of Motor Vehicles shall establish an email address or other electronic means, or both, for Vermonters to contact the Department of Motor Vehicles regarding concerns with the motor vehicle purchase and use tax process.

(2) The Commissioner of Motor Vehicles shall establish an email address or other electronic means, or both, for Vermonters to contact the Department of Motor Vehicles regarding the affordability of the annual motor vehicle inspection process and suggestions for reducing the financial impact of the inspection process on Vermonters.

(3) The Commissioner shall conduct outreach at Department locations, on the Department's website, and through motor vehicle dealers to make the public aware of the opportunity to contact the Department pursuant to subdivisions (1) and (2) of this subsection.

* * * Operation of Bicycles * * *

Sec. 40. 23 V.S.A. § 1139 is amended to read:

§ 1139. RIDING ON ROADWAYS AND BICYCLE PATHS

(a) ~~A person~~ Due care and riding on the right. An individual operating a bicycle upon a roadway shall exercise due care when passing a standing vehicle or one proceeding in the same direction. Bicyclists generally shall ride as near to the right side of the improved area of the highway right-of-way as is safe, except that a bicyclist:

* * *

(b) ~~Persons riding~~ Riding two abreast. Individuals operating bicycles upon a roadway ~~may~~ shall not ride more than two abreast except on paths or parts of roadways set aside for the exclusive use of bicycles or except as otherwise permitted by the Commissioner of Public Safety in connection with a public sporting event in which case the Commissioner shall be authorized to adopt such rules as the public good requires. ~~Persons~~ Individuals riding two abreast

shall not impede the normal and reasonable movement of traffic and, on a laned roadway, shall ride within a single lane.

(c) Obedience to traffic-control devices and traffic-control signals. An individual operating a bicycle shall follow all traffic-control devices and traffic-control signals governing motor vehicles except that an individual operating a bicycle who is facing a "walk" signal, as defined in section 1023 of this chapter, may make a turn or proceed across the roadway or intersection in the direction of the signal but shall yield the right of way to any vehicles or pedestrians in the roadway or intersection.

(d) Riding on a partially controlled access highway. Bicycles may be operated on the shoulders of partially controlled access highways, which are those highways where access is controlled by public authority but where there are some connections with selected public highways, some crossings at grade, and some private driveway connections. The Traffic Committee may determine that any portion of these highways is unsafe and therefore closed to bicycle operation.

Sec. 41. 23 V.S.A. § 1139a is added to read:

§ 1139a. BICYCLE CONTROL SIGNALS

(a) Bicycles shall obey bicycle-control signals. An individual operating a bicycle shall obey the instructions of a bicycle-control signal, if present, instead of any traffic-control signal for motor vehicles.

(b) Bicycle-control signal legend.

(1) Green bicycle signal.

(A) An individual operating a bicycle facing a green bicycle signal may proceed straight through the intersection or turn right or left unless a sign prohibits such a turn, provided that:

(i) the individual operating the bicycle will not be in conflict with any simultaneous motor vehicle movements at that location; or

(ii) the bicycle movement at that location is not modified by lane-use signs, turn-prohibition signs, pavement markings, separate turn signal indications, or other traffic-control devices.

(B) An individual operating a bicycle pursuant to a green bicycle signal, including when turning right and left, shall yield the right-of-way to other individuals operating bicycles and pedestrians that are in the intersection when the signal is exhibited.

(2) Steady yellow bicycle signal. An individual operating a bicycle facing a steady yellow bicycle signal is warned that the steady green signal is

being terminated and that the red signal will be exhibited immediately following the steady yellow signal, at which time bicycle traffic traveling in that direction shall not enter the intersection.

(3) Steady red bicycle signal.

(A) An individual operating a bicycle facing a steady red bicycle signal alone shall stop at a clearly marked stop line, or if there is none, shall stop before entering the crosswalk on the near side of the intersection.

(B) Except when a sign is in place prohibiting a turn, an individual operating a bicycle facing a steady red bicycle signal may:

(i) cautiously enter the intersection to turn right; or

(ii) after stopping as required pursuant to subdivision (A) of this subdivision (b)(3), turn left from a one-way street onto a one-way street.

(C) An individual making a turn pursuant to subdivision (B) of this subdivision (b)(3) shall yield the right-of-way to pedestrians and other vehicles that are in the intersection.

(D) An individual operating a bicycle shall not turn right when facing a red arrow signal unless a sign permitting such a turn is present.

(E) An individual operating a bicycle to the left of adjacent motor vehicle traffic approaching the same intersection shall be prohibited from turning right when facing a steady red bicycle signal and an individual operating a bicycle to the right of adjacent motor vehicle traffic approaching the same intersection shall be prohibited from turning left when facing a steady red bicycle signal.

Sec. 42. BICYCLE OPERATION AT STOP SIGNS AND SIGNALS; EDUCATION; OUTREACH

On or before April 1, 2026, the Commissioners of Motor Vehicles and of Public Safety, in consultation with stakeholders representing bicyclists, pedestrians, municipalities, and law enforcement agencies, shall develop education and outreach materials to inform vehicle operators, law enforcement officers, municipalities, and members of the public regarding the laws governing to the operation of bicycles on roadways, including at signalized intersections. The materials shall include both written and graphical materials explaining permitted bicycle operations and requirements for the operation of motor vehicles in relation to bicycles, including safe passing distance requirements.

* * * Legal Trails * * *

Sec. 43. FINDINGS; INTENT; LEGAL TRAILS

(a) Findings. The General Assembly finds the following:

(1) Outdoor recreation is a significant part of Vermont's identity and economy.

(2) Trails provide Vermonters and visitors with access to natural beauty throughout the State and are used for a wide variety of outdoor recreational activities throughout the year.

(3) Some trails are also used by Vermonters for travel or to access their homes and properties.

(4) The State and municipalities use some trails to provide maintenance to State and municipal lands and facilities, as well as to provide public safety and rescue services.

(5) Trails may require regular maintenance to ensure that they remain passable and can continue to support recreation, travel, access, and various public services.

(6) While many trails in Vermont have been established through private easements or other agreements, a subset of trails, known as legal trails, lie along public rights-of-way that were once town highways and are governed by the provisions of 19 V.S.A. chapter 3.

(b) Intent. It is the intent of the General Assembly to clarify municipalities' authority to exclusively or cooperatively maintain legal trails under the provisions of 19 V.S.A. chapter 3.

Sec. 44. 19 V.S.A. chapter 3 is amended to read:

CHAPTER 3. TOWN HIGHWAYS

§ 301. DEFINITIONS

As used in this chapter:

* * *

(2) "Legislative body" ~~includes boards of selectmen, aldermen, and village trustees~~ means a legislative body as defined in 24 V.S.A. § 2001.

(3) ~~"Selectmen" includes village trustees and aldermen~~ "Selectboard" means a selectboard as defined in 24 V.S.A. § 2001.

* * *

(8)(A) "Trail" means a public right-of-way that is not a highway and that:

(i) municipalities have the authority to exclusively or cooperatively maintain; and

~~(A)~~(ii)(I) previously was a designated town highway having the same width as the designated town highway, or a lesser width if so designated; or

~~(B)~~(II) a new public right-of-way laid out as a trail by the ~~selectmen~~ legislative body for the purpose of providing access to abutting properties or for recreational use.

(B) Nothing in this ~~section~~ subdivision (8) shall be deemed to independently authorize the condemnation of land for recreational purposes or to affect the authority of ~~selectmen~~ legislative bodies to reasonably regulate the uses of recreational trails.

§ 302. CLASSIFICATION OF TOWN HIGHWAYS

(a) For the purposes of this section and receiving State aid, all town highways shall be categorized into one or another of the following classes:

* * *

(2) Class 2 town highways are those town highways selected as the most important highways in each town. As far as practicable, they shall be selected with the purposes of securing trunk lines of improved highways from town to town and to places that by their nature have more than normal amount of traffic. The ~~selectmen~~ legislative body, with the approval of the Agency, shall determine which highways are to be class 2 highways.

(3) Class 3 town highways:

(A) Class 3 town highways are all traveled town highways other than class 1 or 2 highways. The ~~selectmen~~ legislative body, after conference with a representative of the Agency, shall determine which highways are class 3 town highways.

* * *

(5) Trails shall not be considered highways ~~and the town~~. A municipality shall have the authority to maintain trails but shall not be responsible for any maintenance, including culverts and bridges.

* * *

§ 303. TOWN HIGHWAY CONTROL

Town highways shall be under the general supervision and control of the ~~selectmen~~ legislative body of the town where the roads are located. ~~Selectmen~~ The legislative body of a town shall supervise all expenditures.

§ 304. DUTIES OF SELECTBOARD

(a) It shall be the duty and responsibility of the selectboard of the town to, or acting as a board, it shall have the authority to:

* * *

(16) Unless the town electorate votes otherwise, under the provisions of 17 V.S.A. § 2646, appoint a road commissioner, or remove ~~him or her~~ the road commissioner from office, pursuant to 17 V.S.A. § 2651. Road commissioners, elected or appointed, shall have only the powers and authority regarding highways granted to them by the selectboard.

* * *

(24) Maintain trails, but shall not be required to maintain trails.

* * *

* * * Effective Dates * * *

Sec. 45. EFFECTIVE DATES

(a) This section and Secs. 15 and 16 (early renewal of operator's licenses, operator's privilege cards, and nondriver identification) shall take effect on passage.

(b) The remaining sections shall take effect on July 1, 2025.

Thereupon, pending the question, Shall the Senate concur in the House proposal of amendment?, on motion of Senator Westman, the Senate refused to concur in the House proposal of amendment and requested a Committee of Conference.

Thereupon, pursuant to the request of the Senate, the President announced the appointment of

Senator Brennan
Senator White
Senator Harrison

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

House Proposal of Amendment Not Concurred In; Committee of Conference Requested; Committee of Conference Appointed

S. 127.

House proposal of amendment to Senate bill entitled:

An act relating to housing and housing development.

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:

* * * Vermont Rental Housing Improvement Program * * *

Sec. 1. 10 V.S.A. § 699 is amended to read:

§ 699. VERMONT RENTAL HOUSING IMPROVEMENT PROGRAM

(a) Creation of Program.

* * *

(5)(A) The Department may cooperate with and subgrant funds to State agencies and governmental subdivisions and public and private organizations in order to carry out the purposes of this ~~subsection~~ section.

(B) Solely with regards to actions undertaken pursuant to this subdivision (5), entities carrying out the provisions of this section, including grantees, subgrantees, and contractors of the State, shall be exempt from the provisions of 8 V.S.A. chapter 73 (licensed lenders, mortgage brokers, mortgage loan originators, sales finance companies, and loan solicitation companies).

* * *

(d) Program requirements applicable to grants and forgivable loans.

(1)(A) A grant or loan shall not exceed~~:~~

~~(i) $70,000.00 per unit, for rehabilitation or creation of an eligible rental housing unit meeting the applicable building accessibility requirements under the Vermont Access Rules; or~~

~~(ii)~~ $50,000.00 per unit, for rehabilitation or creation of any other eligible rental housing unit. Up to an additional $20,000.00 per unit may be made available for specific elements that collectively bring the unit to the visitable standard outlined in the rules adopted by the Vermont Access Board.

* * *

(e) Program requirements applicable to grants and five-year forgivable loans. For a grant or five-year forgivable loan awarded through the Program, the following requirements apply for a minimum period of five years:

(1) A landlord shall coordinate with nonprofit housing partners and local ~~coordinated entry~~ homelessness service organizations approved by the Department to identify potential tenants.

(2)(A) Except as provided in subdivision ~~(2)~~(B) of this ~~subsection~~ subdivision (e)(2), a landlord shall lease the unit to a household that is:

(i) exiting homelessness, including any individual under 25 years of age who secures housing through a master lease held by a youth service provider on behalf of individuals under 25 years of age;

(ii) actively working with an immigrant or refugee resettlement program; ~~or~~

(iii) composed of at least one individual with a disability who receives or is ~~eligible~~ approved to receive Medicaid-funded ~~home and community based~~ home- and community-based services or Social Security Disability Insurance;

(iv) displaced due to a natural disaster; or

(v) with approval from the Department in writing, an organization that will hold a master lease that explicitly states the unit will be used in service of the populations described in this subsection (e).

* * *

(4)(A) A landlord may convert a grant to a forgivable loan upon approval of the Department and the housing organization that approved the grant.

(B) A landlord who converts a grant to a forgivable loan shall receive a ~~10-percent~~ prorated credit for loan forgiveness for each year in which the landlord participates in the Program.

(f) Requirements applicable to 10-year forgivable loans. For a 10-year forgivable loan awarded through the Program, the following requirements apply for a minimum period of 10 years:

(1) ~~A landlord shall coordinate with nonprofit housing partners and local coordinated entry organizations to identify potential tenants~~ The total cost of rent for the unit, including utilities not covered by rent payments, shall not exceed the applicable fair market rent established by the Department of Housing and Urban Development, except that a landlord may accept a housing voucher that exceeds fair market rent, if available.

(2)~~(A) Except as provided in subdivision (2)(B) of this subsection (f), a landlord shall lease the unit to a household that is:~~

~~(i) exiting homelessness, including any individual under 25 years of age who secures housing through a master lease held by a youth service provider on behalf of individuals under 25 years of age;~~

~~(ii) actively working with an immigrant or refugee resettlement program; or~~

~~(iii) composed of at least one individual with a disability who is eligible to receive Medicaid-funded home and community based services.~~

~~(B) If, upon petition of the landlord, the Department or the housing organization that issued the grant determines that a household under subdivision (2)(A) of this subsection (f) is not available to lease the unit, then the landlord shall lease the unit:~~

~~(i) to a household with an income equal to or less than 80 percent of area median income; or~~

~~(ii) if such a household is unavailable, to another household with the approval of the Department or housing organization.~~

~~(3)(A)~~ A landlord shall accept any housing vouchers that are available to pay all, or a portion of, the tenant's rent and utilities.

~~(B) If no housing voucher or federal or State subsidy is available, the cost of rent for the unit, including utilities not covered by rent payments, shall not exceed the applicable fair market rent established by the Department of Housing and Urban Development.~~

~~(4)~~(3) The Department shall forgive ~~10 percent of the~~ a prorated amount of a forgivable loan for each year a landlord participates in the loan program.

(g) Minimum funding for grants and five-year forgivable loans.

(1) Annually, the Department shall establish a minimum allocation of funding set aside to be used for five-year grants or forgivable loans to serve eligible households pursuant to subsection (e) of this section. Remaining funds may be used for either five-year grants or forgivable loans or 10-year forgivable loans pursuant to subsection (f) of this section. The set aside shall be a minimum of 30 percent of funds disbursed annually.

(2) The Department shall consult with the Agency of Human Services to evaluate factors in establishing the amount of the set aside, including:

(A) the availability of housing vouchers;

(B) the current need for housing for eligible households;

(C) the ability and desire of landlords to house eligible households;

(D) the support services available for landlords; and

(E) the prior uptake and success rates for participating landlords.

(3) The Department shall coordinate with the local Coordinated Entry Lead Agencies and Homeownership Centers to direct referrals for those individuals or families prioritized to be housed pursuant to the five-year grants or forgivable loans.

(4) Funds from the set aside not utilized after nine months shall become available for 10-year forgivable loans.

(5) The Department shall annually publish the amount of the set aside on its website.

* * *

(i) Creation of the Vermont Rental Housing Improvement Program Revolving Fund. Funds repaid or returned to the Department from forgivable loans or grants funded by the Program shall return to the Vermont Rental Housing Improvement Revolving Fund to be used for Program expenditures and administrative costs at the discretion of the Department.

(j) Annual report. Annually, the Department shall submit a report to the House Committees on Human Services and on General and Housing and the Senate Committee on Economic Development, Housing and General Affairs regarding the following:

(1) separately, the number of units funded and the number of units rehabilitated through grants, through a five-year forgivable loan, and through a 10-year forgivable loan;

(2) for grants and five-year forgivable loans, for the first year after the expiration of the lease requirements outlined in subdivision (e)(2)(A) of this section, whether the unit is still occupied by a tenant who meets the qualifications of that subdivision;

(3) for each program, for the first year after the expiration of the applicable lease requirements outlined in this section, the amount of rent charged by the landlord and how that rent compares to fair market rent established by the Department of Housing and Urban Development; and

(4) the rate of turnover for tenants housed utilizing grants or five-year forgivable loans and 10-year forgivable loans separately.

* * * MHIR * * *

Sec. 2. 10 V.S.A. § 700 is added to read:

§ 700. VERMONT MANUFACTURED HOME IMPROVEMENT AND REPAIR PROGRAM

(a) There is created within the Department of Housing and Community Development the Manufactured Home Improvement and Repair Program. The Department shall design and implement the Program to award funding to statewide or regional nonprofit housing organizations, or both, to provide financial assistance or awards to manufactured homeowners and manufactured home park owners to improve existing homes, incentivize new slab placement

for prospective homeowners, and incentivize park improvements for infill of more homes.

(b) The following projects are eligible for funding through the Program:

(1) The Department may award up to $20,000.00 to owners of manufactured housing communities to complete small-scale capital needs to help infill vacant lots with homes, including disposal of abandoned homes, lot grading and preparation, the siting and upgrading of electrical boxes, enhancing E-911 safety issues, transporting homes out of flood zones, and improving individual septic systems. Costs awarded under this subdivision may also cover legal fees and marketing to help make it easier for home-seekers to find vacant lots around the State.

(2) The Department may award funding to manufactured homeowners for which the home is their primary residence to address habitability and accessibility issues to bring the home into compliance with safe living conditions.

(3) The Department may award up to $15,000.00 per grant to a homeowner to pay for a foundation or federal Department of Housing and Urban Development-approved slab, site preparation, skirting, tie-downs, and utility connections on vacant lots within a manufactured home community.

(c) The Department may adopt rules, policies, and guidelines to aid in enacting the Program.

* * * Vermont Infrastructure Sustainability Fund * * *

Sec. 3. 24 V.S.A. chapter 119, subchapter 6 is amended to read:

Subchapter 6. Special Funds

* * *

§ 4686. VERMONT INFRASTRUCTURE SUSTAINABILITY FUND

(a) Creation. There is created the Vermont Infrastructure Sustainability Fund within the Vermont Bond Bank.

(b) Purpose. The purpose of the Fund is to provide capital to extend and increase capacity of water and sewer service and other public infrastructure in municipalities where lack of extension or capacity is a barrier to housing development.

(c) Administration. The Vermont Bond Bank may administer the Fund in coordination with and support from other State agencies, government component parts, and quasi-governmental agencies.

(d) Program parameters.

(1) The Vermont Bond Bank, in consultation with the Department of Housing and Community Development, shall develop program guidelines to effectively implement the Fund.

(2) The program shall provide low-interest loans or purchase bonds from municipalities to expand infrastructure capacity. Eligible activities include:

(A) preliminary engineering and planning;

(B) engineering design and bid specifications;

(C) construction for municipal water and wastewater systems;

(D) transportation investments, including those required by municipal regulation, the municipality's official map, designation requirements, or other planning or engineering identifying complete streets and transportation and transit related improvements, including improvements to existing streets; and

(E) other eligible activities as determined by the guidelines produced by the Vermont Bond Bank in consultation with the Department of Housing and Community Development.

(e) Application requirements. Eligible project applications shall demonstrate:

(1) the project will create reserve capacity necessary for new housing unit development;

(2) the project has a direct link to housing unit production; and

(3) the municipality has a commitment to own and operate the project throughout its useful life.

(f) Application criteria. In addition to any criteria developed in the program guidelines, project applications shall be evaluated using the following criteria:

(1) whether there is a direct connection to proposed or in-progress housing development with demonstrable progress toward regional housing targets;

(2) whether the project is an expansion of an existing system;

(3) the proximity to a designated area;

(4) the project readiness and estimated time until the need for financing;

(5) the demonstration of financing for project completion or completion of a project component; and

(6) the relative need and capacity of the community.

(g) Award terms. The Vermont Bond Bank, in consultation with the Department of Housing and Community Development, shall establish award terms that may include:

(1) the maximum loan or bond amount;

(2) the maximum term of the loan or bond amount;

(3) the time by which amortization shall commence;

(4) the maximum interest rate;

(5) whether the loan is eligible for forgiveness and to what percentage or amount;

(6) the necessary security for the loan or bond; and

(7) any additional covenants required to further secure the loan or bond.

(h) Revolving fund.

(1) Any funds repaid or returned from the Infrastructure Sustainability Fund shall be deposited into the Fund and used to continue the program established in this section.

(2) The Bank may use the funds in conjunction with other Bank programs to accomplish the policy objectives outlined in this section.

* * * VHFA Rental Housing Revolving Loan Program * * *

Sec. 4. 2023 Acts and Resolves No. 47, Sec. 38 is amended to read:

Sec. 38. RENTAL HOUSING REVOLVING LOAN PROGRAM

(a) Creation; administration. The Vermont Housing Finance Agency shall design and implement a Rental Housing Revolving Loan Program and shall create and administer a revolving loan fund to provide subsidized loans for rental housing developments that serve middle-income households.

(b) Loans; eligibility; criteria.

* * *

(7) The Agency shall use one or more legal mechanisms to ensure that:

(A) a subsidized unit remains affordable to a household earning the applicable percent of area median income for the longer of:

(i) seven years; or

(ii) full repayment of the loan plus three years; and

(B) during the affordability period determined pursuant to subdivision (A) of this subdivision (7), the annual increase in rent for a subsidized unit does not exceed three percent or an amount otherwise authorized by the Agency.

* * *

* * * Universal Design Study Committee * * *

Sec. 5. RESIDENTIAL UNIVERSAL DESIGN STANDARDS; STUDY COMMITTEE; REPORT

(a) Creation. There is created the Residential Universal Design Study Committee to explore implementation of statewide universal design standards for all residential buildings.

(b) Membership. The Committee shall be composed of the following members with preference for appointment of members with lived experience:

(1) one member of the House of Representatives, who shall be appointed by the Speaker of the House;

(2) one member of the Senate, who shall be appointed by the Committee on Committees;

(3) one member, appointed by the Vermont Builders and Remodelers Association;

(4) one member, appointed by the Vermont Chapter of the American Institute of Architects;

(5) the Director of Fire Safety or designee;

(6) one member of the Vermont Access Board, appointed by the Chair;

(7) one member, appointed by the Vermont Housing Finance Agency;

(8) one member, appointed by the Vermont Housing and Conservation Board;

(9) one member, appointed by the Vermont Center for Independent Living;

(10) one member, appointed by the Vermont Developmental Disabilities Council;

(11) the Commissioner of Housing and Community Development or designee;

(12) one member, appointed by the Vermont Leagues of Cities and Towns;

(13) one member, appointed by the Vermont Assessors and Listers Association;

(14) one member, appointed by the Vermont Association of Realtors;

(15) the Commissioner of Disabilities, Aging and Independent Living or designee;

(16) one member, appointed by ADA Inspections Nationwide, LLC; and

(17) one member, appointed by the Associated General Contractors of Vermont.

(c) Powers and duties. The Committee shall study the development and implementation of statewide universal design standards for residential buildings, including identification and analysis of the following issues:

(1) existing federal and state laws regarding the Americans with Disabilities Act, 42 U.S.C. §§ 12101–12213, standards and building codes;

(2) existing federal, state, and international best practices and standards addressing accessibility and adaptability characteristics of single-family and multiunit buildings;

(3) opportunities and challenges for supporting the residential building industry in meeting universal design standards, including considerations of workforce education and training;

(4) cost benefits and impacts of adopting a universal design standard for residential buildings;

(5) opportunities and challenges with enforcement of identified standards; and

(6) impacts to the valuation and financing of impacted buildings.

(d) Assistance. The Committee shall have the administrative, technical, and legal assistance of the Department of Housing and Community Development.

(e) Report. On or before November 1, 2025, the Committee shall submit a written report to the House Committee on General and Housing and the Senate Committee on Economic Development, Housing and General Affairs with its findings and any recommendations for legislative action.

(f) Meetings.

(1) The member of the House of Representatives shall call the first meeting of the Committee to occur on or before June 1, 2025.

(2) The Committee shall select a chair from among its members at the first meeting.

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

(4) The Committee shall cease to exist on December 1, 2025.

(g)(1) Compensation and reimbursement. For attendance at meetings during adjournment of the General Assembly, a legislative member of the Committee serving in the member's capacity as a legislator shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 23 for not more than six meetings. These payments shall be made from monies appropriated to the General Assembly.

(2) Members of the Committee who are not otherwise compensated for their time shall be entitled to per diem compensation as permitted under 32 V.S.A. § 1010 for not more than six meetings. These payments shall be made from monies appropriated to the Department of Housing and Community Development for that purpose.

(h) Intent to appropriate. Notwithstanding subdivision (g)(2) of this section, per diems for the cost of attending meetings shall only be available in the event an appropriation is made in fiscal year 2026 from the General Fund to the Department of Housing and Community Development for that purpose.

* * * Housing and Residential Services Planning Committee * * *

Sec. 6. STATE HOUSING AND RESIDENTIAL SERVICES PLANNING COMMITTEE; REPORT

(a) Creation. There is created the State Housing and Residential Services Planning Committee to generate a State plan to develop housing for individuals with developmental disabilities.

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

(1) one current member of the House of Representatives, who shall be appointed by the Speaker of the House;

(2) one current member of the Senate, who shall be appointed by the Committee on Committees;

(3) the Secretary of Human Services or designee;

(4) the Commissioner of Disabilities, Aging, and Independent Living or designee;

(5) the Commissioner of Housing and Community Development or designee;

(6) the State Treasurer or designee;

(7) one member, appointed by the Developmental Disabilities Housing Initiative;

(8) the Executive Director of the Vermont Developmental Disabilities Council;

(9) one member, appointed by Green Mountain Self-Advocates;

(10) one member, appointed by Vermont Care Partners;

(11) one member, appointed by the Vermont Housing and Conservation Board; and

(12) one member, appointed by the Associated General Contractors of Vermont.

(c) Powers and duties. The Committee shall create an actionable plan to develop housing for individuals with developmental disabilities that reflects the diversity of needs expressed by those individuals and their families, including individuals with high-support needs who require 24-hour care and those with specific communication needs. The plan shall include:

(1) a schedule for the creation of at least 600 additional units of service-supported housing;

(2) the number and description of the support needs of individuals with developmental disabilities anticipated to be served annually;

(3) anticipated funding needs; and

(4) recommendations for changes in State laws or policies that are obstacles to the development of housing needed by individuals with Medicaid-funded home-and community-based services.

(d) Assistance.

(1) The Committee shall have the administrative, technical, and legal assistance of the Department of Housing and Community Development.

(2) Upon request of the Committee, the Department of Disabilities, Aging, and Independent Living shall provide an analysis of the current state of housing in Vermont for individuals with development disabilities and, to the extent available, an analysis of the level of community support needed for these individuals.

(e) Report. On or before November 15, 2025, the Committee shall submit a written report to the House Committees on General and Housing and on Human Services and the Senate Committees on Economic Development,

Housing and General Affairs and on Health and Welfare with its findings and any recommendations for legislative action.

(f) Meetings.

(1) The Secretary of Human Services shall call the first meeting of the Committee to occur on or before July 15, 2025.

(2) The Committee shall select a chair from among its members at the first meeting.

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

(4) The Committee shall cease to exist on November 30, 2025.

(g)(1) Compensation and reimbursement. For attendance at meetings during adjournment of the General Assembly, a legislative member of the Committee serving in the member's capacity as a legislator shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 23 for not more than six meetings. These payments shall be made from monies appropriated to the General Assembly.

(2) Members of the Committee who are not otherwise compensated for their time shall be entitled to per diem compensation as permitted under 32 V.S.A. § 1010 for not more than six meetings. These payments shall be made from monies appropriated to the Department of Housing and Community Development for that purpose.

(h) Intent to appropriate. Notwithstanding subsection (g)(2) of this section, per diems for the cost of attending meetings shall only be available in the event an appropriation is made in fiscal year 2026 from the General Fund to the Department of Housing and Community Development for that purpose.

* * * Tax Department Housing Data Access * * *

Sec. 7. 32 V.S.A. § 5404 is amended to read:

§ 5404. DETERMINATION OF EDUCATION PROPERTY TAX GRAND LIST

* * *

(b) Annually, on or before August 15, the clerk of a municipality, or the supervisor of an unorganized town or gore, shall transmit to the Director in an electronic or other format as prescribed by the Director: education and municipal grand list data, including exemption information and grand list abstracts; tax rates; an extract of the assessor database also referred to as a Computer Assisted Mass Appraisal (CAMA) system or Computer Assisted Mass Appraisal database; and the total amount of taxes assessed in the town or

unorganized town or gore. The data transmitted shall identify each parcel by a parcel identification number assigned under a numbering system prescribed by the Director. Municipalities may continue to use existing numbering systems in addition to, but not in substitution for, the parcel identification system prescribed by the Director. If changes or additions to the grand list are made by the listers or other officials authorized to do so after such abstract has been so transmitted, such clerks shall forthwith certify the same to the Director.

* * *

* * * Landlord Certificate * * *

Sec. 8. REPEAL; ACT 181 PROSPECTIVE LANDLORD CERTIFICATE CHANGES

2024 Acts and Resolves No. 181, Secs. 98 (landlord certificate amendments) and 114(5) (effective date of landlord certificate amendments) are repealed.

Sec. 9. 32 V.S.A. § 6069 is amended to read:

§ 6069. LANDLORD CERTIFICATE

* * *

(b) The owner of each rental property shall, on or before January 31 of each year, furnish a certificate of rent to the Department of Taxes.

(c) A certificate under this section shall be in a form prescribed by the Commissioner and shall include the following:

(1) the name of ~~the~~ each renter~~,~~;

(2) the address and ~~any property tax parcel identification number of the homestead, the information required under subsection (f) of this section,~~ the School Property Account Number of the rental property;

(3) the name of the owner or landlord of the rental property;

(4) the phone number, email address, and mailing address of the owner or landlord of the rental property, as available;

(5) the type or types of rental units on the rental property;

(6) the number of rental units on the rental property;

(7) the number of ADA-accessible units on the rental property; and

(8) any additional information that the Commissioner determines is appropriate.

* * *

(f) ~~Annually on or before October 31, the Department shall prepare and make available to a member of the public upon request a database in the form of a sortable spreadsheet that contains the following information for each rental unit for which the Department received a certificate pursuant to this section:~~

~~(1) name of owner or landlord;~~

~~(2) mailing address of landlord;~~

~~(3) location of rental unit;~~

~~(4) type of rental unit;~~

~~(5) number of units in building; and~~

~~(6) School Property Account Number.~~ Annually on or before December 15, the Department shall submit a report on the aggregated data collected under this section to the House Committee on General and Housing and the Senate Committee on Economic Development, Housing and General Affairs.

* * * Land Bank Report * * *

Sec. 10. DHCD LAND BANK REPORT

(a) On or before November 1, 2025, the Department of Housing and Community Development shall issue a report to the House Committee on General and Housing and the Senate Committee on Economic Development, Housing and General Affairs outlining a legal framework for implementation of a State land bank. The report shall include proposed legislative language specific to:

(1) the creation of a statewide land bank;

(2) the authorization of regional or municipal land banks; and

(3) the identification of funding proposals to support the sustainability of each separate model.

(b) The report shall include an analysis on which option, the creation of a statewide land bank or the authorization of regional or municipal land banks, best serves the interest of Vermont communities, including rural communities.

* * * Housing and Public Accommodations Protections * * *

Sec. 11. 9 V.S.A. § 4456a is amended to read:

§ 4456a. RESIDENTIAL RENTAL APPLICATION ~~FEES; PROHIBITED~~

(a) A landlord or a landlord's agent shall not charge an application fee to any individual in order to apply to enter into a rental agreement for a residential dwelling unit. This ~~section~~ subsection shall not be construed to

prohibit a person from charging a fee to a person in order to apply to rent commercial or nonresidential property.

(b)(1) In order to conduct a background or credit check, a landlord shall accept any of the following:

(A) an original or a copy of any unexpired form of government-issued identification;

(B) an Individual Taxpayer Identification Number; or

(C) a Social Security number.

(2) A residential rental application shall inform an applicant that the applicant may provide any of the above forms of identification in order to conduct a background or credit check.

Sec. 12. 9 V.S.A. § 4501 is amended to read:

§ 4501. DEFINITIONS

As used in this chapter:

* * *

(12)(A) "Harass" means to engage in unwelcome conduct that detracts from, undermines, or interferes with a person's:

(i) use of a place of public accommodation or any of the accommodations, advantages, facilities, or privileges of a place of public accommodation because of the person's race, creed, color, national origin, citizenship, immigration status, marital status, sex, sexual orientation, gender identity, or disability; or

(ii) terms, conditions, privileges, or protections in the sale or rental of a dwelling or other real estate, or in the provision of services or facilities in connection with a dwelling or other real estate, because of the person's race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability, or because the person intends to occupy a dwelling with one or more minor children, or because the person is a recipient of public assistance, or because the person is a victim of abuse, sexual assault, or stalking.

* * *

Sec. 13. 9 V.S.A. § 4502 is amended to read:

§ 4502. PUBLIC ACCOMMODATIONS

(a) An owner or operator of a place of public accommodation or an agent or employee of such owner or operator shall not, because of the race, creed,

color, national origin, citizenship, immigration status, marital status, sex, sexual orientation, or gender identity of any person, refuse, withhold from, or deny to that person any of the accommodations, advantages, facilities, and privileges of the place of public accommodation.

* * *

Sec. 14. 9 V.S.A. § 4503 is amended to read:

§ 4503. UNFAIR HOUSING PRACTICES

(a) It shall be unlawful for any person:

(1) To refuse to sell or rent, or refuse to negotiate for the sale or rental of, or otherwise make unavailable or deny, a dwelling or other real estate to any person because of the race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person intends to occupy a dwelling with one or more minor children, or because a person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking.

(2) To discriminate against, or to harass, any person in the terms, conditions, privileges, and protections of the sale or rental of a dwelling or other real estate, or in the provision of services or facilities in connection with a dwelling or other real estate, because of the race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person intends to occupy a dwelling with one or more minor children, or because a person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking.

(3) To make, print, or publish, or cause to be made, printed, or published any notice, statement, or advertisement, with respect to the sale or rental of a dwelling or other real estate that indicates any preference, limitation, or discrimination based on race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person intends to occupy a dwelling with one or more minor children, or because a person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking.

(4) To represent to any person because of the race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person intends to occupy a dwelling with one or more minor children, or because a person is a recipient of public assistance, or because a person is a

victim of abuse, sexual assault, or stalking, that any dwelling or other real estate is not available for inspection, sale, or rental when the dwelling or real estate is in fact so available.

* * *

(6) To discriminate against any person in the making or purchasing of loans or providing other financial assistance for real-estate-related transactions or in the selling, brokering, or appraising of residential real property, because of the race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person intends to occupy a dwelling with one or more minor children, or because a person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking.

(7) To engage in blockbusting practices, for profit, which may include inducing or attempting to induce a person to sell or rent a dwelling by representations regarding the entry into the neighborhood of a person or persons of a particular race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person intends to occupy a dwelling with one or more minor children, or because a person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking.

(8) To deny any person access to or membership or participation in any multiple listing service, real estate brokers' organization, or other service, organization, or facility relating to the business of selling or renting dwellings, or to discriminate against any person in the terms or conditions of such access, membership, or participation, on account of race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking.

* * *

(12) To discriminate in land use decisions or in the permitting of housing because of race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, disability, the presence of one or more minor children, income, or because of the receipt of public assistance, or because a person is a victim of abuse, sexual assault, or stalking, except as otherwise provided by law.

* * *

(d) If required by federal law, the verification of immigration status or differential treatment on the basis of citizenship or immigration status shall not constitute a violation of subsection (a) of this section with respect to the sale and rental of dwellings.

(e) For purposes of subdivision (a)(6) of this section, it shall not constitute unlawful discrimination for a lender to consider a credit applicant's immigration status to the extent such status has bearing on the lender's rights and remedies regarding loan repayment and further provided such consideration is consistent with any applicable federal law or regulation.

* * * Housing Appeals * * *

Sec. 15. 10 V.S.A. § 8502 is amended to read:

§ 8502. DEFINITIONS

As used in this chapter:

* * *

(7) "Person aggrieved" means a person who alleges an injury to a particularized interest protected by the provisions of law listed in section 8503 of this title, attributable to an act or decision by a district coordinator, District Commission, the Secretary, an appropriate municipal panel, or the Environmental Division that can be redressed by the Environmental Division or the Supreme Court.

* * *

Sec. 16. 10 V.S.A. § 8504 is amended to read:

§ 8504. APPEALS TO THE ENVIRONMENTAL DIVISION

* * *

(b) Planning and zoning chapter appeals.

(1) Within 30 days of the date of the act or decision, an interested person, as defined in 24 V.S.A. § 4465, or a person aggrieved, who has participated as defined in 24 V.S.A. § 4471 in the municipal regulatory proceeding under that chapter may appeal to the Environmental Division an act or decision made under that chapter by a board of adjustment, a planning commission, or a development review board; provided, however, that decisions of a development review board under 24 V.S.A. § 4420 with respect to local Act 250 review of municipal impacts are not subject to appeal but shall serve as presumptions under chapter 151 of this title.

* * *

(h) De novo hearing. The Environmental Division, applying the substantive standards that were applicable before the tribunal appealed from, shall hold a de novo hearing on those issues that have been appealed~~, except~~. For a municipal land use permit application for a housing development, if the appeal is of a denial, the Environmental Division shall determine if the application is consistent with the municipal bylaw or land use regulation that directly affects the property or if the appeal is of an approval, if the application is inconsistent with the municipal bylaw or land use regulation that directly affects the property. It shall not be de novo in the case of:

(1) a decision being appealed on the record pursuant to 24 V.S.A. chapter 117; or

(2) a decision of the Commissioner of Forests, Parks and Recreation under section 2625 of this title being appealed on the record, in which case the court shall affirm the decision, unless it finds that the Commissioner did not have reasonable grounds on which to base the decision.

* * *

(k) Limitations on appeals. Notwithstanding any other provision of this section:

(1) there shall be no appeal from a District Commission decision when the Commission has issued a permit and no hearing was requested or held, or no motion to alter was filed following the issuance of an administrative amendment;

(2) a municipal decision regarding whether a particular application qualifies for a recorded hearing under 24 V.S.A. § 4471(b) shall not be subject to appeal;

(3) if a District Commission issues a partial decision under subsection 6086(b) of this title, any appeal of that decision must be taken within 30 days following the date of that decision; ~~and~~

(4) it shall be the goal of the Environmental Division to issue a decision on a case regarding an appeal of an appropriate municipal panel decision under 24 V.S.A. chapter 117 within 90 days following the close of the hearing; and

(5) except for cases the court considers of greater importance, appeals of an appropriate municipal panel decision under 24 V.S.A. chapter 117 involving housing development take precedence on the docket over other cases and shall be assigned for hearing and trial or for argument accordingly.

* * *

Sec. 17. 24 V.S.A. § 4465 is amended to read:

§ 4465. APPEALS OF DECISIONS OF THE ADMINISTRATIVE OFFICER

* * *

(b) As used in this chapter, an "interested person" means any one of the following:

(1) A person owning title to property, or a municipality or solid waste management district empowered to condemn it or an interest in it, affected by a bylaw, who alleges that the bylaw imposes on the property unreasonable or inappropriate restrictions of present or potential use under the particular circumstances of the case.

(2) The municipality that has a plan or a bylaw at issue in an appeal brought under this chapter or any municipality that adjoins that municipality.

(3) ~~A person owning or occupying property in the immediate neighborhood of a property that is the subject of any decision or act taken under this chapter, who can demonstrate a physical or environmental impact on the person's interest under the criteria reviewed, and who alleges that the decision or act, if confirmed, will not be in accord with the policies, purposes, or terms of the plan or bylaw of that municipality~~.

~~(4) Any 20 persons who may be any combination of voters, residents, or real property owners within a municipality listed in subdivision (2) of this subsection who, by signed petition to the appropriate municipal panel of a municipality, the plan or a bylaw of which is at issue in any appeal brought under this title, allege that any relief requested by a person under this title, if granted, will not be in accord with the policies, purposes, or terms of the plan or bylaw of that municipality. This petition to the appropriate municipal panel must designate one person to serve as the representative of the petitioners regarding all matters related to the appeal. For purposes of this subdivision, an appeal shall not include the character of the area affected if the project has a residential component that includes affordable housing.~~

~~(5)~~ Any department and administrative subdivision of this State owning property or any interest in property within a municipality listed in subdivision (2) of this subsection, and the Agency of Commerce and Community Development of this State.

* * *

Sec. 18. 24 V.S.A. § 4441 is amended to read:

§ 4441. PREPARATION OF BYLAWS AND REGULATORY TOOLS; AMENDMENT OR REPEAL

* * *

(i) Notwithstanding this section and any other law to the contrary, for bylaw amendments that are required to comply with amendments to this chapter, no hearings are required to be held on the bylaw amendments.

* * * LURB Study * * *

Sec. 19. 2024 Acts and Resolves No. 181, Sec. 11a is amended to read:

Sec. 11a. ACT 250 APPEALS STUDY

(a) On or before ~~January 15, 2026~~ November 15, 2025, the Land Use Review Board shall issue a report evaluating whether to transfer appeals of permit decisions and jurisdictional opinions issued pursuant to 10 V.S.A. chapter 151 to the Land Use Review Board or whether they should remain at the Environmental Division of the Superior Court. The Board shall convene a stakeholder group that at a minimum shall be composed of a representative of environmental interests, attorneys that practice environmental and development law in Vermont, the Vermont League of Cities and Towns, the Vermont Association of Planning and Development Agencies, the Vermont Chamber of Commerce, the Land Access and Opportunity Board, the Office of Racial Equity, the Vermont Association of Realtors, a representative of ~~non-profit~~ nonprofit housing development interests, a representative of for-profit housing development interests, a representative of commercial development interests, an engineer with experience in development, the Agency of Commerce and Community Development, and the Agency of Natural Resources in preparing the report. The Board shall provide notice of the stakeholder meetings on its website and each meeting shall provide time for public comment.

(b) The report shall at minimum recommend:

(1) whether to allow consolidation of appeals at the Board, or with the Environmental Division of the Superior Court, and how, including what resources the Board would need, if transferred to the Board, appeals of permit decisions issued under 24 V.S.A. chapter 117 and the Agency of Natural Resources can be consolidated with Act 250 appeals;

(2) how to prioritize and expedite the adjudication of appeals related to housing projects, including the use of hearing officers to expedite appeals and the setting of timelines for processing of housing appeals;

(3) procedural rules to govern the Board's administration of Act 250 and the adjudication of appeals of Act 250 decisions. These rules shall include procedures to create a firewall and eliminate any potential for conflicts with the Board managing appeals and issuing permit decisions and jurisdictional opinions; and

(4) other actions the Board should take to promote the efficient and effective adjudication of appeals, including any procedural improvements to the Act 250 permitting process and jurisdictional opinion appeals.

(c) The report shall be submitted to the Senate Committees on Economic Development, Housing and General Affairs and on Natural Resources and Energy and the House Committee on Environment ~~and Energy~~.

* * * Brownfields * * *

Sec. 20. 10 V.S.A. § 6604c is amended to read:

§ 6604c. MANAGEMENT OF DEVELOPMENT SOILS

(a) Management of development soils. Notwithstanding any other requirements of this chapter to the contrary, development soils may be managed at a location permitted pursuant to an insignificant waste event approval authorization issued pursuant to the Solid Waste Management Rules that contains, at a minimum, the following:

(1) the development soils are generated from a hazardous materials site managed pursuant to a corrective action plan or a soil management plan approved by the Secretary;

(2) the development soils have been tested for arsenic, lead, and polyaromatic hydrocarbons pursuant to a monitoring plan approved by the Secretary that ensures that the soils do not leach above groundwater enforcement standards;

(3) the location where the soils are managed is appropriate for the amount and type of material being managed;

(4) the soils are capped in a manner approved by the Secretary;

(5) any activity that may disturb the development soils at the permitted location shall be conducted pursuant to a soil management plan approved by the Secretary; and

(6) the permittee files a record notice of where the soils are managed in the land records.

* * *

Sec. 21. REPORT ON THE STATUS OF MANAGEMENT OF DEVELOPMENT SOILS

(a) As part of the biennial report to the House Committee on Environment and the Senate Committee on Natural Resources and Energy under 10 V.S.A. § 6604(c), the Secretary of Natural Resources shall report on the status of the management of development soils in the State under 10 V.S.A. § 6604c. The report shall include:

(1) the number of insignificant waste event approval authorizations issued by the Secretary in the previous two years for the management of development soils;

(2) the number of certified categorical solid waste facilities operating in the State for the management of development soils;

(3) a summary of how the majority of development soils in the State are being managed;

(4) an estimate of the cost to manage development soils, depending on management method; and

(5) any additional information the Secretary determines relevant to the management of development soils in the State.

(b) As used in this section, "development soil" has the same meaning as in 10 V.S.A. § 6602(39).

Sec. 22. 10 V.S.A. § 6641 is amended to read:

§ 6641. BROWNFIELD PROPERTY CLEANUP PROGRAM; CREATION; POWERS

(a) There is created the Brownfield Property Cleanup Program to enable certain interested parties to request the assistance of the Secretary to review and oversee work plans for investigating, abating, removing, remediating, and monitoring a property in exchange for protection from certain liabilities under section 6615 of this title. The Program shall be administered by the Secretary who shall:

* * *

(c) When conducting any review required by this subchapter, the Secretary shall prioritize the review of remediation at a site that contains housing or that is planned for the construction or rehabilitation of single-family or multi-family housing.

Sec. 23. BROWNFIELDS PROCESS IMPROVEMENT; REPORT

On or before November 1, 2025, the Secretary of Natural Resources shall report to the House Committees on Environment and on General and Housing and the Senate Committees on Economic Development, Housing and General Affairs and on Natural Resources and Energy with proposals to make the Program established pursuant to 10 V.S.A. chapter 159, subchapter 3 (brownfields reuse and liability limitation) substantially more efficient. At a minimum, the report shall include both of the following:

(1) A survey of stakeholders in the brownfields program to identify areas that present challenges to the redevelopment of contaminated properties, with a focus on redevelopment for housing. The Secretary shall provide recommendations to resolve these challenges.

(2) An analysis of strengths and weaknesses of implementing a licensed site professional program within the State. The Secretary shall make a recommendation on whether such a program should be implemented. If the Secretary recommends implementation, the report shall include any changes to statute or budget needed to implement this program.

Sec. 24. FISCAL YEAR 2026 ENVIRONMENTAL CONTINGENCY FUND DISBURSEMENT FOR BROWNFIELDS

In fiscal year 2026, the Secretary of Natural Resources is authorized to disburse up to $2,000,000.00 from the Environmental Contingency Fund for the assessment, planning, and cleanup of brownfields sites.

* * * Tax Increment Financing * * *

Sec. 25. 24 V.S.A. chapter 53, subchapter 7 is added to read:

Subchapter 7. Community and Housing Infrastructure Program

§ 1906. DEFINITIONS

As used in this subchapter:

(1) "Brownfield" means a property on which the presence or potential presence of a hazardous material, pollutant, or contaminant complicates the expansion, development, redevelopment, or reuse of the property.

(2) "Committed" means pledged and appropriated for the purpose of the current and future payment of financing and related costs.

(3) "Developer" means the person undertaking to construct a housing development.

(4) "Financing" means debt, including principal, interest, and any fees or charges directly related to that debt, incurred by a sponsor, or other

instruments or borrowing used by a sponsor, to pay for a housing infrastructure project and, in the case of a sponsor that is a municipality, authorized by the municipality pursuant to section 1910a of this subchapter.

(5) "Housing development" means the construction, rehabilitation, or renovation of any building on a housing development site approved under this subchapter.

(6) "Housing development site" means the parcel or parcels encompassing a housing development as authorized by a municipality pursuant to section 1908 of this subchapter.

(7) "Housing infrastructure agreement" means a legally binding agreement to finance and develop a housing infrastructure project and to construct a housing development among a municipality, a developer, and, if applicable, a third-party sponsor.

(8) "Housing infrastructure project" means one or more improvements authorized by a municipality pursuant to section 1908 of this subchapter.

(9) "Improvements" means:

(A) any of the following that will serve a public good and fulfill the purpose of section 1907 of this subchapter:

(i) the installation or construction of:

(I) wastewater, storm water, water dispersal, water collection, water treatment facilities and equipment, or related wastewater, storm water, or water equipment;

(II) public roads, streets, bridges, multimodal facilities, public transit stop equipment and amenities, street and sidewalk lighting, sidewalks, streetscapes, way-finding signs and kiosks, traffic signals, medians, or turn lanes; or

(III) digital or telecommunications infrastructure;

(ii) site preparation for development or redevelopment, including land and property acquisition, demolition, brownfield remediation, or flood remediation and mitigation; and

(B) the funding of debt service interest payments for a period of up to four years, beginning on the date on which the debt is first incurred.

(10) "Legislative body" means the mayor and alderboard, the city council, the selectboard, and the president and trustees of an incorporated village, as appropriate.

(11) "Lifetime education property tax increment retention" means the total education property tax increment to be retained for a housing infrastructure project across its lifetime.

(12) "Mixed-income housing" means housing that is subject to a housing subsidy covenant, as defined in 27 V.S.A. § 610, of perpetual duration.

(13) "Mixed-income housing development" means a housing development of which at least 20 percent of the units are mixed-income housing units.

(14) "Municipality" means a city, town, or incorporated village.

(15) "Original taxable value" means the total valuation as determined in accordance with 32 V.S.A. chapter 129 of all taxable real property located within a housing development site as of its creation date, provided that no parcel within the housing development site shall be divided or bisected.

(16) "Related costs" means expenses incurred and paid by a municipality, exclusive of the actual cost of constructing and financing improvements, that are directly related to the creation and implementation of the municipality's housing infrastructure project, including reimbursement of sums previously advanced by the municipality for those purposes. Related costs may include direct municipal expenses such as departmental or personnel costs related to creating or administering the housing infrastructure project to the extent they are paid from the tax increment realized from municipal and not education taxes and using only that portion of the municipal increment above the percentage required for servicing debt as determined in accordance with subsection 1910c of this subchapter.

(17) "Sponsor" means the person undertaking to finance a housing infrastructure project. Any of a municipality, a developer, or an independent agency that meets State lending standards may serve as a sponsor for a housing infrastructure project.

§ 1907. PURPOSE

The purpose of the pilot Community and Housing Infrastructure Program is to encourage the development of new primary residences for households of low and moderate income across both rural and urban areas of all Vermont counties that would not be created but for the infrastructure improvements funded by the Program.

§ 1908. CREATION OF HOUSING INFRASTRUCTURE PROJECT AND HOUSING DEVELOPMENT SITE

(a) The legislative body of a municipality may create within its jurisdiction a housing infrastructure project, which shall consist of improvements that stimulate the development of housing, and a housing development site, which shall consist of the parcel or parcels on which a housing development is installed or constructed.

(b) To create a housing infrastructure project and housing development site, a municipality, in coordination with stakeholders, shall:

(1) develop a housing development plan, including:

(A) a description of the proposed housing infrastructure project, the proposed housing development, and the proposed housing development site;

(B) identification of a sponsor;

(C) a tax increment financing plan meeting the standards of subsection 1910(h) of this subchapter;

(D) a pro forma projection of expected costs of the proposed housing infrastructure project;

(E) a projection of the tax increment to be generated by the proposed housing development;

(F) a development schedule that includes a list, a cost estimate, and a schedule for the proposed housing infrastructure project and the proposed housing development; and

(G) a determination that the proposed housing development furthers the purpose of section 1907 of this subchapter;

(2) develop a plan describing the housing development site by its boundaries and the properties therein, entitled "Proposed Housing Development Site (municipal name), Vermont";

(3) hold one or more public hearings, after public notice, on the proposed housing infrastructure project, including the plans developed pursuant to this subsection; and

(4) adopt by act of the legislative body of the municipality the plan developed under subdivision (2) of this subsection, which shall be recorded with the municipal clerk and lister or assessor.

(c) The creation of a housing development site shall occur at 12:01 a.m. on April 1 of the calendar year in which the Vermont Economic Progress Council

approves the use of tax increment financing for the housing infrastructure project pursuant to section 1910 of this subchapter.

§ 1909. HOUSING INFRASTRUCTURE AGREEMENT

(a) The housing infrastructure agreement for a housing infrastructure project shall:

(1) clearly identify the sponsor for the housing infrastructure project;

(2) clearly identify the developer and the housing development for the housing development site;

(3) obligate the tax increments retained pursuant to section 1910c of this subchapter for not more than the financing and related costs for the housing infrastructure project;

(4) provide terms and sufficient remedies or, if the municipality so elects, an ordinance to ensure that any housing unit within the housing development be offered exclusively as a bona fide domicile in perpetuity; and

(5) provide for performance assurances to reasonably secure the obligations of all parties under the housing infrastructure agreement.

(b) A municipality shall provide notice of the terms of the housing infrastructure agreement for the municipality's housing infrastructure project to the legal voters of the municipality and shall provide the same information as set forth in subsection 1910a(e) of this subchapter.

§ 1910. HOUSING INFRASTRUCTURE PROJECT APPLICATION; VERMONT ECONOMIC PROGRESS COUNCIL

(a) Application. A municipality, upon approval of its legislative body, may apply to the Vermont Economic Progress Council to use tax increment financing for a housing infrastructure project.

(b) But-for test. The Vermont Economic Progress Council shall review each application to determine whether the infrastructure improvements proposed to serve the housing development site and the proposed housing development would not have occurred as proposed in the application or would have occurred in a significantly different and less desirable manner than as proposed in the application but for the proposed utilization of the incremental tax revenues. The review shall take into account:

(1) the amount of additional time, if any, needed to complete the proposed housing development and the amount of additional cost that might be incurred if the project were to proceed without education property tax increment financing;

(2) how the proposed housing development components and size would differ, if at all, including, if applicable to the housing development, in the number of units of mixed-income housing, without education property tax increment financing; and

(3)(A) the amount of additional revenue expected to be generated as a result of the proposed housing development;

(B) the percentage of that revenue that shall be paid to the Education Fund;

(C) the percentage that shall be paid to the municipality; and

(D) the percentage of the revenue paid to the municipality that shall be used to pay financing incurred for the infrastructure improvements.

(c) Process requirements. The Vermont Economic Progress Council shall review a municipality's housing infrastructure project application to determine whether the municipality has:

(1) created a housing infrastructure project and housing development site pursuant to section 1908 of this subchapter;

(2) executed a housing infrastructure agreement for the housing infrastructure project that adheres to the standards of section 1909 of this subchapter with a developer and, if the municipality is not financing the housing infrastructure project itself, a sponsor; and

(3) approved or pledged to use incremental municipal tax revenues for the housing infrastructure project in the proportion provided for municipal tax revenues in section 1910c of this subchapter.

(d) Project criterion. The Vermont Economic Progress Council shall review a municipality's housing infrastructure project application to determine whether at least 65 percent of the floor area of the projected housing development is dedicated to housing.

(e) Mixed-income criterion. The Vermont Economic Progress Council shall review a municipality's housing infrastructure project application to determine whether the projected housing development is a mixed-income housing development for purposes of the increased education property tax increment retention percentage under section 1910c of this subchapter.

(f) Tax increment financing plan. The Vermont Economic Progress Council shall approve a municipality's tax increment financing plan prior to a sponsor's incurrence of debt for the housing infrastructure project, including, if the sponsor is a municipality, prior to a public vote to pledge the credit of

the municipality under section 1910a of this subchapter. The tax increment financing plan shall include:

(1) a statement of costs and sources of revenue;

(2) estimates of assessed values within the housing development site;

(3) the portion of those assessed values to be applied to the housing infrastructure project;

(4) the resulting tax increments in each year of the financial plan and the lifetime education property tax increment retention;

(5) the amount of bonded indebtedness or other financing to be incurred;

(6) other sources of financing and anticipated revenues; and

(7) the duration of the financial plan.

(g) Approval. The Vermont Economic Progress Council shall approve or deny an application submitted pursuant to this section not later than 45 days following receipt of the completed application. The Vermont Economic Progress Council shall only approve tax increment financing for applications:

(1) that meet the but-for test, the process requirements, and the project criterion of this section;

(2) for which the Council has approved the tax increment financing plan; and

(3) that are submitted on or before December 31, 2031.

(h) Limit. The Vermont Economic Progress Council shall not annually approve more than $40,000,000.00 in aggregate lifetime education property tax increment retention. The Vermont Economic Progress Council may increase this limit by not more than $5,000,000.00 upon application by the Governor to, and approval of, the Joint Fiscal Committee. In evaluating the Governor's request, the Joint Fiscal Committee shall consider the economic and fiscal condition of the State, including recent revenue forecasts and budget projections. The Vermont Economic Progress Council shall provide the Joint Fiscal Committee with testimony, documentation, housing infrastructure project application data, and any other information the Committee requests to demonstrate that increasing the cap will create an opportunity for the creation of additional housing to meet the needs of a municipality or municipalities and the State.

§ 1910a. INDEBTEDNESS

(a) A municipality approved for tax increment financing under section 1910 of this subchapter may incur indebtedness against revenues of the housing development site at any time during a period of up to five years following the creation of the housing development site. The Vermont Economic Progress Council may extend this debt incursion period by up to three years.

(b) Notwithstanding any provision of any municipal charter, each instance of borrowing by a municipality to finance or otherwise pay for a housing infrastructure project shall occur only after the legal voters of the municipality, by a majority vote of all voters present and voting on the question at a special or annual municipal meeting duly warned for the purpose, authorize the legislative body to pledge the credit of the municipality, borrow, or otherwise secure the debt for the specific purposes so warned.

(c) Any indebtedness incurred under this section may be retired over any period authorized by the legislative body of the municipality.

(d) The housing development site shall continue until the date and hour the indebtedness is retired or, if no debt is incurred, the debt incursion period ends.

(e) A municipal legislative body shall provide information to the public prior to the public vote required under subsection (b) of this section. This information shall include the amount and types of debt and related costs to be incurred, including principal, interest, and fees; terms of the debt; the housing infrastructure project to be financed; the housing development projected to occur because of the housing infrastructure project; and notice to the voters that if the tax increment received by the municipality from any property tax source is insufficient to pay the principal and interest on the debt in any year, the municipality shall remain liable for the full payment of the principal and interest for the term of the indebtedness. If interfund loans within the municipality are used, the information must also include documentation of the terms and conditions of the loan.

(f) If interfund loans within the municipality are used as the method of financing, no interest shall be charged.

(g) The use of a bond anticipation note shall not be considered a first incurrence of debt pursuant to subsection (a) of this section.

§ 1910b. ORIGINAL TAXABLE VALUE; TAX INCREMENT

(a) As of the date the housing development site is created, the lister or assessor for the municipality shall certify the original taxable value and shall certify to the legislative body in each year thereafter during the life of the

housing development site the amount by which the total valuation as determined in accordance with 32 V.S.A. chapter 129 of all taxable real property within the housing development site has increased or decreased relative to the original taxable value.

(b) Annually throughout the life of the housing development site, the lister or assessor shall include not more than the original taxable value of the real property in the assessed valuation upon which the treasurer computes the rates of all taxes levied by the municipality and every other taxing district in which the housing development site is situated, but the treasurer shall extend all rates so determined against the entire assessed valuation of real property for that year.

(c) Annually throughout the life of the housing development site, a municipality shall remit not less than the aggregate education property tax due on the original taxable value to the Education Fund.

(d) Annually throughout the life of the housing development site, the municipality shall hold apart, rather than remit to the taxing districts, that proportion of all taxes paid that year on the real property within the housing development site that the excess valuation bears to the total assessed valuation. The amount held apart each year is the "tax increment" for that year. The tax increment shall only be used for financing and related costs.

(e) Not more than the percentages established pursuant to section 1910c of this subchapter of the municipal and State education tax increments received with respect to the housing development site and committed for the payment for financing for improvements and related costs shall be segregated by the municipality in a special tax increment financing account and in its official books and records until all capital indebtedness incurred for the housing infrastructure project has been fully paid. The final payment shall be reported to the treasurer, who shall thereafter include the entire assessed valuation of the housing development site in the assessed valuations upon which the municipal and other tax rates are computed and extended, and thereafter no taxes from the housing development site shall be deposited in the special tax increment financing account.

(f) Notwithstanding any charter provision or other provision, all property taxes assessed within a housing development site shall be subject to the provisions of this section. Special assessments levied under chapter 76A or 87 of this title or under a municipal charter shall not be considered property taxes for the purpose of this section if the proceeds are used exclusively for operating expenses related to properties within the housing development site and not for improvements within the housing development site.

§ 1910c. USE OF TAX INCREMENT; RETENTION PERIOD

(a) Uses of tax increments. A municipality may apply tax increments retained pursuant to this subchapter to debt incurred within the period permitted under section 1910a of this subchapter, to related costs, and to the direct payment of the cost of a housing infrastructure project. A municipality may provide tax increment to a sponsor only upon receipt of an invoice for payment of the financing, and the sponsor shall confirm to the municipality once the tax increment has been applied to the financing. Any direct payment shall be subject to the same public vote provisions of section 1910a of this subchapter as apply to debt.

(b) Education property tax increment.

(1) For a housing infrastructure project that does not satisfy the mixed-income criterion of section 1910 of this subchapter, up to 60 percent of the education property tax increment may be retained for up to 20 years, beginning the first year in which debt is incurred for the housing infrastructure project.

(2) For a housing infrastructure project that satisfies the mixed-income criterion of section 1910 of this subchapter, up to 80 percent of the education property tax increment may be retained for up to 20 years, beginning the first year in which debt is incurred for the housing infrastructure project.

(3) Upon incurring the first debt, a municipality shall notify the Department of Taxes and the Vermont Economic Progress Council of the beginning of the retention period of the education property tax increment.

(c) Municipal property tax increment. Not less than 85 percent of the municipal property tax increment may be retained, beginning the first year in which debt is incurred for the housing infrastructure project.

(d) Excess tax increment.

(1) Of the municipal and education property tax increments received in any tax year that exceed the amounts committed for the payment of the financing and related costs for a housing infrastructure project, equal portions of each increment may be retained for the following purposes:

(A) to prepay principal and interest on the financing;

(B) to place in a special tax increment financing account required pursuant to subsection 1910b(e) of this subchapter and use for future financing payments; or

(C) to use for defeasance of the financing.

(2) Any remaining portion of the excess education property tax increment shall be distributed to the Education Fund. Any remaining portion

of the excess municipal property tax increment shall be distributed to the city, town, or village budget in the proportion that each budget bears to the combined total of the budgets unless otherwise negotiated by the city, town, or village.

(e) Adjustment of percentage. During the fifth year following the creation of a housing development site, the municipality shall submit an updated tax increment financing plan to the Vermont Economic Progress Council that shall include adjustments and updates of appropriate data and information sufficient for the Vermont Economic Progress Council to determine, based on tax increment financing debt actually incurred and the history of increment generated during the first five years, whether the percentages approved under this section should be continued or adjusted to a lower percentage to be retained for the remaining duration of the retention period and still provide sufficient municipal and education increment to service the remaining debt.

§ 1910d. INFORMATION REPORTING

(a) A municipality with an active housing infrastructure project shall:

(1) develop a system, segregated for the housing infrastructure project, to identify, collect, and maintain all data and information necessary to fulfill the reporting requirements of this section;

(2) provide timely notification to the Department of Taxes and the Vermont Economic Progress Council of any housing infrastructure project debt, public vote, or vote by the municipal legislative body immediately following the debt incurrence or public vote on a form prescribed by the Council, including copies of public notices, agendas, minutes, vote tally, and a copy of the information provided to the public pursuant to subsection 1910a(e) of this subchapter; and

(3) annually on or before February 15, submit on a form prescribed by the Vermont Economic Progress Council an annual report to the Council and the Department of Taxes, including the information required by subdivision (2) of this subsection if not previously submitted, the information required for annual audit under section 1910e of this subchapter, and any information required by the Council or the Department of Taxes for the report required pursuant to subsection (b) of this section.

(b) Annually on or before April 1, the Vermont Economic Progress Council and the Department of Taxes shall submit a report to the Senate Committees on Economic Development, Housing and General Affairs and on Finance and the House Committees on Commerce and Economic Development, on General and Housing, and on Ways and Means on housing

infrastructure projects approved pursuant to this subchapter, including for each:

(1) the date of approval;

(2) a description of the housing infrastructure project;

(3) the original taxable value of the housing development site;

(4) the scope and value of projected and actual improvements and developments in the housing development site, including the number of housing units created;

(5) the expected or actual sale and rental prices of any housing units;

(6) the number of housing units known to be occupied on a basis other than as primary residences;

(7) the number and types of housing units for which a permit is being pursued under 10 V.S.A. chapter 151 (State land use and development plans) and, for each applicable housing development, the current stage of the permitting process;

(8) projected and actual incremental revenue amounts;

(9) the allocation of incremental revenue, including the amount allocated to related costs;

(10) projected and actual financing; and

(11) an evaluation of the amount of public funds flowing to private ownership or usage.

(c) On or before January 15, 2030, the Vermont Economic Progress Council shall submit a report to the Senate Committees on Economic Development, Housing and General Affairs and on Finance and the House Committees on Commerce and Economic Development, on General and Housing, and on Ways and Means evaluating the success of the Community and Housing Infrastructure Program in achieving its purpose, as stated in section 1907 of this chapter, including by identifying the amount and kinds of housing produced through the Program and by determining whether housing development pursued through the Program meets the project criterion of section 1910 of this chapter.

§ 1910e. AUDITING

Annually on or before April 1 until the year following the end of the period for retention of education property tax increment, a municipality with a housing infrastructure project approved under this subchapter shall ensure that the special tax increment financing account required by section 1910b of this

subchapter is subject to the annual audit prescribed in section 1681 or 1690 of this title and submit a copy to the Vermont Economic Progress Council. If an account is subject only to the audit under section 1681 of this title, the Council shall ensure a process is in place to subject the account to an independent audit. Procedures for the audit must include verification of the original taxable value and annual and total municipal and education property tax increments generated, expenditures for financing and related costs, and current balance.

§ 1910f. RULEMAKING

The Vermont Economic Progress Council may adopt rules that are reasonably necessary to implement this subchapter. The Council shall specifically adopt rules to:

(1) govern the prioritization of applications submitted for approval of tax increment financing under this subchapter that take into consideration the purpose of section 1907 of this subchapter, vacancy or dilapidation, regional equity and verifiable housing shortages, and labor sheds;

(2) determine the appropriate floor area measure for purposes of the project criterion under subsection 1910(e) of this subchapter; and

(3) supplement the but-for test under subsection 1910(c) of this subchapter giving due consideration to any rulemaking undertaken to supplement the but-for test under 32 V.S.A. § 5404a(h)(1)(A).

§ 1910g. GUIDANCE

(a) The Secretary of Commerce and Community Development, after reasonable notice to a municipality and an opportunity for a hearing, may issue decisions to a municipality on questions and inquiries concerning the administration of housing infrastructure projects, statutes, rules, noncompliance with this subchapter, and any instances of noncompliance identified in audit reports conducted pursuant to section 1910e of this subchapter.

(b) The Vermont Economic Progress Council shall prepare recommendations for the Secretary of Commerce and Community Development prior to any decision issued pursuant to subsection (a) of this section. The Council may prepare recommendations in consultation with the Commissioner of Taxes, the Attorney General, and the State Treasurer. In preparing recommendations, the Council shall provide a municipality with a reasonable opportunity to submit written information in support of its position.

(c) The Secretary of Commerce and Community Development shall review the recommendations of the Council and issue a final written decision on each matter within 60 days following receipt of the recommendations. The

Secretary may permit an appeal to be taken by any party to a Superior Court for determination of questions of law in the same manner as the Supreme Court may by rule provide for appeals before final judgment from a Superior Court before issuing a final decision.

Sec. 26. 32 V.S.A. § 3325 is amended to read:

§ 3325. VERMONT ECONOMIC PROGRESS COUNCIL

(a) Creation. The Vermont Economic Progress Council is created to exercise the authority and perform the duties assigned to it, including its authority and duties relating to:

(1) the Vermont Employment Growth Incentive Program pursuant to subchapter 2 of this chapter; ~~and~~

(2) tax increment financing districts pursuant to 24 V.S.A. chapter 53, subchapter 5 and section 5404a of this title; and

(3) the Community and Housing Infrastructure Program pursuant to 24 V.S.A. chapter 53, subchapter 7.

(b) Membership.

(1) The Council shall have 11 voting members:

(A) nine residents of the State appointed by the Governor with the advice and consent of the Senate who are knowledgeable and experienced in the subjects of community development and planning, education funding requirements, economic development, State fiscal affairs, property taxation, or entrepreneurial ventures and represent diverse geographical areas of the State and municipalities of various sizes;

(B) one member of the Vermont House of Representatives appointed by the Speaker of the House; and

(C) one member of the Vermont Senate appointed by the Senate Committee on Committees.

(2)(A) The Council shall have two regional members from each region of the State, one appointed by the regional development corporation of the region and one appointed by the regional planning commission of the region.

(B) A regional member shall be a nonvoting member and shall serve during consideration by the Council of an application from ~~his or her~~ the member's region.

(3) Exclusively for purposes of reviewing and approving housing infrastructure project applications under the Community and Housing Infrastructure Program, the Council shall additionally have:

(A) two voting members as follows:

(i) the Executive Director of the Vermont Housing Finance Agency or designee; and

(ii) the Executive Director of the Vermont Housing and Conservation Board or designee; and

(B) as a nonvoting member, the Commissioner of Housing and Community Development or designee.

* * *

(g) Decisions not subject to review. A decision of the Council to approve or deny an application under subchapter 2 of this chapter, ~~or~~ to approve or deny a tax increment financing district pursuant to 24 V.S.A. chapter 53, subchapter 5 and section 5404a of this title, or to approve or deny a housing infrastructure project pursuant to 24 V.S.A. chapter 53, subchapter 7 is an administrative decision that is not subject to the contested case hearing requirements under 3 V.S.A. chapter 25 and is not subject to judicial review.

Sec. 27. 32 V.S.A. § 5404a(f) is amended to read:

(f) A municipality that establishes a tax increment financing district under 24 V.S.A. chapter 53, subchapter 5 shall collect all property taxes on properties contained within the district and apply not more than 70 percent of the State education property tax increment, and not less than 85 percent of the municipal property tax increment, to repayment of financing of the improvements and related costs for up to 20 years pursuant to 24 V.S.A. § 1894, if approved by the Vermont Economic Progress Council pursuant to this section, subject to the following:

(1) In a municipality with one or more approved districts, the Council shall not approve an additional district until the municipality retires the debt incurred for all of the districts in the municipality.

(2) The Council shall not approve more than six districts in the State, and not more than two per county, provided:

(A) The districts listed in 24 V.S.A. § 1892(d) shall not be counted against the limits imposed in this subdivision (2).

(B) The Council shall consider complete applications in the order they are submitted, except that if during any calendar month the Council receives applications for more districts than are actually available in a county, the Council shall evaluate each application and shall approve the application that, in the Council's discretion, best meets the economic development needs of the county.

(3)(A) A municipality shall immediately notify the Council if it resolves not to incur debt for an approved district within five years of approval or a five-year extension period as required in 24 V.S.A. § 1894.

(B) Upon receiving notification pursuant to subdivision (A) of this subdivision (3), the Council shall terminate the district and may approve a new district, subject to the provisions of this section and 24 V.S.A. chapter 53, subchapter 5.

(4) The Council shall only approve under this section applications for tax increment financing submitted prior to December 31, 2031.

* * * Smoke and Carbon Monoxide Alarms * * *

Sec. 28. 9 V.S.A. chapter 77 is amended to read:

CHAPTER 77. SMOKE ~~DETECTORS~~ ALARMS AND CARBON MONOXIDE ~~DETECTORS~~ ALARMS

§ 2881. DEFINITIONS

As used in this chapter:

* * *

(2) "Smoke ~~detector~~ alarm" means a device that detects visible or invisible particles of combustion and sounds a warning alarm, is operated from a power supply within the unit or wired to it from an outside source, and is approved or listed for the purpose by Underwriters Laboratory or by another nationally recognized independent testing laboratory.

(3) "Carbon monoxide ~~detector~~ alarm" means a device with an assembly that incorporates a sensor control component and an alarm notification that detects elevations in carbon monoxide levels and sounds a warning alarm, is operated from a power supply within the unit or wired to it from an outside source, and is approved or listed for the purpose by Underwriters Laboratory or by another nationally recognized independent testing laboratory.

§ 2882. INSTALLATION

(a) A person who constructs a single-family dwelling shall install ~~photoelectric-only-type~~ photoelectric-type or UL 217 compliant smoke ~~detectors~~ alarms in the vicinity of any bedrooms and on each level of the dwelling, and one or more carbon monoxide ~~detectors~~ alarms in the vicinity of any bedrooms in the dwelling in accordance with the manufacturer's instructions. In a dwelling provided with electrical power, ~~detectors~~ alarms shall be powered by the electrical service in the building and by battery.

(b) Any single-family dwelling when transferred by sale or exchange shall contain ~~photoelectric-only-type~~ photoelectric-type or UL 217 compliant smoke ~~detectors~~ alarms in the vicinity of any bedrooms and on each level of the dwelling installed in accordance with the manufacturer's instructions and one or more carbon monoxide ~~detectors~~ alarms installed in accordance with the manufacturer's instructions. A single-family dwelling constructed before January 1, 1994 may contain smoke ~~detectors~~ alarms powered by the electrical service in the building or by battery, or by a combination of both. In a single-family dwelling newly constructed after January 1, 1994 that is provided with electrical power, smoke ~~detectors~~ alarms shall be powered by the electrical service in the building and by battery. In a single-family dwelling newly constructed after July 1, 2005 that is provided with electrical power, carbon monoxide ~~detectors~~ alarms shall be powered by the electrical service in the building and by battery.

(c) Nothing in this section shall require an owner or occupant of a single-family dwelling to maintain or use a smoke ~~detector~~ alarm or a carbon monoxide ~~detector~~ alarm after installation.

§ 2883. REQUIREMENTS FOR TRANSFER OF DWELLING

(a) The seller of a single-family dwelling, including one constructed for first occupancy, whether the transfer is by sale or exchange, shall certify to the buyer at the closing of the transaction that the dwelling is provided with ~~photoelectric-only-type~~ photoelectric-type or UL 217 compliant smoke ~~detectors~~ alarms and carbon monoxide ~~detectors~~ alarms in accordance with this chapter. This certification shall be signed and dated by the seller.

(b) If the buyer notifies the seller within 10 days by certified mail from the date of conveyance of the dwelling that the dwelling lacks any ~~photoelectric-only-type~~ photoelectric-type or UL 217 compliant smoke ~~detectors~~ alarms, or any carbon monoxide ~~detectors~~ alarms, or that any ~~detector~~ alarm is not operable, the seller shall comply with this chapter within 10 days after notification.

* * *

Sec. 29. 20 V.S.A. § 2731 is amended to read:

§ 2731. RULES; INSPECTIONS; VARIANCES

* * *

(j) ~~Detectors~~ Alarms. Rules adopted under this section shall require that information written, approved, and distributed by the Commissioner on the type, placement, and installation of ~~photoelectric~~ photoelectric-type or UL 217 compliant smoke ~~detectors~~ alarms and carbon monoxide ~~detectors~~ alarms be

conspicuously posted in the retail sales area where the ~~detectors~~ alarms are sold.

* * *

* * * VHFA Off-Site Construction * * *

Sec. 30. VHFA OFF-SITE CONSTRUCTION REPORT

Provided there are sufficient resources, the Vermont Housing Finance Agency shall issue a report by December 15, 2026 that, at a minimum:

(1) identifies and recommends a set of State policy objectives and priorities related to off-site housing construction;

(2) defines the structure and relevant actors for using bulk purchases of single- and multi-family homes produced through off-site construction to achieve lower construction costs;

(3) gathers input from potential manufacturers about how to best achieve cost savings through a bulk purchase program;

(4) determines any business planning support needed for existing Vermont businesses seeking to develop or expand off-site construction;

(5) explores creating a working group of neighboring states that considers a regional market and shared approach; and

(6) prepares an analysis of the funding and structure needed to support greater development of off-site homes.

* * * Effective Dates * * *

Sec. 31. EFFECTIVE DATES

This act shall take effect on July 1, 2025, except that Sec. 4 (Rental Housing Revolving Loan Program), Sec. 5 (Residential Universal Design Study Committee), Sec. 8 (repeal; Act 181 prospective landlord certificate changes), and this section shall take effect on passage.

Thereupon, pending the question, Shall the Senate concur in the House proposal of amendment?, on motion of Senator Clarkson, the Senate refused to concur in the House proposal of amendment and requested a Committee of Conference.

Thereupon, pursuant to the request of the Senate, the President announced the appointment of

Senator Clarkson
Senator Ram Hinsdale
Senator Mattos

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

Rules Suspended; Bills Messaged

On motion of Senator Baruth, the rules were suspended, and the following bills were ordered messaged to the House forthwith:

S. 123, S. 127.

Rules Suspended; Bill Recommitted

Senator Baruth moved that the rules be suspended and that House bill entitled:

H. 319. An act relating to miscellaneous environmental subjects.

be recommitted to the Committee on Natural Resources and Energy with the reports of the Committees on Natural Resources and Energy, Finance and Appropriations *intact*,

Which was agreed to.

Bill Called Up

S. 109.

Senate bill of the following title was called up by Senator Hashim, and, under the rule, placed on the Calendar for action the next legislative day:

An act relating to miscellaneous judiciary procedures.

Bill Passed in Concurrence with Proposal of Amendment

H. 397.

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

An act relating to miscellaneous amendments to the statutes governing emergency management and flood response.

Third Reading Ordered

H. 458.

Senator Major, for the Committee on Institutions, to which was referred House bill entitled:

An act relating to the Agency of Digital Services.

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.

Proposal of Amendment; Third Reading Ordered

H. 484.

Senator Ingalls, for the Committee on Agriculture, to which was referred House bill entitled:

An act relating to miscellaneous agricultural subjects.

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

* * * Beneficial Substances * * *

Sec. 1. 6 V.S.A. chapter 28 is amended to read:

CHAPTER 28. FERTILIZER ~~AND~~, LIME, AND BENEFICIAL SUBSTANCES

§ 361. TITLE

This chapter shall be known as the "Fertilizer, Lime, ~~Plant Amendment, Plant Biostimulant, and Soil Amendment~~ and Beneficial Substances Law."

§ 362. ENFORCING OFFICIAL

This chapter shall be administered by the Secretary of Agriculture, Food and Markets or designee, hereafter referred to as the Secretary.

§ 363. DEFINITIONS

As used in this chapter:

(1) "Agricultural lime" or "agricultural liming material" or "lime" means one or more of the following:

(A) All products with calcium and magnesium compounds that are capable of neutralizing soil acidity and that are intended, sold, or offered for sale for agricultural or plant propagation purposes.

(B) Limestone consisting essentially of calcium carbonate or a combination of calcium carbonate with magnesium carbonate capable of neutralizing soil acidity.

(C) Industrial waste or industrial ~~by-products~~ byproducts that contain calcium; calcium and magnesium; or calcium, magnesium, and potassium in forms that are capable of neutralizing soil acidity and that are intended, sold, or offered for sale for agricultural purposes. For the purposes of this chapter, the terms "agricultural lime," "lime," and "agricultural liming material" ~~shall~~ have the same meaning.

(2) "Beneficial substance" means any substance or compound, other than primary, secondary, and micro plant nutrients (fertilizers), and excluding pesticides, that can be demonstrated by scientific research to be beneficial to one or more species of plants, soil, or media. Beneficial substances include plant amendments, plant biostimulants, plant inoculants, soil amendments, soil inoculants, and other chemical or biological substances beneficial to plants or their growing environment.

(3) "Brand" means a term, design, or trademark used in connection with one or more grades or formulas of fertilizer, ~~plant amendment, plant biostimulant, soil amendment~~ beneficial substance, or lime.

~~(3)~~(4) "Distribute" means to import, consign, manufacture, produce, compound, mix, blend, offer for sale, sell, barter, or supply a fertilizer, ~~a plant amendment, a plant biostimulant, a soil amendment~~ a beneficial substance, or lime in this State through any means, including sales outlets, catalogues, the telephone, the internet, or any electronic means.

~~(4)~~(5) "Distributor" means any person who distributes fertilizer, ~~plant amendment, plant biostimulant, soil amendments~~ beneficial substance, or lime.

~~(5)~~(6) "Exceptional quality biosolid" means a product derived in whole or in part from domestic wastes that have been subjected to and meet the requirements of the following:

(A) a pathogen reduction process established in 40 C.F.R. § 503.32(a)(3), (4), (7), or (8);

(B) one of the vector attraction reduction standards established in 40 C.F.R. § 503.33;

(C) the contaminant concentration limits in Vermont Solid Waste Rules § 6-1303(a)(1); and

(D) if derived from a composting process, Vermont Solid Waste Rules § 6-1303(a)(5).

~~(6)~~(7) "Fertilizer" means any substance containing one or more recognized plant nutrients that is used for its plant nutrient content and that is designed for use or claimed to have value in promoting plant growth or health, except unprocessed animal or vegetable manures and other products exempted by the Secretary.

(A) A fertilizer material is a substance that either:

(i) contains important quantities of at least one of the primary plant nutrients: nitrogen, phosphorus, or potassium;

(ii) has 85 percent or more of its plant nutrient content present in the form of a single chemical compound; or

(iii) is derived from a plant or chemical residue or ~~by-product~~ byproduct or natural material deposit that has been processed in such a way that its content of plant nutrients has not been materially changed except by purification and concentration.

(B) A mixed fertilizer is a fertilizer containing any combination or mixture of fertilizer materials.

(C) A specialty fertilizer is a fertilizer distributed for nonfarm use.

(D) A bulk fertilizer is a fertilizer distributed in a nonpackaged form.

~~(7)~~(8) "Formulation" means a material or mixture of materials prepared according to a particular formula.

~~(8)~~(9) "Grade" means the percentage of total nitrogen, available phosphorus or phosphoric acid, and soluble potassium or potash stated in whole numbers in the same terms, order, or percentages as in the guaranteed analysis. Specialty fertilizers and fertilizer materials may be guaranteed in fractional terms. Any grade expressed in fractional terms that is not preceded by a whole number shall be preceded by zero.

~~(9)~~(10) "Guaranteed analysis" means:

(A) in reference to fertilizer, the minimum percentages of plant nutrients claimed by the manufacturer or producer of the product in the following order and form: nitrogen, phosphorus, and potash; and

(B) in reference to agricultural lime or agricultural liming material, the minimum percentages of calcium oxide and magnesium oxide or calcium carbonate and the calcium carbonate equivalent, or both, as claimed by the manufacturer or producer of the product.

~~(10)~~(11) "Label" means the display of all written, printed, or graphic matter upon the immediate container or a statement accompanying a fertilizer, ~~plant amendment, plant biostimulant, soil amendment~~ beneficial substance, or lime.

~~(11)~~(12) "Labeling" means all written, printed, or graphic material upon or accompanying any fertilizer, ~~plant amendment, plant biostimulant, soil amendment~~ beneficial substance, or lime, including advertisements, brochures, posters, and television and radio announcements used in promoting the sale of the fertilizer, ~~plant amendment, plant biostimulant, soil amendment~~ beneficial substance, or lime.

~~(12)~~(13) "Official sample" means any sample of fertilizer, ~~plant amendment, plant biostimulant, soil amendment~~ beneficial substance, or lime taken by the Secretary.

~~(13)~~(14) "Plant amendment" means any substance applied to plants or seeds that is intended to improve growth, yield, product quality, reproduction, flavor, or other favorable characteristics of plants, except for fertilizer, soil amendments, agricultural liming materials, animal and vegetable manures, pesticides, plant regulators, and other materials exempted by rule adopted under this chapter.

~~(14)~~(15) "Plant biostimulant" means a substance ~~or,~~ microorganism, or mixtures thereof that, when applied to seeds, plants, ~~or~~ the rhizosphere, ~~stimulates~~ soil, or other growth media act to support a plant's natural nutrition processes ~~to enhance or benefit nutrient uptake, nutrient efficiency, tolerance to abiotic stress, or crop quality and yield, except for fertilizers, soil amendments, plant amendments, or pesticides~~ independently of the biostimulant's nutrient content. The plant biostimulant thereby improves nutrient availability, uptake, or use efficiency; tolerance to abiotic stress; and consequent growth development, quality, or yield. ~~The Secretary may modify the definition of "plant biostimulant" by rule or procedure in order to maintain consistency with U.S. Department of Agriculture requirements.~~

(16) "Plant inoculant" means a product consisting of microorganisms to be applied to the plant or soil for the purpose of enhancing the availability or uptake of plant nutrients through the root system.

~~(15)~~(17) "Percent" or "percentage" means the percentage by weight.

~~(16)~~(18) "Primary nutrient" includes nitrogen, available phosphoric acid or phosphorus, and soluble potash or potassium.

~~(17)~~(19) "Product" means the name of the fertilizer, ~~plant amendment, plant biostimulant, soil amendment~~ beneficial substance, or lime that identifies it as to kind, class, or specific use.

~~(18)~~(20) "Registrant" means the person who registers a fertilizer, ~~plant amendment, plant biostimulant, soil amendment~~ beneficial substance, or lime under the provisions of this chapter.

~~(19)~~(21) "Soil amendment" means a substance or mixture of substance that is intended to improve the physical, chemical, biochemical, biological, or other characteristics of the soil or a distinct form of horticultural growing media used in lieu of soil. "Soil amendment" does not mean fertilizers, agricultural liming materials, unprocessed animal manures, unprocessed vegetable manures, pesticides, ~~plant biostimulants,~~ and other materials exempted by rule. A compost product from a facility under the jurisdiction of

the Agency of Natural Resources' Solid Waste Management Rules or exceptional quality biosolids shall not be regulated as a soil amendment under this chapter, unless marketed and distributed for the use in the production of an agricultural commodity.

(22) "Soil inoculant" means a microbial product that is applied to colonize the soil to benefit the soil chemistry, biology, or structure.

~~(20)~~(23) "Ton" means a net weight of 2,000 pounds avoirdupois.

~~(21)~~(24) "Use" includes all purposes for which a fertilizer, ~~plant amendment, plant biostimulant, soil amendment~~ beneficial substance, or lime is applied.

~~(22)~~(25) "Weight" means the weight of undried material as offered for sale.

§ 364. REGISTRATION

(a) Each brand or grade or formula of fertilizer~~, plant amendment, plant biostimulant,~~ or ~~soil amendment~~ beneficial substance shall be registered in the name of the person whose name appears upon the label before being distributed in this State. The application for registration shall be submitted to the Secretary on a form furnished by the Agency of Agriculture, Food and Markets and shall be accompanied by a fee of $85.00 per grade or formulation registered. Upon approval by the Secretary, a copy of the registration shall be furnished to the applicant. All registrations expire on December 31 of each year. The application shall include the following information:

(1) the brand and grade or formulation;

(2) the guaranteed analysis if applicable; and

(3) the name and address of the registrant.

(b) A distributor shall not be required to register any fertilizer~~, plant amendment, plant biostimulant, or soil amendment~~ or beneficial substance that is already registered under this chapter by another person, provided there is no change in the label for the fertilizer~~, plant amendment, plant biostimulant, or soil amendment~~ or beneficial substance.

(c) Each beneficial substance brand shall refer to a specific formulation. Different brands may refer to the same specific formulation. Products for which formulations change, such as changes in the "Contains Beneficial Substances" analysis, statement of composition, or anything that implies a different product, must obtain a new registration with a brand that distinguishes it from the previous formulation.

(d) A distributor shall not be required to register each grade of fertilizer formulated or each formulation of soil amendment according to specifications that are furnished by a consumer prior to mixing but shall be required to label the fertilizer or soil amendment as provided in subsection 365(b) of this title.

~~(d)~~(e) The Secretary may request additional proof of testing of products prior to registration for guaranteed analyses or adulterants.

~~(e)~~(f) Each separately identified agricultural lime product shall be registered before being distributed in this State. Registration shall be performed in the same manner as fertilizer registration except that each application shall be accompanied by a fee of $50.00 per product.

~~(f)~~(g) The registration and tonnage fees, along with any deficiency penalties collected pursuant to sections 331 and 372 of this title, shall be deposited in a special fund. Funds deposited in this fund shall be restricted to implementing and administering the provisions of this title and any other provisions of law relating to feeds and seeds.

§ 365. LABELS

(a)(1) Any fertilizer or agricultural lime distributed in this State in containers shall have placed on or affixed to the container a label setting forth in clearly legible and conspicuous form the following information:

(A) net weight;

(B) brand and grade, provided that grade shall not be required when no primary nutrients are claimed;

(C) guaranteed analysis; and

(D) name and address of the registrant.

(2) For bulk shipments, this information in written or printed form shall accompany delivery and be supplied to the purchaser at the time of delivery.

(b) A fertilizer or lime formulated according to specifications furnished by a consumer prior to mixing shall be labeled to show the net weight, the guaranteed analysis or name, analysis and weight of each ingredient used in the mixture, and the name and address of the distributor and purchaser.

(c) If the Secretary finds that a requirement for expressing calcium and magnesium in elemental form would not impose an economic hardship on distributors and users of agricultural liming materials by reason of conflicting label requirements among states, the Secretary may require by rule that the minimum percent of calcium oxide and magnesium oxide or calcium carbonate and magnesium carbonate, or both, shall be expressed in the following terms:

Total Calcium (Ca) ..... percent

Total Magnesium (Mg) ..... percent

(d)(1) Any ~~plant amendment, plant biostimulant, or soil amendment~~ beneficial substance distributed in this State in containers shall have placed on or affixed to the container a label setting forth in clearly legible and conspicuous form the following information:

(A) net weight or volume;

(B) brand name;

(C) purpose statement identifying the purpose of the product;

(D) directions for application or use;

(E) ~~guaranteed analysis; and~~

~~(F)~~ name and address of the registrant; and

(F) a statement of composition showing the amount of each ingredient, which is the agent in a product primarily responsible for the intended effects using the following format:

CONTAINS BENEFICIAL SUBSTANCE(S)

Name of beneficial substance % (or acceptable units)

Genus and species of microorganism % viable CFU/cm3, /ml, /g, or other acceptable units

(Identify and list all beneficial substances. Substances shall include ingredient source, if applicable. Ex. "humic acid from leonardite or saponin from Yucca schidigera").

(2) For products that claim microorganisms, labels shall also include:

(A) the expiration date for use; and

(B) storage conditions.

(3) For bulk shipments of fertilizer, ~~plant amendment, plant biostimulant, soil amendment~~ beneficial substances, or lime, the information required under this subsection shall accompany delivery in written or printed form and shall be supplied to the purchaser at the time of delivery.

(4) Efficacy data may be required to support beneficial substance ingredient claims if the ingredient is not presently defined by the Association of American Plant Food Control Officials' Official Publication for the particular claim.

~~(3)~~(5) Under a rule adopted under this subsection, an affected person shall be given a reasonable time to come into compliance.

§ 366. TONNAGE FEES

(a) A person distributing fertilizer to a nonregistrant consumer in the State annually shall pay the following fees to the Secretary:

(1) a $150.00 minimum tonnage fee;

(2) $0.50 per ton of agricultural fertilizer distributed; and

(3) $30.00 per ton of nonagricultural fertilizer distributed.

(b) Persons distributing fertilizer shall report annually on or before January 15 for the previous year ending December 31 to the Secretary revealing the amounts of each grade of fertilizer and the form in which the fertilizer was distributed within this State. Each report shall be accompanied with payment and written permission allowing the Secretary to examine the person's books for the purpose of verifying tonnage reports.

(c) No information concerning tonnage sales furnished to the Secretary under this section shall be disclosed in such a way as to divulge the details of the business operation to any person unless it is necessary for the enforcement of the provisions of this chapter.

(d) Persons distributing a ~~plant amendment, plant biostimulant, or soil amendment~~ beneficial substance in the State shall report annually on or before January 15 for the previous year ending December 31 to the Secretary revealing the amounts of each formulation of ~~plant amendment, plant biostimulant, or soil amendment~~ beneficial substance and the form in which the ~~plant amendment, plant biostimulant, or soil amendment~~ beneficial substance was distributed within this State. Each report shall include a written authorization allowing the Secretary to examine the person's books for the purpose of verifying tonnage reports. ~~Plant amendments, plant biostimulants, and soil amendments are~~ A beneficial substance is exempt from tonnage fees.

(e) Agricultural limes, including agricultural lime mixed with wood ash, are exempt from the tonnage fees required in this section.

(f) Lime and wood ash mixtures may be registered as agricultural liming materials and guaranteed for potassium or potash, provided that the wood ash totals less than 50 percent of the mixture.

(g)(1) All fees collected under subdivisions (a)(1) and (2) of this section shall be deposited in the special fund created by subsection 364(f) of this title and used in accordance with its provisions.

(2) All fees collected under subdivision (a)(3) of this section shall be deposited in the Agricultural Water Quality Special Fund created under section 4803 of this title.

(h) [Repealed.]

§ 367. INSPECTION; SAMPLING; ANALYSIS

For the purpose of enforcing this chapter and determining whether ~~or not~~ fertilizers, ~~plant amendment, plant biostimulant, soil amendments~~ beneficial substances, and lime distributed in this State endanger the health and safety of Vermont citizens, the Secretary upon presenting appropriate credentials is authorized:

(1) To enter any public or private premises except domiciles during regular business hours and stop and enter any vehicle being used to transport or hold fertilizer, ~~a plant amendment, a plant biostimulant, a soil amendment~~ beneficial substances, or lime.

(2) To inspect blending plants, warehouses, establishments, vehicles, equipment, finished or unfinished materials, containers, labeling, and records relating to distribution, storage, or use.

(3) To sample and analyze any fertilizer, ~~plant amendment, plant biostimulant, soil amendment~~ beneficial substance, or lime. The methods of sampling and analysis shall be those adopted by the Association of Official Analytical Chemists. In cases not covered by this method or in cases where methods are available in which improved applicability has been demonstrated, the Secretary may authorize and adopt methods that reflect sound analytical procedures.

(4) To develop any reasonable means necessary to monitor and adopt rules for the use of fertilizers, ~~plant amendments, plant biostimulants, soil amendments~~ beneficial substances, and lime on Vermont soils where monitoring indicates environmental or health problems. In addition, the Secretary may develop and adopt rules for the proper storage of fertilizers, ~~plant amendments, plant biostimulants, soil amendments~~ beneficial substances, and lime held for distribution or sale.

§ 368. MISBRANDING

(a) No person shall distribute a misbranded fertilizer, ~~plant amendment, plant biostimulant, soil amendment~~ beneficial substance, or agricultural lime. A fertilizer~~, plant amendment, plant biostimulant,~~ or ~~soil amendment~~ beneficial substance shall be deemed to be misbranded if the Secretary determines one or more of the following:

(1) The labeling is false or misleading in any particular.

(2) It is distributed under the name of another fertilizer product~~, plant amendment, plant biostimulant,~~ or ~~soil amendment~~ beneficial substance.

(3) It contains unsubstantiated claims.

(4) It is not labeled as required in section 365 of this title and in accordance with rules adopted under this chapter.

(5) It is labeled, or represented, to contain a plant nutrient that does not conform to the standard of identity established by rule. In adopting rules under this chapter, the Secretary shall ~~give consideration to~~ consider definitions recommended by the Association of American Plant Food Control Officials.

(b) An agricultural lime shall be deemed to be misbranded if:

(1) its labeling is false or misleading in any particular; or

(2) it is not labeled as required by section 365 of this title and in accordance with rules adopted under this chapter.

§ 369. ADULTERATION

No person shall distribute an adulterated lime, ~~plant amendment, plant biostimulant, soil amendment~~ beneficial substance, or fertilizer product. A fertilizer, ~~plant amendment, plant biostimulant, soil amendment~~ beneficial substance, or lime shall be deemed to be adulterated if:

(1) it contains any deleterious or harmful ingredient in an amount sufficient to render it injurious to beneficial plant life, animals, humans, aquatic life, soil, or water when applied in accordance with directions for use on the label, or if uses of the product may result in contamination or condemnation of a raw agricultural commodity by use, or if adequate warning statements or directions for use that may be necessary to protect plant life, animals, humans, aquatic life, soil, or water are not shown on the label;

(2) its composition falls below or differs from that which it is purported to possess by its labeling;

(3) it contains crop seed or weed seed; or

(4) it contains heavy metals, radioactive substances, or synthetic organics in amounts sufficient to render it injurious to livestock or human health when applied in accordance with directions for use on the label, or if adequate warning statements or directions for use that may be necessary to protect livestock or human health are not shown on the label.

§ 370. PUBLICATION; CONSUMER INFORMATION REGARDING USE ON NONAGRICULTURAL TURF OF FERTILIZER~~, PLANT AMENDMENTS, PLANT BIOSTIMULANTS,~~ AND ~~SOIL AMENDMENTS~~ BENEFICIAL SUBSTANCES

(a) The Secretary shall publish on an annual basis:

(1) information concerning the distribution of fertilizers, ~~plant amendments, plant biostimulants, soil amendments~~ beneficial substances, and limes; and

(2) results of analyses based on official samples of fertilizers, ~~plant amendments, plant biostimulants, soil amendments~~ beneficial substances, and lime distributed within the State as compared with guaranteed analyses required pursuant to the terms of this chapter.

(b)(1) The Secretary, in consultation with the University of Vermont Extension, fertilizer industry representatives, lake groups, and other interested or affected parties, shall produce information for distribution to the general public with respect to the following:

(A) problems faced by the waters of the State because of discharges of phosphorus;

(B) an explanation of the extent to which phosphorus exists naturally in the soil;

(C) voluntary best management practices for the use of fertilizers containing phosphorus on nonagricultural turf; and

(D) best management practices for residential sources of phosphorus.

(2) The Secretary shall develop the information required under this subsection and make it available to the general public in the manner deemed most effective, which may include:

(A) conspicuous posting at the point of retail sale of fertilizer containing phosphorus, according to recommendations for how that conspicuous posting may best take place;

(B) public service announcements by means of electronic media; or

(C) other methods deemed by the Secretary to be likely to be effective.

* * *

§ 371. RULES

The Secretary is authorized to adopt rules pursuant to 3 V.S.A. chapter 25 as may be necessary to implement the intent of this chapter and to enforce those rules.

* * *

§ 374. SHORT WEIGHT

(a) If any fertilizer, ~~plant amendment, plant biostimulant, soil amendment~~ beneficial substance, or agricultural liming material is found to be short in net weight, the registrant of the fertilizer, ~~plant amendment, plant biostimulant, soil amendment~~ beneficial substance, or lime shall pay a penalty of three times the value of the actual shortage to the affected party.

(b) Each registrant shall be offered an opportunity for a hearing before the Secretary. Penalty payments shall be made within 30 days after notice of the Secretary's decision to assess a penalty. Proof of payment to the consumer shall be promptly forwarded to the Secretary by the registrant.

(c) If the consumer cannot be found, the amount of the penalty payments shall be paid to the Secretary who shall deposit the payment into the revolving account established by subsection 364(f) of this title.

(d) This section is not an exclusive cause of action, and persons affected may utilize any other right of action available under law.

§ 375. CANCELLATION OF REGISTRATION

The Secretary is authorized to cancel or suspend the registration of any fertilizer, ~~plant amendment, plant biostimulant, soil amendment~~ beneficial substance, or lime or refuse a registration application if the provisions of this chapter or the rules adopted under this chapter have been violated, provided that no registration shall be revoked or refused without a hearing before the Secretary.

§ 376. DETAINED FERTILIZER, BENEFICIAL SUBSTANCE, AND LIME

(a) Withdrawal from distribution orders. When the Secretary has reasonable cause to believe any lot of fertilizer, ~~plant amendment, plant biostimulant, soil amendment~~ beneficial substance, or lime is being distributed in violation of any of the provisions of this chapter or any of the rules under this chapter, the Secretary may issue and enforce a written or printed "withdrawal from distribution" order, warning the distributor not to dispose of the lot of fertilizer, ~~plant amendment, plant biostimulant, soil amendment~~ beneficial substance, or lime in any manner until written permission is given by the Secretary or the court. The Secretary shall release the lot of fertilizer,

~~plant amendment, plant biostimulant, soil amendment~~ beneficial substance, or lime withdrawn when this chapter and rules have been complied with. If compliance is not obtained within 30 days, the Secretary may begin, or upon request of the distributor or registrant shall begin, proceedings for condemnation.

(b) Condemnation and confiscation. Any lot of fertilizer, ~~plant amendment, plant biostimulant, soil amendment~~ beneficial substance, or lime not in compliance with this chapter and rules shall be subject to seizure on complaint of the Secretary to a court of competent jurisdiction in the area in which the fertilizer, ~~plant amendment, plant biostimulant, soil amendment~~ beneficial substance, or lime is located. In the event the court finds the fertilizer, ~~plant amendment, plant biostimulant, soil amendment~~ beneficial substance, or lime to be in violation of this chapter and orders the condemnation of the fertilizer, ~~plant amendment, plant biostimulant, soil amendment~~ beneficial substance, or lime, it shall be disposed of in any manner consistent with the quality of the fertilizer, ~~plant amendment, plant biostimulant, soil amendment~~ beneficial substance, or lime and the laws of the State, provided that in no instance shall disposition of the fertilizer, ~~plant amendment, plant biostimulant, soil amendment~~ beneficial substance, or lime be ordered by the court without first giving the claimant an opportunity to apply to the court for release of the fertilizer, ~~plant amendment, plant biostimulant, soil amendment~~ beneficial substance, or lime or for permission to process or relabel the fertilizer, ~~plant amendment, plant biostimulant, soil amendment~~ beneficial substance, or lime to bring it into compliance with this chapter.

* * *

§ 379. EXCHANGES BETWEEN MANUFACTURERS

Nothing in this chapter shall be construed to restrict or impair sales or exchanges of fertilizers~~, plant amendments, plant biostimulants, or soil amendments~~ or beneficial substances to each other by importers, manufacturers, or manipulators who mix fertilizer materials~~, plant amendments, plant biostimulants, or soil amendments~~ or beneficial substances for sale or to prevent the free and unrestricted shipments of fertilizer~~, plant amendments, plant biostimulant, or soil amendments~~ or beneficial substances to manufacturers or manipulators who have registered their brands as required by provisions of this chapter.

§ 380. ADMINISTRATIVE PENALTY

Consistent with chapter 1 of this title, the Secretary may assess an administrative penalty upon determining that a person has violated a rule issued under this chapter or has violated this chapter in the following manner:

(1) distributed a specialty fertilizer, ~~plant amendment, plant biostimulant, soil amendment~~ beneficial substance, or lime without first obtaining the appropriate product registration;

(2) distributed a fertilizer, ~~plant amendment, plant biostimulant, soil amendment~~ beneficial substance, or lime without appropriate and accurate labeling, including when a beneficial substance label does not reflect its composition;

(3) distributed any adulterated fertilizer, beneficial substance, or lime;

(4) failed to disclose on the label sources of potentially deleterious components;

(5) failed to report or to accurately report the amount and form of each grade of fertilizer distributed in Vermont on an annual basis;

~~(4)~~(6) failed to report or to accurately report the amount and form of each formulation of ~~plant amendment, plant biostimulant, or soil amendment~~ beneficial substance;

~~(5)~~(7) failed to pay the appropriate tonnage fee; or

~~(6)~~(8) violated a cease and desist order.

* * *

* * * Pesticides; Disposal * * *

Sec. 2. 6 V.S.A. § 918 is amended to read:

§ 918. REGISTRATION

* * *

(b)(1) The registrant shall pay an annual fee of $200.00 for each product registered, and $185.00 of that amount shall be deposited in the special fund created in section 929 of this title. Of the registration fees collected under this subsection, $15.00 of the amount collected shall be deposited in the Agricultural Water Quality Special Fund under section 4803 of this title. Of the registration fees collected under this subsection, $25.00 of the amount collected shall be used to offset the additional costs of inspection of economic poison products and to provide educational services, training, and technical assistance to pesticide applicators, beekeepers, and the general public regarding the effects of pesticides on pollinators and the methods or best

management practices to reduce the impacts of pesticides on pollinators. The annual registration year shall be from December 1 to November 30 of the following year.

(2) In addition to the fee required under subdivision (1) of this subsection, a registrant shall pay a fee of $50.00 per product registration that shall be deposited in the special fund created in section 929 of this title and used to meet the requirements of subdivision 929(a)(6) of this title. This additional fee shall be collected from registrants until such time as an extended producer responsibility program is implemented in the State that fully funds the collection of obsolete and unwanted pesticides.

* * *

Sec. 3. PESTICIDE DISPOSAL FUNDING STUDY

(a)(1) The Secretary of Agriculture, Food and Markets, in consultation with the Commissioner of Environmental Conservation, shall study options for sustainable funding sources to reimburse solid waste management entities for all costs associated with the collection and disposal of unwanted or obsolete pesticides at municipal hazardous waste collection programs and events.

(2) The costs to be reimbursed shall include the prorated costs related to facilities, equipment, labor, supplies, maintenance, and collection events. Prorated costs associated with collection events shall include collection event setup fees, environmental service fees, insurance fees, and shipping containers and materials related to the collection and disposal of unwanted or obsolete pesticides.

(3) The study shall include consideration of the viability of an extended producer responsibility program for pesticides among other options.

(4) The Secretary shall consult with stakeholders.

(b) On or before December 15, 2025, the Secretary of Agriculture, Food and Markets shall submit a written report on its findings 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 shall include a recommended funding mechanism that will cover all costs associated with collecting unwanted pesticides through municipal collection programs.

* * * Stormwater Permits * * *

Sec. 4. STORMWATER PERMITTING; RUTLAND COUNTY AGRICULTURAL SOCIETY, INC.

No stormwater impact fee or completion of an offset shall be required for the Rutland County Agricultural Society, Inc. under the three-acre stormwater permit required by 10 V.S.A. § 1264, provided that the Society is registered with the Agency of Agriculture, Food and Markets.

* * * Use Value Appraisal * * *

Sec. 5. 32 V.S.A. § 3752(1) is amended to read:

(1) "Agricultural land" means any land, exclusive of any housesite, in active use to grow hay or cultivated crops, pasture livestock, cultivate trees bearing edible fruit, or produce an annual maple product, and that is 25 acres or more in size, except as provided in this subdivision ~~(1)~~. Agricultural land shall include buffer zones as defined and required in the Agency of Agriculture, Food and Markets' Required Agricultural Practices rule adopted under 6 V.S.A. chapter 215. There shall be a presumption that the land is used for agricultural purposes if:

(A) it is owned by a farmer and is part of the overall farm unit;

(B) it is used by a farmer as part of the farmer's operation under written lease for at least three years; or

(C) it has produced an annual gross income from the sale of farm crops or the equivalent value of donated farm crops in one of two, or three of the five, calendar years preceding of at least:

(i) $2,000.00 for parcels of up to 25 acres~~; and~~.

(ii) $75.00 per acre for each acre over 25, with the total income required not to exceed $5,000.00.

(iii) Exceptions to these income requirements may be made in cases of orchard lands planted to fruit-producing trees, bushes, or vines that are not yet of bearing age. As used in this section, the term "farm crops" also includes animal fiber, cider, wine, and cheese, produced on the enrolled land or on a housesite adjoining the enrolled land, from agricultural products grown on the enrolled land.

* * * Vermont Income Tax * * *

Sec. 6. 32 V.S.A. § 5811(21) is amended to read:

(21) "Taxable income" means, in the case of an individual, federal adjusted gross income determined without regard to 26 U.S.C. § 168(k) and:

* * *

(B) decreased by the following items of income (to the extent such income is included in federal adjusted gross income):

* * *

(ii) with respect to adjusted net capital gain income as defined in 26 U.S.C. § 1(h) reduced by the total amount of any qualified dividend income: either the first $5,000.00 of such adjusted net capital gain income or 40 percent of adjusted net capital gain income from the sale of assets held by the taxpayer for more than three years, except not adjusted net capital gain income from:

(I) the sale of any real estate or portion of real estate used by the taxpayer as a primary or nonprimary residence; or

(II) the sale of depreciable personal property other than farm property and standing timber; or stocks or bonds publicly traded or traded on an exchange, or any other financial instruments; regardless of whether sold by an individual or business; and provided that the total amount of decrease under this subdivision (21)(B)(ii) shall not exceed 40 percent of federal taxable income or $350,000.00, whichever is less;

* * *

(v) the amount of any federal deduction or credit that the taxpayer 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; ~~and~~

(vi) the amount of interest paid by a qualified resident taxpayer during the taxable year on a qualified education loan for the costs of attendance at an eligible educational institution; ~~and~~

(vii) the amount of any net farm profit, provided the taxpayer's net farm profit during the taxable year did not exceed $10,000.00; and

(viii) notwithstanding subdivision (ii) of this subdivision (21)(B), adjusted net capital gain income from the sale of real estate that is part of a farming operation, provided the buyer continued using the real estate as part of a farming operation and:

(I) is related to the seller by blood, marriage, civil union, or adoption; or

(II) the buyer was an employee of the farming operation for a minimum of 10 years prior to the sale; and

* * *

* * * Effective Date * * *

Sec. 7. EFFECTIVE DATE

This act shall take effect on July 1, 2025.

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

Senator Mattos, for the Committee on Finance, to which the bill was referred, reported recommending that the Senate propose to the House that the bill be amended as recommended by the Committee on Agriculture with the following amendment thereto:

By striking out Secs. 6, Vermont income tax deductions, and 7, effective date, and their reader assistance headings in their entireties and inserting in lieu thereof two new sections to be Secs. 6 and 7 and their related reader assistance headings to read as follows:

* * * Heavy Cut Rule * * *

Sec. 6. DEPARTMENT OF FORESTS, PARKS AND RECREATION; HEAVY CUT RULE; VALIDITY

(a) Notwithstanding 1 V.S.A. § 214 to the contrary:

(1) the provisions of 3 V.S.A. § 848(c) (repeal of rules not published in the Vermont Code of Rules as of July 1, 2018) shall be deemed not to have repealed the Department of Forests, Parks and Recreation rule entitled "Intent to Cut Notification Emergency Rules, Standards and Procedures"; and

(2) the provisions of the Department of Forests, Parks and Recreation rule entitled "Intent to Cut Notification Emergency Rules, Standards and Procedures" shall be deemed to have continued in full force and effect and remained valid on and after July 1, 2018.

(b)(1) All actions taken by the Department of Forests, Parks and Recreation from July 1, 2018 through July 1, 2025 to grant or deny an authorization to proceed with a heavy cut pursuant to the provisions of 10 V.S.A. § 2625 and the Department of Forests, Parks and Recreation rule entitled "Intent to Cut Notification Emergency Rules, Standards and Procedures" are valid and enforceable.

(2) As used in this subsection, the term "heavy cut" has the same meaning as in 10 V.S.A. § 2625.

(c) On or before July 1, 2026, the Department of Forests, Parks and Recreation shall publish the rule entitled "Intent to Cut Notification Emergency Rules, Standards and Procedures" in the Vermont Code of Rules.

* * * Effective Dates * * *

Sec. 7. EFFECTIVE DATES

This act shall take effect on July 1, 2025, except that Sec. 5 (use value appraisal) shall take effect on January 1, 2026.

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

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

Thereupon, pending the question, Shall the Senate propose to the House to amend the bill as recommended by the Committee on Agriculture, as amended?, Senator Watson moved to amend the recommendation of proposal of amendment by striking out Sec. 7, effective dates, and its reader assistance heading in their entireties and inserting in lieu thereof 11 new sections to be Secs. 7–17 and their related reader assistance headings to read as follows:

* * * Household Hazardous Waste Extended Producer Responsibility * * *

Sec. 7. 10 V.S.A. § 7181 is amended to read:

§ 7181. DEFINITIONS

As used in this chapter:

* * *

(4)(A) "Covered household hazardous product" means a consumer product offered for retail sale that is contained in the receptacle in which the product is offered for retail sale, if the product has any of the following characteristics:

(i) the product or a component of the product is a hazardous waste under subchapter 2 of the Vermont Hazardous Waste Management Regulations, regardless of the status of the generator of the hazardous waste; or

(ii) the product is a gas cylinder.

(B) "Covered household hazardous product" does not mean any of the following:

* * *

(iv) ~~architectural paint~~ paint products as that term is defined in section 6672 of this title;

* * *

Sec. 8. 10 V.S.A. § 7182 is amended to read:

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

(a) Sale prohibited.

(1) A manufacturer of a covered household hazardous product shall not sell, offer for sale, or deliver to a retailer for subsequent sale a covered household hazardous product without registering with the stewardship organization pursuant to subsection (c) of this section.

(2) Beginning six months after a final decision on the adequacy of a collection plan by the Secretary, a manufacturer of a covered household hazardous product shall not sell, offer for sale, or deliver to a retailer for subsequent sale a covered household hazardous product unless all the following have been met:

~~(1)~~(A) The manufacturer is participating in a stewardship organization implementing an approved collection plan.

~~(2)~~(B) The name of the manufacturer, the manufacturer's brand, and the name of the covered household hazardous product are submitted to the Agency of Natural Resources by a stewardship organization and listed on the stewardship organization's website as covered by an approved collection plan.

~~(3)~~(C) The stewardship organization in which the manufacturer participates has submitted an annual report consistent with the requirements of section 7185 of this title.

~~(4)~~(D) The stewardship organization in which the manufacturer participates has conducted a plan audit consistent with the requirements of subsection 7185(b) of this title.

(b) Stewardship organization registration requirements.

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

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

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

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

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

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

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

(2) ~~A renewal of a registration without changes may be accomplished through notifying the Agency of Natural Resources on a form provided by the Agency~~ Beginning on July 1, 2026 and annually thereafter, a stewardship organization shall renew its registration with the Secretary. A renewal registration shall include the following:

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

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

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

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

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

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

(c) Manufacturer registration. On or before November 1, 2025, a manufacturer of a covered household hazardous product shall register with the stewardship organization in a manner proscribed by the stewardship organization.

Sec. 9. 10 V.S.A. § 7183 is amended to read:

§ 7183. COLLECTION PLANS

(a) Collection plan required. ~~Prior to July 1, 2025~~ On or before July 1, 2026, any stewardship organization registered with the Secretary as representing manufacturers of covered household hazardous products shall coordinate and submit to the Secretary for review one collection plan for all manufacturers.

(b) Collection plan; minimum requirements. ~~Each collection plan shall include, at a minimum, all of the following requirements:~~

(1) Initial plan. The initial plan shall last for a period not to exceed three years and contain, at a minimum, the following requirements:

(A) List of participants. A list of the manufacturers, brands, and products participating in the collection plan and a methodology for adding and removing manufacturers and notifying the Agency of new participants.

~~(2)~~(B) Free statewide collection of covered household hazardous products. The collection program shall ~~provide~~ reimburse municipalities when a municipality provides for free, convenient, and accessible ~~statewide~~ opportunities for the collection from covered entities of covered household hazardous products, including orphan covered products. ~~A stewardship organization shall accept all covered household hazardous products collected from a covered entity and shall not refuse the collection of a covered household hazardous product, including orphan covered household products, based on the brand or manufacturer of the covered household hazardous product unless specifically exempt from this requirement.~~ The collection program shall also provide for the payment of collection, processing, and end-of-life management of the covered household hazardous products. Collection costs include facility costs, equipment costs, labor, supplies, maintenance, events costs, and event contractor costs, including collection event set-up fees, environmental service fees, insurance fees, and shipping containers and materials.

~~(3) Convenient collection location. The stewardship organization shall develop a collection program that allows all municipal household hazardous waste collection programs to opt to be a part of the collection plan, including collection events and facilities offered by solid waste planning entities. The plan shall make efforts to site points of collection equitably across all regions of the State to allow for convenient and reasonable access of all Vermonters to collection facilities or collection events.~~

~~(4) Public education and outreach. The collection plan shall include an education and outreach program that shall include a website and may include~~

~~media advertising, retail displays, articles and publications, and other public educational efforts. Outreach and education shall be suitable for the State's diverse ethnic populations, through translated and culturally appropriate materials, including in-language and targeted outreach. Public education and outreach should include content to increase meaningful participation by environmental justice focus populations as required by 3 V.S.A. chapter 72. During the first year of program implementation and two years after adoption of the collection plan, each stewardship organization shall carry out a survey of public awareness regarding the requirements of the program established under this chapter that can identify communities that have disparities in awareness and need more outreach. Each stewardship organization shall share the results of the public awareness surveys with the Secretary. If multiple stewardship organizations are implementing plans approved by the Secretary, the stewardship organizations shall coordinate in carrying out their education and outreach responsibilities under this subdivision and shall include in their annual reports to the Secretary a summary of their coordinated education and outreach efforts. The education and outreach program and website shall notify the public of the following:~~

~~(A) that there is a free collection program for covered household hazardous products;~~

~~(B) the location and hours of operation of collection points and how a covered entity can access this collection program;~~

~~(C) the special handling considerations associated with covered household hazardous products; and~~

~~(D) source reduction information for consumers to reduce leftover covered household products.~~

~~(5) Compliance with appropriate environmental standards. In implementing a collection plan, a stewardship organization shall comply with all applicable laws related to the collection, transportation, and disposal of hazardous waste. A stewardship organization shall comply with any special handling or disposal standards established by the Secretary for covered household hazardous products or for the collection plan of the manufacturer.~~

~~(6) Method of disposition. The collection plan shall describe how covered household hazardous products will be managed in the most environmentally and economically sound manner, including following the waste-management hierarchy. The management of covered household hazardous products under the collection plan shall use management activities in the following priority order: source reduction, reuse, recycling, energy~~

~~recovery, and disposal. Collected covered household hazardous products shall be recycled when technically and economically feasible.~~

~~(7) Performance goals. A collection plan shall include:~~

~~(A) A performance goal for covered household hazardous products determined by the number of total participants at collection events and facilities listed in the collection plan during a program year divided by the total number of households. The number of households shall include seasonal households. The calculation methodology for the number of households shall be included in the plan.~~

~~(B) At a minimum, the collection performance goal for the first approved plan shall be an annual participation rate of five percent of the households for every collection program based on the number of households the collection program serves. After the initial approved program plan, the stewardship organization shall propose performance goals for subsequent program plans. The Secretary shall approve the performance goals for the plan at least every five years. The stewardship organization shall use the results of the most recent waste composition study required under 6604 of this title and other relevant factors to propose the performance goals of the collection plan. If a stewardship organization does not meet its performance goals, the Secretary may require the stewardship organization to revise the collection plan to provide for one or more of the following: additional public education and outreach, additional collection events, or additional hours of operation for collection sites. A stewardship organization is not authorized to reduce or cease collection, education and outreach, or other activities implemented under an approved plan on the basis of achievement of program performance goals.~~

~~(8)~~(C) Collection plan funding. The collection plan shall describe how the stewardship organization will fund the implementation of ~~the collection plan and collection activities under the plan, including the costs for education and outreach, collection, processing, and end-of-life management of the covered household hazardous product~~ all municipal collection offered to the public in a base program year. A base program year shall be based on the services provided in calendar year 2024 and any other collection facilities or events approved by the Secretary. Collection costs include facility costs, equipment costs, labor, supplies, maintenance, events costs, and event contractor costs, including collection event set-up fees, environmental service fees, insurance fees, and shipping containers and materials. The collection plan shall include how municipalities will be compensated for all costs attributed to collection of covered household hazardous products. The Secretary shall resolve disputes relating to compensation.

(2) Subsequent plans. After the expiration of the initial plan approved by the Secretary, the collection plan shall include, at a minimum, the following:

(A) List of participants. A list of the manufacturers, brands, and products participating in the collection plan and a methodology for adding and removing manufacturers and notifying the Agency of new participants.

(B) Free statewide collection of covered household hazardous products. The collection program shall provide for free, convenient, and accessible statewide opportunities for the collection from covered entities of covered household hazardous products, including orphan covered products. A stewardship organization shall accept all covered household hazardous products collected from a covered entity and shall not refuse the collection of a covered household hazardous product, including orphan covered household products, based on the brand or manufacturer of the covered household hazardous product unless specifically exempt from this requirement. The collection program shall also provide for the payment of collection, processing, and end-of-life management of the covered household hazardous products. Collection costs include facility costs, equipment costs, labor, supplies, maintenance, events costs, and event contractor costs, including collection event set-up fees, environmental service fees, insurance fees, and shipping containers and materials.

(C) Convenient collection location. The stewardship organization shall develop a collection program that allows all municipal household hazardous waste collection programs to opt to be a part of the collection plan, including collection events and facilities offered by solid waste planning entities. The plan shall make efforts to site points of collection equitably across all regions of the State to allow for convenient and reasonable access of all Vermonters to collection facilities or collection events.

(D) Public education and outreach. The collection plan shall include an education and outreach program that shall include a website and may include media advertising, retail displays, articles and publications, and other public educational efforts. Outreach and education shall be suitable for the State's diverse ethnic populations, through translated and culturally appropriate materials, including in-language and targeted outreach. Public education and outreach should include content to increase meaningful participation by environmental justice focus populations as required by 3 V.S.A. chapter 72. During the second approved plan, each stewardship organization shall carry out a survey of public awareness regarding the requirements of the program established under this chapter that can identify communities that have disparities in awareness and need more outreach. Each

stewardship organization shall share the results of the public awareness surveys with the Secretary. If multiple stewardship organizations are implementing plans approved by the Secretary, the stewardship organizations shall coordinate in carrying out their education and outreach responsibilities under this subdivision (D) and shall include in their annual reports to the Secretary a summary of their coordinated education and outreach efforts. The education and outreach program and website shall notify the public of the following:

(i) that there is a free collection program for covered household hazardous products;

(ii) the location and hours of operation of collection points and how a covered entity can access this collection program;

(iii) the special handling considerations associated with covered household hazardous products; and

(iv) source reduction information for consumers to reduce leftover covered household products.

(E) Compliance with appropriate environmental standards. In implementing a collection plan, a stewardship organization shall comply with all applicable laws related to the collection, transportation, and disposal of hazardous waste. A stewardship organization shall comply with any special handling or disposal standards established by the Secretary for covered household hazardous products or for the collection plan of the manufacturer.

(F) Method of management. The collection plan shall describe how covered household hazardous products will be managed in the most environmentally and economically sound manner, including following the waste-management hierarchy. The management of covered household hazardous products under the collection plan shall use management activities in the following priority order: source reduction, reuse, recycling, energy recovery, and disposal. Collected covered household hazardous products shall be recycled when technically and economically feasible.

(G) Performance goals. A collection plan shall include:

(i) A performance goal for covered household hazardous products determined by the number of total participants at collection events and facilities listed in the collection plan during a program year divided by the total number of households. The number of households shall include seasonal households. The calculation methodology for the number of households shall be included in the plan.

(ii) At a minimum, the collection performance goal for the initial plan approved pursuant to subdivision (1) of this subsection (b) shall be an annual participation rate of seven percent of the households for every collection program based on the number of households the collection program serves. After the initial approved program plan, the stewardship organization shall propose performance goals for subsequent program plans. The Secretary shall approve the performance goals for the plan at least every five years. The stewardship organization shall use the results of the most recent waste composition study required under 6604 of this title and other relevant factors to propose the performance goals of the collection plan. If a stewardship organization does not meet its performance goals, the Secretary may require the stewardship organization to revise the collection plan to provide for one or more of the following: additional public education and outreach, additional collection events, or additional hours of operation for collection sites. A stewardship organization is not authorized to reduce or cease collection, education and outreach, or other activities implemented under an approved plan on the basis of achievement of program performance goals.

(H) Collection plan funding. The collection plan shall describe how the stewardship organization will fund the implementation of the collection plan and collection activities under the plan, including the costs for education and outreach, collection, processing, and end-of-life management of the covered household hazardous product. Collection costs include facility costs, equipment costs, labor, supplies, maintenance, events costs, and event contractor costs, including collection event set-up fees, environmental service fees, insurance fees, and shipping containers and materials. The collection plan shall include how municipalities will be compensated for all costs attributed to collection of covered household hazardous products. The Secretary shall resolve disputes relating to compensation.

(c) Term of collection plan. A collection plan approved by the Secretary under section 7187 of this title shall have a term not to exceed five years, provided that the stewardship organization remains in compliance with the requirements of this chapter and the terms of the approved collection plan.

(d) Collection plan implementation. Stewardship organizations shall implement the collection plan on or before six months after the date of a final decision by the Secretary on the adequacy of the collection plan.

Sec. 10. 10 V.S.A. § 7184 is amended to read:

§ 7184. STEWARDSHIP ORGANIZATIONS

(a) Participation in a stewardship organization. A manufacturer shall meet the requirements of this chapter by participating in a stewardship organization

that undertakes the responsibilities under sections 7182, 7183, and 7185 of this title.

(b) Qualifications for a stewardship organization. To qualify as a stewardship organization under this chapter, an organization shall:

(1) commit to assume the responsibilities, obligations, and liabilities of all manufacturers participating in the stewardship organization;

(2) not create unreasonable barriers for participation in the stewardship organization; and

(3) maintain a public website that lists all manufacturers and manufacturers' brands and products covered by the stewardship organization's approved collection plan.

(c) A stewardship organization is authorized to charge its members reasonable fees for the organization, administration, and implementation of the programs required by this chapter.

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

§ 7187. AGENCY RESPONSIBILITIES

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

* * *

(g) Agency collection plan. If no stewardship organization is formed on or before July 1, 2025 or the stewardship organization fails to submit a plan or submits a plan that does not meet the requirements of this chapter, the Secretary shall adopt and administer a plan that meets the requirements of section 7183 of this title. If the Secretary administers the plan adopted under section 7183, the Secretary shall charge each manufacturer the prorated costs of plan administration, the Agency's oversight costs, and an additional hazardous waste reduction assessment of 10 percent of the plan's total cost to be deposited in the Solid Waste Management Assistance Account of the Waste Management Assistance Fund, for the purpose of providing grants to municipalities and small businesses to prevent pollution and reduce the generation of hazardous waste in the State. When determining a manufacturer's assessment under this section, the Agency may allocate costs to a manufacturer of covered household hazardous products based on the sales of covered household hazardous products nationally prorated to the population of Vermont.

Sec. 12. 10 V.S.A. § 6621a is amended to read:

§ 6621a. LANDFILL DISPOSAL REQUIREMENTS

(a) In accordance with the following schedule, no person shall knowingly dispose of the following materials in solid waste or in landfills:

* * *

(12) Covered household hazardous products after July 1, ~~2025~~ 2026.

* * *

Sec. 13. SOLID WASTE PLAN; FLEXIBILITY

(a) Notwithstanding the municipal household hazardous waste (HHW) collection requirements under the State Solid Waste Plan adopted pursuant to 10 V.S.A. § 6604, the Secretary of Natural Resources may grant a variance from the requirement to conduct at least two household hazardous waste collection events in that municipality. The variance shall allow a municipality to meet its obligations, as follows:

(1) the municipality has partnered with another municipality to allow its residents the ability to access a permanent HHW facility in the same manner as the municipality that operates the permanent HHW facility;

(2) the municipality has partnered with a nearby municipality to offer collection events to members in both municipalities; or

(3) the municipality has demonstrated that it has made reasonable efforts to provide alternate collection opportunities identified under subdivisions (1) and (2) of this subsection and was unable and that the cost of a collection event is unreasonable. In such circumstances the Secretary of Natural Resources may reduce the required collection events to one per year.

(b) This section shall be repealed on July 1, 2027.

* * * Paint Product Stewardship Program * * *

Sec. 14. 10 V.S.A. chapter 159, subchapter 4 is amended to read:

Subchapter 4. Paint Product Stewardship Program

§ 6671. PURPOSE

The purpose of this subchapter is to establish an environmentally sound, cost-effective Paint Product Stewardship Program in the State that will undertake responsibility for the development and implementation of strategies to reduce the generation of postconsumer paint; promote the reuse of postconsumer paint; and collect, transport, and process postconsumer paint, including reuse, recycling, energy recovery, and disposal. The Paint Product

Stewardship Program will follow the waste management hierarchy for managing and reducing postconsumer paint in the order as follows: reduce consumer generation of postconsumer paint, reuse, recycle, provide for energy recovery, and dispose. The Paint Product Stewardship Program will provide more opportunities for consumers to manage properly their postconsumer paint, provide fiscal relief for local government in managing postconsumer paint, keep paint out of the waste stream, and conserve natural resources.

§ 6672. DEFINITIONS

As used in this subchapter:

(1) "Aerosol coating product" means a pressurized coating product containing pigments or resins dispensed by means of a propellant and packaged and sold in a disposable aerosol container for handheld application, or for use in specialized equipment for ground traffic or marking applications.

(2) "Architectural paint" means interior and exterior architectural coatings, including interior or exterior water- and oil-based coatings, primers, sealers, or wood coatings, that are sold in containers of five gallons or less. "Architectural paint" does not mean industrial coatings, original equipment coatings, or specialty coatings.

(3) "Coating-related product" means a product used as a paint additive, paint thinner, paint colorant, paint remover, surface sealant, surface preparation, or surface adhesive, and sold for home improvement. "Coating-related product" does not mean original equipment manufacturer products or industrial products.

~~(2)~~(4) "Distributor" means a company that has a contractual relationship with one or more producers to market and sell ~~architectural~~ paint to retailers in Vermont.

~~(3)~~(5) "Energy recovery" means recovery in which all or a part of the solid waste materials are processed in order to use the heat content or other forms of energy of or from the material.

~~(4)~~(6) "Environmentally sound management practices" means policies to be implemented by a producer or a stewardship organization to ensure compliance with all applicable laws and also addressing such issues as adequate record keeping, tracking and documenting the fate of materials within the State and beyond, and adequate environmental liability coverage for professional services and for the operations of the contractors working on behalf of the producer organization.

~~(5)~~(7) "Municipality" means a city, town, or a village.

~~(6) "Paint stewardship assessment" means a one-time charge that is:~~

~~(A) added to the purchase price of architectural paint sold in Vermont;~~

~~(B) passed from the producer to the wholesale purchaser to the retailer and then to a retail consumer; and~~

~~(C) necessary to cover the cost of collecting, transporting, and processing the postconsumer paint managed through the statewide Program.~~

(8) "Nonindustrial coating" means arts and crafts paint, automotive refinish paint, driveway sealer, faux finish or glaze, furniture oil, furniture paint, lime wash, lime paint, marine paint, antifouling paint, road and traffic marking paint, two-component paint, wood preservative, fire retardant paint, dry fog paint, chalkboard paint, and conductive paint, sold in containers of five gallons or less for commercial and homeowner use, but does not include coatings purchased for industrial or original equipment manufacturer use.

(9)(A) "Paint product" includes:

(i) architectural paint;

(ii) aerosol coating products;

(iii) coating-related products; and

(iv) nonindustrial coatings.

(B) "Paint product" does not include a health and beauty product.

~~(7)~~(10) "Postconsumer paint" means ~~architectural~~ a paint product and its containers not used and no longer wanted by a purchaser.

~~(8)~~(11) "Producer" means a manufacturer of ~~architectural~~ paint products who sells, offers for sale, or distributes that paint in Vermont under the producer's own name or brand.

~~(9)~~(12) "Recycling" means any process by which discarded products, components, and by-products are transformed into new usable or marketable materials in a manner in which the original products may lose their identity but does not include energy recovery or energy generation by means of combusting discarded products, components, and by-products with or without other waste products.

~~(10)~~(13) "Retailer" means any person that offers ~~architectural~~ a paint product for sale at retail in Vermont.

~~(11)~~(14) "Reuse" means the return of a product into the economic stream for use in the same kind of application as originally intended, without a change in the product's identity.

~~(12)~~(15) "Secretary" means the Secretary of Natural Resources.

~~(13)~~(16) "Sell" or "sale" means any transfer of title for consideration, including remote sales conducted through sales outlets, catalogues, or the ~~Internet~~ internet or any other similar electronic means.

~~(14)~~(17) "Stewardship organization" means a nonprofit corporation or nonprofit organization created by a producer or group of producers to implement the Paint Product Stewardship Program required under this subchapter.

§ 6673. PAINT PRODUCT STEWARDSHIP PROGRAM

(a) A producer or a stewardship organization representing producers shall submit ~~a~~ an amended plan for the establishment of a Paint Product Stewardship Program to the Secretary for approval ~~by December 1, 2013~~. The plan shall address the following:

(1) Provide a list of participating producers and brands covered by the Program.

(2) Provide specific information on the ~~architectural~~ paint products covered under the Program, such as interior or exterior water- and oil-based coatings, primers, sealers, or wood coatings.

(3) Describe how the Program proposed under the plan will collect, transport, recycle, and process postconsumer paint products for end-of-life management, including recycling, energy recovery, and disposal, using environmentally sound management practices.

(4) Describe the Program and how it will provide for convenient and available statewide collection of postconsumer ~~architectural~~ paint products in urban and rural areas of the State. The producer or stewardship organization shall use the existing household hazardous waste collection infrastructure when selecting collection points for postconsumer ~~architectural~~ paint products. A paint retailer shall be authorized as a paint collection point of postconsumer architectural paint for a Paint Product Stewardship Program if the paint retailer volunteers to act as a ~~paint~~ collection point and complies with all applicable laws, rules, and regulations.

(5) Provide geographic information modeling to determine the number and distribution of sites for collection of postconsumer architectural paint based on the following criteria:

(A) at least 90 percent of Vermont residents shall have a permanent collection site within a 15-mile radius; and

(B) one additional permanent site will be established for every 10,000 residents of a municipality and additional sites shall be distributed to

provide convenient and reasonably equitable access for residents within each municipality, unless otherwise approved by the Secretary.

(6) Establish goals to reduce the generation of postconsumer paint products, to promote the reuse of postconsumer paint products, and for the proper management of postconsumer paint products as practical based on current household hazardous waste program information. The goals may be revised by the producer or stewardship organization based on the information collected for the annual report.

(7) Describe how postconsumer paint products will be managed in the most environmentally and economically sound manner, including following the waste-management hierarchy. The management of paint under the Program shall use management activities that promote source reduction, reuse, recycling, energy recovery, and disposal.

(8) Describe education and outreach efforts to inform consumers of collection opportunities for postconsumer paint products and to promote the source reduction and recycling of ~~architectural~~ paint products for each of the following: consumers, contractors, and retailers.

(b) The producer or stewardship organization shall submit a budget for the Program proposed under subsection (a) of this section, and for any amendment to the plan that would affect the Program's costs. The budget shall include a funding mechanism under which each ~~architectural~~ paint product producer remits to a stewardship organization payment of a paint product stewardship assessment for each ~~container of architectural paint~~ product it sells in this State. Prior to submitting the proposed budget and assessment to the Secretary, the producer or stewardship organization shall provide the budget and assessment to a third-party auditor agreed upon by the Secretary. The third-party auditor shall provide a recommendation as to whether the proposed budget and assessment is cost-effective, reasonable, and limited to covering the cost of the Program. The paint product stewardship assessment shall be added to the cost of all ~~architectural~~ paint products sold in Vermont. To ensure that the funding mechanism is equitable and sustainable, a uniform paint product stewardship assessment shall be established for all ~~architectural~~ paint products sold. The paint stewardship assessment shall be ~~approved by the Secretary and shall be sufficient to recover, but not exceed, the costs of the Paint Stewardship Program~~ the amount established in section 6681 of this title.

(c) ~~Beginning no later than July 1, 2014, or three~~ Six months after approval of the plan for a Paint Product Stewardship Program required under subsection (a) of this section, ~~whichever occurs later,~~ a producer of ~~architectural~~ paint products sold at retail or a stewardship organization of which a producer is a

member shall implement the approved plan for a Paint Product Stewardship Program.

(d) A producer or a stewardship organization of which a producer is a member shall promote a Paint Product Stewardship Program and provide consumers with educational and informational materials describing collection opportunities for postconsumer paint products Statewide and promotion of waste prevention, reuse, and recycling. The educational and informational program shall make consumers aware that the funding for the operation of the Paint Product Stewardship Program has been added to the purchase price of all ~~architectural~~ paint products sold in the State.

(e) A plan approved under this section shall provide for collection of postconsumer ~~architectural~~ paint at no cost to the person from whom the ~~architectural~~ paint product is collected. The program plan also shall provide for the payment of municipalities for collection, processing, and end-of-life management of aerosol coating products, coating-related products, and nonindustrial coatings contained in the receptacle in which the product is offered for retail sale. Collection costs include facility costs, equipment costs, labor, supplies, maintenance, events costs, and event contractor costs, including collection event set-up fees, environmental service fees, insurance fees, and shipping containers and materials.

(f) When a plan or amendment to an approved plan is submitted under this section, the Secretary shall make the proposed plan or amendment available for public review and comment for at least 30 days.

(g) A producer or paint stewardship organization shall submit to the Secretary for review, in the same manner as required under subsection 6675(a) of this title, an amendment to an approved plan when there is:

(1) ~~a change to a paint stewardship assessment under the plan;~~

~~(2)~~ an addition to or removal of a category of products covered under the Program; or

~~(3)~~(2) a revision of the product stewardship organization's goals.

(h) A plan approved by the Secretary under section 6675 of this title shall have a term not to exceed five years, provided that the producer remains in compliance with the requirements of this chapter and the terms of the approved plan.

(i) In addition to the requirements specified in subsection (a) of this section, a stewardship organization shall notify the Secretary in writing within 30 days ~~of~~ after any change to:

(1) the number of collection sites for postconsumer ~~architectural~~ paint products identified under this section as part of the plan;

(2) the producers identified under this section as part of the plan;

(3) the brands of ~~architectural~~ paint products identified under this section as part of the plan; and

(4) the processors that manage postconsumer ~~architectural~~ paint products identified under this section as part of the plan.

(j) Upon submission of a plan to the Secretary under this section, a producer or a stewardship organization shall pay the fee required by 3 V.S.A. § 2822(j)(31). Thereafter, the producer or stewardship organization shall pay the fee required by 3 V.S.A. § 2822(j)(31) annually ~~by~~ on or before July 1 of each year.

§ 6674. RETAILER RESPONSIBILITY

(a) A producer or retailer may not sell or offer for sale ~~architectural~~ a paint product to any person in Vermont unless the producer ~~of that architectural paint brand~~ or a stewardship program ~~of which the producer of that architectural paint brand is a member~~ that the producer is a member of is implementing an approved plan for a Paint Product Stewardship Program as required by section 6673 of this title. A retailer complies with the requirements of this section if, on the date the ~~architectural~~ paint product was ordered from the producer or its agent, the producer or paint brand is listed on the Agency of Natural Resources' website as a producer or brand participating in an approved plan for a Paint Product Stewardship Program.

(b) At the time of sale to a consumer, a producer, a stewardship organization, or a retailer selling or offering ~~architectural~~ paint products for sale shall provide the consumer with information regarding available management options for postconsumer paint products collected through the Paint Product Stewardship Program or a brand of paint being sold under the Program.

§ 6675. AGENCY RESPONSIBILITY

(a)(1) Within 90 days ~~of~~ after receipt of a plan submitted under section 6673 of this title, the Secretary shall review the plan and make a determination whether or not to approve the plan. The Secretary shall issue a letter of approval for a submitted plan if:

(A) the submitted plan provides for the establishment of a Paint Product Stewardship Program that meets the requirements of subsection 6673(a) of this subchapter; and

(B) the Secretary determines that the plan:

(i) achieves convenient collection for consumers;

(ii) educates the public on proper paint product management; and

(iii) manages waste paint products in a manner that is environmentally safe and promotes reuse and recycling~~; and~~

~~(iv) is cost-effective~~.

(2) If the Secretary does not approve a submitted plan, the Secretary shall issue to the paint product stewardship organization a letter listing the reasons for the disapproval of the plan. If the Secretary disapproves a plan, a paint product stewardship organization intending to sell or continue to sell ~~architectural~~ paint products in the State shall submit a new plan within 60 days ~~of~~ after receipt of the letter of disapproval.

(b)~~(1) The Secretary shall review and approve the stewardship assessment proposed by a producer pursuant to subsection 6673(b) of this title. The Secretary shall only approve the Program budget and any assessment if the applicant has demonstrated that the costs of the Program and any proposed assessment are reasonable and the assessment does not exceed the costs of implementing an approved plan.~~

~~(2) If an amended plan is submitted under subsection 6673(g) of this title that proposes to change the cost of the Program or proposes to change the paint stewardship assessment under the plan, the disapproval of any proposed new assessment or the failure of an approved new assessment to cover the total costs of the Program shall not relieve a producer or stewardship organization of its obligation to continue to implement the approved plan under the originally approved assessment.~~

~~(c)~~ Facilities solely collecting paint products for the Paint Product Stewardship Program that would not otherwise be subject to solid waste certification requirements shall not be required to obtain a solid waste certification. Persons solely transporting paint for the Paint Product Stewardship Program that would not otherwise be subject to solid waste hauler permitting requirements shall not be required to obtain a solid waste hauler's permit.

§ 6676. ANTICOMPETITIVE CONDUCT

(a) A producer or an organization of producers that manages postconsumer paint products, including collection, transport, recycling, and processing of postconsumer paint products, as required by this subchapter may engage in anticompetitive conduct to the extent necessary to implement the plan approved by the Secretary and is immune from liability for the conduct

relating to antitrust, restraint of trade, unfair trade practices, and other regulation of trade or commerce.

(b) The activity authorized and the immunity afforded under subsection (a) of this section shall not apply to any agreement among producers or paint product stewardship organizations:

(1) establishing or affecting the price of paint products, ~~except for the paint stewardship assessment approved under subsection 6675(b) of this title~~;

(2) setting or limiting the output or production of paint products;

(3) setting or limiting the volume of paint products sold in a geographic area;

(4) restricting the geographic area where paint products will be sold; or

(5) restricting the customers to whom paint products will be sold or the volume of paint products that will be sold.

§ 6677. PRODUCER REPORTING REQUIREMENTS

~~No later than October 15, 2015, and annually thereafter,~~ Annually, a producer or a stewardship program of which the producer is a member shall submit to the Secretary a report describing the Paint Product Stewardship Program that the producer or Stewardship Program is implementing as required by section 6673 of this title. At a minimum, the report shall include:

(1) a description of the methods the producer or Stewardship Program used to reduce, reuse, collect, transport, recycle, and process postconsumer paint products statewide in Vermont;

(2) the volume and type of postconsumer paint products collected by the producer or Stewardship Program at each collection center in all regions of Vermont;

(3) the volume of postconsumer paint products collected by the producer or Stewardship Program in Vermont by method of disposition, including reuse, recycling, energy recovery, and disposal;

(4) an independent financial audit of the Paint Product Stewardship Program implemented by the producer or the Stewardship Program;

(5) the prior year's actual direct and indirect costs for each Program element and the administrative and overhead costs of administering the approved Program; and

(6) samples of the educational materials that the producer or stewardship program provided to consumers of architectural paint.

* * *

§ 6680. UNIVERSAL WASTE DESIGNATION FOR POSTCONSUMER PAINT

(a) The requirements of Subchapter 9 of the Vermont Hazardous Waste Management Rules, which allow certain categories of hazardous waste to be managed as universal waste, shall apply to postconsumer paint products until the postconsumer paint is discarded, provided that:

(1) the postconsumer paint product is collected as a part of a stewardship plan approved under this subchapter; and

(2) the collected postconsumer paint product is or includes a paint product that is a hazardous waste as defined and regulated by the Vermont Hazardous Waste Management Rules.

(b) When postconsumer paint product is regulated as universal waste under subsection (a) of this section, small and large quantity handlers of the postconsumer paint shall manage the postconsumer paint products in a manner that prevents releases of any universal waste or component of the universal waste to the environment. Postconsumer paint products regulated as universal waste shall, at a minimum, be contained in one or more of the following:

(1) a container that remains closed, structurally sound, and compatible with the postconsumer paint products and that lacks evidence of leakage, spillage, or damage that could cause leakage under reasonably foreseeable conditions; or

(2) a container that does not meet the requirements of subdivision (1) of this subsection, provided that the unacceptable container is overpacked in a container that meets the requirements of subdivision (1).

(c) Containers holding postconsumer paint products that ~~is~~ are regulated as universal waste shall be clearly labeled to clearly identify the contents of the container, such as "Paint-Related Waste," "Universal Waste Paint," "Used Paint," or "Waste Paint."

(d) Unless otherwise provided by statute, the definitions of the Vermont Hazardous Waste Management Rules shall apply to this section.

§ 6681. PAINT CONSUMER FEES

(a) The paint product stewardship assessment shall be sufficient to implement and sustain the Paint Product Stewardship Program. If at any time the stewardship assessments established in this section are not sufficient to implement and sustain the Paint Product Stewardship Program, the Paint Product Stewardship Program shall propose new stewardship assessments that are sufficient to implement and sustain the Program.

(b) A retailer shall charge an assessment on paint products, based on current material management costs of the Paint Product Stewardship Program, in the following amounts for architectural paint:

(1) Half pint or smaller:	No fee.
(2) Greater than a half pint to one gallon:	$0.65.
(3) Greater than one gallon to two gallons:	$1.35.
(4) Greater than two gallons to five gallons:	$2.45.

Sec. 15. IMPLEMENTATION; FEE REPORT

(a) The requirements for the sale of paint products under 10 V.S.A. § 6673 shall apply to architectural paint beginning on July 1, 2013 and all paint products beginning on July 1, 2026.

(b) The requirement under 10 V.S.A. § 6673 for an architectural paint producer to submit a stewardship plan to the Secretary of Natural Resources currently applies to producers of architectural paint as required beginning on July 1, 2013 and shall also apply to producers of paint related products beginning on July 1, 2026.

(c) The requirement under 10 V.S.A. § 6677 that an architectural paint producer annually report to the Secretary of Natural Resources currently applies to producers of architectural paint as required beginning on July 1, 2013 and shall also apply to producers of paint related products beginning on March 1, 2027.

(d) On or before December 15, 2025, the Secretary of Natural Resources shall submit to the Senate Committees on Natural Resources and Energy and on Finance and the House Committees on Environment and on Ways and Means a report recommending a paint consumer fee or fees to be charged for paint products that are not architectural paint.

* * * Renewable Power Portfolio * * *

Sec. 16. 30 V.S.A. § 8009 is amended to read:

§ 8009. BASELOAD RENEWABLE POWER PORTFOLIO REQUIREMENT

* * *

(d) On or before November 1, ~~2027~~ 2028, the Commission shall determine, for the period beginning on November 1, ~~2026~~ 2028 and ending on November 1, 2032, the price to be paid to a plant used to satisfy the baseload renewable power portfolio requirement. The Commission shall not be required to make this determination as a contested case under 3 V.S.A. chapter 25. The price

shall be the avoided cost of the Vermont composite electric utility system. As used in this subsection, the term "avoided cost" means the incremental cost to retail electricity providers of electric energy or capacity, or both, that, but for the purchase from the plant proposed to satisfy the baseload renewable power portfolio requirement, such providers would obtain from a source using the same generation technology as the proposed plant. For the purposes of this subsection, the term "avoided cost" also includes the Commission's consideration of each of the following:

* * *

(k) Collocation and efficiency requirements.

(1) The owner of the plant used to satisfy the baseload renewable power portfolio requirement shall cause the plant's overall efficiency to be increased by at least 50 percent relative to the 12-month period preceding July 1, 2022. In achieving this efficiency, the owner shall comply with the requirements of this subsection.

(2) On or before ~~July~~ October 1, ~~2023~~ 2025, the owner of the plant shall submit to the Commission and the Department:

(A) A signed contract providing for the construction of a facility at the plant that utilizes the excess thermal heat generated at the plant for a beneficial purpose. As used in this subdivision (A), beneficial purpose may include the displacement of fossil fuel use for the sustainable production of a product or service or more efficient or less costly generation of electricity.

(B) A certification by a qualified professional engineer that the construction of the facility shall meet the requirement of subdivision (1) of this subsection (k).

(3) On or before October 1, ~~2025~~ 2026, the owner of the plant shall submit to the Commission and the Department a certification that the main components of the facility used to meet the requirement of subdivision (1) of this subsection have been manufactured and that the construction plans for the facility have been completed.

(4) If the contract and certification required under subdivision (2) of this subsection are not submitted to the Commission and Department on or before ~~July~~ October 1, ~~2023~~ 2025 or if the certification required under subdivision (3) is not submitted to the Commission and Department on or before October 1, ~~2025~~ 2026, then the obligation under this section for each Vermont retail electricity provider to purchase a pro rata share of the baseload renewable power portfolio requirement shall cease on November 1, ~~2025~~ 2026, and the Commission is not required to conduct the rate determination provided for in subsection (d) of this section.

(5) On or before September 1, ~~2026~~ 2027, the Department shall investigate and submit a recommendation to the Commission on whether the plant has achieved the requirement of subdivision (1) of this subsection. If the Department recommends that the plant has not achieved the requirement of subdivision (1) of this subsection, the obligation under this section shall cease on November 1, ~~2026~~ 2027, and the Commission is not required to conduct the rate determination provided for in subsection (d) of this section.

(6) After November 1, ~~2027~~ 2028, the owner of the plant shall report annually to the Department and the Department shall verify the overall efficiency of the plant for the prior 12-month period. If the overall efficiency of the plant falls below the requirement of subdivision (1) of this subsection, the report shall include a plan to return the plant to the required efficiency within one year.

(7) If, after implementing the plan in subdivision (6) of this subsection, the owner of the plant does not achieve the efficiency required in subdivision (1) of this subsection, the Department shall request that the Commission commence a proceeding to terminate the obligation under this section.

* * *

* * * Effective Dates * * *

Sec. 17. EFFECTIVE DATES

(a) This section and Secs. 7–13 (covered household hazardous products), 14–15 (paint products), and 16 (renewable power portfolio) shall take effect on passage.

(b) The remainder of this act shall take effect on July 1, 2025, except that Sec. 5 (use value appraisal) shall take effect on January 1, 2026.

Which was agreed to.

Thereupon, the recommendation of amendment of the Committee on Agriculture, as amended, was agreed to and third reading of the bill was ordered.

Rules Suspended; Immediate Consideration; Proposal of Amendment; Third Reading Ordered

H. 321.

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

An act relating to miscellaneous cannabis amendments.

Was taken up for immediate consideration.

Senator Clarkson, for the Committee on Economic Development, Housing and General Affairs, reported recommending that the Senate propose to the House to amend the bill as follows:

First: By adding a new section to be Sec. 2a to read as follows:

Sec. 2a. 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 33 (cannabis establishments) and 37 (medical cannabis dispensaries) of this title;

(2) all annual and renewal fees collected by the Board pursuant to chapter 35 (medical cannabis registry) of this title; and

(3) 70 percent of the cannabis excise tax revenue raised pursuant to 32 V.S.A. § 7902.

(c) Monies from the Fund shall only be appropriated for the purposes of implementation, administration, and enforcement of this chapter and chapters 33, 35, and 37 of this title.

(d) At the end of each fiscal year, the balance in the Cannabis Regulation Fund shall be transferred to the General Fund.

Second: By adding a new section to be Sec. 2b to read as follows:

Sec. 2b. 10 V.S.A. § 325u is amended to read:

§ 325u. VERMONT LAND ACCESS AND OPPORTUNITY BOARD

* * *

(b) Organization of Board. The Board shall be composed of:

* * *

(10) one member, appointed by the Vermont Developmental Disabilities Council; ~~and~~

(11) one member, appointed by Vermont Psychiatric Survivors; and

(12) one member, appointed by Migrant Justice.

* * *

Third: By striking out Sec. 12, 7 V.S.A. § 910, in its entirety and inserting in lieu thereof the following:

Sec. 12. 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.~~

(B) Indoor cultivators.

(i) Indoor cultivator tier 1. Indoor cultivators with up to 1,000 square feet of plant canopy in an indoor cultivation space shall be assessed an annual licensing fee of $1,500.00.

(ii) Indoor cultivator tier 2. Indoor cultivators with up to 2,500 square feet of plant canopy in an indoor cultivation space shall be assessed an annual licensing fee of $3,750.00.

(iii) Indoor cultivator tier 3. Indoor cultivators with up to 5,000 square feet of plant canopy in an indoor cultivation space shall be assessed an annual licensing fee of ~~$8,000.00~~ $16,000.00.

(iv) Indoor cultivator tier 4. Indoor cultivators with up to 10,000 square feet of plant canopy in an indoor cultivation space shall be assessed an annual licensing fee of ~~$16,000.00~~ $32,000.00.

(v) Indoor cultivator tier 5. Indoor cultivators with up to 15,000 square feet of plant canopy in an indoor cultivation space shall be assessed an annual licensing fee of ~~$36,000.00~~ $72,000.00.

~~(vi) Indoor cultivator tier 6. Indoor cultivators with up to 25,000 square feet of plant canopy in an indoor cultivation space shall be assessed an annual licensing fee of $75,000.00.~~

(C) Mixed cultivator tiers.

(i) Mixed cultivator tier 1. Mixed cultivators with the following at the same licensed premises shall be assessed an annual licensing fee of ~~$2,250.00~~ $1,875.00: up to 1,000 square feet of plant canopy in an indoor cultivation space and up to 125 cannabis plants in an outdoor cultivation space.

(ii) Mixed cultivator tier 2. Mixed cultivators with the following at the same licensed premises shall be assessed an annual licensing fee of $5,625.00: up to 2,500 square feet of plant canopy in an indoor cultivation space and up to 312 cannabis plants in an outdoor cultivation space.

(iii) Mixed cultivator tier 3. Mixed cultivators with the following at the same licensed premises shall be assessed an annual licensing fee of ~~$5,500.00~~ $3,500.00: up to 1,000 square feet of plant canopy in an indoor cultivation space and up to 625 cannabis plants in an outdoor cultivation space.

(iv) Mixed cultivator tier 4. Mixed cultivators with the following at the same licensed premises shall be assessed an annual licensing fee of ~~$9,500.00~~ $5,500.00: up to 1,000 square feet of plant canopy in an indoor cultivation space and up to 1,250 cannabis plants in an outdoor cultivation space.

(v) Mixed cultivator tier 5. Mixed cultivators with the following at the same licensed premises shall be assessed an annual licensing fee of ~~$19,500.00~~ $10,500.00: up to 1,000 square feet of plant canopy in an indoor cultivation space and up to 2,500 cannabis plants in an outdoor cultivation space.

* * *

(8) Trim and harvest services. Trim and harvest services shall be assessed an annual licensing fee of $500.00.

(9) Employees. Cannabis establishments licensed by the Board shall be assessed an annual licensing fee of $50.00 for each employee. The Board shall offer one-year and two-year employee licenses.

~~(9)~~(10) Products. Cannabis establishments licensed by the Board shall be assessed ~~an annual~~ a product licensing fee of $50.00 per year for every type of cannabis and cannabis product that is sold in accordance with this chapter. Product registrations shall be valid for two years unless the Board determines, through readily accessible published guidance, that such a registration should be longer or shorter and shall be prorated at the same cost per year.

~~(10)~~(11) Local licensing fees. Cannabis establishments licensed by the Board shall be assessed an annual local licensing fee of $100.00 in addition to each fee assessed under subdivisions (1)–(7) of this section. Local licensing fees shall be distributed to the municipality in which the cannabis establishment is located pursuant to section 846(c) of this title.

~~(11)~~(12) ~~One-time fees~~ Application fee.

~~(A)~~ All applicants for a cannabis establishment license shall be assessed an initial one-time application fee of $1,000.00.

~~(B) An applicant may choose to be assessed an initial one-time intent-to-apply fee of $500.00. If the applicant subsequently seeks a license within one year after paying the intent-to-apply fee, the initial one-time application fee of $1,000.00 shall be reduced by $500.00.~~

Fourth: By inserting two new sections to be Secs. 15a and 15b to read as follows:

Sec. 15a. CANNABIS SHOWCASE EVENT PERMIT PILOT

(a) A licensed retail cannabis establishment in good standing with the Board may apply to the Board for a cannabis showcase event permit. Multiple retailers may apply and be granted permission to participate in each event, but the Board shall allow not more than five events between July 1, 2025 and December 31, 2026, and such events shall be issued in geographically dispersed locations.

(b) A permit issued under this section shall authorize the recipient to coordinate, oversee, and be the responsible administrator of a single, defined commercial event, held at a defined access-controlled location, for a defined period not to exceed 24 hours, at which cannabis or cannabis products lawfully may be purchased and possessed by screened participants acting in conformity with terms set out by the Board in the issued permit.

(c) To be eligible for a cannabis showcase event permit, an applicant retail cannabis establishment shall demonstrate to the Board's satisfaction:

(1) written approval to pursue a permit in the proposed location, from the cannabis control commission created by the municipality pursuant to 7 V.S.A. § 863, if one exists, or from the local legislative body or designee;

(2) partnership with a minimum of three tier 1 or tier 2 licensed cultivators or product manufacturers that are in good standing with the Board and wholly independent of the retail cannabis establishment and its affiliates who will be showcased at the event;

(3) a commitment that the retailer will not offer for sale any cannabis or cannabis products produced from a cultivator license or product manufacturer license held by the retailer;

(4) a transparent revenue-sharing agreement that, in the Board's sole judgment, meaningfully promotes the goals of the General Assembly to promote market access for small cultivators;

(5) a security plan to ensure 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;

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

(7) actual capacity and intent to administer and enforce and apply the required plans;

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

(9) compliance with such other requirements as the Board may prescribe.

(d) 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) Permittee cannabis establishments shall be assessed a fee of $250.00 to apply for a Cannabis Showcase 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) The Board shall prioritize social equity applicants, as defined by 7 V.S.A. § 911 and any related rules, when deciding whether to approve an application under this section.

Sec 15b. CANNABIS RETAIL SALES REPORT

The Cannabis Control Board shall monitor and evaluate events authorized under Sec. 15a of this act. On or before January 15, 2026, the Board shall provide an interim report and, on or before January 15, 2027, a final report to the House Committee on Government Operations and Military Affairs and the Senate Committee on Economic Development, Housing and General Affairs on a concise assessment of the benefits, challenges, and administrative viability of offering cannabis retail sales at events outside the confines of a retail cannabis establishment. The Board may recommend best practices for, among other considerations, security, inventory tracking, tax enforcement, permit administration, local government coordination, and optimizing market access for small cultivators.

Fifth: By striking out Sec. 16, effective date, in its entirety and inserting in lieu thereof the following:

Sec. 16. EFFECTIVE DATES

This act shall take effect on July 1, 2025, except that Sec. 2a, 7 V.S.A. § 845, 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 Senate propose to the House that the bill be amended as recommended by the Committee on Economic Development, Housing and General Affairs with the following amendments thereto:

By striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 7 V.S.A. § 832 is amended to read:

§ 832. CANNABIS POSSESSED UNLAWFULLY SUBJECT TO SEIZURE AND FORFEITURE

Cannabis possessed unlawfully in violation of this title or administrative rules adopted pursuant to this title may be seized by law enforcement and is subject to forfeiture.

Sec. 2. 7 V.S.A. § 844 is amended to read:

§ 844. AUTHORITY FOR CRIMINAL BACKGROUND CHECKS

(a) The Board shall establish a user agreement with the Vermont Crime Information Center in accordance with 20 V.S.A. chapter 117 for the purpose

of obtaining Vermont criminal history records, out-of-state criminal history records, and criminal history records from the Federal Bureau of Investigation as required by chapters 33 (cannabis establishments) and 37 (medical cannabis dispensaries) of this title.

(b) A fingerprint-based state and national criminal history record check shall be conducted for each natural person prior to being issued a cannabis establishment identification card pursuant to chapter 33 (cannabis establishments) of this title or a medical cannabis dispensary identification card pursuant to chapter 37 (medical cannabis dispensaries) of this title. The Board may require that such record checks be completed as a condition precedent to license renewal.

Sec. 2a. 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 33 (cannabis establishments) and 37 (medical cannabis dispensaries) of this title;

(2) all annual and renewal fees collected by the Board pursuant to chapter 35 (medical cannabis registry) of this title; and

(3) 70 percent of the cannabis excise tax revenue raised pursuant to 32 V.S.A. § 7902.

(c) Monies from the Fund shall only be appropriated for the purposes of implementation, administration, and enforcement of this chapter and chapters 33, 35, and 37 of this title.

(d) At the end of each fiscal year, the balance in the Cannabis Regulation Fund shall be transferred to the General Fund.

Sec. 2b. 10 V.S.A. § 325u is amended to read:

§ 325u. VERMONT LAND ACCESS AND OPPORTUNITY BOARD

* * *

(b) Organization of Board. The Board shall be composed of:

* * *

(10) one member, appointed by the Vermont Developmental Disabilities Council; ~~and~~

(11) one member, appointed by Vermont Psychiatric Survivors; and

(12) one member, appointed by Migrant Justice.

* * *

Sec. 3. 7 V.S.A. § 861(23) is amended to read:

(23)(A) "Hemp products" or "hemp-infused products" means all products with the federally defined tetrahydrocannabinol concentration level for hemp derived from, or made by, processing hemp plants or plant parts that are 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 (23), "hemp products" and "hemp-infused products" do not include any substance, manufacturing intermediary, or product that:

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

(ii) contains more than 0.3 percent total tetrahydrocannabinol on a dry-weight basis.

(C) A hemp-derived product or substance that is excluded from the definition of "hemp products" or "hemp-infused products" pursuant to subdivision (B) of this subdivision (23) shall be considered a cannabis product as defined by subdivision 831(3) of this title; provided, however, that a person duly licensed or registered by the Cannabis Control Board lawfully may possess such products in conformity with the person's license or hemp processor registration.

Sec. 4. 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)~~(9) of this subsection.

(1) Rules concerning any cannabis establishment shall include:

(A) the form and content of license and renewal applications;

(B) qualifications for licensure that are directly and demonstrably related to the operation of a cannabis establishment, including:

(i) a requirement to submit an operating plan, which shall include information concerning:

(I) the type of business organization, the identity of its controlling owners and principals, and the identity of the controlling owners and principals of its affiliates; and

(II) the sources, amount, and nature of its capital, assets, and financing; the identity of its financiers; and the identity of the controlling owners and principals of its financiers;

(ii) a requirement to file an amendment to its operating plan in the event of a significant change in organization, operation, or financing; and

(iii) the requirement for a fingerprint-based criminal history record check and regulatory record check pursuant to section 883 of this title;

(C) oversight requirements, including provisions to ensure that a licensed establishment complies with State and federal regulatory requirements governing insurance, securities, workers' compensation, unemployment insurance, and occupational health and safety;

(D) inspection requirements;

(E) records to be kept by licensees and the required availability of the records;

(F) employment and training requirements;

(G) security requirements, including any appropriate lighting, physical security, video, and alarm requirements;

(H) health and safety requirements;

(I) regulation of additives to cannabis and cannabis products, including cannabidiol derived from hemp and substances that are toxic or designed to make the product more addictive, more appealing to persons under 21 years of age, or to mislead consumers;

(J) procedures for seed-to-sale traceability of cannabis, including any requirements for tracking software;

(K) regulation of the storage and transportation of cannabis;

(L) sanitary requirements;

(M) procedures for the renewal of a license, which shall allow renewal applications to be submitted up to 90 days prior to the expiration of the cannabis establishment's license;

(N) procedures for suspension and revocation of a license;

(O) requirements for banking and financial transactions, including provisions to ensure that the Board, the Department of Financial Regulation, and financial institutions have access to relevant information concerning licensed establishments to comply with State and federal regulatory requirements;

(P) disclosure or eligibility requirements for a financier, its owners and principals, and its affiliates, which may include:

(i) requirements to disclose information to a licensed establishment, the Board, or the Department of Financial Regulation;

(ii) a minimum age requirement and a requirement to conduct a background check for natural persons;

(iii) requirements to ensure that a financier complies with applicable State and federal laws governing financial institutions, licensed lenders, and other financial service providers; and

(iv) any other requirements, conditions, or limitations on the type or amount of loans or capital investments made by a financier or its affiliates, which the Board, in consultation with the Department of Financial Regulation, determines are necessary to protect the public health, safety, and general welfare;

(Q) policies and procedures for conducting outreach and promoting participation in the regulated cannabis market by diverse groups of individuals, including those who have been disproportionately harmed by cannabis prohibition;

(R) advertising and marketing; ~~and~~

(S) requirements for cannabis control testing of hemp, hemp-infused products, cannabis, and cannabis products; and

(T) requirements and criteria governing licensee applications to change ownership, control, or location.

* * *

(5) Rules concerning retailers shall include:

* * *

(F) location or siting requirements that increase the geographic distribution of ~~new~~ cannabis retail establishments based on regional population ~~and~~, market needs, and community input; and

* * *

(9) Rules concerning trim and harvest services shall include:

(A) requirements for verification of the licenses of clients;

(B) essential content and permissible terms of written service contracts, including provisions for security and diversion prevention;

(C) provisions to ensure safe and lawful transportation and lodging of travelling personnel;

(D) essential content of employee health, safety, and skills training, including first aid and recognition of common pests and pathogens;

(E) requirements appropriate to minimize the risk of pest and pathogen transmission; and

(F) procedures for documenting lawful compensation.

* * *

Sec. 5. 7 V.S.A. § 883 is amended to read:

§ 883. CRIMINAL BACKGROUND RECORD CHECKS; APPLICANTS

(a) The Board shall obtain from the Vermont Crime Information Center a copy of a fingerprint-based Vermont criminal history records, out-of-state criminal history records, and criminal history records from the Federal Bureau of Investigation for each license applicant, principal of an applicant, and person who controls an applicant who is a natural person. Checks may be repeated for good cause or with prudent frequency as determined by the Board.

(b) The Board shall adopt rules that set forth standards for determining whether an applicant should be denied a cannabis establishment license because of ~~his or her~~ the applicant's criminal history record based on factors that demonstrate whether the applicant presently poses a threat to public safety or the proper functioning of the regulated market. Nonviolent drug offenses shall not automatically disqualify an applicant.

(c) Notwithstanding subsection (a) of this section or subsection 844(b) of this title, if required records are not reasonably available to the Board due to circumstances beyond its control, with the consent of the applicant, the Board may accept third-party criminal background checks ~~submitted by an applicant for a cannabis establishment license or renewal in lieu of obtaining the records from the Vermont Crime Information Center a copy of the person's Vermont fingerprint-based criminal history records, out-of-state criminal history records, and criminal history records from the Federal Bureau of Investigation~~ from a reputable commercial provider. Any such third-party background check shall~~:~~

~~(1) be conducted by a third-party consumer reporting agency or background screening company that is in compliance with the federal Fair Credit Reporting Act; and~~

~~(2)~~ include a multistate and ~~multi-jurisdiction~~ multijurisdiction criminal record locator. Consumer credit scores shall not be a basis for license denial.

Sec. 6. 7 V.S.A. § 884 is amended to read:

§ 884. CANNABIS ESTABLISHMENT IDENTIFICATION CARD

(a) Every owner, principal, and employee of a cannabis establishment shall obtain an identification card issued by the Board. A person may apply for an identification card prior to obtaining employment with a licensee. An employee identification card shall authorize the person to work for any licensee.

(b)(1)(A) Prior to issuing the identification card to an owner or principal of a cannabis establishment, the Board shall obtain from the Vermont Crime Information Center a copy of the person's Vermont fingerprint-based criminal history records, out-of-state criminal history records, and criminal history records from the Federal Bureau of Investigation.

(B) Prior to issuing the identification card to an employee of a cannabis establishment, the Board shall obtain a copy of a fingerprint-based identity history summary record from the Federal Bureau of Investigation.

(2) The Board shall adopt rules that set forth standards for determining whether a person should be denied a cannabis establishment identification card because of ~~his or her~~ the person's criminal history record based on factors that demonstrate whether the applicant presently poses a threat to public safety or the proper functioning of the regulated market. Nonviolent drug offenses shall not automatically disqualify an applicant.

(c) Once an identification card application has been submitted, ~~a person~~ the Board, for good cause, may ~~serve~~ issue a temporary permit authorizing the applicant to serve as an employee of a cannabis establishment pending the background check, provided the person is supervised ~~in his or her duties~~ by someone who is a cardholder. ~~The Board shall issue a temporary permit to the person for this purpose, which shall expire upon the issuance of the identification card or disqualification of the person in accordance with this section~~ Good cause exists if, among other reasons, the application is reasonably expected to take more than 12 days to process.

(d) An identification card shall expire one year after its issuance or, in the case of owners and principals, upon the expiration of the cannabis establishment's license, whichever occurs first.

Sec. 7. 7 V.S.A. § 886 is added to read:

§ 886. INCAPACITY OR DISTRESS; SPECIAL PERMITTING; IMMUNITY

(a) It is the purpose of this section to authorize the Board to effectively oversee cannabis establishments and the persons authorized to operate such establishments in case of incapacity of a principal, dysfunction, operating distress, interruption in licensure, abrupt closure, or judicial intervention including receivership.

(b) The Board may issue a special permit temporarily authorizing a licensed or unlicensed designee of suitable ability and judgment to temporarily operate a cannabis establishment, or to possess, transport, or dispose of cannabis and cannabis products, as specified by the terms of the permit. The permit shall be printed on official Board letterhead, bear the signature of the Chair of the Board, state clearly a means of prompt authentication by law enforcement and licensees, and specify start and end dates and times. A person's eligibility for a permit under this subsection shall not be limited by subdivision 901(d)(3) of this title.

(c) A person acting in conformity with the terms and scope of a special permit issued pursuant to subsection (b) of this section shall be immune from civil and criminal liability in relation to possession, transportation, or transfer of cannabis within the borders of this State. The Board shall not be liable for economic losses resulting from forfeiture, seizure, sequestration, sale stoppage, transportation, storage, or destruction of cannabis or cannabis products.

(d) If appropriate to facilitate judicial proceedings involving a cannabis establishment or its principals, including an action for receivership, a State court of competent jurisdiction may request that the Board determine whether a person is suited by background and qualifications to hold a special permit issued pursuant to subsection (b) of this section for a purpose specified by the court. In the alternative, the court may ask that the Board recommend such person.

Sec. 8. 7 V.S.A. § 901 is amended to read:

§ 901. GENERAL PROVISIONS

(a) Except as otherwise permitted by law, a person shall not engage in the cultivation, preparation, processing, packaging, transportation, testing, or sale of cannabis or cannabis products without obtaining a license from the Board.

(b) All licenses shall be valid for one year and expire at midnight on the eve of the anniversary of the date the license was issued. A licensee may apply to renew the license annually.

(c) Applications for licenses and renewals shall be submitted on forms provided by the Board and shall be accompanied by the fees provided for in section 910 of this title.

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

(A) a cultivator license;

(B) a propagator license;

(C) a wholesaler license;

(D) a product manufacturer license;

(E) a retailer license;

(F) a testing laboratory license; ~~and~~

(G) a trim and harvest service license; and

(H) an integrated license.

(2)(A) The Board shall develop tiers for:

(i) cultivator licenses based on the plant canopy size of the cultivation operation or plant count for breeding stock; and

(ii) retailer licenses.

(B) The Board may develop tiers for other types of licenses.

(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)~~(G) of this subsection (d). Each license shall permit only one location of the establishment, however a trim and harvest service licensee may provide services at multiple other licensed cannabis establishments.

(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)~~(H) 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.

(C) An applicant and its affiliates may obtain multiple testing laboratory licenses.

(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.

(f) Each licensee shall obtain and maintain commercial general liability insurance in accordance with rules adopted by the Board. Failure to provide proof of insurance to the Board, as required, may result in revocation of the license.

(g) All licenses may be renewed according to procedures adopted through rulemaking by the Board.

(h) [Repealed.]

Sec. 9. 7 V.S.A. § 904 is amended to read:

§ 904. CULTIVATOR LICENSE

* * *

(d) Each cultivator shall create packaging for its cannabis.

(1) Packaging shall include:

(A) The name and registration number of the cultivator.

(B) The strain and variety of cannabis contained.

(C) The potency of the cannabis represented by the amount of tetrahydrocannabinol and cannabidiol in milligrams total and per serving.

(D) A ~~"produced on" date reflecting the date that the cultivator finished producing the cannabis~~ "harvested on" date reflecting the date the cultivator harvested the cannabis and a "packed on" date reflecting the date the product was packaged for sale.

(E) Appropriate warnings as prescribed by the Board in rule.

(F) Any additional requirements contained in rules adopted by the Board in accordance with this chapter. Rules shall take into consideration that different labeling requirements may be appropriate depending on whether the cannabis is sold to a wholesaler, product manufacturer, or retailer.

(2) Packaging shall not be designed to appeal to persons under 21 years of age.

* * *

Sec. 10. 7 V.S.A. § 904b is amended to read:

§ 904b. PROPAGATION CULTIVATOR LICENSE

(a) A propagation cultivator licensed under this section may:

(1) cultivate not more than 3,500 square feet of cannabis clones, immature cannabis plants, or mature cannabis plants;

(2) test, transport, and sell cannabis clones and immature cannabis plants to licensed cultivators and retailers; and

(3) test, transport, and sell cannabis seeds that meet the federal definition of hemp to a licensed cultivator or retailer or to the public.

(b) A licensed propagation cultivator shall not cultivate mature cannabis plants for the purpose of producing, harvesting, transferring, or selling cannabis flower for or to any person.

Sec. 11. 7 V.S.A. § 904c is added to read:

§ 904c. TRIM AND HARVEST SERVICE LICENSE

A trim and harvest service licensed under this section may contract with cultivators licensed under section 904 or 904a of this chapter, on a seasonal or temporary basis, to supply specified cannabis maintenance services within the scope of each client-cultivator's license.

Sec. 12. 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) Trim and harvest services. Trim and harvest services shall be assessed an annual licensing fee of $500.00.

(9) Employees. Cannabis establishments licensed by the Board shall be assessed an annual licensing fee of $50.00 for each employee. The Board shall offer one-year and two-year employee licenses.

~~(9)~~(10) 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. Such products may be defined and distinguished in readily accessible published guidance.

~~(10)~~(11) Local licensing fees. Cannabis establishments licensed by the Board shall be assessed an annual local licensing fee of $100.00 in addition to each fee assessed under subdivisions (1)–(7) of this section. Local licensing fees shall be distributed to the municipality in which the cannabis establishment is located pursuant to section 846(c) of this title.

~~(11)~~(12) ~~One-time fees~~ Application fee.

~~(A)~~ All applicants for a cannabis establishment license shall be assessed an initial one-time application fee of $1,000.00.

~~(B) An applicant may choose to be assessed an initial one-time intent-to-apply fee of $500.00. If the applicant subsequently seeks a license within one year after paying the intent-to-apply fee, the initial one-time application fee of $1,000.00 shall be reduced by $500.00.~~

Sec. 12a. CANNABIS CONTROL BOARD REPORT; PROPOSAL FOR FEES AND APPROPRIATIONS FOR FISCAL YEAR 2027

(a) On or before November 15, 2025, the Cannabis Control Board shall submit to the House Committees on Ways and Means and on Government Operations and Military Affairs and the Senate Committees on Finance and on Economic Development, Housing and General Affairs a report that includes the following information:

(1) a summary of all cannabis fees in effect in fiscal year 2026, including the amounts of revenue derived from each fee in fiscal year 2025;

(2) a projection of the fee revenues in fiscal year 2026;

(3) any available information regarding comparable fees in other jurisdictions;

(4) any polices or trends that might affect the viability of the fee amount; and

(5) a recommendation regarding how the cannabis establishment fee schedule as set forth in 7 V.S.A. § 910 may be adjusted to better promote the intent of the General Assembly to encourage participation in the regulated cannabis market by small local farmers and social equity applicants.

(b) As part of the report required under subsection (a) of this section, the Cannabis Control Board shall recommend whether a portion of the cannabis excise tax established pursuant to 32 V.S.A. § 7902 should be allocated to the Cannabis Business Development Fund for uses as provided pursuant to 7 V.S.A. § 987 and the Vermont Land Access and Opportunity Board to fulfill the duties of the Board.

Sec. 13. 32 V.S.A. § 3260 is amended to read:

§ 3260. BULK SALES

(a) Whenever a person (transferor) required to collect or withhold a trust tax pursuant to chapter 151, 207, 225, or 233 of this title shall make any sale, transfer, long-term lease, or assignment (transfer) in bulk of any part or the whole of the assets of a business, otherwise than in the ordinary course of the business, the purchaser, transferee or assignee (transferee) shall, at least 10 days before taking possession of the subject of the transfer or before payment therefore if earlier, notify the Commissioner in writing of the proposed sale and of the price, terms, and conditions thereof whether or not the transferor has represented to or informed the transferee that the transferor owes any trust tax pursuant to chapter 151, 207, 225, or 233 and whether or not the transferee has knowledge that such taxes are owed, and whether any taxes are in fact owed.

(b) Whenever the transferee shall fail to give notice to the Commissioner as required by subsection (a) of this section, or whenever the Commissioner shall inform the transferee that a possible claim for tax exists, any sums of money, property, or choses in action, or other consideration, which the transferee is required to transfer over to or for the transferor, shall be subject to a first priority right and lien for any taxes theretofore or thereafter determined to be due from the transferor to the State, and the transferee is forbidden to transfer the consideration to or for the transferor to the extent of the amount of the State's claim.

(c) For failure to comply with this section, the transferee shall be personally liable for the payment to the State of any taxes theretofore or thereafter determined to be due to the State from the transferor and the liability may be assessed and enforced in the same manner as the liability for tax under chapter 151, 207, 225, or 233.

* * *

Sec. 13a. 32 V.S.A. § 7702 is amended to read:

§ 7702. DEFINITIONS

As used in this chapter unless the context otherwise requires:

* * *

(15) "Other tobacco products" means any product manufactured from, derived from, or containing tobacco or nicotine, whether natural or synthetic, including nicotine alkaloids and nicotine analogs, that is intended for human consumption by smoking, chewing, or in any other manner, including products sold as a tobacco substitute, as defined in 7 V.S.A. § 1001(8), and including

any liquids, whether nicotine based or not, or delivery devices sold separately for use with a tobacco substitute, but shall not include cigarettes, little cigars, roll-your-own tobacco, snuff, new smokeless tobacco as defined in this section, or cannabis products as defined in 7 V.S.A. § 831.

* * *

(20) "New smokeless tobacco" means any tobacco product manufactured from, derived from, or containing tobacco or nicotine, whether natural or synthetic, including nicotine alkaloids and nicotine analogs, that is not intended to be smoked, has a moisture content of less than 45 percent, or is offered in individual single-dose tablets or other discrete single-use units.

* * *

Sec. 14. 2020 Acts and Resolves No. 164, Sec. 6d, as amended by 2023 Acts and Resolves No. 3, Sec. 90, is further amended to read:

Sec. 6d. [Deleted.]

Sec. 15. CANNABIS CONTROL BOARD; ENFORCEMENT ATTORNEY; POSITION

One full-time, permanent, exempt position of Enforcement Attorney is authorized in the Cannabis Control Board in fiscal year 2026.

Sec. 15a. CANNABIS SHOWCASE EVENT PERMIT PILOT

(a) A licensed retail cannabis establishment in good standing with the Board may apply to the Board for a cannabis showcase event permit. Multiple retailers may apply and be granted permission to participate in each event, but the Board shall allow not more than five events between July 1, 2025 and December 31, 2026, and such events shall be issued in geographically dispersed locations.

(b) A permit issued under this section shall authorize the recipient to coordinate, oversee, and be the responsible administrator of a single, defined commercial event, held at a defined access-controlled location, for a defined period not to exceed 24 hours, at which cannabis or cannabis products lawfully may be purchased and possessed by screened participants acting in conformity with terms set out by the Board in the issued permit.

(c) To be eligible for a cannabis showcase event permit, an applicant retail cannabis establishment shall demonstrate to the Board's satisfaction:

(1) written approval to pursue a permit in the proposed location, from the cannabis control commission created by the municipality pursuant to 7 V.S.A. § 863, if one exists, or from the local legislative body or designee;

(2) partnership with a minimum of three tier 1 or tier 2 licensed cultivators or product manufacturers that are in good standing with the Board and wholly independent of the retail cannabis establishment and its affiliates who will be showcased at the event;

(3) a commitment that the retailer will not offer for sale any cannabis or cannabis products produced from a cultivator license or product manufacturer license held by the retailer;

(4) a transparent revenue-sharing agreement that, in the Board's sole judgment, meaningfully promotes the goals of the General Assembly to promote market access for small cultivators;

(5) a security plan to ensure 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;

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

(7) actual capacity and intent to administer and enforce and apply the required plans;

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

(9) compliance with such other requirements as the Board may prescribe.

(d) 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) Permittee cannabis establishments shall be assessed a fee of $250.00 to apply for a Cannabis Showcase 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) The Board shall prioritize social equity applicants, as defined by 7 V.S.A. § 911 and any related rules, when deciding whether to approve an application under this section.

Sec 15b. CANNABIS RETAIL SALES REPORT

The Cannabis Control Board shall monitor and evaluate events authorized under Sec. 15a of this act. On or before January 15, 2026, the Board shall

provide an interim report and, on or before January 15, 2027, a final report to the House Committee on Government Operations and Military Affairs and the Senate Committee on Economic Development, Housing and General Affairs on a concise assessment of the benefits, challenges, and administrative viability of offering cannabis retail sales at events outside the confines of a retail cannabis establishment. The Board may recommend best practices for, among other considerations, security, inventory tracking, tax enforcement, permit administration, local government coordination, and optimizing market access for small cultivators.

Sec. 16. EFFECTIVE DATES

This act shall take effect July 1, 2025, except that Sec. 2a (7 V.S.A. § 845) shall take effect on July 1, 2026.

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

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

First: By striking out Sec. 2a, 7 V.S.A. § 845, in its entirety and inserting in lieu thereof the following:

Sec. 2a. [Deleted.]

Second: By striking out Sec. 15, Cannabis Control Board; enforcement attorney; position, in its entirety and inserting in lieu thereof the following:

Sec. 15. [Deleted.]

Third: By striking out Sec. 16, effective dates, in its entirety and inserting in lieu thereof the following:

Sec. 16. EFFECTIVE DATES

This act shall take effect July 1, 2025, except that Sec. 2a (7 V.S.A. § 845) shall take effect on July 1, 2026.

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

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

Thereupon, the recommendation of proposal of amendment of the Committee on Economic Development, Housing and General Affairs, was amended as recommend by the Committee on Finance, as amended.

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

Rules Suspended; Bill Messaged

On motion of Senator Baruth, the rules were suspended, and the following bill was ordered messaged to the House forthwith:

H. 397.

Adjournment

On motion of Senator Baruth the Senate recessed until three o'clock in the afternoon.

Called to Order

The Senate was called to order by the President.

Message from the House No. 72

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 bills originating in the Senate of the following titles:

S. 45. An act relating to protection from nuisance suits for agricultural activities.

S. 122. An act relating to economic and workforce development.

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

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. 123. An act relating to miscellaneous changes to laws related to motor vehicles.

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

Rep. Walker of Swanton
Rep. Pouech of Hinesburg
Rep. White of Waitsfield.

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. 127. An act relating to housing and housing development.

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

Rep. Mihaly of Calais
Rep. Kimbell of Woodstock
Rep. Marcotte of Coventry.

The Governor has informed the House that on May 27, 2025, he approved and signed bills originating in the House of the following titles:

H. 167. An act relating to establishing the Vermonters Feeding Vermonters Grant at the Agency of Agriculture, Food and Markets.

H. 339. An act relating to removing the repeal of 7 V.S.A. § 230.

H. 364. An act relating to approval of the annexation of property by the Village of Swanton.

H. 396. An act relating to the creation of the Mollie Beattie Distinguished Service Award.

H. 481. An act relating to stormwater management.

Senate Resolution Referred

S.R. 15.

Senate resolution of the following title was offered, read the first time and is as follows:

Offered by Senators Vyhovsky, Baruth, Beck, Bongartz, Brennan, Brock, Chittenden, Clarkson, Collamore, Cummings, Douglass, Gulick, Hardy, Hart, Harrison, Hashim, Heffernan, Ingalls, Lyons, Major, Mattos, Norris, Perchlik, Plunkett, Ram Hinsdale, Watson, Westman, White and Williams,

S.R. 15. Senate resolution relating to urging that all State agencies, departments, and offices protect the civil rights, medical confidentiality, and all aspects of personal privacy of Vermonters who have been diagnosed with autism in light of the Secretary of the U.S. Health and Human Services' recently announced plans to establish an autism research database and other databases related to autism.

Whereas, the State of Vermont is fully committed to ensuring the enforcement of the rights of individuals with disabilities and the provision of inclusive services and person-centered systems of care, and

Whereas, individuals with autism contribute their talents, perspectives, and problem-solving abilities to strengthen Vermont's workforce; enrich families and communities; and advance innovation in science, technology, the arts, and beyond, and

Whereas, autism is a neurological difference, not a disease or an epidemic, and

Whereas, the rising autism identification rates, which trained clinicians and health care professionals are documenting, are attributable to improved diagnostic practices, greater awareness of autism, and expanded access to screening tools, and

Whereas, individuals with disabilities, including individuals with autism, are too often stigmatized and underestimated, and public policy should never diminish the diverse strengths and potential of these Vermonters, and

Whereas, the Secretary of the U.S. Department of Health and Human Services, Robert F. Kennedy Jr., has announced plans to establish a federal research database intended to be used to investigate the root causes of autism, and

Whereas, this new database will be a compilation of information derived from individuals' insurance claims; electronic medical records; and wearable devices, such as smart watches, and

Whereas, although this new database is no longer characterized as an "autism registry," as Secretary Kennedy and National Institutes of Health Director, Dr. Jay Bhattacharya, had previously announced, and despite public promises of personal and medical privacy, significant concerns remain regarding the potential use of Vermonters' sensitive, personally identifiable health care information without their specific and informed consent, and

Whereas, the Governor of the State of Illinois has issued Executive Order 2025-02 (the EO) to ensure that Illinois state officials fully comply with all applicable state and federal legal privacy protections in matters affecting the collection and use of information of persons being tested for, or who have been diagnosed with, autism, or in any database that now or may in the future exist that includes personal information related to autism; that the information not be collected, unless dong so is strictly necessary for authorized purposes; and that the information not be disclosed outside state government except if one of the conditions listed in the EO is met, and

Whereas, it is imperative that Vermont officials are similarly vigilant in their protection of personal data being collected for any type of analysis or assessment related to autism, *now therefore be it*

Resolved by the Senate:

That the Senate of the State of Vermont urges that all State agencies, departments, and offices do everything in their power to protect the civil rights, medical confidentiality, and all aspects of personal privacy of Vermonters who have been diagnosed with autism, *and be it further*

Resolved: That the Secretary of the Senate be directed to send a copy of this resolution to the U.S. Secretary of Health and Human Services, the Director of the National Institutes of Health, the Vermont Congressional Delegation, the Vermont Secretary of Human Services, the Vermont Human Rights Commission, and the Governor.

Thereupon, the President, in his discretion, treated the joint resolution as a bill and referred it to the Committee on Health and Welfare.

Rules Suspended; Bills Placed in All Remaining Stages of Passage

On motion of Baruth, the rules were suspended, and the following bills were placed in all remaining stages of passage:

H. 321, H. 458, H. 484.

Bill Passed in Concurrence with Proposal of Amendment

H. 321.

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

An act relating to miscellaneous cannabis amendments.

Bill Passed in Concurrence

H. 458.

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

An act relating to the Agency of Digital Services.

Proposal of Amendment; Amendment Withdrawn; Bill Passed in Concurrence with Proposal of Amendment;

H. 484.

House bill entitled:

An act relating to miscellaneous agricultural subjects.

Was taken up.

Thereupon, pending third reading of the bill, Senator Brennan moved to amend the Senate proposal of amendment as follows:

By inserting five new sections to be Secs. 17-21 to read as follows:

* * * Wetlands; Permitting * * *

Sec. 17. 10 V.S.A. § 902 is amended to read:

§ 902. DEFINITIONS

Wherever used or referred to in this chapter, unless a different meaning clearly appears from the context:

* * *

(7) "Class II wetland" means a wetland other than a Class I or Class III wetland that:

(A) is a mapped wetland identified on the Vermont significant wetlands inventory maps; or

(B) is an unmapped wetland that the Secretary determines to merit protection, pursuant to section 914 of this title, based upon an evaluation of the extent to which it serves the functions and values set forth in subdivision 905b(18)(A) of this title and the rules of the Department.

(8) "Class III wetland" means a wetland that is neither a Class I wetland nor a Class II wetland.

(9) "Buffer zone" means an area contiguous to a significant wetland that protects the wetland's functions and values.

(A) ~~The~~ Except as provided in subdivision (B) of this subdivision (9):

(i) the buffer zone for a Class I wetland shall extend at least 100 feet from the border of the wetland~~,~~ unless the Department determines otherwise under section 915 of this title~~. The~~; and

(ii) the buffer zone for a Class II wetland shall extend at least 50 feet from the border of the wetland unless the Secretary determines otherwise under section 914 of this title.

(B) The buffer zone of a Class II wetland shall be 25 feet when the wetland is located in:

(i) an industrial park, as that term is defined in subdivision 212(7) of this title, that is permitted under chapter 151 of this title;

(ii) designated centers designated under 24 V.S.A. chapter 76A;

(iii) Tier 1A and Tier 1B areas approved by the Land Use Review Board; or

(iv) locations meeting the requirements established in subsection 6081(z) of this title as eligible for an interim exemption from the permit or permit amendment requirements of chapter 151 of this title.

(10) ~~"Panel" means the Water Resources Panel of the Agency of Natural Resources.~~

~~(11)~~ "Significant wetland" means any Class I or Class II wetland.

~~(12)~~(11) "Secretary" means the Secretary of Natural Resources or the Secretary's authorized representative.

~~(13)~~(12) "Dam removal" has the same meaning as in section 1080 of this title.

Sec. 18. 10 V.S.A. § 913 is amended to read:

§ 913. PROHIBITION

(a) Except for allowed uses adopted by the Department by rule, no person shall conduct or allow to be conducted an activity in a significant wetland or buffer zone of a significant wetland except in compliance with a permit, conditional use determination, or order issued by the Secretary.

(b) A permit shall not be required under this section for:

(1) any activity that occurred before the effective date of this section unless the activity occurred within:

(A) an area identified as a wetland on the Vermont significant wetlands inventory maps;

(B) a wetland that was contiguous to an area identified as a wetland on the Vermont significant wetlands inventory maps; or

(C) the buffer zone of a wetland referred to in subdivision (A) or (B) of this subdivision (1);

(2) any construction within a wetland that is identified on the Vermont significant wetlands inventory maps or within the buffer zone of such a wetland, provided that the construction was completed prior to February 23, 1992, and no action for which a permit is required under the rules of the Department was taken or caused to be taken on or after February 23, 1992; or

(3) any construction or activity in an unmapped Class II wetland located in:

(A) an industrial park, as that term is defined in subdivision 212(7) of this title, that is permitted under chapter 151 of this title;

(B) designated centers designated under 24 V.S.A. chapter 76A;

(C) Tier 1A and Tier 1B areas approved by the Land Use Review Board; or

(D) locations meeting the requirements established in subsection 6081(z) of this title as eligible for an interim exemption from the permit or permit amendment requirements of chapter 151 of this title.

Sec. 19. 10 V.S.A. § 914 is amended to read:

§ 914. WETLANDS DETERMINATIONS

(a) The Secretary may, upon a petition or on ~~his or her~~ the Secretary's own motion, determine whether any wetland is a Class II or Class III wetland. ~~Such~~ The Secretary's determinations shall be based on an evaluation of the functions and values set forth in subdivision 905b(18)(A) of this title and the rules of the Department.

(b) The Secretary may establish the necessary width of the buffer zone of any Class II wetland as part of any wetland determination pursuant to the rules of the Department, except that the buffer zone of a Class II wetland shall be 25 feet when the wetland is located in:

(1) an industrial park, as that term is defined in subdivision 212(7) of this title, that is permitted under chapter 151 of this title;

(2) designated centers designated under 24 V.S.A. chapter 76A;

(3) Tier 1A and Tier 1B areas approved by the Land Use Review Board; or

(4) locations meeting the requirements established in subsection 6081(z) of this title as eligible for an interim exemption from the permit or permit amendment requirements of chapter 151 of this title.

* * *

Sec. 20. 10 V.S.A. § 918 is amended to read:

§ 918. NET GAIN OF WETLANDS; STATE GOAL; RULEMAKING

(a) On or before July 1, ~~2025~~ 2026, the Secretary of Natural Resources shall amend the Vermont Wetlands Rules pursuant to 3 V.S.A. chapter 25 to clarify that the goal of wetlands regulation and management in the State is the net gain of wetlands to be achieved through protection of existing wetlands and restoration of wetlands that were previously adversely affected. ~~This~~

~~condition shall not apply to wetland, river, and flood plain restoration projects, including dam removals.~~

(b)(1) The Vermont Wetlands Rules shall prioritize the protection of existing intact wetlands from adverse effects.

(2) Where a permitted activity in a wetland will cause more than 5,000 square feet of adverse effects that cannot be avoided, the Secretary shall mandate that the permit applicant restore, enhance, or create wetlands or buffers to compensate for the adverse effects on a wetland. The amount of wetlands to be restored, enhanced, or created shall be calculated, at a minimum, by determining the acreage or square footage of wetlands permanently drained or filled as a result of the permitted activity and multiplying that acreage or square footage by two, to result in a ratio of 2:1 restoration to wetland loss, except that a ratio of 1:1 restoration to wetland loss shall apply in:

(A) an industrial park, as that term is defined in subdivision 212(7) of this title, that is permitted under chapter 151 of this title;

(B) designated centers designated under 24 V.S.A. chapter 76A;

(C) Tier 1A and Tier 1B areas approved by the Land Use Review Board; or

(D) locations meeting the requirements established in subsection 6081(z) of this title as eligible for an interim exemption from the permit or permit amendment requirements of chapter 151 of this title.

(3) Establishment of a buffer zone contiguous to a wetland shall not substitute for the restoration, enhancement, or creation of wetlands. Adverse impacts to wetland buffers shall be compensated for based on the effects of the impact on wetland function.

* * *

Sec. 21. 10 V.S.A. § 919 is amended to read:

§ 919. WETLANDS PROGRAM REPORTS

(a) On or before April 30, 2025, and annually thereafter, the Secretary of Natural Resources shall submit to the House Committee on Environment ~~and Energy~~ and to the Senate Committee on Natural Resources and Energy a report on annual losses and gains of significant wetlands in the State. The report shall include:

(1) the location and acreage of Class II wetland and buffer losses permitted by the Agency in accordance with section 913 of this title, for which construction of the permitted project has commenced;

(2) the acreage of Class II wetlands and buffers gained through permit-related enhancement and restoration, and an estimate of wetlands gained through wetlands, river, and floodplain restoration projects, including dam removals;

(3) the number of site visits and technical assistance calls conducted by the Agency of Natural Resources, the number of permits processed by the Agency, and any enforcement actions that were taken by the Agency or the Office of the Attorney General in the previous year for violations of this chapter; and

(4) an updated mitigation summary of the extent of wetlands restored on-site compared with compensation performed off-site, in-lieu fees paid, or conservation.

* * *

(c) On or before December 15, 2025, the Agency of Natural Resources shall publish on its website and submit to the House Committee on Environment and to the Senate Committee on Natural Resources and Energy wetland guidance on the mitigation and compensation sequence contemplated in the Vermont Wetland Rules subsections 9.5(b) and (c). The guidance shall clearly identify the process applicants should follow and the information and proof necessary to demonstrate a project has practicably avoided and minimized wetland impacts and is eligible for mitigation during the State wetland permit application process.

And by renumbering the remaining section.

Thereupon, pending the question, Shall the Senate proposal of amendment be amended as recommended by Senator Brennan?, Senator Brennan requested and was granted leave to withdraw the recommendation of amendment.

Thereupon, the bill was read the third time and passed in concurrence with proposal of amendment.

Rules Suspended; Immediate Consideration; House Proposal of Amendment to Senate Proposal of Amendment Concurred In

H. 209.

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

An act relating to intranasal epinephrine in schools.

Was taken up for immediate consideration.

The House concurs in the Senate proposal of amendment with further proposal of amendment thereto in Sec. 1, 16 V.S.A. § 1388, in subdivision (a)(6), by inserting "or registered nurses certified through the Office of Professional Regulation and contracted to perform the duties of a school nurse" before the period.

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

Rules Suspended; Bills Messaged

On motion of Senator Baruth, the rules were suspended, and the following bills were ordered messaged to the House forthwith:

H. 209, H. 321, H. 458, H. 484.

Adjournment

On motion of Senator Baruth the Senate adjourned until ten o'clock in the forenoon on Thursday, May 29, 2025.

THURSDAY, MAY 29, 2025

The Senate was called to order by the President.

Devotional Exercises

A moment of silence was observed in lieu of devotions.

Message from the Governor

A message was received from His Excellency, the Governor, by Mr. Jason G. Gibbs, Secretary of Civil and Military Affairs, as follows:

Mr. President:

I am directed by the Governor to inform the Senate that on the twenty-eighth day of May, 2025, he approved and signed bills originating in the Senate of the following titles:

S. 50. An act relating to increasing the size of solar net metering projects that qualify for expedited registration.

S. 87. An act relating to extradition procedures.

S. 117. An act relating to wage and hour, unemployment compensation, and workers' compensation.

Message from the House No. 73

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

S. 12. An act relating to sealing criminal history records.

And has adopted the same on its part.

Message from the Governor
Appointments Referred

A message was received from the Governor, by Ms. Jaye Pershing Johnson, Secretary of Civil and Military Affairs, submitting the following appointments, which were referred to committees as indicated:

Brown, Peter of Manchester, NH - Member of the Council for Equitable Youth Justice - from April 28, 2025 to February 28, 2026.

To the Committee on Judiciary.

Chase, Heather of Chester - Member of the Vermont Economic Progress Council - from April 28, 2025 to March 31, 2029.

To the Committee on Economic Development, Housing and General Affairs.

Chicoine, Angela A. of Essex Junction - Member of the Parole Board - from April 28, 2025 to February 29, 2028.

To the Committee on Institutions.

Corey, Jeffrey of Fairfax - Member of the Fish and Wildlife Board - from March 5, 2025 to February 28, 2031.

To the Committee on Natural Resources and Energy.

Keane, Michael of North Bennington - Member of the Vermont Economic Progress Council - from April 28, 2025 to March 31, 2029.

To the Committee on Economic Development, Housing and General Affairs.

King, Mercedes of White River Junction - Member of the Council for Equitable Youth Justice - from April 28, 2025 to February 28, 2028.

To the Committee on Judiciary.

Loranger, Pamela of Colchester - Member of the Transportation Board - from March 1, 2025 to February 29, 2028.

To the Committee on Transportation.

Nicholson, Mark of Danville - Member of the Transportation Board - from March 1, 2025 to February 29, 2028.

To the Committee on Transportation.

Nicholson, Mark of Danville - Member of the Vermont Economic Progress Council - from April 28, 2025 to March 31, 2029.

To the Committee on Economic Development, Housing and General Affairs.

Robinson, Robert of Cambridge - Member of the Transportation Board - from March 7, 2025 to February 29, 2028.

To the Committee on Transportation.

Samsom, Kaj of Montpelier - Commissioner, Department of Financial Regulation - from April 14, 2025 to February 28, 2027.

To the Committee on Finance.

Smith, Rachel of St. Albans - Member of the Vermont Economic Progress Council - from April 28, 2025 to March 31, 2029.

To the Committee on Economic Development, Housing and General Affairs.

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

To the Committee on Transportation.

House Proposal of Amendment Concurred In with Amendment

S. 69.

House proposal of amendment to Senate bill entitled:

An act relating to an age-appropriate design code.

Was taken up.

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

Sec. 1. 9 V.S.A. chapter 62, subchapter 6 is added to read:

Subchapter 6. Vermont Age-Appropriate Design Code Act

§ 2449a. DEFINITIONS

As used in this subchapter:

(1)(A) "Affiliate" means a legal entity that shares common branding with another legal entity or controls, is controlled by, or is under common control with another legal entity.

(B) As used in subdivision (A) of this subdivision (1), "control" or "controlled" means:

(i) ownership of, or the power to vote, more than 50 percent of the outstanding shares of any class of voting security of a company;

(ii) control in any manner over the election of a majority of the directors or of individuals exercising similar functions; or

(iii) the power to exercise controlling influence over the management of a company.

(2) "Age assurance" encompasses a range of methods used to determine, estimate, or communicate the age or an age range of an online user.

(3) "Age range" means either an interval with an upper and lower age limit or a label indicating age above or below a specific age.

(4) "Algorithmic recommendation system" means a system that uses an algorithm to select, filter, and arrange media on a covered business's website for the purpose of selecting, recommending, or prioritizing media for a user.

(5)(A) "Biometric data" means data generated from the technological processing of an individual's unique biological, physical, or physiological characteristics that allow or confirm the unique identification of the consumer, including:

(i) iris or retina scans;

(ii) fingerprints;

(iii) facial or hand mapping, geometry, or templates;

(iv) vein patterns;

(v) voice prints or vocal biomarkers; and

(vi) gait or personally identifying physical movement or patterns.

(B) "Biometric data" does not include:

(i) a digital or physical photograph;

(ii) an audio or video recording; or

(iii) any data generated from a digital or physical photograph, or an audio or video recording, unless such data is generated to identify a specific individual.

(6) "Business associate" has the same meaning as in the Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191 (HIPAA).

(7) "Collect" means buying, renting, gathering, obtaining, receiving, or accessing any personal data by any means. This includes receiving data from the consumer, either actively or passively, or by observing the consumer's behavior.

(8) "Compulsive use" means the repetitive use of a covered business's service that materially disrupts one or more major life activities of a minor, including sleeping, eating, learning, reading, concentrating, communicating, or working.

(9)(A) "Consumer" means an individual who is a resident of the State.

(B) "Consumer" 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, or government agency whose communications or transactions with the covered business occur solely within the context of that individual's role with the company, partnership, sole proprietorship, nonprofit, or government agency.

(10) "Covered business" means a sole proprietorship, partnership, limited liability company, corporation, association, other legal entity, or an affiliate thereof:

(A) that conducts business in this State;

(B) that generates a majority of its annual revenue from online services;

(C) whose online products, services, or features are reasonably likely to be accessed by a minor;

(D) that collects consumers' personal data or has consumers' personal data collected on its behalf by a processor; and

(E) that alone or jointly with others determines the purposes and means of the processing of consumers personal data.

(11) "Covered entity" has the same meaning as in HIPAA.

(12) "Covered minor" is a consumer who a covered business actually knows is a minor or labels as a minor pursuant to age assurance methods in rules adopted by the Attorney General.

(13) "Default" means a preselected option adopted by the covered business for the online service, product, or feature.

(14) "De-identified data" means data that does not identify and cannot reasonably be used to infer information about, or otherwise be linked to, an identified or identifiable individual, or a device linked to the individual, if the covered business that possesses the data:

(A)(i) takes reasonable measures to ensure that the data cannot be used to reidentify an identified or identifiable individual or be associated with an individual or device that identifies or is linked or reasonably linkable to an individual or household; and

(ii) for purposes of this subdivision (A), "reasonable measures" includes the de-identification requirements set forth under 45 C.F.R. § 164.514 (other requirements relating to uses and disclosures of protected health information);

(B) publicly commits to process the data only in a de-identified fashion and not attempt to reidentify the data; and

(C) contractually obligates any recipients of the data to comply with all provisions of this subchapter.

(15) "Derived data" means data that is created by the derivation of information, data, assumptions, correlations, inferences, predictions, or conclusions from facts, evidence, or another source of information or data about a minor or a minor's device.

(16) "Genetic data" means any data, regardless of its format, that results from the analysis of a biological sample of an individual, or from another source enabling equivalent information to be obtained, and concerns genetic material, including deoxyribonucleic acids (DNA), ribonucleic acids (RNA), genes, chromosomes, alleles, genomes, alterations or modifications to DNA or RNA, single nucleotide polymorphisms (SNPs), epigenetic markers, uninterpreted data that results from analysis of the biological sample or other source, and any information extrapolated, derived, or inferred therefrom.

(17) "Identified or identifiable individual" means an individual who can be readily identified, directly or indirectly, including by reference to an identifier such as a name, an identification number, specific geolocation data, or an online identifier.

(18) "Known adult" is a consumer who a covered business actually knows is an adult or labels as an adult pursuant to age assurance methods in rules adopted by the Attorney General.

(19) "Minor" means an individual under 18 years of age.

(20) "Online service, product, or feature" means a digital product that is accessible to the public via the internet, including a website or application, and does not mean any of the following:

(A) telecommunications service, as defined in 47 U.S.C. § 153;

(B) a broadband internet access service as defined in 47 C.F.R. § 54.400; or

(C) the sale, delivery, or use of a physical product.

(21)(A) "Personal data" means any information, including derived data and unique identifiers, that is linked or reasonably linkable, alone or in combination with other information, to an identified or identifiable individual or to a device that identifies, is linked to, or is reasonably linkable to one or more identified or identifiable individuals in a household.

(B) Personal data does not include de-identified data or publicly available information.

(22) "Process" or "processing" means any operation or set of operations performed, whether by manual or automated means, on personal data or on sets of personal data, such as the collection, use, storage, disclosure, analysis, deletion, modification, or otherwise handling of personal data.

(23) "Processor" means a person who processes personal data on behalf of:

(A) a covered business;

(B) another processor; or

(C) a federal, state, tribal, or local government entity.

(24) "Profiling" means any form of automated processing performed on personal data to evaluate, analyze, or predict personal aspects, including an individual's economic situation, health, personal preferences, interests, reliability, behavior, location, movements, or identifying characteristics.

(25)(A) "Publicly available information" means information that:

(i) is made available through federal, state, or local government records or to the general public from widely distributed media; or

(ii) a covered business has a reasonable basis to believe that the consumer has lawfully made available to the general public.

(B) "Publicly available information" does not include:

(i) biometric data collected by a business about a consumer without the consumer's knowledge;

(ii) information that is collated and combined to create a consumer profile that is made available to a user of a publicly available website either in exchange for payment or free of charge;

(iii) information that is made available for sale;

(iv) an inference that is generated from the information described in subdivision (ii) or (iii) of this subdivision (25)(B);

(v) any obscene visual depiction, as defined in 18 U.S.C. § 1460;

(vi) personal data that is created through the combination of personal data with publicly available information;

(vii) genetic data, unless otherwise made publicly available by the consumer to whom the information pertains;

(viii) information provided by a consumer on a website or online service made available to all members of the public, for free or for a fee, where the consumer has maintained a reasonable expectation of privacy in the information, such as by restricting the information to a specific audience; or

(ix) intimate images, authentic or computer-generated, known to be nonconsensual.

(26) "Reasonably likely to be accessed" means an online service, product, or feature that is reasonably likely to be accessed by a covered minor based on any of the following indicators:

(A) the online service, product, or feature is directed to children, as defined by the Children's Online Privacy Protection Act, 15 U.S.C. §§ 6501–6506 and the Federal Trade Commission rules implementing that Act;

(B) the online service, product, or feature is determined, based on competent and reliable evidence regarding audience composition, to be routinely accessed by an audience that is composed of at least two percent minors two through 17 years of age;

(C) the audience of the online service, product, or feature is determined, based on internal company research, to be composed of at least two percent minors two through 17 years of age; or

(D) the covered business knew or should have known that at least two percent of the audience of the online service, product, or feature includes minors two through 17 years of age, provided that, in making this assessment, the business shall not collect or process any personal data that is not reasonably necessary to provide an online service, product, or feature with which a minor is actively and knowingly engaged.

(27)(A) "Social media platform" means a public or semipublic internet-based service or application that is primarily intended to connect and allow a user to socially interact within such service or application and enables a user to:

(i) construct a public or semipublic profile for the purposes of signing into and using such service or application;

(ii) populate a public list of other users with whom the user shares a social connection within such service or application; or

(iii) create or post content that is viewable by other users, including content on message boards and in chat rooms, and that presents the user with content generated by other users.

(B) "Social media platform" does not mean a public or semipublic internet-based service or application that:

(i) exclusively provides email or direct messaging services; or

(ii) is used by and under the direction of an educational entity, including a learning management system or a student engagement program.

(28) "Third party" means a natural or legal person, public authority, agency, or body other than the covered minor or the covered business.

§ 2449b. EXCLUSIONS

This subchapter does not apply to:

(1) a federal, state, tribal, or local government entity in the ordinary course of its operation;

(2) protected health information that a covered entity or business associate processes in accordance with, or documents that a covered entity or business associate creates for the purpose of complying with, HIPAA;

(3) information used only for public health activities and purposes described in 45 C.F.R. § 164.512;

(4) information that identifies a consumer in connection with:

(A) activities that are subject to the Federal Policy for the Protection of Human Subjects as set forth in 45 C.F.R. Part 46;

(B) research on human subjects undertaken in accordance with good clinical practice guidelines issued by the International Council for Harmonisation of Technical Requirements for Pharmaceuticals for Human Use;

(C) activities that are subject to the protections provided in 21 C.F.R. Part 50 and 21 C.F.R. Part 56; or

(D) research conducted in accordance with the requirements set forth in subdivisions (A)–(C) of this subdivision (4) or otherwise in accordance with State or federal law;

(5) an entity whose primary purpose is journalism as defined in 12 V.S.A. § 1615(a)(2) and that has a majority of its workforce consisting of individuals engaging in journalism; and

(6) a financial institution subject to Title V of the Gramm-Leach-Bliley Act, Pub. L. No. 106-102, and regulations adopted to implement that act.

§ 2449c. MINIMUM DUTY OF CARE

(a) A covered business that processes a covered minor's data in any capacity owes a minimum duty of care to the covered minor.

(b) As used in this subchapter, "a minimum duty of care" means the use of the personal data of a covered minor and the design of an online service, product, or feature will not result in:

(1) reasonably foreseeable emotional distress as defined in 13 V.S.A. § 1061(2) to a covered minor;

(2) reasonably foreseeable compulsive use of the online service, product, or feature by a covered minor; or

(3) discrimination against a covered minor based upon race, ethnicity, sex, disability, sexual orientation, gender identity, gender expression, religion, or national origin.

(c) The content of the media viewed by a covered minor shall not establish emotional distress, compulsive use, or discrimination, as those terms are used in subsection (b) of this section.

(d) Nothing in this section shall be construed to require a covered business to prevent or preclude a covered minor from accessing or viewing any piece of media or category of media.

§ 2449d. REQUIRED DEFAULT PRIVACY SETTINGS AND TOOLS

(a) Default privacy settings.

(1) A covered business shall configure all default privacy settings provided to a covered minor through the online service, product, or feature to the highest level of privacy, including the following default settings:

(A) not displaying the existence of the covered minor's account on a social media platform to any known adult user unless the covered minor has expressly and unambiguously allowed a specific known adult user to view their account or has expressly and unambiguously chosen to make their account's existence public;

(B) not displaying media created or posted by the covered minor on a social media platform to any known adult user unless the covered minor has expressly and unambiguously allowed a specific known adult user to view their media or has expressly and unambiguously chosen to make their media publicly available;

(C) not permitting any known adult users to like, comment on, or otherwise provide feedback on the covered minor's media on a social media platform unless the covered minor has expressly and unambiguously allowed a specific known adult user to do so;

(D) not permitting direct messaging on a social media platform between the covered minor and any known adult user unless the covered minor has expressly and unambiguously decided to allow direct messaging with a specific known adult user;

(E) not displaying the covered minor's location to other users, unless the covered minor expressly and unambiguously shares their location with a specific user;

(F) not displaying the users connected to the covered minor on a social media platform unless the covered minor expressly and unambiguously chooses to share the information with a specific user;

(G) disabling search engine indexing of the covered minor's account profile; and

(H) not sending push notifications to the covered minors.

(2) A covered business shall not:

(A) provide a covered minor with a single setting that makes all of the default privacy settings less protective at once; or

(B) request or prompt a covered minor to make their privacy settings less protective, unless the change is strictly necessary for the covered minor to access a service or feature they have expressly and unambiguously requested.

(b) Timely deletion of account. A covered business shall:

(1) provide a prominent, accessible, and responsive tool to allow a covered minor to request the covered minor's account on a social media platform be unpublished or deleted; and

(2) honor that request not later than 15 days after a covered business receives the request.

§ 2449e. TRANSPARENCY

A covered business shall prominently and clearly provide on their website or mobile application:

(1) the covered business' privacy information, terms of service, policies, and community standards;

(2) the purpose of each algorithmic recommendation system in use by the covered business;

(3) inputs used by the algorithmic recommendation system and how each input:

(A) is measured or determined;

(B) uses the personal data of covered minors;

(C) influences the recommendation issued by the system; and

(D) is weighed relative to the other inputs reported in this subdivision (3); and

(4) descriptions, for every feature of the service that uses the personal data of covered minors, of:

(A) the purpose of the service feature;

(B) the personal data collected by the service feature;

(C) the personal data used by the service feature;

(D) how the personal data is used by the service feature;

(E) any personal data transferred to or shared with a processor or third party by the service feature, the identity of the processor or third party, and the purpose of the transfer or sharing; and

(F) how long the personal data is retained.

§ 2449f. PROHIBITED DATA AND DESIGN PRACTICES

(a) Data privacy. A covered business shall not:

(1) collect, sell, share, or retain any personal data of a covered minor that is not necessary to provide an online service, product, or feature with which the covered minor is actively and knowingly engaged;

(2) use previously collected personal data of a covered minor for any purpose other than a purpose for which the personal data was collected, unless necessary to comply with any obligation under this chapter;

(3) permit any individual, including a parent or guardian of a covered minor, to monitor the online activity of a covered minor or to track the location of the covered minor without providing a conspicuous signal to the covered minor when the covered minor is being monitored or tracked;

(4) use the personal data of a covered minor to select, recommend, or prioritize media for the covered minor, unless the personal data is:

(A) the covered minor's express and unambiguous request to receive:

(i) media from a specific account, feed, or user, or to receive more or less media from that account, feed, or user;

(ii) a specific category of media, such as "cat videos" or "breaking news," or to see more or less of that category of media; or

(iii) more or less media with similar characteristics as the media they are currently viewing;

(B) user-selected privacy or accessibility settings; or

(C) a search query, provided the search query is only used to select and prioritize media in response to the search; or

(5) send push notifications to a covered minor between 12:00 midnight and 6:00 a.m.

(b) Rulemaking. The Attorney General shall, on or before January 1, 2027, adopt rules pursuant to this subchapter that prohibits data processing or design practices of a covered business that, in the opinion of the Attorney General, lead to compulsive use or subvert or impair user autonomy, decision making, or choice during the use of an online service, product, or feature of the covered business. The Attorney General shall, at least once every two years, review and update these rules as necessary to keep pace with emerging technology.

§ 2449g. AGE ASSURANCE PRIVACY

(a) Privacy protections for age assurance data. During the process of conducting age assurance, covered businesses and processors shall:

(1) only collect personal data of a user that is strictly necessary for age assurance;

(2) immediately upon determining whether a user is a covered minor, delete any personal data collected of that user for age assurance, except the determination of the user's age range;

(3) not use any personal data of a user collected for age assurance for any other purpose;

(4) not combine personal data of a user collected for age assurance, except the determination of the user's age range, with any other personal data of the user;

(5) not disclose personal data of a user collected for age assurance to a third party that is not a processor; and

(6) implement a review process to allow users to appeal their age determination.

(b) Rulemaking.

(1) Subject to subdivision (2) of this subsection, the Attorney General shall, on or before January 1, 2027, adopt rules identifying commercially reasonable and technically feasible methods for covered businesses and processors to determine if a user is a covered minor, describing appropriate review processes for users appealing their age designations, and providing any additional privacy protections for age assurance data. The Attorney General shall periodically review and update these rules as necessary to keep pace with emerging technology.

(2) In adopting these rules, the Attorney General shall:

(A) prioritize user privacy and accessibility over the accuracy of age assurance methods; and

(B) consider:

(i) the size, financial resources, and technical capabilities of covered businesses and processors;

(ii) the costs and effectiveness of available age assurance methods;

(iii) the impact of age assurance methods on users' safety, utility, and experience;

(iv) whether and to what extent transparency measures would increase consumer trust in an age assurance method; and

(v) the efficacy of requiring covered businesses and processors to:

(I) use previously collected data to determine user age;

(II) adopt interoperable age assurance methods; and

(III) provide users with multiple options for age assurance.

§ 2449h. ENFORCEMENT

(a) A covered business or processor that violates this subchapter or rules adopted pursuant to this subchapter commits an unfair and deceptive act in commerce in violation of section 2453 of this title.

(b) The Attorney General shall have the same authority under this subchapter to make rules, conduct civil investigations, bring civil actions, and enter into assurances of discontinuance as provided under chapter 63 of this title.

§ 2449i. LIMITATIONS

Nothing in this subchapter shall be interpreted or construed to:

(1) impose liability in a manner that is inconsistent with 47 U.S.C. § 230; or

(2) prevent or preclude any covered minor from deliberately or independently searching for, or specifically requesting, any media.

§ 2449j. RIGHTS AND FREEDOMS OF COVERED MINORS

It is the intent of the General Assembly that nothing in this subchapter may be construed to infringe on the existing rights and freedoms of covered minors or be construed to discriminate against the covered minors based on race, ethnicity, sex, disability, sexual orientation, gender identity, gender expression, religion, or national origin.

Sec. 2. EFFECTIVE DATES

This act shall take effect on January 1, 2027, except that 9 V.S.A. § 2449f(b) and 9 V.S.A. § 2449g(b) shall each take effect on July 1, 2025.

Thereupon, pending the question, Shall the Senate concur in the House proposal of amendment?, Senators Harrison and Plunkett moved that the Senate concur in the House proposal of amendment with a further proposal of amendment as follows:

By striking out Sec. 2, effective dates, in its entirety and inserting in lieu thereof a new Sec. 2 to read as follows:

Sec. 2. EFFECTIVE DATES

This act shall take effect on January 1, 2027, except that this section (effective dates) and, in Sec. 1, 9 V.S.A. § 2994f(b) and 9 V.S.A. § 2449g(b) (rulemaking authority) shall take effect on July 1, 2025.

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

House Proposal of Amendment Concurred In with Amendment

S. 109.

House proposal of amendment to Senate bill entitled:

An act relating to miscellaneous judiciary procedures.

Was taken up.

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

Sec. 1. 3 V.S.A. § 164 is amended to read:

§ 164. ADULT COURT DIVERSION PROGRAM

(a) Purpose.

(1) The Attorney General shall develop and administer an adult court diversion program, for both pre-charge and post-charge referrals, available in all counties.

(2) The program shall be designed to provide a restorative option for persons alleged to have caused harm in violation of a criminal statute or who have been charged with violating a criminal statute as well as for victims or those acting on a victim's behalf who have been allegedly harmed by the ~~responsible party~~ person referred to the program. The diversion program can accept referrals to the program as follows:

* * *

(c) Adult diversion program policy and referral requirements.

* * *

(3) Adult post-charge diversion requirements. Each State's Attorney, in cooperation with the Office of the Attorney General and the adult post-charge diversion program, shall develop clear criteria for deciding what types of offenses and offenders will be eligible for diversion; however, the State's Attorney shall retain final discretion over the referral of each case for

diversion. All adult post-charge diversion programs receiving financial assistance from the Attorney General shall adhere to the following:

(A) The post-charge diversion program for adults shall only accept persons against whom charges have been filed and the court has found probable cause, but are not adjudicated.

(B) A prosecutor may refer a person to diversion either before or after arraignment and shall notify in writing the diversion program and the court of the prosecutor's ~~of the~~ referral to diversion.

* * *

Sec. 2. 4 V.S.A. § 71 is amended to read:

§ 71. APPOINTMENT AND TERM OF SUPERIOR JUDGES

(a) ~~There shall be 34 Superior judges, whose term of office shall,~~ The number of Superior Judges shall be as determined by the General Assembly. The term of office of a Superior Judge shall, except in the case of an appointment to fill a vacancy or unexpired term, begin on April 1 in the year of their appointment or retention and continue for six years.

* * *

Sec. 3. 4 V.S.A. § 1102 is amended to read:

§ 1102. JUDICIAL BUREAU; JURISDICTION

(a) The Judicial Bureau is created within the Judicial Branch under the supervision of the Supreme Court.

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

* * *

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

* * *

Sec. 4. 4 V.S.A. § 1106 is amended to read:

§ 1106. HEARING

* * *

(d) ~~A~~ Unless otherwise provided by law, a law enforcement officer may void or amend a complaint issued by that officer by so marking the complaint and returning it to the Bureau, regardless of whether the amended complaint is a lesser included violation. At the hearing, a law enforcement officer may,

unless otherwise provided by law, void or amend a complaint issued by that officer in the discretion of that officer.

* * *

Sec. 5. 7 V.S.A. § 1005(c) is amended to read:

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

Sec. 6. 12 V.S.A. § 5 is amended to read:

§ 5. DISSEMINATION OF ELECTRONIC CASE RECORDS

(a) The Court shall not permit public access via the ~~Internet~~ internet to criminal, family, or probate case records. The Court may permit criminal justice agencies, as defined in 20 V.S.A. § 2056a, ~~Internet~~ internet access to criminal case records for criminal justice purposes, as defined in 20 V.S.A. § 2056a.

(b) Notwithstanding subsection (a) of this section, the Court shall provide licensed Vermont attorneys in good standing with access via the internet, through the Judiciary's public portal website or otherwise, to nonconfidential criminal, family, and probate case records.

(c) This section shall not be construed to prohibit the Court from providing electronic access to:

(1) court schedules of the Superior Court or opinions of the Criminal Division of the Superior Court;

(2) State agencies in accordance with data dissemination contracts entered into under Rule 12 of the Vermont Rules for Public Access to Court Records; or

(3) decisions, recordings of oral arguments, briefs, and printed cases of the Supreme Court.

Sec. 7. 12 V.S.A. § 4937 is amended to read:

§ 4937. ATTORNEY'S FEES

When a mortgage contains an agreement on the part of the mortgagor to pay the mortgagee, in the event of foreclosure, the attorney's fees incident thereto, and claim is made therefor in the complaint, ~~upon hearing,~~ the court in which the complaint is brought shall allow such fee as in its judgment is just.

Sec. 8. 13 V.S.A. § 4013 is amended to read:

§ 4013. ZIP GUNS~~; SWITCHBLADE KNIVES~~

A person who possesses, sells, or offers for sale a weapon commonly known as a "zip" gun~~, or a weapon commonly known as a switchblade knife, the blade of which is three inches or more in length,~~ shall be imprisoned not more than 90 days or fined not more than $100.00, or both.

Sec. 9. EXPUNGEMENT OF CRIMINAL HISTORY RECORDS

The court shall order the expungement of criminal history records of convictions of 13 V.S.A. § 4013 for possessing, selling, or offering for sale a switchblade knife that occurred prior to July 1, 2025. The process and effect for expungement of these records shall be as provided for in 13 V.S.A. § 7606 and shall be completed by the court and all entities subject to the order not later than July 1, 2026.

Sec. 10. 13 V.S.A. § 5351(7) is amended to read:

(7) "Victim" means:

(A) a person who sustains injury or death as a direct result of the commission or attempted commission of a crime;

(B) an intervenor who is physically injured or killed in an attempt to assist the person described in subdivision (A) of this subdivision (7) or ~~the police~~ a protected professional as defined in subdivision 1028(d)(1) of this title;

(C) a surviving immediate family member of a homicide victim, including a spouse, domestic partner, parent, sibling, child, grandparent, or other survivor who may suffer severe emotional harm as a result of the victim's death as determined on a case-by-case basis in the discretion of the Board; or

(D) a resident of this State who is injured or killed as the result of a crime committed outside the United States.

Sec. 11. 13 V.S.A. § 7282 is amended to read:

§ 7282. SURCHARGE

* * *

(c) ~~SIU surcharge.~~ In addition to any penalty or fine imposed by the court for a criminal offense committed after July 1, 2009, the clerk of the court shall levy an additional surcharge of $100.00 to be deposited in the General Fund, in support of the Specialized Investigative Unit Grants Board created in 24 V.S.A. § 1940(c), and used to pay for the costs of Specialized Investigative Units.

Sec. 12. 14 V.S.A. § 2 is amended to read:

§ 2. DEPOSIT OF WILL FOR SAFEKEEPING; DELIVERY; FINAL DISPOSITION

(a) A will may be deposited for safekeeping in the Probate Division of the Superior Court for the district in which the testator resides on payment to the court of the applicable fee required by ~~32 V.S.A. § 1434(a)(17)~~ 32 V.S.A. § 1434(a)(18). The register shall give to the testator a receipt, shall safely keep each will so deposited, and shall keep an index of the wills so deposited.

* * *

Sec. 13. 14 V.S.A. § 3068 is amended to read:

§ 3068. HEARING

* * *

(e)(1) If upon completion of the hearing and consideration of the record the court finds that the respondent is not a person in need of guardianship, it shall dismiss the petition and seal the records of the proceeding.

(2) If a motion to withdraw the petition is made before the final hearing, the court shall dismiss the petition and seal the records of the proceeding.

(f) If upon completion of the hearing and consideration of the record the court finds that the petitioner has proved by clear and convincing evidence that the respondent is a person in need of guardianship or will be a person in need of guardianship on attaining 18 years of age, it shall enter judgment specifying the powers of the guardian pursuant to sections 3069 and 3070 of this title and the duties of the guardian pursuant to section 3071 of this title.

(g) Any party to the proceeding before the court may appeal the court's decision in the manner provided in section 3080 of this title.

Sec. 14. 14 V.S.A. § 4051 is amended to read:

§ 4051. STATUTORY FORM POWER OF ATTORNEY

A document substantially in the following form may be used to create a statutory form power of attorney that has the meaning and effect prescribed by this chapter.

VERMONT STATUTORY FORM POWER OF ATTORNEY IMPORTANT INFORMATION

* * *

GRANT OF SPECIFIC AUTHORITY (OPTIONAL)

My agent MAY NOT do any of the following specific acts for me UNLESS I have INITIALED the specific authority listed below:

(CAUTION: Granting any of the following will give your agent the authority to take actions that could significantly reduce your property or change how your property is distributed at your death. INITIAL ONLY the specific authority you WANT to give your agent.)

( ) An agent who is not an ancestor, spouse, or descendant may exercise authority under this power of attorney to create in the agent or in an individual to whom the agent owes a legal obligation of support an interest in my property whether by gift, rights of survivorship, beneficiary designation, disclaimer, or otherwise

( ) Create, amend, revoke, or terminate an inter vivos, family, living, irrevocable, or revocable trust

( ) Consent to the modification or termination of a noncharitable irrevocable trust under 14A V.S.A. § 411

( ) Make a gift, subject to the limitations of 14 V.S.A. § 4047 (gifts) and any special instructions in this power of attorney

~~( ) Consent to the modification or termination of a noncharitable irrevocable trust under 14A V.S.A. § 411~~

( ) Create, amend, or change rights of survivorship

( ) Create, amend, or change a beneficiary designation

( ) Waive the principal's right to be a beneficiary of a joint and survivor annuity, including a survivor benefit under a retirement plan

( ) Exercise fiduciary powers that the principal has authority to delegate

( ) Authorize another person to exercise the authority granted under this power of attorney

( ) Disclaim or refuse an interest in property, including a power of appointment

( ) Exercise authority with respect to elective share under 14 V.S.A. § 319

( ) Exercise waiver rights under 14 V.S.A. § 323

( ) Exercise authority over the content and catalogue of electronic communications and digital assets under 14 V.S.A. chapter 125 (Vermont Revised Uniform Fiduciary Access to Digital Assets Act)

( ) Exercise authority with respect to intellectual property, including, without limitation, copyrights, contracts for payment of royalties, and trademarks

( ) Convey, or revoke or revise a grantee designation, by enhanced life estate deed pursuant to 27 V.S.A. chapter 6 or under common law.

* * *

Sec. 15. 14A V.S.A. § 1316 is amended to read:

§ 1316. OFFICE OF TRUST DIRECTOR

Unless the terms of a trust provide otherwise, the rules applicable to a trustee apply to a trust director regarding the following matters:

(1) acceptance under section 701 of this title;

(2) giving of bond to secure performance under section 702 of this title;

(3) reasonable compensation under section 708 of this title;

(4) resignation under section 705 of this title;

(5) removal under section 706 of this title; and

(6) vacancy and appointment of successor under section 704 of this title.

Sec. 16. 33 V.S.A. § 5204(b)(2)(A) is amended to read:

(2)(A)(i) The Family Division of the Superior Court shall hold a hearing under subsection (c) of this section to determine whether jurisdiction should be transferred to the Criminal Division under subsection (a) of this section if the delinquent act set forth in the petition is:

(I) [Repealed.]

(II) human trafficking or aggravated human trafficking in violation of 13 V.S.A. § 2652 or 2653;

(III) defacing a firearm's serial number in violation of ~~13 V.S.A. § 4024~~ 13 V.S.A. § 4026; or

(IV) straw purchasing of firearm in violation of 13 V.S.A. § 4025; and

(ii) the child had attained 16 years of age but not 19 years of age at the time the act was alleged to have occurred.

Sec. 17. 33 V.S.A. § 5225 is amended to read:

§ 5225. PRELIMINARY HEARING; RISK ASSESSMENT

(a) Preliminary hearing. A preliminary hearing shall be held at the time and date specified on the citation or as otherwise ordered by the court. If a child is taken into custody prior to the preliminary hearing, the preliminary

hearing shall be at the time of the temporary care hearing. Counsel for the child shall be assigned prior to the preliminary hearing.

(b) Risk and needs screening.

(1) Prior to the preliminary hearing, the child shall be afforded an opportunity to undergo a risk and needs screening, which shall be conducted by the Department or by a community provider that has contracted with the Department to provide risk and need screenings for children alleged to have committed delinquent acts.

(2) If the child participates in such a screening, the Department or the community provider shall report the risk level result of the screening, the number and source of the collateral contacts made, and the recommendation for charging or other alternatives to the State's Attorney. The State's Attorney shall consider the results of the risk and needs screening in determining whether to file a charge. In lieu of filing a charge, the State's Attorney may refer a child directly to a youth-appropriate community-based provider that has been approved by the Department, which may include pre-charge diversion pursuant to 3 V.S.A. § 163, a community justice center, or a balanced and restorative justice program. Referral to a community-based provider pursuant to this subsection shall not require the State's Attorney to file a charge. If the community-based provider does not accept the case or if the child fails to complete the program in a manner deemed satisfactory and timely by the provider, the child's case shall return to the State's Attorney for charging consideration.

* * *

Sec. 18. 27 V.S.A. § 348 is amended to read:

§ 348. INSTRUMENTS CONCERNING REAL PROPERTY VALIDATED

(a) When an instrument of writing shall have been on record in the office of the clerk in the proper town for a period of 15 years, and there is a defect in the instrument because it omitted to state any consideration or was not sealed, witnessed, acknowledged, validly acknowledged, or because a license to sell was not issued or is defective, the instrument shall, from and after the expiration of 15 years from the filing thereof for record, be valid. Nothing in this section shall be construed to affect any rights acquired by grantees, assignees, or encumbrancers under the instruments described in the preceding sentence, nor shall this section apply to conveyances or other instruments of writing, the validity of which is brought in question in any suit now pending in any courts of the State.

* * *

(d) A release, discharge, or assignment of mortgage interest executed by a commercial lender with respect to a one- to four-family residential real property, including a residential unit in a condominium or in a common interest community as defined in Title 27A, that recites authority to act on behalf of the record holder of the mortgage under a power of attorney but where the power of attorney is not of record shall have the same effect as if executed by the record holder of the mortgage unless, within three years after the instrument is recorded, an action challenging the release, discharge, or assignment is commenced and a copy of the complaint is recorded in the land records of the town where the release, discharge, or assignment is recorded. This subsection shall not apply to releases, discharges, or assignments obtained by fraud or forgery.

(e) A power of attorney made for the purpose of conveying, leasing, mortgaging, or affecting any interest in real property that has been acknowledged and signed in the presence of at least one witness shall be valid, notwithstanding its failure to comply with 14 V.S.A. § 3503 or the requirements of the Emergency Administrative Rules for Remote Notarial Acts adopted by the Vermont Secretary of State, unless within three years after recording, an action challenging its validity is commenced and a copy of the complaint is recorded in the land records of the town where the power of attorney is recorded. This subsection shall not apply to a power of attorney obtained by fraud or forgery.

(f) Notwithstanding section 305 of this title, a deed, mortgage, lease, or other instrument executed for the purpose of conveying or encumbering real property executed by a person purporting to act as the agent or attorney-in-fact for the party named in the deed, mortgage, lease, or other instrument that has been recorded for at least 15 years in the land records where the real property is located shall be valid even if no power of attorney authorizing and empowering an agent or attorney-in-fact appears of record, unless, within 15 years after recording, an action challenging the validity of the deed, mortgage, lease, or other instrument is commenced and a copy of the complaint is recorded in the land records of the town where the property is located. This subsection shall not apply to an instrument obtained by fraud or forgery.

Sec. 19. 32 V.S.A. § 1003 is amended to read:

§ 1003. STATE OFFICERS

* * *

(c) The officers of the Judicial Branch named in this subsection shall be entitled to annual salaries as follows:

	Annual Salary as of July 14, 2024	Annual Salary as of July 13, 2025
(1) Chief Justice of Supreme Court	$214,024	$225,581
(2) Each Associate Justice	$204,264	$215,294
(3) ~~Administrative~~ Chief Superior Judge	$204,264	$215,294
(4) Each Superior Judge	$194,185	$204,671
(5) [Repealed.]		
(6) Each Magistrate	$146,413	$154,319
(7) Each Judicial Bureau hearing officer	$146,413	$154,319

* * *

Sec. 20. 2023 Acts and Resolves No. 27, Sec. 5 (forensic facility report) is amended to read:

Sec. 5. [Deleted.]

Sec. 21. 2023 Acts and Resolves No. 40, Sec. 4 is amended to read:

Sec. 4. REPEALS

* * *

(c) 28 V.S.A. § 126 (Coordinated Justice Reform Advisory Council) is repealed on ~~July 1, 2028~~ July 1, 2025.

Sec. 22. [Deleted.]

Sec. 23. [Deleted.]

Sec. 24. FIREARM SURRENDER ORDER COMPLIANCE WORKING GROUP; REPORT

(a) Creation. The Office of the Attorney General shall convene a Firearm Surrender Order Compliance Working Group to develop a uniform process to ensure compliance with court orders to surrender firearms. The Working Group shall examine the statutory or policy changes necessary to create a uniform process to monitor compliance, support entities charged with storing and returning surrendered firearms pursuant to court orders, and identify a stable and reliable funding source for any additional resources needed to monitor compliance.

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

(1) the Attorney General or designee, who shall be the chair;

(2) the Chief Superior Court Judge or designee;

(3) the Defender General or designee;

(4) one State's Attorney or designee, appointed by the Department of State's Attorneys and Sheriffs;

(5) a member, appointed by the Vermont Network Against Domestic and Sexual Violence;

(6) a member of the Vermont State Police, appointed by the Commissioner of Public Safety;

(7) a police chief, appointed by the Vermont Association of Chiefs of Police; and

(8) a federal firearms licensee, appointed by the Attorney General.

(c) Consultation. The Working Group shall consult with stakeholders including:

(1) the Commissioner of Corrections;

(2) family law practitioners;

(3) victim advocates;

(4) advocates from culturally specific advocacy organizations that work with domestic violence victims;

(5) the Vermont Federation of Sportsmen's Clubs;

(6) the Vermont Office of the Bureau of Alcohol Tobacco and Firearms;

(7) the Vermont Medical Society;

(8) the Commissioner of Mental Health;

(9) the Vermont Center for Crime Victim Services;

(10) the Vermont Council on Domestic Violence; and

(11) the Commissioner of Fish and Wildlife.

(d) Report. On or before November 15, 2025, the Working Group shall report its recommendations to the House and Senate Committees on Judiciary and to the Joint Legislative Justice Oversight Committee. The report shall include:

(1) a workable statewide compliance model that is adaptable to both the Family and Criminal Divisions of the Superior Courts and that ensures:

(A) accountability of respondents and defendants while addressing safety needs of the plaintiffs and victims; and

(B) proper storage and return of firearms surrendered pursuant to court orders; and

(2) recommendations for any legislative changes necessary to support the model.

(e) Meetings. The Working Group shall meet not more than six times.

(f) Compensation and reimbursement. Members of the Working Group who are not employees of the State of Vermont or who are not otherwise compensated or reimbursed for their attendance shall be entitled to compensation and reimbursement of expenses pursuant to 32 V.S.A. § 1010 for not more than six meetings.

Sec. 25. 15A V.S.A. § 3-504 is amended to read:

§ 3-504. GROUNDS FOR TERMINATING RELATIONSHIP OF PARENT AND CHILD

(a) If a respondent answers or appears at the hearing and asserts parental rights, the court shall proceed with the hearing expeditiously. If the court finds, upon clear and convincing evidence, that any one of the following grounds exists and that termination is in the best interests of the minor, the court shall order the termination of any parental relationship of the respondent to the minor:

* * *

(2) In the case of a minor over six months of age at the time the petition is filed, the respondent did not exercise parental responsibility for a period of at least six months immediately preceding the filing of the petition. In making a determination under this subdivision, the court shall consider all relevant factors, which may include the respondent's failure to:

(A) make reasonable and consistent payments, in accordance with the respondent's financial means, for the support of the minor, although legally obligated to do so;

(B) regularly communicate or visit with the minor; or

(C) during any time the minor was not in the physical custody of the other parent, manifest an ability and willingness to assume legal and physical custody of the minor.

* * *

Sec. 25a. 33 V.S.A. § 5231(d) is amended to read:

(d) Termination of parental rights. If the Commissioner or the attorney for the child seeks an order terminating parental rights of one or both parents and transfer of custody to the Commissioner without limitation as to adoption, the court shall consider the best interests of the child in accordance with section 5114 of this title. The Department's Family Services Division shall not consider payment of child support to the Family Services Division to offset the cost of foster care as a factor in a petition to terminate parental rights.

Sec. 25b. 33 V.S.A. § 5317(d) is amended to read:

(d) Termination of parental rights. If the Commissioner or the attorney for the child seeks an order at disposition terminating the parental rights of one or both parents and transfer of legal custody to the Commissioner without limitation as to adoption, the court shall consider the best interests of the child in accordance with section 5114 of this title. The Department's Family Services Division shall not consider payment of child support to the Family Services Division to offset the cost of foster care as a factor in a petition to terminate parental rights.

Sec. 26. 15 V.S.A. § 202 is amended to read:

§ 202. PENALTY FOR DESERTION OR NONSUPPORT

A married person who, without just cause, shall desert or willfully neglect or refuse to provide for the support and maintenance of ~~his or her~~ the person's spouse and children, leaving them in destitute or necessitous circumstances or a parent who, without lawful excuse, shall desert or willfully neglect or refuse to provide for the support and maintenance of ~~his or her~~ the child ~~or an adult child possessed of sufficient pecuniary or physical ability to support his or her parents, who unreasonably neglects or refuses to provide such support when the parent is destitute, unable to support himself or herself, and resident in this State,~~ shall be imprisoned not more than two years or fined not more than $300.00, or both. Should a fine be imposed, the court may order the same to be paid in whole or in part to the needy spouse~~, parent,~~ or to the guardian, custodian, or trustee of the child. The Office of Child Support attorneys, in addition to any other duly authorized person, may prosecute cases under this section in Vermont Superior Court.

Sec. 27. 2023 Acts and Resolves No. 19, Sec. 5 is amended to read:

Sec. 5. [Deleted.]

Sec. 28. 2023 Acts and Resolves No. 19, Sec. 6 is amended to read:

Sec. 6. EFFECTIVE DATES

* * *

(b) ~~Sec. 5 (marriage licenses; 32 V.S.A. § 1712) shall take effect on July 1, 2025.~~ [Deleted.]

* * *

Sec. 29. 13 V.S.A. § 7556 is amended to read:

§ 7556. APPEAL FROM CONDITIONS OF RELEASE OR BAIL REVOCATION DENIAL

(a) A person who is detained, or whose release on a condition requiring ~~him or her~~ the person to return to custody after specified hours is continued, after review of ~~his or her~~ the person's application pursuant to subsection 7554(d) or (e) of this title by a judicial officer, other than a judge of the court having original jurisdiction over the offense with which ~~he or she~~ the person is charged or a Justice of the Supreme Court, may move the court having original jurisdiction over the offense with which ~~he or she~~ the person is charged to amend the order. The motion shall be determined promptly.

(b) When a person is detained after a court denies a motion under subsection (a) of this section or when conditions of release have been imposed or amended by the judge of the court having original jurisdiction over the offense charged, an appeal may be taken to a single Justice of the Supreme Court who may hear the matter or at ~~his or her~~ the Justice's discretion refer it to the entire Supreme Court for hearing. No further appeal may lie from the ruling of a single Justice in matters to which this subsection applies. Any order so appealed shall be affirmed if it is supported by the proceedings below. If the order is not supported, the Supreme Court or single Justice hearing the matter may remand the case for a further hearing or may, with or without additional evidence, order the person released. The appeal shall be determined forthwith.

(c)(1) When a person is released, with or without bail or other conditions of release, an appeal may be taken by the State to a single Justice of the Supreme Court who may hear the matter or at ~~his or her~~ the Justice's discretion refer it to the entire Supreme Court for hearing. No further appeal may lie from the ruling of a single Justice in matters to which this subsection applies. Any order so appealed shall be affirmed if it is supported by the proceedings below. If the order is not supported, the Supreme Court or single Justice hearing the matter may remand the case for a further hearing or may, with or without additional evidence, modify or vacate the order. The appeal shall be determined ~~forthwith~~ promptly.

(2) When a request to revoke bail pursuant to section 7575 of this title is denied, a prosecutor may appeal the court's order in accordance with the procedure outlined in subdivision (1) of this subsection.

(d) A person held without bail under section 7553a of this title prior to trial shall be entitled to an independent, second evidentiary hearing on the merits of the denial of bail, which shall be a hearing de novo by a single Justice of the Supreme Court forthwith. Pursuant to 4 V.S.A. § 22 the Chief Justice may appoint and assign a retired justice or judge with ~~his or her~~ the retired justice's or judge's consent or a Superior judge or District judge to a special assignment on the Supreme Court to conduct that de novo hearing. Such hearing de novo shall be an entirely new evidentiary hearing without regard to the record compiled before the trial court; except, the parties may stipulate to the admission of portions of the trial court record.

(e) A person held without bail prior to trial shall be entitled to review of that determination by a panel of three Supreme Court Justices within seven business days after bail is denied.

Sec. 30. 28 V.S.A. § 818 is amended to read:

§ 818. EARNED TIME; REDUCTION OF TERM

* * *

(b) The earned time program implemented pursuant to this section shall comply with the following standards:

* * *

(4) The Department shall:

(A) ensure that all victims of record are notified of the earned time program at its outset and made aware of the option to receive notifications from the Department pursuant to this subdivision;

(B) provide timely notice not less frequently than every 90 days to the offender, and to any victim who opts to receive the notice, any time the offender receives a reduction in ~~his or her~~ the offender's term of supervision pursuant to this section;

(C) maintain a system that documents and records all such reductions in each offender's permanent record; and

(D) record any reduction in an offender's term of supervision pursuant to this section on a monthly basis and ensure that victims who want information regarding changes in ~~scheduled~~ an offender's minimum release ~~dates~~ date have access to such information.

* * *

Sec. 31. VICTIM NOTIFICATION SYSTEM TASK FORCE; REPORT

(a) Creation. There is created the Victim Notification System Task Force to review and improve the responsiveness of Vermont's victim notification system.

(b) Membership. The Task Force shall be composed of the following members:

(1) the Commissioner of Corrections or designee;

(2) the Executive Director of the Center for Crime Victim Services or designee;

(3) the Executive Director of State's Attorneys and Sheriffs or designee;

(4) a member, appointed by the Vermont Network Against Domestic and Sexual Violence;

(5) the Victims Service Director of the Vermont State Police;

(6) two persons who are either victims or survivors of crimes, appointed by the Center for Crime Victim Services; and

(7) a member, appointed by the Commissioner of Corrections, who is familiar with the capability and technical operations of the VINE system.

(c) Powers and duties. The Task Force shall study the current state of Vermont's victim notification system, including:

(1) improving victims' accessibility to information;

(2) ensuring that the entire notification process is trauma-informed, including all notifications, communications, and informational materials;

(3) expanding the use of automated notification systems in order to increase options and maximize communication choices for victims and survivors; and

(4) recommendations for necessary training and resources.

(d) Assistance. The Task Force shall have the administrative, technical, and legal assistance of the Department of Corrections.

(e) Report. On or before November 15, 2025, the Task Force shall submit its findings and recommendations as a written report in the form of proposed legislation to the Joint Legislative Justice Oversight Committee, the House Committees on Corrections and Institutions and on Judiciary, and the Senate Committees on Institutions and on Judiciary.

(f) Meetings.

(1) The Commissioner of Corrections or designee shall call the first meeting of the Task Force to occur on or before August 1, 2025.

(2) The Committee shall select a chair from among its members at the first meeting.

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

(4) The Task Force shall cease to exist on February 15, 2026.

Sec. 32. ADULT INVOLUNTARY GUARDIANSHIP WORKING GROUP; REPORT

(a) Creation. Theres is created the Adult Involuntary Guardianship Working Group to study jurisdiction of proceedings involving the involuntary guardianship of adults. The Working Group shall examine the advisability of consolidating adult involuntary guardianships under 14 V.S.A. chapter 111, subchapter 12 ("Title 14 involuntary guardianships") with guardianships for persons with developmental disabilities under 18 V.S.A. chapter 215 ("Title 18 guardianships"), or otherwise amending the statutes to ensure that respondents under Title 18 guardianships have access to voluntary guardianships that is equal to the access to voluntary guardianships available under Title 14.

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

(1) the Commissioner of Disabilities, Aging, and Independent Living or designee;

(2) the Chief Superior Court Judge or designee;

(3) the Court Administrator or designee;

(4) a superior judge with experience in Title 18 guardianships, appointed by the Chief Justice;

(5) a probate judge, appointed by the Chief Justice;

(6) a guardian ad litem, appointed by the Court Administrator;

(7) an attorney with experience in adult guardianships, appointed by the Vermont Bar Association;

(8) an attorney with experience in adult guardianships, appointed by Vermont Legal Aid;

(9) an independent mental health evaluator, appointed by the Commissioner of Disabilities, Aging, and Independent Living; and

(10) a member, appointed by the Vermont Center for Independent Living.

(c) Meetings.

(1) The Commissioner of Disabilities, Aging, and Independent Living shall call the first meeting of the Working Group to occur on or before August 1, 2025.

(2) The Working Group shall select a chair from among its members at the first meeting.

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

(d) Report.

(1)(A) On or before December 15, 2025, the Working Group shall report its recommendations, including any proposed legislative changes, to the House and Senate Committees on Judiciary, the House Committee on Human Services, and the Senate Committee on Health and Welfare.

(B) The report shall recommend whether:

(i) Title 14 involuntary guardianship proceedings and Title 18 guardianship proceedings should be consolidated in one division of the Superior Court; or

(ii) Title 14 involuntary guardianship proceedings and Title 18 guardianship proceedings should remain in separate divisions of the Superior Court as provided for in existing law.

(2) With respect to subdivisions (1)(B)(i) and (ii) of this subsection (d), the report shall address:

(A) the judicial resources and oversight that would be required;

(B) whether, notwithstanding 12 V.S.A. § 2553 or 2555, the Vermont Supreme Court should have appellate jurisdiction over guardianship proceedings;

(C) the relationship between guardianships under subdivisions (1)(B)(i) and (ii) of this subsection (d) and voluntary guardianships under 14 V.S.A. § 2671;

(D) any legislative changes that would need to be made under either recommendation to ensure that respondents under Title 18 guardianships have access to voluntary guardianships that is equal to the access to voluntary guardianships available under Title 14; and

(E) any other matters deemed relevant by the Working Group, including any matters not currently under the jurisdiction of Title 14 guardianships or Title 18 guardianships.

Sec. 33. 4 V.S.A. § 39 is amended to read:

§ 39. CAPITAL BUDGET REQUESTS; COUNTY COURTHOUSES

(a) On or before October 1 each year, any county requesting capital funds for its courthouse, or court operations, shall submit a request to the Court Administrator. As used in this subsection, "court operations" does not include operating expenses.

(b) The Court Administrator shall evaluate requests based on the following criteria:

(1) whether the funding request is consistent with a capital program developed pursuant to 24 V.S.A. § 133(e)(3);

(2) whether the project that is the subject of the request has been included in the list of capital projects in the county's budget pursuant to 24 V.S.A. § 133(e)(1), and, if so, the description of the project included in the budget;

(3) whether the county has established a capital reserve fund pursuant to 24 V.S.A. § 133(e)(3), and, if so, the amount of annual contributions the county has made to the fund;

(4) whether the funding request relates to an emergency that will affect the court operations and the administration of justice;

~~(2)~~(5) whether there is a State-owned courthouse in the county that could absorb court activities in lieu of this capital investment;

~~(3)~~(6) whether the county consistently has invested in major maintenance in the courthouse;

~~(4)~~(7) whether the request relates to a State-mandated function;

~~(5)~~(8) whether the request diverts resources of other current Judiciary capital priorities;

~~(6)~~(9) whether the request is consistent with the long-term capital needs of the Judiciary, including providing court services adapted to modern needs and requirements; and

~~(7)~~(10) any other criteria as deemed appropriate by the Court Administrator.

(c) Based on the criteria described in subsection (b) of this section, the Court Administrator shall make a recommendation to the Commissioner of

Buildings and General Services regarding whether the county's request should be included as part of the Judiciary's request for capital funding in the Governor's annual proposed capital budget request.

(d) On or before January 15 of each year, the Court Administrator shall advise the House Committee on Corrections and Institutions and the Senate Committee on Institutions of all county requests received and the Court Administrator's recommendations for the proposed capital budget request.

Sec. 34. REPORT

On or before January 15, 2026, the Court Administrator and a representative of the Association of County Judges appointed by the President of that Association shall jointly report to the House Committee on Corrections and Institutions and the Senate Committee on Institutions on the progress made to implement the provisions of Sec. 33 of this act. The report shall include a description of the steps taken and processes considered, and any proposed legislative changes necessary, to ensure that capital budget requests for county courthouses include the information required by Sec. 33 of this act.

Sec. 35. 23 V.S.A. § 1210(c) is amended to read:

(c) Second offense. A person convicted of violating section 1201 of this title who has been convicted of another violation of that section within the last 20 years shall be fined not more than $1,500.00 or imprisoned not more than two years, or both. At least ~~200~~ 80 hours of community service shall be performed, or 60 consecutive hours of the sentence of imprisonment shall be served and may not be suspended or deferred or served as a supervised sentence, except that credit for a sentence of imprisonment may be received for time served in a residential alcohol facility pursuant to sentence if the program is successfully completed.

Sec. 36. REPEAL

Sec. 35 of this act shall be repealed on July 1, 2028.

Sec. 37. FAMILY FORENSIC EVALUATOR RECOMMENDATIONS

(a) The General Assembly requests that the Chief Superior Judge, the Director of the Office of Professional Regulation, and the Executive Director of the Vermont Psychological Association work collaboratively to examine the following:

(1) the extent of the need for and geographic distribution of family forensic evaluators in complex parental rights and responsibilities cases heard in the Family Division;

(2) barriers to increasing the availability of family forensic evaluators in Vermont and whether protections regarding ethical complaints are warranted; and

(3) strategies for increasing the number of family forensic evaluators in Vermont.

(b) The General Assembly requests that the parties listed in subsection (a) of this section submit their recommendations to the General Assembly on or before November 1, 2025.

Sec. 38. CHILD AND PARENT LEGAL REPRESENTATION; TASK FORCE; REPORT

(a) Creation. There is created the Child and Parent Legal Representation Task Force to study the need and viability of an improved legal representation system for children and families who are involved in judicial or administrative proceedings concerning Children in Need of Care or Supervision (CHINS) or substantiations of abuse or neglect.

(b) Membership. The Task Force shall be composed of the following members:

(1) the Chief Justice of the Vermont Supreme Court or designee, who shall be the chair;

(2) the Court Administrator or designee;

(3) the Commissioner for Children and Families or designee;

(4) the Defender General or designee;

(5) the Child, Youth, and Family Advocate or designee;

(6) the Executive Director of Voices for Vermont's Children or designee;

(7) the Executive Director of the Vermont Parent Representation Center, Inc.;

(8) the Attorney General or designee; and

(9) the Executive Director of State's Attorneys and Sheriffs or designee.

(c) Powers and duties. The Task Force shall assess and determine whether reform of Vermont's legal representation for children and families is necessary by exploring the following topics:

(1) standards recommended by the American Bar Association, U.S. Children's Bureau, and the *Study of CHINS Case Processing in Vermont*

authored by the National Center for State Courts and published in May of 2021;

(2) compliance with funding and reporting requirements in order for Vermont to leverage funding under Title IV-E of the Social Security Act;

(3) identifying the processes and amounts of Title IV-E funds and other funding sources to support any reformed system;

(4) using an interdisciplinary model of representation, including pay scales, performance measures, supervision and evaluation processes, and recommended caseloads for attorneys, social workers, and other child and family representatives; and

(5) other topics relevant to creating a reformed child and parent representation system.

(d) Assistance. The Task Force shall have administrative, technical, and legal assistance of the Court Administrator's Office.

(e) Report. On or before December 15, 2025, the Task Force shall submit a report that proposes any necessary reforms to the legal representation system for children and families who are involved in CHINS proceedings or substantiations of abuse or neglect, along with proposed legislation to implement such reforms to the Senate Committees on Judiciary and on Health and Welfare and the House Committees on Judiciary and on Human Services.

(f) Meetings.

(1) The Chief Justice of the Supreme Court or designee shall call the first meeting of the Task Force to occur on or before August 1, 2025.

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

(3) The Task Force shall cease to exist on May 15, 2026.

Sec. 39. EFFECTIVE DATES

This act shall take effect on passage, except that Sec. 1 shall take effect on July 2, 2025 and Sec. 33 shall take effect on July 1, 2026.

Thereupon, pending the question, Shall the Senate concur in the House proposal of amendment?, Senator Hashim moved that the Senate concur in the House proposal of amendment with further proposal of amendment by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 3 V.S.A. § 164 is amended to read:

§ 164. ADULT COURT DIVERSION PROGRAM

(a) Purpose.

(1) The Attorney General shall develop and administer an adult court diversion program, for both pre-charge and post-charge referrals, available in all counties.

(2) The program shall be designed to provide a restorative option for persons alleged to have caused harm in violation of a criminal statute or who have been charged with violating a criminal statute as well as for victims or those acting on a victim's behalf who have been allegedly harmed by the ~~responsible party~~ person referred to the program. The diversion program can accept referrals to the program as follows:

* * *

(c) Adult diversion program policy and referral requirements.

* * *

(3) Adult post-charge diversion requirements. Each State's Attorney, in cooperation with the Office of the Attorney General and the adult post-charge diversion program, shall develop clear criteria for deciding what types of offenses and offenders will be eligible for diversion; however, the State's Attorney shall retain final discretion over the referral of each case for diversion. All adult post-charge diversion programs receiving financial assistance from the Attorney General shall adhere to the following:

(A) The post-charge diversion program for adults shall only accept persons against whom charges have been filed and the court has found probable cause, but are not adjudicated.

(B) A prosecutor may refer a person to diversion either before or after arraignment and shall notify in writing the diversion program and the court of the prosecutor's ~~of the~~ referral to diversion.

* * *

Sec. 2. 4 V.S.A. § 71 is amended to read:

§ 71. APPOINTMENT AND TERM OF SUPERIOR JUDGES

(a) ~~There shall be 34 Superior judges, whose term of office shall,~~ The number of Superior judges shall be as determined by the General Assembly. The term of office of a Superior judge shall, except in the case of an appointment to fill a vacancy or unexpired term, begin on April 1 in the year of their appointment or retention and continue for six years.

* * *

Sec. 3. 4 V.S.A. § 1102 is amended to read:

§ 1102. JUDICIAL BUREAU; JURISDICTION

(a) The Judicial Bureau is created within the Judicial Branch under the supervision of the Supreme Court.

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

* * *

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

* * *

Sec. 4. 4 V.S.A. § 1106 is amended to read:

§ 1106. HEARING

* * *

(d) ~~A~~ Unless otherwise provided by law, a law enforcement officer may void or amend a complaint issued by that officer by so marking the complaint and returning it to the Bureau, regardless of whether the amended complaint is a lesser included violation. At the hearing, a law enforcement officer may, unless otherwise provided by law, void or amend a complaint issued by that officer in the discretion of that officer.

* * *

Sec. 5. 7 V.S.A. § 1005(c) is amended to read:

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

Sec. 6. 12 V.S.A. § 5 is amended to read:

§ 5. DISSEMINATION OF ELECTRONIC CASE RECORDS

(a) The Court shall not permit public access via the ~~Internet~~ internet to criminal, family, or probate case records. The Court may permit criminal justice agencies, as defined in 20 V.S.A. § 2056a, ~~Internet~~ internet access to criminal case records for criminal justice purposes, as defined in 20 V.S.A. § 2056a.

(b) Notwithstanding subsection (a) of this section, the Court shall provide licensed Vermont attorneys in good standing with access via the internet,

through the Judiciary's public portal website or otherwise, to nonconfidential criminal, family, and probate case records.

(c) This section shall not be construed to prohibit the Court from providing electronic access to:

(1) court schedules of the Superior Court or opinions of the Criminal Division of the Superior Court;

(2) State agencies in accordance with data dissemination contracts entered into under Rule 12 of the Vermont Rules for Public Access to Court Records; or

(3) decisions, recordings of oral arguments, briefs, and printed cases of the Supreme Court.

Sec. 7. 12 V.S.A. § 4937 is amended to read:

§ 4937. ATTORNEY'S FEES

When a mortgage contains an agreement on the part of the mortgagor to pay the mortgagee, in the event of foreclosure, the attorney's fees incident thereto, and claim is made therefor in the complaint, ~~upon hearing,~~ the court in which the complaint is brought shall allow such fee as in its judgment is just.

Sec. 8. 13 V.S.A. § 4013 is amended to read:

§ 4013. ZIP GUNS~~; SWITCHBLADE KNIVES~~

A person who possesses, sells, or offers for sale a weapon commonly known as a "zip" gun~~, or a weapon commonly known as a switchblade knife, the blade of which is three inches or more in length,~~ shall be imprisoned not more than 90 days or fined not more than $100.00, or both.

Sec. 9. EXPUNGEMENT OF CRIMINAL HISTORY RECORDS

The court shall order the expungement of criminal history records of convictions of 13 V.S.A. § 4013 for possessing, selling, or offering for sale a switchblade knife that occurred prior to July 1, 2025. The process and effect for expungement of these records shall be as provided for in 13 V.S.A. § 7606 and shall be completed by the court and all entities subject to the order not later than July 1, 2026.

Sec. 10. 13 V.S.A. § 5351(7) is amended to read:

(7) "Victim" means:

(A) a person who sustains injury or death as a direct result of the commission or attempted commission of a crime;

(B) an intervenor who is physically injured or killed in an attempt to assist the person described in subdivision (A) of this subdivision (7) or ~~the police~~ a protected professional as defined in subdivision 1028(d)(1) of this title;

(C) a surviving immediate family member of a homicide victim, including a spouse, domestic partner, parent, sibling, child, grandparent, or other survivor who may suffer severe emotional harm as a result of the victim's death as determined on a case-by-case basis in the discretion of the Board; or

(D) a resident of this State who is injured or killed as the result of a crime committed outside the United States.

Sec. 11. 13 V.S.A. § 7282 is amended to read:

§ 7282. SURCHARGE

* * *

(c) ~~SIU surcharge.~~ In addition to any penalty or fine imposed by the court for a criminal offense committed after July 1, 2009, the clerk of the court shall levy an additional surcharge of $100.00 to be deposited in the General Fund, in support of the Specialized Investigative Unit Grants Board created in 24 V.S.A. § 1940(c), and used to pay for the costs of Specialized Investigative Units.

Sec. 12. 14 V.S.A. § 2 is amended to read:

§ 2. DEPOSIT OF WILL FOR SAFEKEEPING; DELIVERY; FINAL DISPOSITION

(a) A will may be deposited for safekeeping in the Probate Division of the Superior Court for the district in which the testator resides on payment to the court of the applicable fee required by ~~32 V.S.A. § 1434(a)(17)~~ 32 V.S.A. § 1434(a)(18). The register shall give to the testator a receipt, shall safely keep each will so deposited, and shall keep an index of the wills so deposited.

* * *

Sec. 13. 14 V.S.A. § 3068 is amended to read:

§ 3068. HEARING

* * *

(e)(1) If upon completion of the hearing and consideration of the record the court finds that the respondent is not a person in need of guardianship, it shall dismiss the petition and seal the records of the proceeding.

(2) If a motion to withdraw the petition is made before the final hearing, the court shall dismiss the petition and seal the records of the proceeding.

(f) If upon completion of the hearing and consideration of the record the court finds that the petitioner has proved by clear and convincing evidence that the respondent is a person in need of guardianship or will be a person in need of guardianship on attaining 18 years of age, it shall enter judgment specifying the powers of the guardian pursuant to sections 3069 and 3070 of this title and the duties of the guardian pursuant to section 3071 of this title.

(g) Any party to the proceeding before the court may appeal the court's decision in the manner provided in section 3080 of this title.

Sec. 14. 14 V.S.A. § 4051 is amended to read:

§ 4051. STATUTORY FORM POWER OF ATTORNEY

A document substantially in the following form may be used to create a statutory form power of attorney that has the meaning and effect prescribed by this chapter.

VERMONT STATUTORY FORM POWER OF ATTORNEY IMPORTANT INFORMATION

* * *

GRANT OF SPECIFIC AUTHORITY (OPTIONAL)

My agent MAY NOT do any of the following specific acts for me UNLESS I have INITIALED the specific authority listed below:

(CAUTION: Granting any of the following will give your agent the authority to take actions that could significantly reduce your property or change how your property is distributed at your death. INITIAL ONLY the specific authority you WANT to give your agent.)

( ) An agent who is not an ancestor, spouse, or descendant may exercise authority under this power of attorney to create in the agent or in an individual to whom the agent owes a legal obligation of support an interest in my property whether by gift, rights of survivorship, beneficiary designation, disclaimer, or otherwise

( ) Create, amend, revoke, or terminate an inter vivos, family, living, irrevocable, or revocable trust

( ) Consent to the modification or termination of a noncharitable irrevocable trust under 14A V.S.A. § 411

( ) Make a gift, subject to the limitations of 14 V.S.A. § 4047 (gifts) and any special instructions in this power of attorney

~~( ) Consent to the modification or termination of a noncharitable irrevocable trust under 14A V.S.A. § 411~~

( ) Create, amend, or change rights of survivorship

( ) Create, amend, or change a beneficiary designation

( ) Waive the principal's right to be a beneficiary of a joint and survivor annuity, including a survivor benefit under a retirement plan

( ) Exercise fiduciary powers that the principal has authority to delegate

( ) Authorize another person to exercise the authority granted under this power of attorney

( ) Disclaim or refuse an interest in property, including a power of appointment

( ) Exercise authority with respect to elective share under 14 V.S.A. § 319

( ) Exercise waiver rights under 14 V.S.A. § 323

( ) Exercise authority over the content and catalogue of electronic communications and digital assets under 14 V.S.A. chapter 125 (Vermont Revised Uniform Fiduciary Access to Digital Assets Act)

( ) Exercise authority with respect to intellectual property, including, without limitation, copyrights, contracts for payment of royalties, and trademarks

( ) Convey, or revoke or revise a grantee designation, by enhanced life estate deed pursuant to 27 V.S.A. chapter 6 or under common law.

* * *

Sec. 15. 14A V.S.A. § 1316 is amended to read:

§ 1316. OFFICE OF TRUST DIRECTOR

Unless the terms of a trust provide otherwise, the rules applicable to a trustee apply to a trust director regarding the following matters:

(1) acceptance under section 701 of this title;

(2) giving of bond to secure performance under section 702 of this title;

(3) reasonable compensation under section 708 of this title;

(4) resignation under section 705 of this title;

(5) removal under section 706 of this title; and

(6) vacancy and appointment of successor under section 704 of this title.

Sec. 16. 33 V.S.A. § 5204(b)(2)(A) is amended to read:

(2)(A)(i) The Family Division of the Superior Court shall hold a hearing under subsection (c) of this section to determine whether jurisdiction should be transferred to the Criminal Division under subsection (a) of this section if the delinquent act set forth in the petition is:

(I) [Repealed.]

(II) human trafficking or aggravated human trafficking in violation of 13 V.S.A. § 2652 or 2653;

(III) defacing a firearm's serial number in violation of ~~13 V.S.A. § 4024~~ 13 V.S.A. § 4026; or

(IV) straw purchasing of firearm in violation of 13 V.S.A. § 4025; and

(ii) the child had attained 16 years of age but not 19 years of age at the time the act was alleged to have occurred.

Sec. 17. 33 V.S.A. § 5225 is amended to read:

§ 5225. PRELIMINARY HEARING; RISK ASSESSMENT

(a) Preliminary hearing. A preliminary hearing shall be held at the time and date specified on the citation or as otherwise ordered by the court. If a child is taken into custody prior to the preliminary hearing, the preliminary hearing shall be at the time of the temporary care hearing. Counsel for the child shall be assigned prior to the preliminary hearing.

(b) Risk and needs screening.

(1) Prior to the preliminary hearing, the child shall be afforded an opportunity to undergo a risk and needs screening, which shall be conducted by the Department or by a community provider that has contracted with the Department to provide risk and need screenings for children alleged to have committed delinquent acts.

(2) If the child participates in such a screening, the Department or the community provider shall report the risk level result of the screening, the number and source of the collateral contacts made, and the recommendation for charging or other alternatives to the State's Attorney. The State's Attorney shall consider the results of the risk and needs screening in determining whether to file a charge. In lieu of filing a charge, the State's Attorney may refer a child directly to a youth-appropriate community-based provider that has been approved by the Department, which may include pre-charge diversion pursuant to 3 V.S.A. § 163, a community justice center, or a balanced and restorative justice program. Referral to a community-based provider pursuant to this subsection shall not require the State's Attorney to file a charge. If the

community-based provider does not accept the case or if the child fails to complete the program in a manner deemed satisfactory and timely by the provider, the child's case shall return to the State's Attorney for charging consideration.

* * *

Sec. 18. 27 V.S.A. § 348 is amended to read:

§ 348. INSTRUMENTS CONCERNING REAL PROPERTY VALIDATED

(a) When an instrument of writing shall have been on record in the office of the clerk in the proper town for a period of 15 years, and there is a defect in the instrument because it omitted to state any consideration or was not sealed, witnessed, acknowledged, validly acknowledged, or because a license to sell was not issued or is defective, the instrument shall, from and after the expiration of 15 years from the filing thereof for record, be valid. Nothing in this section shall be construed to affect any rights acquired by grantees, assignees, or encumbrancers under the instruments described in the preceding sentence, nor shall this section apply to conveyances or other instruments of writing, the validity of which is brought in question in any suit now pending in any courts of the State.

* * *

(d) A release, discharge, or assignment of mortgage interest executed by a commercial lender with respect to a one- to four-family residential real property, including a residential unit in a condominium or in a common interest community as defined in Title 27A, that recites authority to act on behalf of the record holder of the mortgage under a power of attorney but where the power of attorney is not of record shall have the same effect as if executed by the record holder of the mortgage unless, within three years after the instrument is recorded, an action challenging the release, discharge, or assignment is commenced and a copy of the complaint is recorded in the land records of the town where the release, discharge, or assignment is recorded. This subsection shall not apply to releases, discharges, or assignments obtained by fraud or forgery.

(e) A power of attorney made for the purpose of conveying, leasing, mortgaging, or affecting any interest in real property that has been acknowledged and signed in the presence of at least one witness shall be valid, notwithstanding its failure to comply with 14 V.S.A. § 3503 or the requirements of the Emergency Administrative Rules for Remote Notarial Acts adopted by the Vermont Secretary of State, unless within three years after recording, an action challenging its validity is commenced and a copy of the complaint is recorded in the land records of the town where the power of

attorney is recorded. This subsection shall not apply to a power of attorney obtained by fraud or forgery.

(f) Notwithstanding section 305 of this title, a deed, mortgage, lease, or other instrument executed for the purpose of conveying or encumbering real property executed by a person purporting to act as the agent or attorney-in-fact for the party named in the deed, mortgage, lease, or other instrument that has been recorded for at least 15 years in the land records where the real property is located shall be valid even if no power of attorney authorizing and empowering an agent or attorney-in-fact appears of record, unless, within 15 years after recording, an action challenging the validity of the deed, mortgage, lease, or other instrument is commenced and a copy of the complaint is recorded in the land records of the town where the property is located. This subsection shall not apply to an instrument obtained by fraud or forgery.

Sec. 19. 32 V.S.A. § 1003 is amended to read:

§ 1003. STATE OFFICERS

* * *

(c) The officers of the Judicial Branch named in this subsection shall be entitled to annual salaries as follows:

	Annual Salary as of July 14, 2024	Annual Salary as of July 13, 2025
(1) Chief Justice of Supreme Court	$214,024	$225,581
(2) Each Associate Justice	$204,264	$215,294
(3) ~~Administrative~~ Chief Superior Judge	$204,264	$215,294
(4) Each Superior Judge	$194,185	$204,671
(5) [Repealed.]		
(6) Each Magistrate	$146,413	$154,319
(7) Each Judicial Bureau hearing officer	$146,413	$154,319

* * *

Sec. 20. 2023 Acts and Resolves No. 27, Sec. 5 (forensic facility report) is amended to read:

Sec. 5. [Deleted.]

Sec. 21. 2023 Acts and Resolves No. 40, Sec. 4 is amended to read:

Sec. 4. REPEALS

* * *

(c) 28 V.S.A. § 126 (Coordinated Justice Reform Advisory Council) is repealed on ~~July 1, 2028~~ July 1, 2025.

Sec. 22. [Deleted.]

Sec. 23. [Deleted.]

Sec. 24. FIREARM SURRENDER ORDER COMPLIANCE WORKING GROUP; REPORT

(a) Creation. The Office of the Attorney General shall convene a Firearm Surrender Order Compliance Working Group to develop a uniform process to ensure compliance with court orders to surrender firearms. The Working Group shall examine the statutory or policy changes necessary to create a uniform process to monitor compliance, support entities charged with storing and returning surrendered firearms pursuant to court orders, and identify a stable and reliable funding source for any additional resources needed to monitor compliance.

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

(1) the Attorney General or designee, who shall be the chair;

(2) the Chief Superior Court Judge or designee;

(3) the Defender General or designee;

(4) one State's Attorney or designee, appointed by the Department of State's Attorneys and Sheriffs;

(5) a member, appointed by the Vermont Network Against Domestic and Sexual Violence;

(6) a member of the Vermont State Police, appointed by the Commissioner of Public Safety;

(7) a police chief, appointed by the Vermont Association of Chiefs of Police;

(8) a federal firearms licensee, appointed by the Attorney General;

(9) the Vermont Center for Crime Victim Services; and

(10) the Vermont Council on Domestic Violence.

(c) Consultation. The Working Group shall consult with stakeholders including:

(1) the Commissioner of Corrections;

(2) family law practitioners;

(3) victim advocates;

(4) advocates from culturally specific advocacy organizations that work with domestic violence victims;

(5) the Vermont Federation of Sportsmen's Clubs;

(6) the Vermont Office of the Bureau of Alcohol Tobacco and Firearms;

(7) the Vermont Medical Society;

(8) the Commissioner of Mental Health; and

(9) the Commissioner of Fish and Wildlife.

(d) Report. On or before November 15, 2025, the Working Group shall report its recommendations to the House and Senate Committees on Judiciary and to the Joint Legislative Justice Oversight Committee. The report shall include:

(1) a workable statewide compliance model that is adaptable to both the Family and Criminal Divisions of the Superior Courts and that ensures:

(A) accountability of respondents and defendants while addressing safety needs of the plaintiffs and victims; and

(B) proper storage and return of firearms surrendered pursuant to court orders; and

(2) recommendations for any legislative changes necessary to support the model.

(e) Meetings. The Working Group shall meet not more than six times.

(f) Compensation and reimbursement. Members of the Working Group who are not employees of the State of Vermont or who are not otherwise compensated or reimbursed for their attendance shall be entitled to compensation and reimbursement of expenses pursuant to 32 V.S.A. § 1010 for not more than six meetings.

Sec. 25. 15A V.S.A. § 3-504 is amended to read:

§ 3-504. GROUNDS FOR TERMINATING RELATIONSHIP OF PARENT AND CHILD

(a) If a respondent answers or appears at the hearing and asserts parental rights, the court shall proceed with the hearing expeditiously. If the court finds, upon clear and convincing evidence, that any one of the following grounds exists and that termination is in the best interests of the minor, the court shall order the termination of any parental relationship of the respondent to the minor:

* * *

(2) In the case of a minor over six months of age at the time the petition is filed, the respondent did not exercise parental responsibility for a period of at least six months immediately preceding the filing of the petition. In making a determination under this subdivision, the court shall consider all relevant factors, which may include the respondent's failure to:

(A) make reasonable and consistent payments, in accordance with the respondent's financial means, for the support of the minor, although legally obligated to do so;

(B) regularly communicate or visit with the minor; or

(C) during any time the minor was not in the physical custody of the other parent, manifest an ability and willingness to assume legal and physical custody of the minor.

* * *

Sec. 25a. 33 V.S.A. § 5231(d) is amended to read:

(d) Termination of parental rights. If the Commissioner or the attorney for the child seeks an order terminating parental rights of one or both parents and transfer of custody to the Commissioner without limitation as to adoption, the court shall consider the best interests of the child in accordance with section 5114 of this title. The Department's Family Services Division shall not consider payment of child support to the Family Services Division to offset the cost of foster care as a factor in a petition to terminate parental rights.

Sec. 25b. 33 V.S.A. § 5317(d) is amended to read:

(d) Termination of parental rights. If the Commissioner or the attorney for the child seeks an order at disposition terminating the parental rights of one or both parents and transfer of legal custody to the Commissioner without limitation as to adoption, the court shall consider the best interests of the child in accordance with section 5114 of this title. The Department's Family Services Division shall not consider payment of child support to the Family Services Division to offset the cost of foster care as a factor in a petition to terminate parental rights.

Sec. 26. 15 V.S.A. § 202 is amended to read:

§ 202. PENALTY FOR DESERTION OR NONSUPPORT

A married person who, without just cause, shall desert or willfully neglect or refuse to provide for the support and maintenance of ~~his or her~~ the person's spouse and children, leaving them in destitute or necessitous circumstances or a parent who, without lawful excuse, shall desert or willfully neglect or refuse to provide for the support and maintenance of ~~his or her~~ the child ~~or an adult child possessed of sufficient pecuniary or physical ability to support his or her parents, who unreasonably neglects or refuses to provide such support when the parent is destitute, unable to support himself or herself, and resident in this State,~~ shall be imprisoned not more than two years or fined not more than $300.00, or both. Should a fine be imposed, the court may order the same to be paid in whole or in part to the needy spouse~~, parent,~~ or to the guardian, custodian, or trustee of the child. The Office of Child Support attorneys, in addition to any other duly authorized person, may prosecute cases under this section in Vermont Superior Court.

Sec. 27. 28 V.S.A. § 818 is amended to read:

§ 818. EARNED TIME; REDUCTION OF TERM

* * *

(b) The earned time program implemented pursuant to this section shall comply with the following standards:

* * *

(4) The Department shall:

(A) ensure that all victims of record are notified of the earned time program at its outset and made aware of the option to receive notifications from the Department pursuant to this subdivision;

(B) provide timely notice not less frequently than every 90 days to the offender, and to any victim who opts to receive the notice, any time the offender receives a reduction in ~~his or her~~ the offender's term of supervision pursuant to this section;

(C) maintain a system that documents and records all such reductions in each offender's permanent record; and

(D) record any reduction in an offender's term of supervision pursuant to this section on a monthly basis and ensure that victims who want information regarding changes in ~~scheduled~~ an offender's minimum release ~~dates~~ date have access to such information.

* * *

Sec. 28. VICTIM NOTIFICATION SYSTEM TASK FORCE; REPORT

(a) Creation. There is created the Victim Notification System Task Force to review and improve the responsiveness of Vermont's victim notification system.

(b) Membership. The Task Force shall be composed of the following members:

(1) the Commissioner of Corrections or designee;

(2) the Executive Director of the Center for Crime Victim Services or designee;

(3) the Executive Director of the Department of State's Attorneys and Sheriffs or designee;

(4) a member, appointed by the Vermont Network Against Domestic and Sexual Violence;

(5) the Victims Service Director of the Vermont State Police;

(6) two persons who are either victims or survivors of crimes, appointed by the Center for Crime Victim Services; and

(7) a member, appointed by the Commissioner of Corrections, who is familiar with the capability and technical operations of the VINE system.

(c) Powers and duties. The Task Force shall study the current state of Vermont's victim notification system, including:

(1) improving victims' accessibility to information;

(2) ensuring that the entire notification process is trauma-informed, including all notifications, communications, and informational materials;

(3) expanding the use of automated notification systems in order to increase options and maximize communication choices for victims and survivors; and

(4) recommendations for necessary training and resources.

(d) Assistance. The Task Force shall have the administrative, technical, and legal assistance of the Department of Corrections.

(e) Report. On or before November 15, 2025, the Task Force shall submit its findings and recommendations as a written report in the form of proposed legislation to the Joint Legislative Justice Oversight Committee, the House Committees on Corrections and Institutions and on Judiciary, and the Senate Committees on Institutions and on Judiciary.

(f) Meetings.

(1) The Commissioner of Corrections or designee shall call the first meeting of the Task Force to occur on or before August 1, 2025.

(2) The Committee shall select a chair from among its members at the first meeting.

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

(4) The Task Force shall cease to exist on February 15, 2026.

Sec. 29. 4 V.S.A. § 39 is amended to read:

§ 39. CAPITAL BUDGET REQUESTS; COUNTY COURTHOUSES

(a) On or before October 1 each year, any county requesting capital funds for its courthouse, or court operations, shall submit a request to the Court Administrator. As used in this subsection, "court operations" does not include operating expenses.

(b) The Court Administrator shall evaluate requests based on the following criteria:

(1) whether the funding request is consistent with a capital program developed pursuant to 24 V.S.A. § 133(e)(3);

(2) whether the project that is the subject of the request has been included in the list of capital projects in the county's budget pursuant to 24 V.S.A. § 133(e)(1), and, if so, the description of the project included in the budget;

(3) whether the county has established a capital reserve fund pursuant to 24 V.S.A. § 133(e)(3), and, if so, the amount of annual contributions the county has made to the fund;

(4) whether the funding request relates to an emergency that will affect the court operations and the administration of justice;

~~(2)~~(5) whether there is a State-owned courthouse in the county that could absorb court activities in lieu of this capital investment;

~~(3)~~(6) whether the county consistently has invested in major maintenance in the courthouse;

~~(4)~~(7) whether the request relates to a State-mandated function;

~~(5)~~(8) whether the request diverts resources of other current Judiciary capital priorities;

~~(6)~~(9) whether the request is consistent with the long-term capital needs of the Judiciary, including providing court services adapted to modern needs and requirements; and

~~(7)~~(10) any other criteria as deemed appropriate by the Court Administrator.

(c) Based on the criteria described in subsection (b) of this section, the Court Administrator shall make a recommendation to the Commissioner of Buildings and General Services regarding whether the county's request should be included as part of the Judiciary's request for capital funding in the Governor's annual proposed capital budget request.

(d) On or before January 15 of each year, the Court Administrator shall advise the House Committee on Corrections and Institutions and the Senate Committee on Institutions of all county requests received and the Court Administrator's recommendations for the proposed capital budget request.

Sec. 30. 23 V.S.A. § 1210(c) is amended to read:

(c) Second offense. A person convicted of violating section 1201 of this title who has been convicted of another violation of that section within the last 20 years shall be fined not more than $1,500.00 or imprisoned not more than two years, or both. At least ~~200~~ 80 hours of community service shall be performed, or 60 consecutive hours of the sentence of imprisonment shall be served and may not be suspended or deferred or served as a supervised sentence, except that credit for a sentence of imprisonment may be received for time served in a residential alcohol facility pursuant to sentence if the program is successfully completed.

Sec. 31. INTENT

(a) It is the intent of the General Assembly that the Department of Corrections ensures gender parity in the access to services and programs that strengthen family connections.

(b) It is the further intent of the General Assembly that the Department of Corrections develop a phased plan to expand the application of 28 V.S.A. § 128 to all Vermont correctional facilities by 2028.

Sec. 32. 28 V.S.A. § 102(c) is amended to read:

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

* * *

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

Sec. 33. 28 V.S.A. § 128 is added to read:

§ 128. INCARCERATED PARENTS AND GUARDIANS; FAMILY SUPPORT PROGRAM

(a) Family Support Program. The Department of Corrections shall establish the Family Support Program to provide free parenting and family support at each correctional facility to all incarcerated individuals who are parents and guardians regardless of gender. The Program shall include individualized services and programming intended to provide:

(1) increased knowledge and skill for incarcerated parents and guardians to address the specific needs of their children;

(2) resources to incarcerated parents and guardians to engage in needs-specific planning and communication strategies with their children and their children's caregivers;

(3) child-friendly visitation spaces, in consultation with the Department, for in-person and virtual visits between parents or guardians and their children, including establishing safety protocol;

(4) outreach and coordination with appropriate services for the children of incarcerated parents and guardians and the children's caregivers;

(5) improved cross-system coordination and collaboration to deliver necessary services to the families of incarcerated parents and guardians; and

(6) reentry support and preparation for incarcerated parents and guardians.

(b) Program support. The Department may support the operation of the Family Support Program established pursuant to this section through grants of financial assistance to, or contracts for services with, any nonprofit entity that meets the Department's requirements.

(c) Annual report. Annually, on or before July 1, the Department shall submit a written report to the House Committees on Corrections and Institutions and on Judiciary and the Senate Committees on Institutions and on Judiciary concerning:

(1) the funding, participation, and outcomes of the services and programming established pursuant to this section; and

(2) considerations and any progress towards sustained statewide programming and gender parity.

Sec. 34. DEPARTMENT OF CORRECTIONS; FAMILY SUPPORT PROGRAM; IMPLEMENTATION

The Department of Corrections shall first implement the Family Support Program established under 28 V.S.A. § 128 at the Chittenden Regional Correctional Facility and Northern State Correctional Facility.

Sec. 35. EFFECTIVE DATES

This act shall take effect on passage, except that Sec. 1 shall take effect on July 2, 2025 and Sec. 29 shall take effect on July 1, 2026.

Thereupon, the question, Shall the Senate concur in the House proposal of amendment with further 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. 91.

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

An act relating to the Vermont Homeless Emergency Assistance and Responsive Transition to Housing Program.

Was taken up for immediate consideration.

Senator Lyons, 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 reports that it has met and considered the same and recommends that the House accede to the Senate proposal of amendment and that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Findings and Legislative Intent * * *

Sec. 1. FINDINGS

The General Assembly finds that:

(1) according to the U.S. Department of Housing and Urban Development's 2024 Annual Homelessness Assessment Report, Vermont had the fourth highest rate of homelessness in 2024 in that 53 of every 10,000

Vermonters are experiencing homelessness, with only Hawaii, New York, and Oregon experiencing higher rates;

(2) according to the Vermont Homeless Management Information System, as of March 2025 there were 4,971 individuals who were homeless in the State, 1,105 of whom were children;

(3) according to the Vermont 2024 Point-in-Time Count, there were approximately 3,458 unhoused individuals in Vermont, which represents a 300 percent increase over the 1,110 unhoused individuals prior to the COVID-19 pandemic in 2020;

(4) according to the Vermont 2024 Point-in-Time Count, over 35 percent of those Vermonters experiencing homelessness were unhoused for more than one year and over 72 percent were unhoused for more than 90 days;

(5) according to the Vermont 2024 Point-in-Time Count, Black Vermonters are 5.6 times more likely to be unhoused as compared to white Vermonters;

(6) the 2024 Vermont Housing Needs Assessment notes that 36,000 primary homes are needed in Vermont between 2025–2029, 3,295 of which are needed to address homelessness;

(7) the 2024 Vermont Housing Needs Assessment notes that "[h]alf of all Vermont renters are cost-burdened, and one-in-four pay more than 50 [percent] of their income on housing costs, putting them at high risk of eviction," which "is heightened by Vermont's rental vacancy rate of 3 [percent], which is well below the 5 [percent] rate of a healthy market";

(8) since 2020, the Vermont Housing and Conservation Board has facilitated construction of 170 new single-family homeownership units and 269 new shelter beds; and

(9) the 2024 Vermont Housing Needs Assessment notes that "[h]alf of all Vermont renters are cost-burdened, and one-in-four pay more than 50 [percent] of their income on housing costs, putting them at high risk of eviction," which "is heightened by Vermont's rental vacancy rate of 3 [percent], which is well below the 5 [percent] rate of a healthy market".

Sec. 2. LEGISLATIVE INTENT

(a) It is the intent of the General Assembly that unsheltered homelessness be eliminated and that homelessness in Vermont be rare, brief, and nonrecurring.

(b) It is the intent of the General Assembly that the Vermont Homeless Emergency Assistance and Responsive Transition to Housing Program established in 33 V.S.A. chapter 22 is a step toward ensuring that:

(1) homelessness be reduced in Vermont and interim shelter opportunities be available to provide a stable pathway to permanent housing for all Vermonters experiencing homelessness, including safe shelter options for individuals living in unsheltered homelessness;

(2) Vermont increase the supply of emergency shelter as well as permanent supportive housing that meets the specific needs of individuals;

(3) community components of all shelter types are integrated in a systemic manner;

(4) night-by-night shelter, relocation between interim shelter sites, and other disruptions in housing stability be eliminated to the extent possible;

(5) Vermont's emergency housing statutes, rules, policies, procedures, and practices be modeled on Housing First principles where appropriate;

(6) noncongregate shelter be used to the extent possible; and

(7) Vermont reduce reliance on the inefficient use of hotel and motel rooms to shelter participating households and expand the use of emergency shelters throughout the State for this purpose.

(c) It is the intent of the General Assembly that:

(1) the Vermont Homeless Emergency Assistance and Responsive Transition to Housing Program established in 33 V.S.A. chapter 22 replaces the provision of emergency housing through the General Assistance Program established in 33 V.S.A. chapter 21 and the Housing Opportunity Grant Program beginning in fiscal year 2027 and on an ongoing basis; and

(2) in fiscal years 2027 and 2028, emergency shelter services funded through the Housing Opportunity Grant Program in fiscal year 2025 be funded at a level equivalent to or greater than fiscal year 2025 expenditures.

* * * Vermont Homeless Emergency Assistance and Responsive Transition to Housing Program; Effective July 1, 2025 * * *

Sec. 3. 33 V.S.A. chapter 22 is added to read:

CHAPTER 22. VERMONT HOMELESS EMERGENCY ASSISTANCE AND RESPONSIVE TRANSITION TO HOUSING PROGRAM

§ 2201. SHORT TITLE

The Program established in this chapter may be cited as "VHEARTH" or the "VHEARTH Program."

§ 2202. PURPOSE

It is the purpose of the General Assembly to:

(1) replace the provision of emergency housing through the General Assistance Program established in chapter 21 of this title and the Housing Opportunity Grant Program and use funds and resources previously attributed to these programs, and any other identified State and federal monies, to fund the Vermont Homeless Emergency Assistance and Responsive Transition to Housing Program established in this chapter;

(2) reduce reliance on the inefficient use of hotel and motel rooms to shelter participating households and expand the use of emergency shelters throughout the State for this purpose; and

(3) assist in maintaining housing for households at risk of homelessness and transition households experiencing homelessness to permanent housing.

§ 2203. DEFINITIONS

As used in this chapter:

(1) "At risk of homelessness" means precariously housed without sufficient income, resources, or support to prevent homelessness.

(2) "Community action agency" means an agency designated pursuant to 3 V.S.A. chapter 59.

(3) "Community-based shelter" means a shelter that meets the Department's standards for the operation of shelters.

(4) "Department" means the Department for Children and Families.

(5) "Extreme weather event" means extreme hot or cold temperatures or weather events, such as hurricanes, flooding, or blizzards, that create hazardous conditions for outdoor habitation by humans.

(6) "Homeless" means:

(A) lacking a fixed, regular, and adequate nighttime residence;

(B) facing imminent loss of primary nighttime residence;

(C) fleeing or attempting to flee domestic violence; or

(D) otherwise defined as homeless under federal law.

(7) "Household" means an individual and any dependents for whom the individual is legally responsible who are domiciled and intend to stay in Vermont as evidenced by an intent to dwell in Vermont and to return to Vermont if temporarily absent, coupled with an act or acts consistent with that

intent. "Household" includes individuals who reside together as one economic unit, including those who are married, parties to a civil union, or unmarried.

(8) "Unsheltered homelessness" means sleeping in a location not designed for or ordinarily used as a regular sleeping accommodation.

§ 2204. REGIONAL ADVISORY COUNCILS

(a) Each community action agency shall convene a regional advisory council composed of individuals and organizations in the community action agency's region. The membership of each regional advisory council shall reflect, to the extent possible, the growing diversity among Vermonters, including individuals who are Black, Indigenous, and Persons of Color, as well as with regards to socioeconomic status, geographic location, gender, sexual identity, and disability status.

(1) Members of an advisory council shall include individuals with lived experience of homelessness, local housing coalitions or a local continuum of care serving as a local housing coalition, other organizations providing services in the region, municipalities, statewide homelessness organizations, the Agency of Human Services' Field Services Director, and any other representatives of the Agency as needed.

(2) Members of a regional advisory council may include community and State partners, housing providers, providers of coordinated entry, continuums of care, faith-based organizations, and other individuals or organizations as needed.

(b) Each regional advisory council shall provide advice and recommendations to the community action agency in its region regarding the design and implementation of the Program.

(c) Each regional advisory council shall meet on at least a quarterly basis.

(d) Members of a regional advisory council who are not participating in their professional capacity shall be entitled to per diem compensation and reimbursement of expenses as permitted under 32 V.S.A. § 1010 for not more than eight meetings annually. These payments shall be made from monies distributed to the relevant community action agency by the Department.

* * * Vermont Homeless Emergency Assistance and Responsive Transition to Housing Program; Effective July 1, 2026 * * *

Sec. 4. 33 V.S.A. chapter 22 is amended to read:

CHAPTER 22. VERMONT HOMELESS EMERGENCY ASSISTANCE AND RESPONSIVE TRANSITION TO HOUSING PROGRAM

* * *

§ 2203. DEFINITIONS

As used in this chapter:

* * *

(2) "Community action agency" means an agency designated pursuant to 3 V.S.A. chapter 59 or the entity or entities otherwise authorized by the Department pursuant to section 2205 of this chapter to fulfill the duties of a community action agency under this chapter.

* * *

§ 2204. ESTABLISHMENT; VERMONT HOMELESS EMERGENCY ASSISTANCE AND RESPONSIVE TRANSITION TO HOUSING PROGRAM

The Vermont Homeless Emergency Assistance and Responsive Transition to Housing Program is established in the Department to provide services to households that are homeless or at risk of becoming homeless, to the extent funds exist.

(1) The Department shall select and enter into an agreement with a statewide organization that has population-specific service experience to provide or cause to be provided supportive services and shelter to those households that are experiencing or that have experienced domestic or sexual violence.

(2) All other participating households shall be served by or through a community action agency responsible for a geographically distinct region of the State. Community action agencies participating in the Program shall provide or cause to be provided supportive services, extreme weather event shelter, and emergency shelter.

§ 2205. AUTHORIZATION PROCESS; REAUTHORIZATION REVIEW

(a) The Department shall select and enter into an agreement with a statewide organization to provide or cause to be provided supportive services and shelter to those households that are experiencing or that have experienced domestic or sexual violence. The Department shall conduct regular reviews of the statewide organization to ensure compliance with this chapter. The statewide organization may be subject to corrective actions by the Department if, within the constraint of appropriated resources, it no longer meets the requirements of this chapter or has failed to adequately meet the needs of households that are experiencing or that have experienced domestic or sexual violence. If the statewide organization cannot fulfill its responsibilities under this chapter, the Department shall work with another entity to ensure that there is not a gap in services.

(b)(1) The Department shall authorize a community action agency to serve or cause to be served households that are homeless or at risk of becoming homeless in a geographically distinct region of the State if it meets the criteria in this section. If a community action agency cannot fulfill its responsibilities under this chapter, the Department shall work with other community action agencies or other appropriate community entities to ensure that there is not a gap in services in a community action agency's region.

(2) A community action agency providing or causing to provide services in accordance with this chapter shall have:

(A) existing or planned infrastructure to support households in the region, including an established leadership team, a human resources staff, and the ability to receive grant funding and issue subgrants;

(B) the ability to meet the Department's reporting requirements, including having a past history of reporting compliance;

(C) the capacity to perform or cause to be performed the core services required pursuant to section 2206 of this chapter;

(D) the capacity to seek and accept charitable contributions, grants, and services of volunteers, including money, clothing, and furniture;

(E) any outcome measures established in this chapter;

(F) community connections with other providers in the region, including local housing coalitions, housing providers, providers of coordinated entry, continuums of care, faith-based organizations, and providers of services to individuals who are older Vermonters; individuals who have disabilities, a substance use disorder, or a mental health condition; individuals reentering the community after incarceration; individuals transitioning from the care and custody of the Commissioner for Children and Families; and families with children; and

(G) the ability to provide plain language communications to households receiving services.

(3) Not less than every three years, the Department shall conduct a reauthorization review of each community action agency providing or causing to provide services pursuant to this chapter. An organization may be subject to corrective actions by the Department if, within the constraint of appropriated resources, it no longer meets the requirements in subdivision (2) of this subsection or has failed to adequately meet the needs of households in its region that are homeless or at risk of homelessness. Lack of compliance may result in the Department deciding not to reauthorize the community action agency. The Department may review progress of any previously required

corrective actions and may review community action agency performance between reauthorization reviews.

§ 2206. VHEARTH CORE SERVICES

(a) The Department shall enter into an agreement with a statewide organization with population-specific experience serving households that are experiencing or that have experienced domestic or sexual violence. The organization shall provide or cause to be provided various shelter and case management services that support households.

(b) Each community action agency shall offer or cause to be offered, in collaboration with community partners, each of the following services within its region:

(1) supportive services, including:

(A) intake assessments and services for diversion from homelessness, which shall include regional intake shelters unless the Department and community action agencies agree otherwise;

(B) household needs assessments;

(C) individualized household plans to address identified needs;

(D) housing navigation services;

(E) assistance obtaining and retaining housing, including financial assistance;

(F) landlord-tenant outreach, education, and conflict resolution;

(G) navigation to other services and supports as identified in the household's housing plan, including economic benefits, peer-supported services, job training and employment services, services related to disability and independent living advocacy, and referral to health care assistance such as treatment for mental health conditions and substance use disorder as provided by the designated and specialized services agencies and preferred providers, respectively, or other providers; and

(H) progress monitoring and interventions;

(2) the operation of extreme weather event shelters, which may include time-limited congregate accommodations and may be provided through agreements with municipalities or other entities, utilizing available data and considering geographic access to prioritize funding for this purpose; and

(3) the operation of emergency shelters in a manner that builds upon the federally required community planning process and prioritizes households in need of the services of an emergency shelter, which may include community-

based shelters, temporary use of hotels or motels, lease agreements for full or partial use of an existing building, need-specific shelter arrangements, master grant leases, the development of shelter capacity, or other arrangements or combinations of arrangements that comply with the intent of this chapter.

§ 2207. USE OF HOTEL AND MOTEL ROOMS

(a) It is the intent of the General Assembly to decrease reliance on hotel and motel rooms for emergency housing. Annually, as shelter capacity increases and the number of households experiencing homelessness decreases in each region of the State, the use of hotel and motel rooms for emergency housing in that region shall decrease. Annually, as part of the Department's budget presentation, the Department shall set goals for increased housing capacity, including permanent supportive housing, permanent affordable housing, and shelter beds, some of which may be population-specific, in addition to proposed corresponding decreases in the use of hotel and motel rooms. The Department shall provide data pertaining to the percentage of increased shelter capacity from the previous fiscal year in each region and how that increase impacts the corresponding hotel and motel room usage for emergency housing in each region pursuant to this subsection for the purpose of informing regional planning and expectations.

(b) If hotels and motels are used to provide emergency shelter pursuant to this chapter, the hotel and motel operators shall comply with Program rules and the following rules:

(1) Department of Health, Licensed Lodging Establishment Rule (CVR 13-140-023); and

(2) Department of Public Safety, Vermont Fire and Building Safety Code (CVR 28-070-001).

(c) Annually, the Department shall propose hotel and motel rates as part of its budget presentation for approval by the General Assembly. A community action agency shall not pay or cause to be paid with State monies a per-room, per-night basis that exceeds the rate approved by the General Assembly.

(d) If a hotel or motel is being utilized, a community action agency or entity under contract with a community action agency:

(1) shall ensure relevant support services established pursuant to subdivision 2206(b)(1) of this chapter;

(2) shall enter into agreements for the use of blocks of hotel and motel rooms and negotiate the conditions of use for those blocks, including access for providers of case management or other supportive services;

(3) shall prioritize the use of hotel and motel room agreements over individual per-room, per-night hotel or motel room use, unless it is not appropriate to a household's needs;

(4) may use population-specific placements to the extent certain populations are not isolated from the wider community served through the Program; and

(5) shall not utilize hotels and motels outside the community action agency or entity's region, unless approved by the Department or in a written memorandum of understanding between community action agencies.

§ 2208. VHEARTH; DUTIES OF THE DEPARTMENT

(a) The Department and the Agency of Human Services shall have statewide responsibility for meeting the intent of this chapter, including statewide planning, system development, and the involvement of all the Agency's departments.

(b) For the purpose of providing administrative oversight and monitoring of the Program established in this chapter, the Department shall:

(1)(A) maintain guidance regarding when extreme weather event shelters shall be operated, including flexibility for regional weather conditions; and

(B) maintain a website with the locations of all extreme weather event shelters;

(2) include as part of any review of a community action agency required pursuant to 3 V.S.A. chapter 59 the community action agency's ability to perform the requirements of this chapter;

(3)(A) consult with the community action agencies and the statewide organization serving households that are experiencing or that have experienced domestic or sexual violence to develop appropriate resource allocations and methods for adjustment that take into account available data, the presence of community-based providers, and customary resource allocation methods, economic indicators, rate of homelessness, rental vacancy rates, and other variables, as appropriate; and

(B) annually, distribute funding to each community action agency and the statewide organization serving households that are experiencing or that have experienced domestic or sexual violence using the allocation formula developed pursuant to subdivision (A) of this subdivision (b)(3), or if the Department and community action agencies agree, disperse a joint allocation for all community action agencies, which the community action agencies shall determine how to distribute amongst themselves;

(4) consult with the community action agencies and the statewide organization serving households that are experiencing or that have experienced domestic and sexual violence to develop appropriate measures and methods for accountability of the community action agencies' and the statewide organization's execution of duties under this chapter, including the provision of any previously agreed upon information to enable the Department to evaluate the services provided through grant funds, the effect on households receiving services, and an accounting of expended grant funds;

(5) provide support and technical assistance to the community action agencies, other community partners, and the statewide organization serving households that are experiencing or that have experienced domestic or sexual violence;

(6) identify specific administrative resources that could be transitioned to community operations;

(7) develop and maintain standards for the core services listed in section 2206 of this chapter, including the operation of community-based shelters; and

(8) adopt rules pursuant to 3 V.S.A. chapter 25, in consultation with the community action agencies and the statewide organization serving households that are experiencing or that have experienced domestic or sexual violence, as appropriate, for the implementation of this chapter, including rules that address reauthorization standards under subsection 2205(a) and subdivision 2205(b)(3) of this chapter and accommodations for individuals with a disability.

§ 2209. REGIONAL PLANNING; NEEDS ASSESSMENTS

(a) As part of the plan required every three years pursuant to 3 V.S.A. § 3904 and the federally required planning and needs assessments for the continuums of care, the community action agencies shall develop a regional needs assessment and planning process, in collaboration with community and State partners, for use in each community action agency's region to inform future plans addressing housing and homelessness in each region of the State. The regional needs assessment and planning process plans shall include:

(1) addressing progress in reducing the number of households experiencing homelessness in a region;

(2) assessing the rate households placed in permanent housing return to homelessness and the underlying reasons;

(3) identifying resources developed and utilized in the region to address homelessness and efforts to improve the equitable distribution of these resources in the region;

(4) reporting the rate of household participation with coordinated entry processes and case management services;

(5) identifying system gaps and the funding needed to address those gaps, including periodic inflationary adjustments; and

(6) utilizing data, including Vermont's Point-in-Time Count, coordinated entry assessment results, and community conversations.

(b) Every three years, each community action agency shall submit plans developed pursuant to this section to the Department in a format prescribed by the Department and to the regional planning committees in the region. Upon receipt of the plans, the Department shall consolidate the results of these reports and submit the consolidated report to the House Committee on Human Services and to the Senate Committee on Health and Welfare.

§ 2210. REPORTING REQUIREMENTS

On or before the last day of every third month, the Department shall post a report on its website, in consultation with the community action agencies and the statewide organization serving households experiencing domestic or sexual violence, addressing:

(1) the number of households served through the Program, by household size and, if applicable, by eligibility category, region, service provider, and core service category;

(2) cash income and noncash benefits by source;

(3) changes in capacity for shelter beds, nursing homes, and residential care homes since the previous reporting period;

(4) the number of diversions from homelessness made during the previous reporting period;

(5) the number of households whose intake assessment indicated a potential need for services from each department within the Agency;

(6) the number of households that have been successfully transitioned to permanent housing since the previous reporting period, the types of housing settings in which they have been placed, and any supportive services they are receiving in conjunction with their housing;

(7) the number of households returning to homelessness after placement in permanent housing; and

(8) an inventory, by amount and purpose, of all subgrants issued by the statewide organization serving households experiencing or who have

experienced domestic or sexual violence and by each community action agency.

§ ~~2204~~ 2211. REGIONAL ADVISORY COUNCILS

* * *

* * * Implementation Planning and Initial Regional Assessments * * *

Sec. 5. VHEARTH IMPLEMENTATION PLANNING

(a) On or before October 1, 2025, the Department for Children and Families, in collaboration with the community action agencies and the statewide organization serving households that are experiencing or that have experienced domestic or sexual violence, shall submit the first of two written implementation plans to the House Committee on Human Services, the Senate Committee on Health and Welfare, and the Joint Fiscal Committee outlining its initial plans for the implementation of the Vermont Homeless Emergency Assistance and Responsive Transition to Housing Program established by 33 V.S.A. chapter 22 on or before July 1, 2026. Specifically, the first implementation plan shall include:

(1) a process that community action agencies, in coordination with the Department, shall use to conduct regularly occurring regional needs assessments and develop future regional plans, including consideration of municipal needs;

(2) recommended performance measures to evaluate the community action agencies and the statewide organization serving households that are experiencing or that have experienced domestic or sexual violence in carrying out their duties under 33 V.S.A. chapter 22, including:

(A) the provision of any previously agreed upon information to enable the Department to evaluate the services provided through grant funds, the effect on households receiving services, and an accounting of expended grant funds; and

(B) performance measures that may be specific to an individual region of the State or provider;

(3) recommended eligibility for each of the core services listed in 33 V.S.A. § 2206;

(4) guidance regarding when extreme weather event shelters shall be operated, including flexibility for regional weather conditions;

(5) a timeline for the implementation of core services listed in 33 V.S.A. § 2206 for the first six months of fiscal year 2027;

(6) recommended intake and assessment processes to determine appropriate shelter and services for households based on Program eligibility; and

(7) a recommended process to enable an unwilling community action agency to opt-out of participation in the Program in a manner that gives the State adequate notice.

(b) On or before January 15, 2026, the Department for Children and Families, in collaboration with the community action agencies, regional advisory councils established pursuant to 33 V.S.A. § 2204, any other relevant department of the Agency, and the statewide organization serving households that are experiencing or that have experienced domestic or sexual violence, shall submit the second of two written implementation plans to the House Committee on Human Services and the Senate Committee on Health and Welfare outlining its initial plans for the implementation of the Vermont Homeless Emergency Assistance and Responsive Transition to Housing Program established by 33 V.S.A. chapter 22 on or before July 1, 2026. Specifically, the second implementation plan shall include recommendations and information on the following:

(1)(A) funding allocations among the community action agencies and other providers, including for services specific to households that are experiencing or that have experienced domestic or sexual violence; and

(B) the distribution of fiscal year 2026 appropriations pursuant to Sec. 8 of this act;

(2) additional State and federal funding and other resources identified for the Program;

(3) establishing an appeals process that includes a hearing before the Human Services Board and an option for an expedited appeals process;

(4) the role of 211 within the intake system;

(5) whether access to all or some services should include an expectation regarding household participation in case management services or other expectations such as night limits on the use of hotels and motels, and, if so, what elements and in what circumstances participation in case management services or other expectations should be applied;

(6) whether the use of emergency shelter should include financial participation, and, if so, what that participation should include;

(7) appropriate intake and assessment processes for verification of residency, homelessness, and household income;

(8) how to best ensure that there is equitable access to shelter and supportive services for households experiencing homelessness;

(9) the number of housing vouchers that Vermont lost in the past year, if the data is available; and

(10) any anticipated challenges requiring a legislative solution.

Sec. 6. INTERIM AND FINAL NEEDS ASSESSMENT PLANS

Prior to the enactment of the Vermont Homeless Emergency Assistance and Responsive Transition to Housing Program on July 1, 2026, the statewide organization serving households experiencing or that have experienced domestic or sexual violence and community action agencies shall conduct initial needs assessments in accordance with the process developed in Sec. 5(a)(1) of this act. On or before January 15, 2026, the community action agencies shall submit one comprehensive progress report and the statewide organization shall submit a separate report to the House Committees on Appropriations and on Human Services and the Senate Committees on Appropriations and on Health and Welfare, including estimated fiscal year 2027 budget proposals, estimated costs of administering the Program, and an analysis of any barriers to generating additional shelter and permanent housing in the region. On or before April 1, 2026, the statewide organization shall submit a report and the community action agencies shall submit a separate comprehensive report detailing the results of each region's needs assessment and implementation plans, which shall not exceed the budgetary proposals provided in the January 15, 2026 progress report, to the House Committees on Appropriations and on Human Services and the Senate Committees on Appropriations and on Health and Welfare and to the regional planning committees in the region. The initial needs assessment conducted pursuant to this section shall include:

(1) addressing progress in reducing the number of households experiencing homelessness in a region;

(2) assessing the rate households placed in permanent housing return to homelessness and the underlying reasons;

(3) identifying resources developed and utilized in the region to address homelessness and efforts to improve the equitable distribution of these resources in the region;

(4) reporting the rate of household participation with coordinated entry processes and case management services;

(5) identifying system gaps and the funding needed to address those gaps, including periodic inflationary adjustments; and

(6) utilizing data, including Vermont's Point-in-Time Count, coordinated entry assessment results, and community conversations.

* * * Community Action Agencies * * *

Sec. 7. 3 V.S.A. chapter 59 is amended to read:

CHAPTER 59. COMMUNITY ~~SERVICES~~ ACTION AGENCIES

§ 3901. FINDINGS AND PURPOSE

(a) Recognizing that the economic well-being and social equity of every Vermonter has long been a fundamental concern of the State, it remains evident that ~~poverty continues to be the lot of~~ a substantial number of Vermont's population continues to experience poverty. It is the policy of ~~this~~ the State to help develop the full potential of each of its citizens so they can contribute to the fullest extent possible to the life of our communities and the State as a whole.

(b) It is the purpose of this chapter to strengthen, supplement, and coordinate efforts that further this policy through:

(1) the strengthening of community capabilities for planning, coordinating, and managing federal, State, and other sources of assistance related to the problem of poverty;

(2) the better organization and utilization of a range of services related to the needs of ~~the poor~~ individuals with low income; and

(3) the broadening of the resource base of programs to secure a more active role in assisting ~~the poor~~ individuals with low income from business, labor, and other groups from the private sector.

§ 3902. OFFICE OF ECONOMIC OPPORTUNITY

(a) The Director of the Office of Economic Opportunity is hereby authorized to allocate available financial assistance for community ~~services~~ action agencies and programs in accordance with State and federal law and regulation.

(b) The Director may provide financial assistance to community ~~services~~ action agencies for the planning, conduct, administration, and evaluation of community ~~service~~ action programs to provide a range of services and activities having a measurable and potentially major impact on causes of poverty in the community or in areas of the community where poverty is a particularly acute problem. Components of those services and activities may involve, without limitation of other activities and supporting facilities designed to assist ~~low income~~ participants with low income:

(1) to secure and retain meaningful employment;

(2) to obtain adequate education;

(3) to make better use of available income;

(4) to ~~provide and maintain adequate housing and a suitable living environment~~ have access to safe, secure, and permanent housing;

(5) to obtain prevention, intervention, treatment, and recovery services for ~~the prevention of narcotics addiction, alcoholism, and for the rehabilitation of narcotic addicts and alcoholics~~ individuals with substance use disorder;

(6) to obtain emergency assistance through loans and grants to meet immediate and urgent individual and family needs, including the need for health services, nutritious food, housing, and unemployment-related assistance;

(7) to remove obstacles and solve personal and family problems ~~which~~ that block achievement of self-sufficiency;

(8) to achieve greater participation in the affairs of the community;

(9) to make more frequent and effective use of other programs related to the purposes of this chapter; and

(10) to coordinate and establish linkages between governmental and other social service programs to ~~assure~~ ensure the effective delivery of such services to ~~low-income~~ persons~~;~~ with low income and to encourage the use of entities in the private sector of the community in efforts to ameliorate poverty in the community.

(c) The Director is authorized to adopt rules pursuant to chapter 25 of this title appropriate to the carrying out of this chapter and the purposes thereof.

§ 3903. DESIGNATION OF AGENCIES TO PROVIDE SERVICES AND ACTIVITIES TO AMELIORATE OR ELIMINATE POVERTY

The Director shall designate private nonprofit ~~community based~~ community-based organizations ~~who~~ that have demonstrated or ~~who~~ that can demonstrate the ability to provide services and activities as defined in subsection 3902(b) of this title as community ~~services~~ action agencies.

§ 3904. COMMUNITY ~~SERVICES~~ ACTION AGENCY PLAN

Each designated community ~~services~~ action agency shall determine the need for activities and services within the area served by the agency and shall thereafter prepare a community services plan ~~which~~ that describes the method by which the agency will provide those services. The plan shall include a schedule for the anticipated provision of new or additional services and shall specify the resources ~~which~~ that are needed by and available to the agency to

implement the plan. The community services plan shall be completed every three years and updated annually. The plan shall include the regional needs assessment required under 33 V.S.A. § 2209.

§ 3905. COMMUNITY ~~SERVICES~~ ACTION AGENCIES; ADMINISTRATION

(a) Each community ~~services~~ action agency shall administer its programs as set out in the community services plan and as approved by its board of directors.

(b) Each board of a nonprofit ~~community based~~ community-based organization that is designated a community ~~services~~ action agency under section 3903 of this chapter shall have an executive committee of not more than seven members who shall be representative of the composition of the board and the board shall be so constituted that:

* * *

(2) one-third of the members of the board are persons chosen in accordance with election procedures adequate to ~~assure~~ ensure that they are representative of ~~the poor~~ individuals with low income in the area served; and

(3) the remainder of the members of the board are officials or members of business, industry, labor, religious, welfare, education, or other major groups and interests in the community.

(c) Each member of ~~the~~ a board selected to represent a specific geographic area within a community shall reside in the area ~~he or she~~ the member represents. ~~No person selected under subdivisions (2) or (3) of subsection (b) as a member of a board shall serve on such board for more than five consecutive years, or more than a total of 10 years~~ Each board shall adopt term limits to govern its members.

* * * Appropriations * * *

Sec. 8. APPROPRIATION; TRANSITION PLANNING

(a) In fiscal year 2026, $7,000,000.00 of one-time funding is appropriated from the General Fund as follows:

(1) $5,085,000.00 to the Department for Children and Families to plan for the implementation of the Vermont Homeless Emergency Assistance and Responsive Transition to Housing Program, which shall be distributed to the community action agencies on a mutually agreed upon schedule, as needed,;

(2) $400,000.00 to the Department for Children and Families for distribution to the statewide organization serving households experiencing or who have experienced domestic or sexual violence; and

(3) $515,000.00 to the Department of Health for distribution to Bridges to Health for services to individuals who are experiencing homelessness or at risk of becoming homeless;

(4) $1,000,000.00 to the Department for Children and Families for the distribution of grants to municipalities planning and implementing services for households that are at risk of homelessness or experiencing homelessness, in collaboration with the community action agency serving a municipality's region.

(b) The Department shall report on the distribution of appropriations made in this section pursuant to Sec. 5(b)(1)(B).

* * * VHEARTH Transition * * *

Sec. 9. VHEARTH TRANSITION

Between July 1, 2025 and July 1, 2026, pursuant to a mutual agreement between the Department and a community action agency or the statewide organization serving households experiencing domestic or sexual violence, specific elements of the Vermont Homeless Emergency Assistance and Responsive Transition to Housing Program may take effect prior to July 1, 2026 subject to:

(1) 30-day notice to affected households;

(2) 30-day notice to the Joint Fiscal Committee, House Committee on Human Services, and Senate Committee on Health and Welfare; and

(3) posted notice on the Department's website.

* * * Effective Dates * * *

Sec.10. EFFECTIVE DATES

This act shall take effect on July 1, 2025, except that:

(1) Sec. 4 (Vermont Homeless Emergency Assistance and Responsive Transition to Housing Program) shall take effect on July 1, 2026; however, specific elements of the Vermont Homeless Emergency Assistance and Responsive Transition to Housing Program may be implemented prior to that date pursuant to Sec. 9;

(2) Sec. 7 (community action agencies) shall take effect on July 1, 2026; and

(3) the Department for Children and Families shall commence the rulemaking process prior to July 1, 2026 in order to have rules in place on that date.

SEN. VIRGINIA V. LYONS
SEN. MARTINE LAROCQUE GULICK
SEN. TANYA C. VYHOVSKY
Committee on the part of the Senate

REP. THERESA A. WOOD
REP. ERIC MAGUIRE
REP. JUBILEE MCGILL
Committee on the part of the House

Recess

The Chair declared a recess until the fall of the gavel.

Called to Order

The Senate was called to order by the President.

Thereupon, the question, Shall the Senate accept and adopt the report of the Committee of Conference?, was agreed to on a division of the Senate, Yeas 15, Nays 12.

Rules Suspended; Bills Messaged

On motion of Senator Baruth, the rules were suspended, and the following bills were ordered messaged to the House forthwith:

S. 69, S. 109, H. 91.

Adjournment

On motion of Senator Baruth, the Senate adjourned until three o'clock in the afternoon.

Called to Order

The Senate was called to order by the President.

Message from the House No. 74

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. 124. An act relating to miscellaneous agricultural subjects.

And has passed the same in concurrence with proposal of amendment in the adoption of which the concurrence of the Senate is requested.

Message from the House No. 75

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 of the following title:

H. 472. An act relating to professions and occupations regulated by the Office of Professional Regulation.

And has concurred therein with a further proposal of amendment thereto, in the adoption of which the concurrence of the Senate is requested.

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

S. 69. An act relating to an age-appropriate design code.

And has concurred therein.

Recess

On motion of Senator Baruth the Senate recessed until three-thirty in the afternoon.

Called to Order

The Senate was called to order by the President.

Rules Suspended; Immediate Consideration; House Proposal of Amendment to Senate Proposal of Amendment Concurred In with Amendment

S. 122.

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

An act relating to economic and workforce development.

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. EXPANDING SERVICES FOR SMALL BUSINESSES

(a) The Vermont Professionals of Color Network. Of monies appropriated to the Department of Economic Development in fiscal year 2026, $200,000.00

shall be allocated to support The Vermont Professionals of Color Network's critical workforce and business development services it provides to BIPOC business communities and to support its business technical assistance services, which includes education on basic business practices, resource navigation, and networking support to BIPOC small business owners.

(b) Business advising. Of monies appropriated to the Department of Economic Development in fiscal year 2026, $150,000.00 shall be allocated for a grant to the Vermont Small Business Development Center for the purpose of supporting the continuation of its work in helping Vermonters start, acquire, and grow businesses. The funds shall also be used to continue its business advising and educational workshops to meet increasing demands of entrepreneurs and small business owners post pandemic.

Sec. 2. INTERNATIONAL TRADE DIVISION

Of monies appropriated to the Department of Economic Development in fiscal year 2026, $150,000.00 shall be allocated to the International Business Office for the purpose of continuing to support the Office's initiatives.

Sec. 3. TASK FORCE TO EXPLORE DEVELOPMENT OF CONVENTION CENTER AND PERFORMANCE VENUE

(a) Creation. There is created the Convention Center and Performance Venue Task Force to study the feasibility of constructing a convention center and performance venue in Vermont.

(b) Membership. The Task Force shall be composed of the following members:

(1) one current member of the House of Representatives, who shall be appointed by the Speaker of the House;

(2) one current member of the Senate, who shall be appointed by the Committee on Committees;

(3) the Commissioner of the Department of Economic Development or designee;

(4) the President of the Vermont Chamber of Commerce or designee;

(5) the Chief Executive Officer of the Lake Champlain Chamber of Commerce or designee;

(6) the President of the Vermont Regional Development Corporations or designee; and

(7) the Chair of the Vermont Association of Planning and Development Agencies or designee.

(c) Powers and duties. The Task Force, in reviewing the feasibility of constructing a convention center and performance venue in Vermont, shall:

(1) determine the ability of the State to support the projects through appropriations, bonding, tax instruments, and other financial assistance;

(2) identify infrastructure improvements needed for the projects, including water, sewer, transportation, lodging, and food;

(3) consider management and operational options for ownership, maintenance, staffing, and related items for the projects;

(4) research the attributes of convention centers and performance venues that have been recently and successfully developed in other states; and

(5) evaluate the economic impact and anticipated return on investment of having a convention center and performance venue.

(d) Assistance. The Task Force shall have the administrative, technical, and legal assistance of the Agency of Commerce and Community Development.

(e) Reports. On or before November 1, 2025, the Task Force shall submit an interim report to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs with an update on its work pursuant to subsection (c) of this section. On or before November 1, 2026, the Task Force shall submit a final written report to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs with its findings and any recommendations for legislative action.

(f) Meetings.

(1) The Commissioner of the Department of Economic Development or designee shall call the first meeting of the Task Force to occur on or before July 15, 2025.

(2) The Task Force shall select a chair from among its members at the first meeting.

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

(4) The Task Force shall cease to exist on December 1, 2026.

(5) The Task Force shall meet not more than six times.

(g) Reimbursement.

(1) For attendance at meetings during adjournment of the General Assembly, a legislative member of the Task Force serving in the member's

capacity as a legislator shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 23 for not more than six meetings. These payments shall be made from monies appropriated to the General Assembly.

(2) Other members of the Task Force shall be entitled to reimbursement of expenses as permitted under 32 V.S.A. § 1010 for not more than six meetings. These payments shall be made from monies appropriated to the Agency of Commerce and Community Development.

Sec. 4. 9 V.S.A. chapter 111B is added to read:

CHAPTER 111B. TRADE COMMISSIONS

§ 4129. VERMONT-IRELAND TRADE COMMISSION

(a) The Vermont-Ireland Trade Commission is established within the State Treasurer's office to advance bilateral trade and investment between Vermont and Ireland. The Commission shall consist of seven members as follows:

(1) two members, appointed by the Governor;

(2) two members, appointed by the Speaker of the House;

(3) two members, appointed by the Senate Committee on Committees; and

(4) the State Treasurer or designee.

(b) The purposes of the Vermont-Ireland Trade Commission are to:

(1) advance bilateral trade and investment between Vermont and Ireland;

(2) initiate joint action on policy issues of mutual interest to Vermont and Ireland;

(3) promote business and academic exchanges between Vermont and Ireland;

(4) encourage mutual economic support between Vermont and Ireland;

(5) encourage mutual investment in the infrastructure of Vermont and Ireland; and

(6) address other issues as determined by the Commission.

(c) The members of the Commission, except for the State Treasurer or designee, shall be appointed for terms of four years each and shall continue to serve until their successors are appointed, except that in order to achieve staggered terms, the two members appointed by the Governor shall serve initial terms of two years each and the two members appointed by the Speaker

of the House shall serve initial terms of three years each. Members may be reappointed. A member serves at the pleasure of the member's appointing authority. Not more than two members serving on the Commission may be members of the General Assembly.

(d) A vacancy in the membership of the Commission shall be filled by the relevant appointing authority within 90 days after the vacancy.

(e) The Commission shall select a chair from among its members at the first meeting. The Chair, as appropriate, may appoint from among the Commission members subcommittees or a subcommittee at the Chair's discretion. A majority of the members of the Commission shall constitute a quorum for purposes of transacting the business of the Commission.

(f) The Commission shall submit a written report with its findings, results, and recommendations to the Governor and the General Assembly within one year of its initial organizational meeting and on or before December 1 of each succeeding year for the activities of the current calendar year. The report shall also include a disclosure listing any in-kind contributions received by specific members of the Commission through their work in the Commission in the current calendar year.

(g) The Vermont-Ireland Trade Commission is authorized to raise funds, through direct solicitation or other fundraising events, alone or with other groups, and accept donations, grants, and bequests from individuals, corporations, foundations, governmental agencies, and public and private organizations and institutions, to defray the Commission's administrative expenses and to carry out its purposes as set forth in this chapter. The funds, donations, grants, or bequests received pursuant to this chapter shall be deposited in a bank account and allocated annually by the State Treasurer's office to defray the Commission's administrative expenses and carry out its purposes. Any monies so withdrawn shall not be used for any purpose other than the payment of expenses under this chapter. Interest earned shall remain in the bank account.

(h) Members of the Commission shall not receive compensation or be entitled to reimbursement of expenses by the State of Vermont for their service on the Commission.

Sec. 5. INITIAL APPOINTMENT DEADLINE FOR VERMONT-IRELAND TRADE COMMISSION

Initial appointments to the Vermont-Ireland Trade Commission shall be made not later than October 1, 2026.

Sec. 6. REPEAL; VERMONT-IRELAND TRADE COMMISSION

9 V.S.A. § 4129 (Vermont-Ireland Trade Commission) as added by this act is repealed on June 30, 2030.

Sec. 7. 10 V.S.A. § 540 is amended to read:

§ 540. WORKFORCE EDUCATION AND EMPLOYMENT AND TRAINING ~~LEADER~~ LEADERS

(a) The Commissioner of Labor and the Executive Director of the Office of Workforce Strategy and Development shall be the ~~leader~~ leaders of workforce education and employment and training in the State~~,~~ and shall have the authority and responsibility for the coordination of ~~workforce education and training within State government, including the following duties:~~ the State's workforce system as provided in this section.

(b) The powers and duties provided in this section shall not limit, restrict, or suspend any similar powers the Commissioner of Labor or the Executive Director of the Office of Workforce Strategy and Development may have under other provisions of law.

(c) For purposes of the federal Workforce Innovation and Opportunity Act (WIOA), the Department of Labor shall be designated as the State Workforce Agency and the Commissioner of Labor shall serve as the State Workforce Administrator.

(d) As co-leader of workforce education and employment and training in the State, the Commissioner of Labor, in consultation with the Executive Director of the Office of Workforce Strategy and Development where appropriate, shall:

(1) ~~Perform the following duties in consultation with the State Workforce Development Board:~~ ensure the coordination and administration of workforce education and employment and training programs operated by the Department of Labor;

~~(A) advise the Governor on the establishment of an integrated system of workforce education and training for Vermont;~~

~~(B) create and maintain an inventory of all existing workforce education and training programs and activities in the State;~~

~~(C) use data to ensure that State workforce education and training activities are aligned with the needs of the available workforce, the current and future job opportunities in the State, and the specific credentials needed to achieve employment in those jobs;~~

~~(D) develop a State plan, as required by federal law, to ensure that workforce education and training programs and activities in the State serve Vermont citizens and businesses to the maximum extent possible;~~

~~(E) ensure coordination and nonduplication of workforce education and training activities;~~

~~(F) identify best practices and gaps in the delivery of workforce education and training programs;~~

~~(G) design and implement criteria and performance measures for workforce education and training activities;~~

~~(H) establish goals for the integrated workforce education and training system; and~~

~~(I) with the assistance of the Secretaries of Commerce and Community Development, of Human Services, of Education, of Agriculture, Food and Markets, and of Transportation and of the Commissioner of Public Safety, develop and implement a coordinated system to recruit, relocate, and train workers to ensure the labor force needs of Vermont's businesses are met.~~

(2) ~~Require from each business, training provider, or program that receives State funding to conduct workforce education and training a report that evaluates the results of the training. Each recipient shall submit its report on a schedule determined by the Commissioner and shall include at least the following information:~~ enter into agreements, to the extent necessary, with other State agencies and departments for services to improve the employment and economic outcomes for individuals receiving public assistance, including agreements to provide customized or specialized services that are beyond the basic services required by federal law;

~~(A) name of the person who receives funding;~~

~~(B) amount of funding;~~

~~(C) activities and training provided;~~

~~(D) number of trainees and their general description;~~

~~(E) employment status of trainees; and~~

~~(F) future needs for resources.~~

(3) ~~Review reports submitted by each recipient of workforce education and training funding.~~ develop strategies and provide support to entities responsible for federal investments in the State's workforce system;

(4)(A) ~~Issue an annual report to the Governor, the House Committees on Appropriations and on Commerce and Economic Development, and the Senate~~

~~Committees on Appropriations and on Economic Development, Housing and General Affairs on or before December 1 that includes a systematic evaluation of the accomplishments of the State workforce investment system and the performance of participating agencies and institutions. The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the report to be made under this subdivision.~~ develop strategies designed to reduce employee layoffs and business closures; and

(B) provide reemployment services to employees affected by layoffs and closures;

(5) ~~Coordinate public and private workforce programs to ensure that information is easily accessible to students, employees, and employers, and that all information and necessary counseling is available through one contact.~~ administer a system where employment and training resources are provided to individuals and businesses through both physical and virtual service delivery methods;

(6) ~~Facilitate effective communication between the business community and public and private educational institutions.~~ establish job centers in such parts of the State as the Commissioner deems necessary and evaluate such centers on an as-needed basis;

(7) maintain a free and secure electronic job board that, to the extent practicable, compiles all available job, registered apprenticeship, education and training, and credentialing opportunities that support job seekers and career advancers;

~~(7)~~(8) ~~Notwithstanding any provision of State law to the contrary, and to the fullest extent allowed under federal law, ensure that in each State and State-funded workforce education and training program, the program administrator collects and reports data and results at the individual level by Social Security number or an equivalent.~~ use data to ensure that State workforce education and employment and training activities are aligned with the needs of the:

(A) available workforce;

(B) employers to fill their current and future job openings; and

(C) specific credentials required by employers;

~~(8)~~(9) ~~Coordinate intentional outreach and connections between students graduating from Vermont's colleges and universities and employment opportunities in Vermont.~~ require that each business, training provider, or other entity receiving State funding to conduct workforce training submit a report that evaluates the results of the training; and

(10) notwithstanding any provision of State law to the contrary, and to the fullest extent allowed under federal law, ensure that the program administrator in each State and State-funded workforce education and employment and training program collects and reports data and results at the individual level by Social Security number or equivalent.

(e) As co-leader of workforce education and employment and training in the State, the Executive Director of the Office of Workforce Strategy and Development, in consultation with the Commissioner of Labor and the State Workforce Development Board where appropriate, shall:

(1) advise the Governor and members of the Governor's cabinet on the establishment and management of an integrated system of workforce education and training in Vermont;

(2) coordinate across public and private sectors to identify and address labor force needs and ensure that workforce development program information is easily accessible to students, employees, and businesses;

(3) develop a comprehensive workforce strategy that contains measurable statewide workforce goals along with a biennial operational plan to achieve those goals that shall:

(A) be developed in collaboration with, and representative of, workforce system partners, including public, private, nonprofit, and educational sectors and the State Workforce Development Board;

(B) include a set of metrics, designed in consultation with the Agency of Administration's Chief Performance Office, used to evaluate the effectiveness of, to the extent practicable, all workforce development programs;

(C) align with and build upon other required strategic planning efforts, including the WIOA State Plan;

(D) be informed by the inventory system as set forth in subdivision (4) of this subsection (e); and

(E) be reviewed and updated as necessary, but at least once every two years;

(4) create, maintain, and update a publicly accessible inventory of all known workforce education and employment and training programs and activities in the State in order to:

(A) annually assess the investments and effectiveness of the workforce development system;

(B) ensure coordination and nonduplication of workforce education and employment and training activities; and

(C) identify best practices and gaps in the delivery of workforce education and employment and training programs;

(5) identify and manage priority projects specific to regional workforce needs;

(6) facilitate effective communication between the business community, State and local government, and public and private educational institutions, for the purpose of workforce pipeline development and job placement;

(7) coordinate intentional outreach and connections between students and employment opportunities in the State; and

(8) ensure the State Workforce Development Board is carrying out its duties and responsibilities as set forth in section 541a of this chapter.

(f)(1) The Executive Director of the Office of Workforce Strategy and Development shall, once every two years, issue a comprehensive biennial workforce report to the Governor, the House Committees on Appropriations and on Commerce and Economic Development, and the Senate Committees on Appropriations and on Economic Development, Housing and General Affairs, on or before December 1, that includes an evaluation of the accomplishments of the State workforce investment system and the performance of participating agencies and institutions covering the previous two calendar years. The report shall include identification of system priorities, need for future funding requests, identification of proposed legislative and administrative changes, and any other information relevant to the performance and future needs of the workforce investment system. The report shall summarize performance and outcome information submitted by federally and State-funded workforce development and investment programs for all public and nonpublic programs.

(2) To the extent practicable, workforce reports required of the Department of Labor, including the apprenticeship report required by 21 V.S.A. § 1113(e)(2), shall be incorporated into the comprehensive report required by subdivision (1) of this subsection.

(3) The Executive Director of the Office of Workforce Strategy and Development shall have the support and coordination of the Department of Labor in developing and submitting the biennial report required by subdivision (1) of this subsection.

(4) The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the report to be made under subdivision (1) of this subsection.

Sec. 8. BABY BONDS PILOT PROGRAM

(a) The Office of the State Treasurer is authorized to commence a five-year pilot program to evaluate the impact, effectiveness, and operational necessities of a permanent program under 3 V.S.A. chapter 20. The Treasurer shall design a pilot program modeled on the Vermont Baby Bond Trust created in 3 V.S.A. chapter 20, which may include taking the following actions:

(1) establishing and appointing members to an advisory committee;

(2) identifying research and evaluation partners;

(3) evaluating eligibility criteria for recipients and the final selection of recipients;

(4) establishing performance metrics and reporting requirements;

(5) working with an investment consultant to create an investment plan and guidance for pilot program funds;

(6) creating partnerships with organizations around the State to support the pilot program and provide feedback on wrap-around services; and

(7) conducting outreach to potential recipients.

(b) Annually on or before January 15 of each year through 2030, the Treasurer shall submit a report to the Senate Committees on Economic Development, Housing and General Affairs and on Appropriations and the House Committees on Commerce and Economic Development and on Appropriations detailing:

(1) the activities, operations, receipts, disbursements, earnings, and expenditures of the pilot program during the preceding calendar year;

(2) differences between the pilot program and the permanent program under 3 V.S.A. chapter 20 in eligible recipients and amounts invested; and

(3) any other information the Treasurer deems appropriate.

(c) On or before January 15, 2031, the Treasurer shall submit a report to the Senate Committees on Economic Development, Housing and General Affairs and on Appropriations and the House Committees on Commerce and Economic Development and on Appropriations summarizing the pilot program, including recipient demographics, income levels, geographic location of recipients, recipient behavioral changes, and recipient access to wrap-around services.

Sec. 9. BABY BONDS PILOT SPECIAL FUND

(a) There is created the Baby Bonds Pilot Special Fund, to be administered by the Office of the State Treasurer. The Fund shall consist of all gifts,

donations, and grants from any source, public or private, dedicated for deposit into the Fund for purposes of the Baby Bond Pilot Program. Monies in the Fund shall be used for the purposes of providing funds to recipients under the Program and to fund administrative costs of the Program.

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

(c) The Treasurer may invest monies in the Fund in accordance with the provisions of 32 V.S.A. § 434.

(d) The Fund shall terminate upon completion of the Program.

Sec. 10. 3 V.S.A. § 609 is amended to read:

§ 609. IMPLEMENTATION~~; PILOT PROGRAM~~

The Treasurer's duty to implement this chapter is contingent upon: ~~publication by the Treasurer of an official statement that the Treasurer has received donations designated for purposes of implementation or administration of the Trust in an amount sufficient to operate a pilot program. Upon publication, the Treasurer shall commence a pilot program implementing the Trust pursuant to the provisions of this chapter. The pilot program shall be used to evaluate the impact, effectiveness, and operational necessities of a permanent program consistent with this chapter~~

(1) submission by the Treasurer to the General Assembly in 2031 of the report summarizing the Baby Bonds Pilot Program; and

(2) an appropriation of funds by the General Assembly in an amount sufficient to fund the Trust.

Sec. 11. EFFECTIVE DATES

(a) This section and Secs. 3, 8, 9, and 10 shall take effect on passage.

(b) Secs. 1–2 and Sec. 7 shall take effect on July 1, 2025.

(c) Secs. 4–6 shall take effect on July 1, 2026.

Thereupon, pending the question, Shall the Senate concur in the House proposal of amendment to the Senate proposal of amendment?, Senators Brock, Chittenden and Weeks moved that the Senate concur in the House proposal of amendment to the Senate proposal of amendment with a further proposal of amendment as follows:

First: By striking out Secs. 8, 9, and 10 in their entireties

Second: In Sec. 11, effective dates, by striking out subsection (a) in its entirety and inserting in lieu thereof a new subsection (a) to read as follows:

(a) This section and Sec. 3 shall take effect on passage.

and by renumbering the remaining section to be numerically correct.

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

Recess

On motion of Senator Baruth, the Senate recessed until the fall of the gavel.

Called to Order

The Senate was called to order by the President.

House Proposal of Amendment to Senate Proposal of Amendment Concurred In with Amendment

H. 266.

House proposal of amendment to Senate proposal of amendment to House bill entitled:

An act relating to the 340B prescription drug pricing program.

Was taken up.

The House concurs in the Senate proposal of amendment with further proposal of amendment thereto by striking out Secs. 4–7 in their entireties and inserting in lieu thereof the following:

Sec. 4. 18 V.S.A. § 9407 is added to read:

§ 9407. OUTPATIENT PRESCRIPTION DRUGS; LIMITATIONS ON HOSPITAL CHARGES

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

(2) For any prescription drug administered in an outpatient or office setting for which a hospital charged a health insurer 120 percent or less of the ASP in effect as of April 1, 2025, the hospital shall not charge the health insurer a greater percentage of the ASP, as calculated by the Centers for Medicare and Medicaid, for that drug than the percentage of the ASP that the hospital charged the health insurer as of April 1, 2025.

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

(b)(1) The purpose of this section is to reduce health care costs. A hospital shall not charge or collect from the patient or health insurer any amount for a prescription drug administered in an outpatient or office setting that exceeds the amounts set forth in subsection (a) of this section or increase the amounts the hospital charges for other prescription drugs, procedures, tests, imaging, or other health care goods or services in an effort to offset revenue reduced as a result of implementing this section.

(2) If a hospital demonstrates to the Green Mountain Care Board in its budget submissions pursuant to subchapter 7 of this chapter that the price cap set forth in subsection (a) of this section is having a negative impact on access to care, the quality of care, or the sustainability of rural health care services, or a combination of these, the hospital may propose to increase the commercial reimbursement rates for one or more of its service lines, such as primary care, and the Board shall consider both the demonstrated impact and the proposed increase to reimbursement rates.

(c) The provisions of this section shall remain in effect unless and until the Green Mountain Care Board establishes a different reference-based price pursuant to section 9376 of this title that applies to prescription drugs administered in an outpatient or office setting.

(d) This section shall not apply to an independent hospital that is designated as a critical access hospital and that is not affiliated with another hospital or hospital network based in or outside of Vermont.

Sec. 5. OUTPATIENT PRESCRIPTION DRUGS; LIMITATIONS ON HOSPITAL CHARGES FOR 2025

(a)(1) A hospital shall not submit a claim to a health insurer for reimbursement of a prescription drug administered in an outpatient or office setting between July 1, 2025 and December 31, 2025 in an amount that exceeds 130 percent of the average sales price (ASP), as calculated by the Centers for Medicare and Medicaid Services for the most recent calendar quarter, for any drug for which the hospital charged any health insurer more than 120 percent of the ASP in effect as of April 1, 2025.

(2) For any prescription drug administered in an outpatient or office setting for which a hospital charged a health insurer 120 percent or less of the ASP in effect as of April 1, 2025, the hospital shall not charge the health insurer a greater percentage of the ASP, as calculated by the Centers for Medicare and Medicaid Services for the most recent calendar quarter, for that

drug between July 1, 2025 and December 31, 2025 than the percentage of the ASP that the hospital charged the health insurer as of April 1, 2025.

(b)(1) The purpose of this section is to reduce health care costs. A hospital shall not charge or collect from the patient or health insurer any amount for a prescription drug administered in an outpatient or office setting that exceeds the amounts set forth in subsection (a) of this section or increase the amounts the hospital charges for other prescription drugs, procedures, tests, imaging, or other health care goods or services in an effort to offset revenue reduced as a result of implementing this section.

(2) If a hospital demonstrates to the Green Mountain Care Board in its budget submissions pursuant to subchapter 7 of this chapter that the price cap set forth in subsection (a) of this section is having a negative impact on access to care, the quality of care, or the sustainability of rural health care services, or a combination of these, the hospital may propose to increase the commercial reimbursement rates for one or more of its service lines, such as primary care, and the Board shall consider both the demonstrated impact and the proposed increase to reimbursement rates.

(c) This section shall not apply to an independent hospital that is designated as a critical access hospital and that is not affiliated with another hospital or hospital network based in or outside of Vermont.

Sec. 6. EFFECTIVE DATES

(a) Sec. 4 (18 V.S.A. § 9407; outpatient prescription drugs; limitations on hospital charges) shall take effect on January 1, 2026.

(b) Sec. 5 (outpatient prescription drugs; limitations on hospital charges for 2025) shall take effect on July 1, 2025.

(c) The remainder of this act shall take effect on passage, with the first report under Sec. 2 (18 V.S.A. § 9406) due on or before January 31, 2026.

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

First: By striking out Sec. 5, outpatient prescription drugs; limitations on hospital charges for 2025, in its entirety and inserting in lieu thereof a new Sec. 5 to read as follows:

Sec. 5. [Deleted.]

Second: In Sec. 6, effective dates, by striking out subsection (b) in its entirety and renumbering subsection (c) to be subsection (b).

Thereupon, the question, Shall the Senate concur in the House proposal of amendment to the Senate proposal of amendment with further proposal of amendment?, was agreed to on a division of the Senate, Yeas 20, Nays 10.

Rules Suspended; Immediate Consideration; House Proposal of Amendment Not Concurred In; Committee of Conference Requested; Committee of Conference Appointed

S. 45.

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

An act relating to protection from nuisance suits for agricultural activities.

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. 12 V.S.A. chapter 195 is amended to read:

CHAPTER 195. NUISANCE SUITS AGAINST AGRICULTURAL ACTIVITIES

§ 5751. LEGISLATIVE FINDINGS AND PURPOSE

The General Assembly finds that agricultural production is a major contributor to the State's economy; that agricultural lands constitute unique and irreplaceable resources of statewide importance; that the continuation of existing and the initiation of new agricultural activities preserve the landscape and environmental resources of the State, contribute to the increase of tourism, and further the economic welfare and self-sufficiency of the people of the State; and that the encouragement, development, improvement, and preservation of agriculture will result in a general benefit to the health and welfare of the people of the State. In order for the agricultural industry to survive in this State, farms will likely change, adopt new technologies, and diversify into new products, which for some farms will mean increasing in size. The General Assembly finds that agricultural activities are potentially subject to lawsuits based on the theory of nuisance~~,~~ and that these suits encourage and could force the premature removal of the farmlands and other farm resources from agricultural use. It is the purpose of this chapter to protect reasonable agricultural activities conducted on the farm from nuisance lawsuits.

§ 5752. DEFINITIONS

~~For the purpose of~~ As used in this chapter~~,~~:

(1) "~~agricultural~~ Agricultural activity" means, but is not limited to:

~~(1)~~(A) the cultivation or other use of land for producing food, fiber, Christmas trees, maple sap, or horticultural and orchard crops; the raising, feeding, or management of domestic animals as defined in 6 V.S.A. § 1151 or bees; the operation of greenhouses; the production of maple syrup; the on-site storage, preparation, and sale of agricultural products principally produced on the farm; and the on-site production of fuel or power from agricultural products or wastes principally produced on the farm;

~~(2)~~(B) the preparation, tilling, fertilization, planting, protection, irrigation, and harvesting of crops; the composting of material principally produced by the farm or to be used at least in part on the farm; the ditching and subsurface drainage of farm fields and the construction of farm ponds; the handling of livestock wastes and by-products; and the on-site storage and application of agricultural inputs, including lime, fertilizer, and pesticides;

~~(3)~~(C) "farming" as defined in 10 V.S.A. § 6001; and

~~(4)~~(D) "agricultural activities" as defined in 6 V.S.A. § 4802.

(2) "Generally accepted agricultural practices" mean:

(A) the requirements of 6 V.S.A. chapter 215, including permit requirements or requirements of the Required Agricultural Practices, where applicable;

(B) the requirements of an active Concentrated Animal Feeding Operation permit issued under 10 V.S.A. chapter 47, where applicable;

(C) the requirements of the Agency of Agriculture, Food and Markets' Vermont Rule for Control of Pesticides; and

(D) practices conducted in a manner consistent with proper and accepted customs and standards followed by similar operators of agricultural activities in the State.

(3) "Good standing with the State" means a person conducting an agricultural activity that is the basis of a nuisance claim does not have an active, unresolved enforcement violation stemming from the agricultural activity at issue that has reached a final order with the Secretary of Natural Resources or the Secretary of Agriculture, Food and Markets.

§ 5753. AGRICULTURAL ACTIVITIES; PROTECTION FROM NUISANCE LAWSUITS

(a)~~(1) Agricultural activities shall be entitled to a rebuttable presumption that the activity does not constitute a nuisance if the agricultural activity meets all of the following conditions:~~

~~(A) it is conducted in conformity with federal, State, and local laws and regulations (including required agricultural practices);~~

~~(B) it is consistent with good agricultural practices;~~

~~(C) it is established prior to surrounding nonagricultural activities; and~~

~~(D) it has not significantly changed since the commencement of the prior surrounding nonagricultural activity.~~

~~(2) The presumption that the agricultural activity does not constitute a nuisance may be rebutted by a showing that the activity has a substantial adverse effect on health, safety, or welfare, or has a noxious and significant interference with the use and enjoyment of the neighboring property~~ No agricultural activity shall be or become a nuisance when the activity is conducted in accordance with generally accepted agricultural practices.

(b)(1) ~~Nothing in this section shall be construed to limit the authority of State or local boards of health to abate nuisances affecting the public health.~~ In order to assert nuisance protection under this chapter, a person conducting an agricultural activity shall demonstrate that the person is in good standing with the State. A person may demonstrate good standing by providing letters of good standing to a court from the Secretary of Agriculture, Food and Markets; the Secretary of Natural Resources; or both secretaries, as relevant to the nuisance claim.

(2) A plaintiff alleging that an agricultural activity is a nuisance shall have the burden of proving by a preponderance of the evidence that:

(A) the agricultural activity at issue is not entitled to the nuisance protection provided for under subsection (a) of this section because the agricultural activity is not conducted in accordance with generally accepted agricultural practice; and

(B) if the plaintiff proves the agricultural activity is not entitled to nuisance protection under subsection (a) of this section, the required elements of their nuisance claim.

(c) The nuisance protection for an agricultural activity provided for under subsection (a) of this section shall not apply whenever:

(1) a nuisance violation results from the negligent operation of an agricultural activity;

(2) the agricultural activity has a substantial adverse effect on health, safety, or welfare; or

(3) the agricultural activity has a noxious and significant interference with the use and enjoyment of the neighboring property.

(d) This chapter shall not restrict or impede the authority of the State to protect the public health, safety, environment, or welfare.

§ 5754. LIBERAL CONSTRUCTION; SEVERABILITY

(a) This chapter is remedial in nature and shall be liberally construed to effectuate its purposes.

(b) If any provision of this chapter is held invalid, the invalidity does not affect other provisions of this chapter that can be given effect without the invalid provision, and for this purpose, the provisions of this chapter are severable.

§ 5754a. REQUIRED MEDIATION PRIOR TO SUIT

(a) A person shall not bring a court action based on a claim of nuisance arising from an agricultural activity unless the person and the operator of the agricultural activity, at least once, attempt to resolve through mediation the issue or dispute that the person has concerning operation of the agricultural activity. The mediation shall be conducted according to the provisions of the Uniform Mediation Act set forth in chapter 194 of this title.

(b) The parties to the mediation may agree upon the use of a mediator to assist in the resolution of the agreed-upon issue or dispute, and the parties shall share the cost of the mediator equally or according to an agreement between the parties. If the parties to the mediation are unable to resolve the relevant issue or dispute through mediation, the parties may agree to submit the issue or dispute to binding arbitration pursuant to chapter 192 of this title and shall share the cost of the arbitration.

(c) A person bringing a court action based on a claim of nuisance arising from an agricultural activity shall provide the court with a sworn statement of an attempt to resolve the issue or dispute through mediation.

Sec. 2. EFFECTIVE DATE

This act shall take effect on July 1, 2025.

Thereupon, pending the question, Shall the Senate concur in the House proposal of amendment?, on motion of Senator Hashim, the Senate refused to

concur in the House proposal of amendment and requested a Committee of Conference.

Thereupon, pursuant to the request of the Senate, the President announced the appointment of

Senator Norris
Senator Plunklett
Senator Ingalls

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

Rules Suspended; Bills Messaged

On motion of Senator Baruth, the rules were suspended, and the following bills were ordered messaged to the House forthwith:

S. 45, H. 266.

Appointment of Senate Member to Nuclear Decommissioning Citizens Advisory Panel

Pursuant to the provisions of 18 V.S.A. §1700, the President, on behalf of the Committee on Committees, announced the appointment of the following Senator to serve on the Nuclear Decommissioning Citizens Advisory Panel for a term of two years.

Senator Watson

Appointment of Senate Members to the Joint Public Pension Oversight Committee

Pursuant to the provisions of 2 V.S.A. § 1001, the President, on behalf of the Committee on Committees, announced the appointment of the following Senators to serve on the Joint Public Pension Oversight Committee during the biennium:

Senator Perchlik
Senator Collamore
Senator Vyhovsky

Appointment of Senate Member to Board of Directors of Vermont Student Assistance Corporation (VSAC)

Pursuant to the provisions of 16 V.S.A. §2831, the President, on behalf of the Committee on Committees, announced the appointment of the following Senator to serve on the board of directors of the Vermont Student Assistance Corporation (VSAC) for a term of six (6) years:

Senator Cummings

Appointment of Senate Member to Vermont Milk Commission

Pursuant to the provisions of 6 V.S.A. §2922(5), the President, on behalf of the President *pro tempore*, announced the appointment of the following Senator to serve on the Vermont Milk Commission for the current biennium:

Senator Major

Message from the House No. 76

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

S. 126. An act relating to health care payment and delivery system reform.

And has adopted the same on its part.

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

S. 109. An act relating to miscellaneous judiciary procedures.

And has concurred therein.

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

H. 105. An act relating to expanding the Youth Substance Awareness Safety Program.

H. 106. An act relating to selling real property within a FEMA mapped flood hazard area.

H. 231. An act relating to technical corrections to fish and wildlife statutes.

H. 238. An act relating to the phaseout of consumer products containing added perfluoroalkyl and polyfluoroalkyl substances.

And has severally concurred therein.

Adjournment

On motion of Senator Baruth, the Senate adjourned until ten o'clock in the forenoon on Friday, May 30, 2025.

FRIDAY, MAY 30, 2025

The Senate was called to order by the President.

Devotional Exercises

A moment of silence was observed in lieu of devotions.

Bill Introduced

Senate bill of the following title was introduced, read the first time and referred:

S. 157.

By Senators Douglass, Baruth, Beck, Bongartz, Brennan, Brock, Chittenden, Clarkson, Collamore, Cummings, Gulick, Harrison, Hart, Heffernan, Ingalls, Lyons, Major, Mattos, Norris, Perchlik, Plunkett, Ram Hinsdale, Weeks, Westman and Williams,

An act relating to recovery residence certification.

To the Committee on Health and Welfare.

Rules Suspended; Bills on Notice Calendar for Immediate Consideration

On motion of Senator Baruth, the rules were suspended, and the following bills, appearing on the Calendar for notice, were ordered to be brought up for immediate consideration:

S. 12, S. 124, S. 126, H. 472.

House Proposal of Amendment Concurred In

S. 124.

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:

* * * Agency of Agriculture, Food, and Markets Regulation of Agricultural Water Quality * * *

Sec. 1. 6 V.S.A. § 4810(d) is amended to read:

(d) Cooperation and coordination. The Secretary of Agriculture, Food and Markets shall coordinate with the Secretary of Natural Resources in implementing and enforcing programs, plans, and practices developed for

reducing and eliminating agricultural nonpoint source pollutants and discharges from ~~concentrated animal feeding operations. On or before July 1, 2016, the~~ farms. The Secretary of Agriculture, Food and Markets ~~and the Secretary of Natural Resources~~ shall ~~revise the memorandum of understanding for~~ cooperate with the Secretary of Natural Resources in the implementation of the federal Clean Water Act for Concentrated Animal Feeding Operations (CAFOs). The Secretary of Agriculture, Food and Markets shall implement the State's comprehensive, complimentary nonpoint source program ~~describing~~. The Secretary of Agriculture, Food, and Markets and the Secretary of Natural Resources shall coordinate regarding program administration~~,~~; grant negotiation~~,~~; grant sharing~~, and how they will coordinate~~; implementation of the antidegradation policy including to new sources of agricultural nonpoint source pollutants, and watershed planning activities to comply with Pub. L. No. 92-500. ~~The memorandum of understanding shall describe how the agencies will implement the antidegradation implementation policy, including how the agencies will apply the antidegradation implementation policy to new sources of agricultural nonpoint source pollutants. The Secretary of Agriculture, Food and Markets and the Secretary of Natural Resources shall also develop a memorandum of understanding according to the public notice and comment process of 10 V.S.A. § 1259(i) regarding the implementation of the federal Concentrated Animal Feeding Operation Program and the relationship between the requirements of the federal Program and the State agricultural water quality requirements for large, medium, and small farms under this chapter. The memorandum of understanding shall describe Program administration, permit issuance, an appellate process, and enforcement authority and implementation.~~ In accordance with 10 V.S.A. § 1259(i), the Secretary of Natural Resources, in consultation with the U.S. Environmental Protection Agency and the Secretary of Agriculture, Food and Markets, shall issue a document that sets forth the respective roles and responsibilities of the Agency of Natural Resources in implementing the federal Clean Water Act on farms and the Agency of Agriculture, Food and Markets' roles and responsibilities in implementing the State's complementary nonpoint source program on farms. The ~~memorandum of understanding~~ document shall be consistent with and equivalent with the federal National Pollutant Discharge Elimination System permit regulations for discharges from ~~concentrated animal feeding operations~~ CAFOs. The document will replace the memorandum of understanding between the agencies. The allocation of duties under this chapter between the Secretary of Agriculture, Food and Markets and the Secretary of Natural Resources shall be consistent with the Secretary's duties, established under the provisions of 10 V.S.A. § 1258(b), to comply with Pub. L. No. 92-500. The Secretary of Natural Resources shall be the State lead person in applying for federal funds under Pub. L. No. 92-500 but

shall consult with the Secretary of Agriculture, Food and Markets during the process. The agricultural nonpoint source program may compete with other programs for competitive watershed projects funded from federal funds. The Secretary of Agriculture, Food and Markets shall be represented in reviewing these projects for funding. Actions by the Secretary of Agriculture, Food and Markets under this chapter concerning agricultural nonpoint source pollution shall be consistent with the water quality standards and water pollution control requirements of 10 V.S.A. chapter 47 and the federal Clean Water Act as amended. In addition, the Secretary of Agriculture, Food and Markets shall coordinate with the Secretary of Natural Resources in implementing and enforcing programs, plans, and practices developed for the proper management of composting facilities when those facilities are located on a farm. ~~On or before January 15, 2016, the~~ The Secretary of Agriculture, Food and Markets and the Secretary of Natural Resources shall each develop three separate measures of the performance of the agencies under the ~~memorandum of understanding required by this subsection. Beginning on January 15, 2017~~ federal Clean Water Act and State nonpoint source regulatory authority, and annually ~~thereafter~~ on or before January 15, the Secretary of Agriculture, Food and Markets and the Secretary of Natural Resources shall submit separate reports to the Senate Committee on Agriculture, the House Committee on Agriculture, Food Resiliency, and Forestry, the Senate Committee on Natural Resources and Energy, and the House Committee on Environment ~~and Energy~~ regarding the success of each agency in meeting ~~the~~ its selected performance measures ~~for the memorandum of understanding~~.

Sec. 2. 6 V.S.A. § 4810a(a)(6) is amended to read:

(6)(A) Require a farm to comply with standards established by the Secretary for maintaining a vegetative buffer zone of perennial vegetation between annual croplands and the top of the bank of an adjoining water of the State. At a minimum the vegetative buffer standards established by the Secretary shall prohibit the application of manure on the farm within 25 feet of the top of the bank of an adjoining water of the State or within 10 feet of a ditch that is not a surface water under State law and that is not a water of the United States under federal law. The minimum vegetated buffer requirement required under this subdivision (A) shall not apply to a farm that is determined by the Secretary of Natural Resources to be a Concentrated Animal Feeding Operation and is required to obtain a CAFO permit as required under 10 V.S.A. § 1353. A farm determined to be a Concentrated Animal Feeding Operation that requires a CAFO permit shall instead comply with the setback and buffer requirements established in the federal CAFO regulations.

(B) Establish standards for site-specific vegetative buffers that adequately address water quality needs based on consideration of soil type, slope, crop type, proximity to water, and other relevant factors.

Sec. 3. 6 V.S.A. § 4851 is amended to read:

§ 4851. PERMIT REQUIREMENTS FOR LARGE FARM OPERATIONS

(a) No person shall, without a permit from the Secretary, construct a new barn, or expand an existing barn, designed to house more than 700 mature dairy animals, 1,000 cattle or cow/calf pairs, 1,000 veal calves, 2,500 swine weighing over 55 pounds, 10,000 swine weighing less than 55 pounds, 500 horses, 10,000 sheep or lambs, 55,000 turkeys, 30,000 laying hens or broilers with a liquid manure handling system, 82,000 laying hens without a liquid manure handling system, 125,000 chickens other than laying hens without a liquid manure handling system, 5,000 ducks with a liquid manure handling system, or 30,000 ducks without a liquid manure handling system. No permit shall be required to replace an existing barn in use for livestock or domestic fowl production at its existing capacity. The Secretary of Agriculture, Food and Markets, in consultation with the Secretary of Natural Resources, shall review any application for a permit under this section with regard to water quality impacts ~~and,~~ prior to approval of a permit under this subsection~~, shall issue a written determination regarding whether the applicant has established that there will be no unpermitted discharge to waters of the State pursuant to the federal regulations for concentrated animal feeding operations~~. If, upon review of ~~an~~ a large farm application for a permit under this subsection, the Secretary of Agriculture, Food and Markets determines that the ~~permit applicant~~ farm may be discharging to waters of the State, the Secretary of Agriculture, Food and Markets ~~and the Secretary of Natural Resources~~ shall ~~respond to~~ promptly refer the potential discharge to the Secretary of Natural Resources for response in accordance with ~~the memorandum of understanding~~ the federal Clean Water Act regarding concentrated animal feeding operations ~~under section 4810 of this title~~. The Secretary of Natural Resources ~~may require~~ shall direct a large farm to obtain a permit under 10 V.S.A. § 1263 ~~pursuant to~~ if required by federal regulations for concentrated animal feeding operations or by the VPDES CAFO Rules. If the farm is not required to obtain a CAFO permit and is not in violation of federal regulations for Concentrated Animal Feeding Operations, the Secretary of Natural Resources shall promptly notify the Secretary of Agriculture, Food and Markets.

(b) A person shall apply for a permit in order to operate a farm that exceeds 700 mature dairy animals, 1,000 cattle or cow/calf pairs, 1,000 veal calves, 2,500 swine weighing over 55 pounds, 10,000 swine weighing less than 55 pounds, 500 horses, 10,000 sheep or lambs, 55,000 turkeys, 30,000

laying hens or broilers with a liquid manure handling system, 82,000 laying hens without a liquid manure handling system, 125,000 chickens other than laying hens without a liquid manure handling system, 5,000 ducks with a liquid manure handling system, or 30,000 ducks ~~if the livestock or domestic fowl are in a barn or adjacent barns owned by the same person or if the barns share a common border or have a common waste disposal system~~ without a liquid manure handling system. Two or more individual farms that are under common ownership and that adjoin each other or use a common area or system for the disposal of wastes shall be considered a single animal feeding operation or "farm" when determining whether the combined number of livestock or domestic fowl qualifies the farm as a Large Farm Operation under this section. In order to receive this permit, the person shall demonstrate to the Secretary that the farm has an adequately sized manure management system to accommodate the wastes generated and a nutrient management plan to dispose of wastes in accordance with Required Agricultural Practices adopted under this chapter and current U.S. Department of Agriculture nutrient management standards.

(c) The Secretary shall approve, condition, or disapprove the application within 45 business days ~~of~~ following the date of receipt of a complete application for a permit under this section. Failure to act within the 45 business days shall be deemed approval.

(d) A person seeking a permit under this section shall apply in writing to the Secretary. The application shall include a description of the proposed barn or expansion of livestock or domestic fowl; a proposed nutrient management plan to accommodate the number of livestock or domestic fowl the barn is designed to house or the farm is intending to expand to; and a description of the manure management system to be used to accommodate agricultural wastes.

(e) The Secretary may condition or deny a permit on the basis of odor, noise, traffic, insects, flies, or other pests.

(f) Before granting a permit under this section, the Secretary shall make an affirmative finding that the animal wastes generated by the construction or expansion will be stored so as not to generate runoff from a 25-year, 24-hour storm event and shall be disposed of in accordance with the Required Agricultural Practices adopted under this chapter and current U.S. Department of Agriculture nutrient management standards.

(g) A farm that is permitted under this section and that withdraws more than 57,600 gallons of groundwater per day averaged over any 30 consecutive-day period shall annually report estimated water use to the Secretary of Agriculture, Food and Markets. The Secretary of Agriculture, Food and

Markets shall share information reported under this subsection with the Agency of Natural Resources.

(h) The Secretary may inspect a farm permitted under this section at any time, but ~~no~~ not less frequently than once per year.

(i) A person required to obtain a permit under this section shall submit 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. 4. 6 V.S.A. § 4858 is amended to read:

§ 4858. MEDIUM FARM OPERATION PERMITS

(a) Authorization to operation. No person shall operate a medium farm without authorization from the Secretary pursuant to this section. Under exceptional conditions, specified in subsection (d) of this section, authorization from the Secretary may be required to operate a small farm.

(b) Rules; general and individual permits. The Secretary shall establish by rule, pursuant to 3 V.S.A. chapter 25, requirements for a general permit and individual permit to assure that medium and small farms generating animal waste comply with the water quality standards of the State.

(1) General and individual permits issued under this section shall be consistent with rules adopted under this section, shall include terms and conditions appropriate to each farm size category and each farm animal type as defined by section 4857 of this title, and shall meet standards at least as stringent as those established by federal regulations for concentrated animal feeding operations. Such standards shall address waste management, waste storage, development of nutrient management plans, carcass disposal, and surface water and groundwater contamination, plus recordkeeping, reporting, and monitoring provisions regarding such matters to ensure that the terms and conditions of the permit are being met. The groundwater contamination rules adopted by the Secretary under this section shall include a process under which the Agency shall receive, investigate, and respond to a complaint that a farm has contaminated the drinking water or groundwater of a property owner.

(2) The rules adopted under this section shall also address permit administration, public notice and hearing, permit enforcement, permit transition, revocation, and appeals consistent with provisions of sections 4859 and 4861 of this title and subchapter 10 of this chapter.

(3) Each general permit issued pursuant to this section shall have a term of ~~no~~ not more than five years. Prior to the expiration of each general permit, the Secretary shall review the terms and conditions of the general permit and may issue subsequent general permits with the same or different conditions as necessary to carry out the purposes of this subchapter. Each general permit shall include provisions that require public notice of the fact that a medium farm has sought coverage under a general permit adopted pursuant to this section. Each general permit shall provide a process by which interested persons can obtain detailed information about the nature and extent of the activity proposed to receive coverage under the general permit. The Secretary may inspect each farm seeking coverage under the general permit at any time but ~~no~~ not less frequently than once every three years.

(c)~~(1)~~ Medium farm general permit.

(1) The owner or operator of a medium farm seeking coverage under a general permit adopted pursuant to this section shall certify to the Secretary within a period specified in the permit, and in a manner specified by the Secretary, that the medium farm does comply with permit requirements regarding an adequately sized and designed manure management system to accommodate the wastes generated and a nutrient management plan to dispose of wastes in accordance with Required Agricultural Practices adopted under this chapter and current U.S. Department of Agriculture nutrient management standards. Any certification or notice of intent to comply submitted under this subdivision shall be kept on file at the Agency of Agriculture, Food and Markets. The Secretary of Agriculture, Food and Markets, in consultation with the Secretary of Natural Resources, shall review any certification or notice of intent to comply submitted under this subdivision with regard to the water quality impacts of the medium farm for which the owner or operator is seeking coverage, and, for farms that have never been permitted under the prior permit term, within 18 months ~~of~~ after receiving the certification or notice of intent to comply, the Secretary of Natural Resources shall verify whether the owner or operator of the medium farm has established that there will be no unpermitted discharge to waters of the State pursuant to the federal regulations for concentrated animal feeding operations. If upon review ~~of a medium farm granted coverage under the general permit adopted pursuant to this subsection~~ the Secretary of Agriculture, Food and Markets determines that the ~~permit applicant~~ medium farm may be discharging to waters of the State, the Secretary of Agriculture, Food and Markets ~~and~~ shall promptly notify the Secretary of Natural Resources ~~shall respond to the discharge~~ in accordance with ~~the memorandum of understanding~~ the federal Clean Water Act regarding concentrated animal feeding operations ~~under section 4810 of this title~~. The Secretary of Natural Resources shall direct a medium farm to obtain a permit

under 10 V.S.A. § 1263 if required by federal regulations for concentrated animal feeding operations or by the VPDES CAFO Rules. If the farm is not required to obtain a CAFO permit and is not in violation of federal regulations for concentrated animal feeding operations, the Secretary of the Agency of Natural Resources shall promptly notify the Secretary of Agriculture, Food and Markets.

(2) The owner or operator of a small farm may seek coverage under the medium farm general permit adopted pursuant to this section by certifying to the Secretary, in a manner specified by the Secretary, that the small farm complies with the requirements and conditions of the medium farm general permit.

(d) Medium and small farms; individual permit. The Secretary may require the owner or operator of a small or medium farm to obtain an individual permit to operate after review of the farm's history of compliance, application of Required Agricultural Practices, the use of an experimental or alternative technology or method to meet a State performance standard, or other factors set forth by rule. The owner or operator of a small farm may apply to the Secretary for an individual permit to operate under this section. To receive an individual permit, an applicant shall in a manner prescribed by rule demonstrate that the farm has an adequately sized and designed manure management system to accommodate the wastes generated and a nutrient management plan to dispose of wastes in accordance with Required Agricultural Practices adopted under this chapter and current U.S. Department of Agriculture nutrient management standards, including setback requirements for waste application. An individual permit shall be valid for ~~no~~ not more than five years. Any application for an individual permit filed under this subsection shall be kept on file at the Agency of Agriculture, Food and Markets. The Secretary of Agriculture, Food and Markets, in consultation with the Agency of Natural Resources, shall review any application for a permit under this subsection ~~and, prior to issuance of an individual permit under this subsection, shall issue a written determination regarding whether the permit applicant has established that there will be no unpermitted discharge to waters of the State pursuant to federal regulations for concentrated animal feeding operations~~. If, upon review of ~~an application for a permit under this subsection~~ a permit application, the Secretary of Agriculture, Food and Markets determines that the permit applicant may be discharging to waters of the State, the Secretary of Agriculture, Food and Markets ~~and~~ shall promptly refer the farm to the Secretary of Natural Resources ~~shall respond to the discharge~~ for response in accordance with ~~the memorandum of understanding regarding concentrated animal feeding operations under subsection 4810(b) of this title~~ the federal Clean Water Act. The Secretary of Natural Resources ~~may require~~ shall direct

a medium or small farm to obtain a permit under 10 V.S.A. § 1263 ~~pursuant to~~ if required by federal regulations for concentrated animal feeding operations or by the VPDES CAFO Rules. Coverage of a medium farm under a general permit adopted pursuant to this section or an individual permit issued to a medium or small farm under this section is rendered void by the issuance of a permit to a farm under 10 V.S.A. § 1263. If the farm is not required to obtain a CAFO permit and is not in violation of federal regulations for concentrated animal feeding operations, the Secretary of the Agency of Natural Resources shall promptly refer the matter to the Secretary of Agriculture, Food and Markets.

(e) Operating fee. A person required to obtain a permit or coverage under this section shall submit 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.

Sec. 5. 6 V.S.A. § 4816 is amended to read:

§ 4816. SEASONAL APPLICATION OF MANURE

(a) Prohibition on application. A person shall not apply manure to land in the State between December 15 and April 1 of any calendar year unless authorized by this section or as authorized under an emergency exemption granted by the Secretary according to criteria set forth under the Required Agricultural Practices.

(b) Extension of prohibition. The Secretary of Agriculture, Food and Markets shall amend the Required Agricultural Practices by rule in order to establish a process under which the Secretary may prohibit the application of manure to land in the State between December 1 and December 15 and between April 1 and April 30 of any calendar year when the Secretary determines that due to weather conditions, soil conditions, or other limitations, application of manure to land would pose a significant potential of discharge or runoff to State waters.

(c) Seasonal exemption. The Secretary of Agriculture, Food and Markets shall amend the Required Agricultural Practices by rule in order to establish a process under which the Secretary may authorize an exemption to the prohibition on the application of manure to land in the State between December 15 and April 1 of any calendar year or during any period established under subsection (b) of this section when manure is prohibited from application. Any process established for the issuance of an exemption under the Required Agricultural Practices may authorize land application of manure on a weekly, monthly, or seasonal basis or in authorized regions, areas, or fields in the State, provided that any exemption shall:

(1) prohibit application of manure:

(A) in areas with established channels of concentrated stormwater runoff to surface waters, including ditches and ravines;

(B) in nonharvested permanent vegetative buffers;

(C) in a nonfarmed wetland, as that term is defined in 10 V.S.A. § 902(5);

(D) within 50 feet of a potable water supply, as that term is defined in 10 V.S.A. § 1972(6);

(E) to fields exceeding tolerable soil loss; and

(F) to saturated soils;

(2) establish requirements for the application of manure when frozen or snow-covered soils prevent effective incorporation at the time of application;

(3) require manure to be applied according to a nutrient management plan; and

(4) establish the maximum tons of manure that may be applied per acre during any one application.

Sec. 6. 6 V.S.A. § 4871(b) is amended to read:

(b) Required small farm certification. Beginning on July 1, 2017, a person who owns or operates a small farm, as designated by the Secretary consistent with subdivision 4810a(a)(1) of this title, shall, on a form provided by the Secretary, certify compliance with the Required Agricultural Practices. The Secretary of Agriculture, Food and Markets shall establish the requirements and manner of certification of compliance with the Required Agricultural Practices, provided that the Secretary shall require an owner or operator of ~~a~~ any newly eligible or identified small farm to submit ~~an annual~~ a certification of compliance with the Required Agricultural Practices and may require any small farm to regularly certify ongoing compliance with the Required Agricultural Practices.

* * * Agency of Natural Resources Regulation of Concentrated Animal Feeding Operations * * *

Sec. 7. 10 V.S.A. § 1251 is amended to read:

§ 1251. DEFINITIONS

Whenever used or referred to in this chapter, unless a different meaning clearly appears from the context:

* * *

(3) "Discharge" means the placing, depositing, or emission of any wastes or pollutants, directly or indirectly, into an injection well or into the waters of the State.

* * *

(11) "Secretary" means the Secretary of Natural Resources or ~~his or her~~ authorized representative.

(12) "Waste" means effluent, sewage, or any substance or material, liquid, gaseous, solid, or radioactive, including heated liquids, whether or not harmful or deleterious to waters; provided, however, the term "sewage" as used in this chapter shall not include the rinse or process water from a cheese manufacturing process.

(13) "Waters" or "waters of the State" includes all rivers, streams, creeks, brooks, reservoirs, ponds, lakes, springs, ~~and~~ all artificial or natural bodies of surface waters~~, artificial or natural,~~ and waters of the United States, as that term is defined under the federal Clean Water Act, that are contained within, flow through, or border upon the State or any portion of it.

* * *

(20) "Direct discharge" means the placing, depositing, or emission of any waste or pollutant directly into waters.

(21) "Pollutant" means dredged spoil; solid waste; incinerator residue; sewage; garbage; sewage sludge; munitions; chemical wastes; biological materials; radioactive materials; heat; wrecked or discarded equipment; rock; sand; cellar dirt; and industrial, municipal, and agricultural waste discharged into water.

Sec. 8. 10 V.S.A. chapter 47, subchapter 3A is added to read:

Subchapter 3A. Concentrated Animal Feeding Operations

§ 1351. DEFINITIONS

As used in this subchapter:

(1) "Agricultural waste" means material originating or emanating from a farm or imported onto a farm that contains sediments; minerals, including heavy metals; plant nutrients; pesticides; organic wastes, including livestock waste; animal mortalities; compost; feed, litter, and crop debris; waste oils; pathogenic bacteria and viruses; thermal pollution; silage runoff; process wastewater, untreated milk house waste; and any other farm waste as the term "waste" is defined in subdivision 1251(12) of this chapter.

(2)(A) "Animal feeding operation" or "AFO" means a lot or facility, other than an aquatic animal production facility, where the following conditions are met:

(i) animals, other than aquatic animals, have been, are, or will be stabled or confined and fed or maintained for a total of 45 days or more in any 12-month period; and

(ii) crops, vegetation, or forage growth are not sustained in the normal growing season over any portion of the lot or facility.

(B) Two or more individual farms qualifying as an AFO that are under common ownership and that adjoin each other or use a common area or system for the disposal of waste shall be considered to be a single AFO if the combined number of livestock or domestic fowl on the combined farm qualifies the combined farm as a large CAFO as defined in subdivision (5) of this section or as a medium CAFO as defined in subdivision (8) of this section.

(3) "Concentrated animal feeding operation" or "CAFO" means an AFO that is defined as a large CAFO, a medium CAFO, or a small CAFO.

(4) "Land application area" means the area under the control of an AFO or CAFO owner or operator, whether it is owned, rented, or leased, to which manure, litter, or process wastewater may be applied.

(5) "Large concentrated animal feeding operation" or "Large CAFO" means an AFO that houses 700 or more mature dairy animals, 1,000 or more cattle or cow or calf pairs, 1,000 or more veal calves, 2,500 or more swine weighing over 55 pounds, 10,000 or more swine weighing 55 pounds or less, 500 or more horses, 10,000 or more sheep or lambs, 55,000 or more turkeys, 30,000 or more laying hens or broilers with a liquid manure handling system, 82,000 or more laying hens without a liquid manure handling system, 125,000 or more chickens other than laying hens without a liquid manure handling system, 5,000 or more ducks with a liquid manure handling system, or 30,000 or more ducks without a liquid manure handling system.

(6) "Large farm operation" or "LFO" has the same meaning as in 6 V.S.A. chapter 215.

(7) "Manure" means livestock waste in solid or liquid form that may also contain bedding, compost, and raw materials or other materials commingled with manure or set aside for disposal.

(8) "Medium concentrated animal feeding operation" or "medium CAFO" means an AFO that is defined as an AFO by the VPDES CAFO Rules adopted by the Secretary, including an AFO that:

(A) houses 200 to 699 mature dairy animals, 300 to 999 cattle or cow or calf pairs, 300 to 999 veal calves, 750 to 2,499 swine weighing over 55 pounds, 3,000 to 9,999 swine weighing 55 pounds or less, 150 to 499 horses, 3,000 to 9,999 sheep or lambs, 16,500 to 54,999 turkeys, 9,000 to 29,999 laying hens or broilers with a liquid manure handling system, 25,000 to 81,999 laying hens without a liquid manure handling system, 37,500 to 124,999 chickens other than laying hens without a liquid manure handling system, 1,500 to 4,999 ducks with a liquid manure handling system, or 10,000 to 29,999 ducks without a liquid manure handling system; and

(B) either of the following conditions are met:

(i) wastes are discharged into waters through a man-made ditch, flushing system, or other similar man-made device; or

(ii) wastes are discharged directly into waters that originate outside of or pass over, across, or through the facility or otherwise come into direct contact with the animals confined in the operation.

(9) "Medium farm operation" or "MFO" has the same meaning as medium farm operation in 6 V.S.A chapter 215 and rules adopted under the chapter.

(10) "Point source" means any discernible, confined, and discrete conveyance, including any pipe, ditch, channel, tunnel, conduit, well, discrete fissure, container, rolling stock, concentrated animal feeding operation, or vessel or other floating craft from which pollutants are or may be discharged. This term does not include agricultural stormwater discharges and return flows from irrigated agriculture.

(11) "Process wastewater" means water directly or indirectly used in the operation of an AFO or CAFO for any or all of the following: spillage or overflow from animal or poultry watering systems; washing, cleaning, or flushing pens, barns, manure pits, or other AFO or CAFO facilities; direct contact swimming, washing, or spray cooling of animals; or dust control. Process wastewater also includes any water that comes into contact with any raw materials, products, or byproducts, including manure, litter, feed, milk, eggs, or bedding.

(12) "Production area" means that part of an AFO or CAFO that includes the animal confinement area, the manure storage area, the raw materials storage area, and the waste containment areas. The animal confinement area includes open lots, housed lots, feedlots, confinement houses, stall barns, free stall barns, milkrooms, milking centers, cowyards, barnyards, medication pens, walkers, animal walkways, and stables. The manure storage area includes lagoons, runoff ponds, storage sheds, stockpiles,

under house or pit storages, liquid impoundments, static piles, and composting piles. The raw materials storage area includes feed silos, silage bunkers, and bedding materials. The waste containment area includes settling basins, and areas within berms and diversions that separate uncontaminated storm water. Also included in the definition of production area is any egg washing or egg processing facility and any area used in the storage, handling, treatment, or disposal of mortalities.

(13) "Secretary" means the Secretary of Natural Resources.

(14) "Small animal feeding operation" or "SFO" means an AFO that is not a large CAFO or a medium CAFO.

(15) "Small concentrated animal feeding operation" or "small CAFO" means a small AFO designated as a small CAFO by the Secretary upon determining that the AFO is a significant contributor of pollutants to waters of the State and is defined as a CAFO by the regulations adopted under the federal Clean Water Act.

(16) "Waters of the United States" shall have the same meaning as defined by the federal Clean Water Act.

§ 1352. POWERS OF THE SECRETARY

The Secretary has the authority to exercise all of the following:

(1) Implement the federal Clean Water Act to administer a Vermont pollutant discharge elimination system (VPDES) CAFO program that is at least as stringent as the federal Clean Water Act and enabling rules.

(2) Make, adopt, revise, and amend rules as necessary to administer a VPDES CAFO program that is at least as stringent as the federal Clean Water Act and enabling rules.

(3) Make, adopt, revise, and amend procedures, guidelines, inspection checklists, and other documents as necessary for the administration of the VPDES CAFO program.

(4) Designate any AFO that meets the definition of a CAFO under the federal Clean Water Act regulations or under the VPDES CAFO Rule as a CAFO, in the Secretary's sole discretion.

(5) Require any AFO to obtain a CAFO permit under this chapter upon a determination that the AFO is discharging to waters of the State.

(6) Designate any small AFO as a CAFO if after an on-site inspection, the Secretary determines that the small AFO is discharging into water and is a significant contributor of pollutants to waters of the State. The Secretary shall consider the following factors:

(A) the size of the AFO and the amount of wastes reaching waters;

(B) the location of the AFO relative to waters;

(C) the means of conveyance of animal wastes and process waste waters into waters;

(D) the slope, vegetation, rainfall, and other factors affecting the likelihood or frequency of discharge of animal wastes manure and process waste waters into waters; and

(E) other relevant factors.

(7) Access private or public property to inspect AFOs and CAFOs, take photos and samples, and review and copy AFO and CAFO land management records, including nutrient management plans, as may be necessary to carry out the provisions of this subchapter.

(8) Solicit and receive federal funds to implement the CAFO program.

(9) Cooperate fully with the federal government or other agencies in the operation of any joint federal-state programs concerning the regulation of agricultural pollution.

(10) Appoint assistants or contract with persons with applicable expertise, subject to applicable laws and State policies, to perform or assist in the performance of the duties and functions of the Secretary under this chapter.

§ 1353. CAFO PERMIT REQUIREMENTS AND EXEMPTIONS

(a) The discharge of manure, litter, or process wastewater to waters of the State from a permitted CAFO as a result of the application of that manure, litter, or process wastewater by the CAFO to land areas under its control is a discharge from that CAFO subject to VPDES permit requirements, except where it is an agricultural stormwater discharge as provided under the federal Clean Water Act. For purposes of this subsection, where the manure, litter, or process wastewater has been applied in accordance with the federal regulations under the Clean Water Act, a precipitation-related discharge of manure, litter, or process wastewater from land areas under the control of a CAFO is an agricultural stormwater discharge. For unpermitted Large CAFOs, a precipitation-related discharge of manure, litter, or process wastewater from land areas under the control of the CAFO shall be considered an exempt agricultural stormwater discharge only where the manure, litter, or process wastewater has been land applied in accordance with site-specific nutrient management practices that ensure appropriate agricultural utilization of the nutrients in the manure, litter, or process wastewater, as determined by the Secretary.

(b) All MFOs and LFOs shall maintain documentation of a nutrient management plan and practices on site or at a nearby office and make the documentation readily available to the Secretary upon request.

(c) The presumption in 6 V.S.A. § 4810(b) that farms in compliance with the Agency of Agriculture, Food and Markets' Required Agricultural Practices Rule are not discharging is not applicable to any AFO determined by the Secretary's decision to be a CAFO.

Sec. 9. COMMUNITY STAKEHOLDER GROUP ON AGRICULTURAL WATER QUALITY

(a) On or before December 1, 2025, the Secretary of Natural Resources, in coordination with the Secretary of Agriculture, Food and Markets, shall engage key stakeholder regarding the implementation and transition to a Concentrated Animal Feeding Operation (CAFO) program that conforms with the Clean Water Act. The process also shall include public notice and informational hearings to provide updates on the CAFO program and gather broad public input. The stakeholder engagement process shall include opportunities for the following stakeholders to provide input: the agricultural community, including livestock farmers; farm groups; agricultural consultants; and the environmental community, including watershed groups and water quality experts. The Secretary shall solicit input from stakeholders on:

(1) the establishment of a CAFO permitting program administered by the Secretary of Natural Resources that ensures compliance with the Clean Water Act's requirement that no farm discharges in violation of the Clean Water Act's CAFO permit requirements;

(2) how to align the CAFO program most effectively with water quality programs administered by the Secretary of Agriculture, Food, and Markets;

(3) how to best create regulatory clarity for agricultural producers for the long term that is consistent with the Clean Water Act, whether within a two-agency regulatory system or through a full transfer of regulatory authority to the Agency of Natural Resources;

(4) the resources, technical assistance, and regulatory structure necessary to create a path to compliance for agricultural producers that maintain CAFOs, AFOs, and other farms; and

(5) feedback on implementing regulatory structures similar to other states, including the New York State Department of Environmental Protection CAFO Program.

(b) On or before February 15, 2026, the Secretary of Natural Resources shall file a report with 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 shall:

(1) summarize the stakeholder process, including public comments received;

(2) summarize public input received during rulemaking;

(3) assess whether the regulatory structure for administering agricultural water quality requirements in the State is sufficient to ensure that water pollution is controlled consistent with the Clean Water Act or whether sole regulation by the Agency of Natural Resources over water quality on farms, should be implemented; and

(4) recommend any statutory amendment or other changes related to implementation of the CAFO program and agricultural water quality regulation more generally.

(c) The Secretary of Natural Resources shall, as part of the report required under this section, propose a plan for inspection of animal feeding operations (AFOs) potentially subject to the requirements for a CAFO permit under 10 V.S.A. chapter 47, subchapter 3A. The plan shall include:

(1) a proposal of which AFOs should be subject to inspection, including whether all large farm operations and medium farm operations must be inspected to determine if a CAFO permit is required;

(2) a proposed schedule of inspection of those AFOs subject to inspection, including the frequency of inspection or events or thresholds that would require inspection; and

(3) an estimate of the staffing or other resources that would be required to implement the proposed inspection plan.

Sec. 10. 10 V.S.A. § 1259 is amended to read:

§ 1259. PROHIBITIONS

(a) No person shall discharge any waste, substance, or material into waters of the State, nor shall any person discharge any waste, substance, or material into an injection well or discharge into a publicly owned treatment works any waste that interferes with, passes through without treatment, or is otherwise incompatible with those works or would have a substantial adverse effect on those works or on water quality, without first obtaining a permit for that discharge from the Secretary. This subsection shall not prohibit the proper application of fertilizer to fields and crops, nor reduce or affect the authority or policy declared in Joint House Resolution 7 of the 1971 Session of the General Assembly.

* * *

(f) ~~The provisions of subsections (c), (d), and (e) of this section shall not regulate~~ Provided that the introduction of wastes are from sources that do not discharge pollutants from a point source into waters of the State, and comply with the federal Clean Water Act and federal CAFO regulation, the following activities shall not require a VPDES permit under section 1263 of this title:

(1) required agricultural practices, as adopted by rule by the Secretary of Agriculture, Food and Markets~~,~~; or

(2) accepted silvicultural practices, as defined by the Commissioner of Forests, Parks and Recreation, including practices ~~which~~ that are in compliance with the Acceptable Management Practices for Maintaining Water Quality on Logging Jobs in Vermont, as adopted by the Commissioner of Forests, Parks and Recreation~~; nor shall these provisions regulate discharges from concentrated animal feeding operations that require a permit under section 1263 of this title; nor shall those provisions prohibit stormwater runoff or the discharge of nonpolluting wastes, as defined by the Secretary~~.

* * *

(i) The Secretary ~~of Natural Resources, to the extent compatible~~ shall regulate AFOs in accordance with federal requirements, ~~shall delegate to~~ and the VPDES CAFO Rules, and the Secretary of Agriculture, Food and Markets shall implement the State ~~agricultural non-point~~ nonpoint source pollution control program planning, implementation, and regulation. ~~A memorandum of understanding shall be adopted for this purpose, which shall address implementation grants, the distribution of federal program assistance, and the development of land use performance standards. Prior to executing the memorandum, the Secretary of State shall arrange for two formal publications of information relating to the proposed memorandum. The information shall consist of a summary of the proposal; the name, telephone number, and address of a person able to answer questions and receive comments on the proposal; and the deadline for receiving comments. Publication shall be subject to the provisions of 3 V.S.A. § 839(d), (e), and (g), relating to the publication of administrative rules~~ This concurrent authority ensures comprehensive water quality protection and implements equivalent State nonpoint source pollution controls on farms not covered by the Clean Water Act. The Agencies shall cooperate and share information to enable effective and consistent regulation and enforcement. Not later than September 1, 2025, the Agency of Natural Resources in consultation with the U.S. Environmental Protection Agency and the Agency of Agriculture, Food and Markets, shall issue a document that sets forth the respective roles and responsibilities of the Agency of Natural Resources in implementing the Clean Water Act on farms

and responsibilities of the Agency of Agriculture, Food and Markets in implementing the State's complementary nonpoint source program on farms. The document shall replace the existing memorandum of understanding between the agencies. The Secretary shall post the draft document and information regarding the document on the Agency's website, shall issue public notice by press release and social media, shall submit the draft documents to the Senate Committees on Agriculture and on Natural Resources and Energy and the House Committees on Agriculture, Food Resiliency, and Forestry and on Environment, and shall allow for public comment. The proposed ~~memorandum of understanding~~ document shall be available for 30 days after the final date of publication for public review and comment ~~prior to being executed by the Secretary of Natural Resources and the Secretary of Agriculture, Food and Markets~~. The Secretary of Natural Resources ~~and~~ in consultation with the Secretary of Agriculture, Food and Markets ~~annually~~ shall review ~~the memorandum of understanding~~ the document every five years to ensure compliance with the requirements of the Clean Water Act ~~and the provisions of section 1258 of this title~~. If the ~~memorandum~~ document is substantially revised, it first shall be noticed in the same manner that applies to the initial memorandum. Actions by the Secretary of Agriculture, Food and Markets under this section shall be consistent with the water quality standards and water pollution control requirements of chapter 47 of this title and the federal Clean Water Act as amended.

* * *

Sec. 11. 10 V.S.A. § 1263 is amended to read:

§ 1263. DISCHARGE PERMITS

(a) Any person who intends to discharge waste into the waters of the State or who intends to discharge into an injection well or who intends to discharge into any publicly owned treatment works any waste that interferes with, passes through without treatment, or is otherwise incompatible with that works or would have a substantial adverse effect on that works or on water quality, or is required to apply for a CAFO permit, shall make application to the Secretary for a discharge permit. Application shall be made on a form prescribed by the Secretary. An applicant shall pay an application fee in accordance with 3 V.S.A. § 2822.

(b) When an application is filed under this section, the Secretary shall proceed in accordance with chapter 170 of this title. The Secretary may require any applicant to submit any additional information that the Secretary considers necessary ~~and~~, before issuing a permit application completeness determination. The Secretary may take appropriate steps to secure compliance,

refuse to grant a permit, or permission to discharge under the terms of a general permit, until the information is furnished and evaluated.

* * *

(g) ~~Notwithstanding any other provision of law, any~~ Any person who owns or operates a concentrated animal feeding operation that requires a permit under the federal National Pollutant Discharge Elimination System permit regulations or the VPDES CAFO Rules shall submit an application to the Secretary for a discharge permit and pay the required fees specified in 3 V.S.A. § 2822. ~~On or before July 1, 2007, the Secretary of Natural Resources shall adopt rules implementing the federal National Pollutant Discharge Elimination System permit regulations for discharges from concentrated animal feeding operations. Until such regulations are adopted, the substantive permitting standards and criteria used by the Secretary to evaluate applications and issue or deny discharge permits for concentrated animal feeding operations shall be those specified by federal regulations. The Secretary may issue an individual or general permit for these types of discharges in accordance with the procedural requirements of subsection (b) of this section and other State law. For the purposes of this subsection, "concentrated animal feeding operation" means a farm that meets the definition contained in the federal regulations~~ Not later than December 15, 2025, the Secretary shall amend and issue the CAFO General Permit and Notice of Intent. Not later than July 1, 2026, the Secretary shall issue a CAFO application and an individual CAFO permit. The Secretary may request any additional information from a farm as necessary to process a permit and administer the CAFO program. The Secretary may direct a farm to apply for an individual or general permit in accordance with the procedural requirements of subsection (b) of this section.

(h) A large CAFO shall not be required to have a CAFO permit unless one of the following conditions are met:

(1) wastes are discharged into waters via a point source;

(2) wastes are discharged directly into waters that originate outside or pass over, across, or through the facility or otherwise come into direct contact with the animals confined in the operation; or

(3) a precipitation-related discharge of manure, litter, or process wastewater from land areas under the control of a LFO has occurred that was not in accordance with site-specific nutrient management practices that ensure appropriate agricultural utilization of the nutrients in the manure, litter, or process wastewater, as determined by the Secretary.

(i) The Secretary shall require nutrient management plans for all CAFOs and shall include the plans in the permits for public comment in accordance

with the process set forth in chapter 170 of this title. The Secretary may amend a permit in accordance with chapter 170 of this title or revoke a permit in accordance with 3 V.S.A. § 814.

(j) Once a CAFO is covered under a CAFO permit, the farm shall be covered for the five year duration of the permit. A farm covered by a CAFO permit shall renew the permit in accordance with its terms, unless the farm wants to opt out and can demonstrate it is not discharging and shall accordingly comply with the federal CWA and the Vermont CAFO rules.

Sec. 12. 10 V.S.A. § 1264(d) is amended to read:

(d) Exemptions.

(1) No permit is required under this section for:

(A) Stormwater runoff from farms in compliance with agricultural practices adopted by the Secretary of Agriculture, Food and Markets~~, provided that this~~ and not subject to the federal Clean Water Act, its enabling regulations, or the VPDES CAFO Rules as determined by the Secretary of Natural Resources. This exemption shall not apply to construction stormwater permits required by subdivision (c)(4) of this section.

(B) Stormwater runoff from concentrated animal feeding operations permitted under subsection 1263(g) of this chapter.

(C) Stormwater runoff from accepted silvicultural practices, as defined by the Commissioner of Forests, Parks and Recreation, including practices that are in compliance with the federal Clean Water Act as determined by the Secretary of Natural Resources and the Acceptable Management Practices for Maintaining Water Quality on Logging Jobs in Vermont, as adopted by the Commissioner of Forests, Parks and Recreation.

(D) Stormwater runoff permitted under section 1263 of this title.

(2) No permit is required under subdivision (c)(1), (5), or (7) of this section and for which a municipality has assumed full legal responsibility as part of a permit issued to the municipality by the Secretary. As used in this subdivision, "full legal responsibility" means legal control of the stormwater system, including a legal right to access the stormwater system, a legal duty to properly maintain the stormwater system, and a legal duty to repair and replace the stormwater system when it no longer adequately protects waters of the State.

* * * Reference to Federal Clean Water Act * * *

Sec. 13. REFERENCE TO FEDERAL CLEAN WATER ACT

(a) Notwithstanding statements to the contrary in 6 V.S.A. chapter 215 or 10 V.S.A. chapter 47, when the following are referenced in 6 V.S.A. chapter 215 or in 10 V.S.A. chapter 47, the text of each shall be applied and interpreted as each public law, statute, or regulation existed on January 1, 2025, regardless of any subsequent amendment, repeal, or other substantive change:

(1) Pub. L. No. 92-500;

(2) the federal Clean Water Act;

(3) federal laws or regulations related to the federal Clean Water Act;

(4) the enabling regulations of the federal Clean Water Act, including citations to the Code of Federal Regulations for regulations adopted under the federal Clean Water Act;

(5) the federal regulations for concentrated animal feeding operations (CAFO) or the federal CAFO regulations; and

(6) the federal national pollutant discharge elimination system (NPDES) regulations or federal NPDES regulations.

(b) Subsection (a) of this section shall be repealed on April 1, 2029.

* * * Effective Date * * *

Sec. 14. EFFECTIVE DATE

This act shall take effect on July 1, 2025.

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

House Proposal of Amendment to Senate Proposal of Amendment Concurred In

H. 472.

House proposal of amendment to Senate proposal of amendment to House bill entitled:

An act relating to professions and occupations regulated by the Office of Professional Regulation.

Was taken up.

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

First: In Sec. 12, Office of Professional Regulation; position; appropriation, subsection (a), by striking out the word "exempt" and inserting in lieu thereof "classified"

Second: By striking out Secs. 14–18 and their reader assistance heading in their entireties and by renumbering the remaining sections to be numerically correct.

Third: By striking out the newly renumbered Sec. 15, effective dates, in its entirety and inserting in lieu thereof the following:

Sec. 15. EFFECTIVE DATES

This act shall take effect on July 1, 2025, except that Sec. 3 (fees; peer support providers) shall take effect on July 1, 2027.

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

Sec. 1a. SECRETARY OF STATE; REPORT; REVENUES FROM SALES OF DATA

On or before December 1, 2025, the Secretary of State shall submit to the House Committees on Energy and Digital Infrastructure, on Government Operations and Military Affairs, and on Ways and Means and to the Senate Committees on Finance, on Government Operations, and on Institutions a written report detailing the revenues generated from optional services through sales of data, as authorized pursuant to 3 V.S.A. § 118(c), including the categories of data sold.

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

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

S. 12.

Senator Hashim, 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 Senate bill entitled:

An act relating to sealing criminal history records.

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

Sec. 1. 13 V.S.A. chapter 230 is amended to read:

CHAPTER 230. EXPUNGEMENT AND SEALING OF CRIMINAL HISTORY RECORDS

§ 7601. DEFINITIONS

As used in this chapter:

(1) "Court" means the Criminal Division of the Superior Court.

(2) "Criminal history record" means all information documenting an individual's contact with the criminal justice system, including data regarding identification, arrest or citation, arraignment, judicial disposition, custody, and supervision.

(3) ~~"Predicate offense" means a criminal offense that can be used to enhance a sentence levied for a later conviction and includes operating a vehicle under the influence of alcohol or other substance in violation of 23 V.S.A. § 1201, domestic assault in violation of section 1042 of this title, and stalking in violation of section 1062 of this title. "Predicate offense" shall not include misdemeanor possession of cannabis, a disorderly conduct offense under section 1026 of this title, or possession of a controlled substance in violation of 18 V.S.A. § 4230(a), 4231(a), 4232(a), 4233(a), 4234(a), 4234a(a), 4234b(a), 4235(b), or 4235a(a)~~ "Criminal justice purposes" means the investigation, apprehension, detention, adjudication, or correction of persons suspected, charged, or convicted of criminal offenses. "Criminal justice purposes" also includes criminal identification activities; the collection, storage, and dissemination of criminal history records; and screening for criminal justice employment.

(4) "Qualifying crime" means:

~~(A) a misdemeanor offense that is not:~~

~~(i) a listed crime as defined in subdivision 5301(7) of this title;~~

~~(ii) an offense involving sexual exploitation of children in violation of chapter 64 of this title;~~

~~(iii) an offense involving violation of a protection order in violation of section 1030 of this title;~~

~~(iv) prostitution as defined in section 2632 of this title, or prohibited conduct under section 2601a of this title; or~~

~~(v) a predicate offense;~~

~~(B) a violation of subsection 3701(a) of this title related to criminal mischief;~~

~~(C) a violation of section 2501 of this title related to grand larceny;~~

~~(D) a violation of section 1201 of this title related to burglary, excluding any burglary into an occupied dwelling, as defined in subdivision 1201(b)(2) of this title;~~

~~(E) a violation of 18 V.S.A. § 4223 related to fraud or deceit;~~

~~(F) a violation of section 1802 of this title related to uttering a forged or counterfeited instrument;~~

~~(G) a violation of 18 V.S.A. § 4230(a) related to possession and cultivation of cannabis;~~

~~(H) a violation of 18 V.S.A. § 4231(a) related to possession of cocaine;~~

~~(I) a violation of 18 V.S.A. § 4232(a) related to possession of LSD;~~

~~(J) a violation of 18 V.S.A. § 4233(a) related to possession of heroin;~~

~~(K) a violation of 18 V.S.A. § 4234(a) related to possession of depressant, stimulant, and narcotic drugs;~~

~~(L) a violation of 18 V.S.A. § 4234a(a) related to possession of methamphetamine;~~

~~(M) a violation of 18 V.S.A. § 4234b(a) related to possession of ephedrine and pseudoephedrine;~~

~~(N) a violation of 18 V.S.A. § 4235(b) related to possession of hallucinogenic drugs;~~

~~(O) a violation of 18 V.S.A. § 4235a(a) related to possession of ecstasy; or~~

~~(P) any offense for which a person has been granted an unconditional pardon from the Governor.~~

(A) all misdemeanor offenses except:

(i) a listed crime as defined in subdivision 5301(7) of this title;

(ii) a violation of chapter 64 of this title relating to sexual exploitation of children;

(iii) a violation of section 1030 of this title relating to a violation of an abuse prevention order, an order against stalking or sexual assault, or a protective order concerning contact with a child;

(iv) a violation of chapter 28 of this title related to abuse, neglect, and exploitation of a vulnerable adult;

(v) a violation of subsection 2605(b) or (c) of this title related to voyeurism;

(vi) a violation of subdivisions 352(1)–(10) of this title related to cruelty to animals;

(vii) a violation of section 5409 of this title related to failure to comply with sex offender registry requirements;

(viii) a violation of section 1455 of this title related to hate motivated crimes;

(ix) a violation of subsection 1304(a) of this title related to cruelty to a child;

(x) a violation of section 1305 of this title related to cruelty by person having custody of another;

(xi) a violation of section 1306 of this title related to mistreatment of persons with impaired cognitive function;

(xii) a violation of section 3151 of this title related to female genital mutilation;

(xiii) a violation of subsection 3258(b) of this title related to sexual exploitation of a minor;

(xiv) a violation of subdivision 4058(b)(1) of this title related to violation of an extreme risk protection order;

(xv) an offense committed in a motor vehicle as defined in 23 V.S.A. § 4 by a person who is the holder of a commercial driver's license or commercial driver's permit pursuant to 23 V.S.A. chapter 39; and

(xvi) any offense that would require registration as a sex offender pursuant to chapter 167, subchapter 3 of this title; and

(B) the following felonies:

(i) a violation of section 1201 of this title related to burglary, excluding any burglary into an occupied dwelling, unless the person was 25 years of age or younger at the time of the offense and did not carry a dangerous or deadly weapon during the commission of the offense;

(ii) designated felony property offenses as defined in subdivision (5) of this section;

(iii) offenses relating to possessing, cultivating, selling, dispensing, or transporting regulated drugs, including violations of 18 V.S.A. § 4230(a) and (b), 4231(a) and (b), 4232(a) and (b), 4233(a) and (b), 4233a(a),

4234(a) and (b), 4234a(a) and (b), 4234b(a) and (b), 4235(b) and (c), or 4235a(a) and (b); and

(iv) any offense for which a person has been granted an unconditional pardon from the Governor.

(5) "Designated felony property offense" means:

(A) section 1801 of this title related to forgery and counterfeiting;

(B) section 1802 of this title related to uttering a forged or counterfeited instrument;

(C) section 1804 of this title related to counterfeiting paper money;

(D) section 1816 of this title related to possession or use of credit card skimming devices;

(E) section 2001 of this title related to false personation;

(F) section 2002 of this title related to false pretenses or tokens;

(G) section 2029 of this title related to home improvement fraud;

(H) section 2030 of this title related to identity theft;

(I) section 2501 of this title related to grand larceny;

(J) section 2531 of this title related to embezzlement;

(K) section 2532 of this title related to embezzlement by officers or servants of an incorporated bank;

(L) section 2533 of this title related to embezzlement by a receiver or trustee;

(M) section 2561 of this title related to receiving stolen property;

(N) section 2575 of this title related to retail theft;

(O) section 2582 of this title related to theft of services;

(P) section 2591 of this title related to theft of rented property;

(Q) section 2592 of this title related to failure to return a rented or leased motor vehicle;

(R) section 3016 of this title related to false claims;

(S) section 3701 of this title related to unlawful mischief;

(T) section 3705 of this title related to unlawful trespass;

(U) section 3733 of this title related to mills, dams, or bridges;

(V) section 3761 of this title related to unauthorized removal of human remains;

(W) section 3766 of this title related to grave markers and ornaments;

(X) chapter 87 of this title related to computer crimes; and

(Y) 18 V.S.A. § 4223 related to fraud or deceit in obtaining a regulated drug.

§ 7602. EXPUNGEMENT AND SEALING OF RECORD, POSTCONVICTION; PROCEDURE

~~(a)(1) A person may file a petition with the court requesting expungement or sealing of the criminal history record related to the conviction if:~~

~~(A) the person was convicted of a qualifying crime or qualifying crimes arising out of the same incident or occurrence;~~

~~(B) the person was convicted of an offense for which the underlying conduct is no longer prohibited by law or designated as a criminal offense;~~

~~(C) pursuant to the conditions set forth in subsection (g) of this section, the person was convicted of a violation of 23 V.S.A. § 1201(a) or § 1091 related to operating under the influence of alcohol or other substance, excluding a violation of those sections resulting in serious bodily injury or death to any person other than the operator, or related to operating a school bus with a blood alcohol concentration of 0.02 or more or operating a commercial vehicle with a blood alcohol concentration of 0.04 or more; or~~

~~(D) pursuant to the conditions set forth in subsection (h) of this section, the person was convicted under 1201(c)(3)(A) of a violation of subdivision 1201(a) of this title related to burglary when the person was 25 years of age or younger, and the person did not carry a dangerous or deadly weapon during commission of the offense.~~

~~(2) The State's Attorney or Attorney General shall be the respondent in the matter.~~

~~(3) The court shall grant the petition without hearing if the petitioner and the respondent stipulate to the granting of the petition. The respondent shall file the stipulation with the court, and the court shall issue the petitioner an order of expungement and provide notice of the order in accordance with this section.~~

~~(4) This section shall not apply to an individual licensed as a commercial driver pursuant to 23 V.S.A. chapter 39 seeking to seal or expunge~~

~~a record of a conviction for a felony offense committed in a motor vehicle as defined in 23 V.S.A. § 4.~~

~~(b)(1) The court shall grant the petition and order that the criminal history record be expunged pursuant to section 7606 of this title if the following conditions are met:~~

~~(A) At least five years have elapsed since the date on which the person successfully completed the terms and conditions of the sentence for the conviction, or if the person has successfully completed the terms and conditions of an indeterminate term of probation that commenced at least five years previously.~~

~~(B) The person has not been convicted of a crime arising out of a new incident or occurrence since the person was convicted for the qualifying crime.~~

~~(C) Any restitution and surcharges ordered by the court have been paid in full, provided that payment of surcharges shall not be required if the surcharges have been waived by the court pursuant to section 7282 of this title.~~

~~(D) The court finds that expungement of the criminal history record serves the interests of justice.~~

~~(2) The court shall grant the petition and order that all or part of the criminal history record be sealed pursuant to section 7607 of this title if the conditions of subdivisions (1)(A), (B), and (C) of this subsection are met and the court finds that:~~

~~(A) sealing the criminal history record better serves the interests of justice than expungement; and~~

~~(B) the person committed the qualifying crime after reaching 19 years of age.~~

~~(c)(1) The court shall grant the petition and order that the criminal history record be expunged pursuant to section 7606 of this title if the following conditions are met:~~

~~(A) At least 10 years have elapsed since the date on which the person successfully completed the terms and conditions of the sentence for the conviction.~~

~~(B) The person has not been convicted of a felony arising out of a new incident or occurrence in the last seven years.~~

~~(C) The person has not been convicted of a misdemeanor during the past five years.~~

(D) Any restitution and surcharges ordered by the court for any crime of which the person has been convicted has been paid in full, provided that payment of surcharges shall not be required if the surcharges have been waived by the court pursuant to section 7282 of this title.

(E) After considering the particular nature of any subsequent offense, the court finds that expungement of the criminal history record for the qualifying crime serves the interests of justice.

(2) The court shall grant the petition and order that all or part of the criminal history record be sealed pursuant to section 7607 of this title if the conditions of subdivisions (1)(A), (B), (C), and (D) of this subsection are met and the court finds that:

(A) sealing the criminal history record better serves the interests of justice than expungement; and

(B) the person committed the qualifying crime after reaching 19 years of age.

(d) For petitions filed pursuant to subdivision (a)(1)(B) of this section, unless the court finds that expungement would not be in the interests of justice, the court shall grant the petition and order that the criminal history record be expunged in accordance with section 7606 of this title if the following conditions are met:

(1) The petitioner has completed any sentence or supervision for the offense.

(2) Any restitution and surcharges ordered by the court have been paid in full, provided that payment of surcharges shall not be required if the surcharges have been waived by the court pursuant to section 7282 of this title.

(e) For petitions filed pursuant to subdivision (a)(1)(B) of this section for a conviction for possession of a regulated drug under 18 V.S.A. chapter 84, subchapter 1 in an amount that is no longer prohibited by law or for which criminal sanctions have been removed:

(1) The petitioner shall bear the burden of establishing that his or her conviction was based on possessing an amount of regulated drug that is no longer prohibited by law or for which criminal sanctions have been removed.

(2) There shall be a rebuttable presumption that the amount of the regulated drug specified in the affidavit of probable cause associated with the petitioner's conviction was the amount possessed by the petitioner.

(f) Prior to granting an expungement or sealing under this section for petitions filed pursuant to subdivision 7601(4)(D) of this title, the court shall

~~make a finding that the conduct underlying the conviction under section 1201 of this title did not constitute a burglary into an occupied dwelling, as defined in subdivision 1201(b)(2) of this title. The petitioner shall bear the burden of establishing this fact.~~

~~(g) For petitions filed pursuant to subdivision (a)(1)(C) of this section, only petitions to seal may be considered or granted by the court. This subsection shall not apply to an individual licensed as a commercial driver pursuant to 23 V.S.A. chapter 39. Unless the court finds that sealing would not be in the interests of justice, the court shall grant the petition and order that the criminal history record be sealed in accordance with section 7607 of this title if the following conditions are met:~~

~~(1) At least 10 years have elapsed since the date on which the person successfully completed the terms and conditions of the sentence for the conviction, or if the person has successfully completed the terms and conditions of an indeterminate term of probation that commenced at least 10 years previously.~~

~~(2) At the time of the filing of the petition:~~

~~(A) the person has only one conviction of a violation of 23 V.S.A. § 1201, which shall be construed in accordance with 23 V.S.A. § 1211; and~~

~~(B) the person has not been convicted of a crime arising out of a new incident or occurrence since the person was convicted of a violation of 23 V.S.A. § 1201(a).~~

~~(3) Any restitution ordered by the court has been paid in full.~~

~~(4) The court finds that sealing of the criminal history record serves the interests of justice.~~

~~(h) For petitions filed pursuant to subdivision (a)(1)(D) of this section, unless the court finds that expungement or sealing would not be in the interests of justice, the court shall grant the petition and order that the criminal history record be expunged or sealed in accordance with section 7606 or 7607 of this title if the following conditions are met:~~

~~(1) At least 15 years have elapsed since the date on which the person successfully completed the terms and conditions of the sentence for the conviction, or the person has successfully completed the terms and conditions of an indeterminate term of probation that commenced at least 15 years previously.~~

~~(2) The person has not been convicted of a crime arising out of a new incident or occurrence since the person was convicted of a violation of subdivision 1201(c)(3)(A) of this title.~~

~~(3) Any restitution ordered by the court has been paid in full.~~

~~(4) The court finds that expungement or sealing of the criminal history record serves the interests of justice.~~

(a) Petition.

(1) A person may file a petition with the court requesting expungement of a criminal history record related to a conviction if the person was convicted of an offense for which the underlying conduct is no longer prohibited by law or designated as a criminal offense.

(2) A person may file a petition with the court requesting sealing of a criminal history record related to a conviction if the person was convicted of a qualifying crime or qualifying crimes arising out of the same incident or occurrence.

(3) Whichever office prosecuted the offense resulting in the conviction, the State's Attorney or Attorney General, shall be the respondent in the matter unless the prosecuting office authorizes the other to act as the respondent.

(4) The court shall grant the petition without hearing if the petitioner and the respondent stipulate to the granting of the petition. The respondent shall file the stipulation with the court, and the court shall issue the petitioner an order of sealing and provide notice of the order to all Vermont State entities provided by the petitioner and all entities required to receive notice pursuant to subsection 7607(a) of this title.

(5) This section shall not apply to an individual who is the holder of a commercial driver's license or commercial driver's permit pursuant to 23 V.S.A. chapter 39 seeking to seal a record of a conviction for a misdemeanor or felony offense committed in a motor vehicle as defined in 23 V.S.A. § 4.

(b) Offenses that are no longer prohibited by law. For petitions filed pursuant to subdivision (a)(1) of this section, the court shall grant the petition and order that the criminal history record be expunged if the following conditions are met:

(1) The petitioner has completed any sentence or supervision for the offense.

(2) Any restitution and surcharges ordered by the court have been paid in full, provided that payment of surcharges shall not be required if the surcharges have been waived by the court pursuant to section 7282 of this title.

(c) Qualifying misdemeanors. For petitions filed to seal a qualifying misdemeanor pursuant to subdivision (a)(2) of this section, the court shall

grant the petition and order that the criminal history record be sealed if the following conditions are met:

(1) At least three years have elapsed since the date on which the person completed the terms and conditions of the sentence.

(2) Any restitution and surcharges ordered by the court for any crime of which the person has been convicted has been paid in full, provided that payment of surcharges shall not be required if the surcharges have been waived by the court pursuant to section 7282 of this title.

(3) The respondent has failed to show that sealing would be contrary to the interests of justice.

(d) Qualifying felony offenses. For petitions filed to seal a qualifying felony pursuant to subdivision (a)(2) of this section, the court shall grant the petition and order that the criminal history record be sealed if the following conditions are met:

(1) At least seven years have elapsed since the date on which the person completed the terms and conditions of the sentence.

(2) Any restitution and surcharges ordered by the court for any crime of which the person has been convicted has been paid in full, provided that payment of surcharges shall not be required if the surcharges have been waived by the court pursuant to section 7282 of this title.

(3) The respondent has failed to show that sealing would be contrary to the interests of justice.

(e) Qualifying DUI misdemeanor. For petitions filed to seal a qualifying DUI misdemeanor pursuant to subdivision (a)(2) of this section, the court shall grant the petition and order that the criminal history record be sealed if the following conditions are met:

(1) At least 10 years have elapsed since the date on which the person completed the terms and conditions of the sentence.

(2) Any restitution and surcharges ordered by the court for any crime of which the person has been convicted has been paid in full, provided that payment of surcharges shall not be required if the surcharges have been waived by the court pursuant to section 7282 of this title.

(3) The person is not the holder of a commercial driver's license or commercial driver's permit pursuant to 23 V.S.A. chapter 39.

(4) The respondent has failed to show that sealing would be contrary to the interests of justice.

(f) Fish and wildlife offenses. Sealing a criminal history record related to a fish and wildlife offense shall not void any fish and wildlife license suspension or revocation imposed pursuant to the accumulation of points related to the sealed offense. Points accumulated by a person shall remain on the person's license and, if applicable, completion of the remedial course shall be required as set forth in 10 V.S.A. § 4502.

§ 7603. ~~EXPUNGEMENT AND~~ SEALING OF RECORD, NO CONVICTION; PROCEDURE

(a) Unless either party objects in the interests of justice, the court shall issue an order sealing the criminal history record related to the citation or arrest of a person:

(1) within 60 days after the final disposition of the case if:

(A) the court does not make a determination of probable cause at the time of arraignment; ~~or~~

(B) the charge is dismissed before trial with or without prejudice; or

(C) the defendant is acquitted of the charges; or

(2) at any time if the prosecuting attorney and the defendant stipulate that the court may grant the petition to seal the record.

(b) If a party objects to sealing ~~or expunging~~ a record pursuant to this section, the court shall schedule a hearing to determine if sealing ~~or expunging~~ the record serves the interests of justice. The defendant and the prosecuting attorney shall be the only parties in the matter.

(c), (d) [Repealed.]

~~(e) Unless either party objects in the interests of justice, the court shall issue an order expunging a criminal history record related to the citation or arrest of a person:~~

~~(1) within 60 days after the final disposition of the case if:~~

~~(A) the defendant is acquitted of the charges; or~~

~~(B) the charge is dismissed with prejudice;~~

~~(2) at any time if the prosecuting attorney and the defendant stipulate that the court may grant the petition to expunge the record.~~ [Repealed.]

~~(f) Unless either party objects in the interests of justice, the court shall issue an order to expunge a record sealed pursuant to subsection (a) or (g) of this section eight years after the date on which the record was sealed.~~ [Repealed.]

(g) A person may file a petition with the court requesting sealing ~~or expungement~~ of a criminal history record related to the citation or arrest of the person at any time. The court shall grant the petition and issue an order sealing ~~or expunging~~ the record if it finds that sealing ~~or expunging~~ the record serves the interests of justice~~,~~ or if the parties stipulate to sealing ~~or expungement~~ of the record.

(h) ~~The court may expunge any records that were sealed pursuant to this section prior to July 1, 2018 unless the State's Attorney's office that prosecuted the case objects. Thirty days prior to expunging a record pursuant to this subsection, the court shall provide to the State's Attorney's office that prosecuted the case written notice of its intent to expunge the record.~~ [Repealed.]

§ 7604. NEW CHARGE

If a person ~~is charged with a criminal offense after he or she has filed a petition for expungement pursuant to this chapter~~ has a criminal charge pending at the time the petition for sealing or expungement is before the court, the court shall not act on the petition until disposition of the new charge.

§ 7605. DENIAL OF PETITION

If a petition for expungement or sealing is denied by the court pursuant to this chapter, no further petition shall be brought for at least two years, unless a shorter duration is authorized by the court.

§ 7606. EFFECT OF EXPUNGEMENT

(a) Order and notice. Upon finding that the requirements for expungement have been met, the court shall issue an order that shall include provisions that its effect is to annul the record of the arrest, conviction, and sentence and that such person shall be treated in all respects as if the person had never been arrested, convicted, or sentenced for the offense. The court shall provide notice of the expungement to the respondent, Vermont Crime Information Center (VCIC), the arresting agency, the Restitution Unit of the Vermont Center for Crime Victim Services, and any other entity that may have a record related to the order to expunge. The VCIC shall provide notice of the expungement to the Federal Bureau of Investigation's National Crime Information Center.

(b) Effect.

(1) Upon entry of an expungement order, the order shall be legally effective immediately and the person whose record is expunged shall be treated in all respects as if ~~he or she~~ the person had never been arrested, convicted, or sentenced for the offense.

(2) In any application for employment, license, or civil right or privilege or in an appearance as a witness in any proceeding or hearing, a person may be required to answer questions about a previous criminal history record only with respect to arrests or convictions that have not been expunged. A State entity that inquires about a person's criminal history record shall advise the person of the person's right not to disclose expunged records pursuant to this subdivision.

(3) The response to an inquiry from any person regarding an expunged record shall be that "NO CRIMINAL RECORD EXISTS."

(4) Nothing in this section shall affect any right of the person whose record has been expunged to rely on it as a bar to any subsequent proceedings for the same offense.

(c) Process.

(1) The court shall remove the expunged offense from any accessible database that it maintains.

(2) Until all charges on a docket are expunged, the case file shall remain publicly accessible.

(3) When all charges on a docket have been expunged, the case file shall be destroyed pursuant to policies established by the Court Administrator.

(d) Special index.

(1) The court shall keep a special index of cases that have been expunged together with the expungement order. The index shall list only the name of the person convicted of the offense, ~~his or her~~ the person's date of birth, the docket number, and the criminal offense that was the subject of the expungement.

(2) The special index and related documents specified in subdivision (1) of this subsection shall be confidential and shall be physically and electronically segregated in a manner that ensures confidentiality and that limits access to authorized persons.

(3) Inspection of the expungement order may be permitted only upon petition by the person who is the subject of the case. The Chief Superior Judge may permit special access to the index and the documents for research purposes pursuant to the rules for public access to court records.

(4) ~~[Repealed].~~ [Repealed.]

(5) The Court Administrator shall establish policies for implementing this subsection.

§ 7607. EFFECT OF SEALING

(a) Order and notice. Upon entry of an order to seal, the ~~order shall be legally effective immediately and the person whose record is sealed shall be treated in all respects as if the person had never been arrested, convicted, or sentenced for the offense and that its effect is to annul the record of arrest, conviction, and sentence. The~~ court shall ~~provide notice of the sealing to the respondent, Vermont Crime Information Center (VCIC), the arresting agency, the Restitution Unit of the Vermont Center for Crime Victim Services, and any other entity that may have a record related to the order to seal. The VCIC shall provide notice of the sealing to the Federal Bureau of Investigation's National Crime Information Center~~ send a copy of any order sealing a criminal history record to all of the parties and attorneys representing the parties, including to the prosecuting agency that prosecuted the offense, the Vermont Crime Information Center (VCIC), the arresting agency, and any other Vermont State entity identified by the petitioner that may have a record subject to the sealing order. VCIC shall provide notice of the sealing order to the Federal Bureau of Investigation's National Crime Information Center.

(b) Effect.

(1) Except as provided in ~~subdivision~~ subsection (c) of this section, upon entry of a sealing order, the order shall be legally effective immediately and the person whose record is sealed shall be treated in all respects as if ~~he or she~~ the person had never been arrested, convicted, or sentenced for the offense.

(2) In any application for employment, license, or civil right or privilege or in an appearance as a witness in any proceeding or hearing, a person may be required to answer questions about a previous criminal history record only with respect to arrests or convictions that have not been sealed. A State entity that inquires about a person's criminal history record shall advise the person of the person's right not to disclose sealed records pursuant to this subdivision.

(3) The response to an inquiry from any member of the public regarding a sealed record shall be that "NO CRIMINAL RECORD EXISTS."

(4) Nothing in this section shall affect any right of the person whose record has been sealed to rely on it as a bar to any subsequent proceeding for the same offense.

(c) Exceptions. A party seeking to use a sealed criminal history record, pursuant to the exceptions established in this subsection, in a court proceeding shall, prior to any use of or reference to the record in open court or in a public filing, notify the court of the party's intent to do so. The court shall thereafter determine whether the record may be used prior to its disclosure in the proceeding. If a party submits a filing that contains a sealed record or a

reference to a sealed record, that filing shall be filed under seal and remain under seal unless the court permits the use of the sealed record. This shall not apply to the use of a sealed record pursuant to subdivision (8) of this subsection. Use of a sealed record pursuant to an exception shall not change the effect of sealing under subsection (b) of this section. Notwithstanding any other provision of law or a sealing order:

(1) An entity or person that possesses a sealed record, or an attorney for such entity or person, may continue to use ~~it~~ the record for any litigation or claim arising out of the same incident or occurrence ~~or involving the same defendant~~, including use of the record in reasonable anticipation of litigation. The entity or person shall, before disclosing the record to another person, provide the following notice to the recipient of the record: "SEALED - KNOWINGLY ACCESSING OR DISCLOSING THIS RECORD WITHOUT AUTHORIZATION IS A CIVIL VIOLATION SUBJECT TO A PENALTY OF NOT MORE THAN $1,000.00."

(2)(A) ~~A~~ Except as provided in subdivision (B) of this subdivision (2), a criminal justice agency as defined in 20 V.S.A. § 2056a and the Attorney General may use the criminal history record sealed in accordance with section 7602 or 7603 of this title ~~without limitation~~ for criminal justice purposes as defined in ~~20 V.S.A. § 2056a~~ section 7601 of this title.

(B)(i) A criminal justice agency or the Attorney General may disclose a sealed criminal history record to another person only pursuant to a court order issued after the agency or the Attorney General files a petition and a supporting affidavit. The court shall permit disclosure of the record if it finds that disclosure is for criminal justice purposes as defined in section 7601 of this title. The court may grant the petition ex parte or upon hearing at the court's discretion. The agency or the Attorney General shall provide the following notice to the recipient of the record: "SEALED - KNOWINGLY ACCESSING OR DISCLOSING THIS RECORD WITHOUT AUTHORIZATION IS A CIVIL VIOLATION SUBJECT TO A PENALTY OF NOT MORE THAN $1,000.00."

(ii) This subdivision (B) shall not require a criminal justice agency or the Attorney General to petition or obtain a court order for disclosure of records:

(I) to another criminal justice agency; or

(II) to meet discovery obligations pursuant to subdivision (7) of this subsection (c).

(3) A defendant may use the sealed criminal history record of another person in the defendant's criminal proceeding. The defendant shall, before

disclosing the record to another person, provide the following notice to the recipient of the record: "SEALED - KNOWINGLY ACCESSING OR DISCLOSING THIS RECORD WITHOUT AUTHORIZATION IS A CIVIL VIOLATION SUBJECT TO A PENALTY OF NOT MORE THAN $1,000.00."

(4) A sealed record of a prior violation of 23 V.S.A. § 1201(a) shall be admissible as a predicate offense for the purpose of imposing an enhanced penalty for a subsequent violation of that section, in accordance with the provisions of 23 V.S.A. § 1210.

(5) A person or a court in possession of an order issued by a court regarding a matter that was subsequently sealed may file or cite to that decision in any subsequent proceeding. The party or court filing or citing to that decision shall ensure that information regarding the identity of the defendant in the sealed record is redacted.

(6) The Vermont Crime Information Center and Criminal Justice Information Services Division of the Federal Bureau of Investigation shall have access to sealed criminal history records without limitation for the purpose of responding to queries to the National Instant Criminal Background Check System regarding firearms transfers and attempted transfers.

(7) The State's Attorney, the Attorney General, the person who is the subject of a sealed record, and the attorney for the person who is the subject of the record shall disclose information contained in a sealed criminal history record when required to meet discovery obligations.

(8) The person whose criminal history records have been sealed pursuant to this chapter and the person's attorney may access and use the sealed records.

(9) A law enforcement agency may inspect and receive copies of the sealed criminal history records of any applicant who applies to the agency to be a law enforcement officer or a current employee for the purpose of internal investigation.

(10) Persons or entities conducting research shall have access to a sealed criminal history record to carry out research pursuant to 20 V.S.A. § 2056b.

(11) Information and materials gathered by the Department for Children and Families during a joint investigation with law enforcement, including law enforcement affidavits and related references to such information and materials, are not criminal history records as defined in subdivision 7601(2) of this title and are considered Department records that shall be maintained and may be utilized as statutorily prescribed by 33 V.S.A. chapter 49 and produced in response to a court order.

(12) Information and materials gathered by Adult Protective Services during a joint investigation with law enforcement, including law enforcement affidavits and other investigative materials, are not criminal history records as defined in subdivision 7601(2) of this title and are considered records of the Department of Disabilities, Aging, and Independent Living, which shall be maintained and may be utilized as authorized by 33 V.S.A. chapter 69 and produced in response to a court order.

(d) Process.

(1) The court shall bar viewing of the sealed offense in any accessible database that it maintains.

(2) Until all charges on a docket have been sealed, the case file shall remain publicly accessible.

(3) When all charges on a docket have been sealed, the case file shall become exempt from public access.

(4) When a sealing order is issued by the court, any person or entity, except the court, that possesses criminal history records and has been provided notice of the order shall:

(A) bar viewing of the sealed offense in any accessible database that it maintains or remove information pertaining to the sealed records from any publicly accessible database that the person or entity maintains; and

(B) clearly label the criminal history record as "SEALED" to ensure compliance with this section.

(e) Special index.

(1) The court shall keep a special index of cases that have been sealed together with the sealing order. The index shall list only the name of the person convicted of the offense, ~~his or her~~ the person's date of birth, the docket number, and the criminal offense that was the subject of the sealing.

(2) The special index and related documents specified in subdivision (1) of this subsection shall be confidential and shall be physically and electronically segregated in a manner that ensures confidentiality and that limits access to authorized persons.

(3) Except as provided in subsection (c) of this section, inspection of the sealing order may be permitted only upon petition by the person who is the subject of the case. The Chief Superior Judge may permit special access to the index and the documents for research purposes pursuant to the rules for public access to court records.

~~(4) The Court Administrator shall establish policies for implementing this subsection.~~

(f) Victims Compensation Program. Upon request, the ~~Victim's~~ Victims Compensation Program shall be provided with a copy, redacted of all information identifying the offender, of the affidavit for the sole purpose of verifying the expenses in a victim's compensation application submitted pursuant to section 5353 of this title.

(g) Restitution. The sealing of a criminal record shall not affect the authority of the Restitution Unit to enforce a restitution order in the same manner as a civil judgment pursuant to subdivision 5362(c)(2) of this title.

§ 7608. VICTIMS

(a) At the time a petition is filed pursuant to this chapter, the respondent shall give notice of the petition to any victim of the offense who is known to the respondent. The victim shall have the right to offer the respondent a statement prior to any stipulation or to offer the court a statement. The disposition of the petition shall not be unnecessarily delayed pending receipt of a victim's statement. The respondent's inability to locate a victim after a reasonable effort has been made shall not be a bar to granting a petition.

(b) As used in this section, "reasonable effort" means attempting to contact the victim by first-class mail at the victim's last known address ~~and~~, by telephone at the victim's last known phone number, and by email at the victim's last known email address.

§ 7609. ~~EXPUNGEMENT OF~~ SEALING CRIMINAL HISTORY RECORDS OF ~~AN INDIVIDUAL~~ A PERSON 18–21 YEARS OF AGE

(a) ~~Procedure~~ Petition. ~~Except as provided in subsection (b) of this section, the record of the criminal proceedings for an individual who was 18–21 years of age at the time the individual committed a qualifying crime shall be expunged within 30 days after the date on which the individual successfully completed the terms and conditions of the sentence for the conviction of the qualifying crime, absent a finding of good cause by the court. The court shall issue an order to expunge all records and files related to the arrest, citation, investigation, charge, adjudication of guilt, criminal proceedings, and probation related to the sentence. A copy of the order shall be sent to each agency, department, or official named in the order. Thereafter, the court, law enforcement officers, agencies, and departments shall reply to any request for information that no record exists with respect to such individual. Notwithstanding this subsection, the record shall not be expunged until restitution and surcharges have been paid in full, provided that payment of~~

~~surcharges shall not be required if the surcharges have been waived by the court pursuant to section 7282 of this title.~~

(1) Notwithstanding any other provision of law, a person who was 18–21 years of age at the time the person committed a qualifying crime may file a petition with the court requesting sealing of the criminal history record related to the qualifying crime after 30 days have elapsed since the person completed the terms and conditions for the sentence for the qualifying crime. The court shall grant the petition and order that the criminal history record be sealed if the following conditions are met:

(A) Any restitution and surcharges ordered by the court for any crime of which the person has been convicted has been paid in full, provided that payment of surcharges shall not be required if the surcharges have been waived by the court pursuant to section 7282 of this title.

(B) The respondent has failed to show that sealing would be contrary to the interests of justice.

(2) Order, notice, and effect of sealing shall comply with the provisions of subsections 7607(a) and (b) of this title.

(b) Exceptions.

(1) A criminal history record that includes both qualifying and nonqualifying offenses shall not be eligible for ~~expungement~~ sealing pursuant to this section.

(2) ~~The Vermont Crime Information Center shall retain a special index of sentences for sex offenses that require registration pursuant to chapter 167, subchapter 3 of this title. This index shall only list the name and date of birth of the subject of the expunged files and records, the offense for which the subject was convicted, and the docket number of the proceeding that was the subject of the expungement. The special index shall be confidential and shall be accessed only by the Director of the Vermont Crime Information Center and an individual designated for the purpose of providing information to the Department of Corrections in the preparation of a presentence investigation in accordance with 28 V.S.A. §§ 204 and 204a.~~ [Repealed.]

(c) ~~Petitions. An individual who was 18–21 years of age at the time the individual committed a qualifying crime may file a petition with the court requesting expungement of the criminal history record related to the qualifying crime after 30 days have elapsed since the individual completed the terms and conditions for the sentence for the qualifying crime. The court shall grant the petition and issue an order sealing or expunging the record if it finds that sealing or expunging the record serves the interests of justice.~~ [Repealed.]

§ 7610. CRIMINAL HISTORY RECORD SEALING SPECIAL FUND

There is established the Criminal History Record Sealing Special Fund, which shall be managed in accordance with 32 V.S.A. chapter 7, subchapter 5. Fees collected pursuant to 32 V.S.A. § 1431(e) for the filing of a petition to seal a criminal history record of a violation of 23 V.S.A. § 1201(a) shall be deposited into and credited to this Fund. This Fund shall be available to the

Office of the Court Administrator, the Department of State's Attorneys and Sheriffs, the Department of Motor Vehicles, and the Vermont Crime Information Center to offset the administrative costs of sealing such records. Balances in the Fund at the end of the fiscal year shall be carried forward and remain in the Fund.

§ 7611. UNAUTHORIZED DISCLOSURE

A ~~State or municipal employee or contractor or any agent of the court, including an attorney and an employee or contractor of the attorney,~~ person who knowingly accesses or discloses sealed criminal history record information without authorization shall be assessed a civil penalty of not more than $1,000.00. Each unauthorized disclosure shall constitute a separate civil violation.

Sec. 2. RIGHT TO NOT DISCLOSE EXPUNGED OR SEALED CRIMINAL HISTORY RECORDS

(a) The Secretary of Administration shall notify all State administrative entities of the obligation to notify persons of the right not to disclose an expunged record pursuant to 13 V.S.A. § 7606(b)(2) or a sealed record pursuant to 13 V.S.A. § 7607(b)(2).

(b) The Court Administrator shall notify the Judicial Branch of the obligation to notify persons of the right not to disclose an expunged record pursuant to 13 V.S.A. § 7606(b)(2) or a sealed record pursuant to 13 V.S.A. § 7607(b)(2).

Sec. 3. 24 V.S.A. § 2296b is added to read:

§ 2296b. EXPUNGEMENT OF MUNICIPAL VIOLATION RECORDS

(a) Expungement. Two years following the satisfaction of a judgment resulting from an adjudication of a municipal violation, the Judicial Bureau shall make an entry of "expunged" and notify the municipality of such action, provided the person has not been adjudicated for any subsequent municipal violations during that time. The data transfer to the municipality shall include the name, date of birth, ticket number, and offense. Violations of offenses adopted pursuant to chapter 117 of this title shall not be eligible for expungement under this section.

(b) Effect of expungement.

(1) Upon entry of an expungement order, the order shall be legally effective immediately and the individual whose record is expunged shall be treated in all respects as if the individual had never been adjudicated of the violation.

(2) Upon an entry of expunged, the case will be accessible only by the Clerk of the Court for the Judicial Bureau or the Clerk's designee. Adjudications that have been expunged shall not appear in the results of any Judicial Bureau database search by name, date of birth, or any other data identifying the defendant. Except as provided in subsection (c) of this section, any documents or other records related to an expunged adjudication that are maintained outside the Judicial Bureau's case management system shall be destroyed.

(3) Upon receiving an inquiry from any person regarding an expunged record, the Judicial Bureau and the municipality shall respond that "NO RECORD EXISTS."

(c) Exception for research entities. Research entities that maintain adjudication records for purposes of collecting, analyzing, and disseminating criminal justice data shall not be subject to the expungement requirements established in this section. Research entities shall abide by the policies established by the Court Administrator and shall not disclose any identifying information from the records they maintain.

(d) Policies for implementation. The Court Administrator shall establish policies for implementing this section.

(e) Application. This section shall apply to municipal violations that occur on and after July 1, 2025.

Sec. 4. 23 V.S.A. § 2303 is amended to read:

§ 2303. EXPUNGEMENT OF VIOLATION RECORDS

* * *

(e) Application. This section shall apply to motor vehicle violations that occur on and after July 1, 2021.

Sec. 5. 20 V.S.A. § 2372 is added to read:

§ 2372. STATEWIDE MODEL POLICY; USE OF SEALED CRIMINAL HISTORY RECORDS BY LAW ENFORCEMENT AGENCIES

(a) As used in this section:

(1) "Criminal history records" has the same meaning as in section 2056a of this title.

(2) "Criminal justice purposes" has the same meaning as in section 2056a of this title.

(3) "Law enforcement agency" has the same meaning as in section 2351a of this title.

(b) On or before December 15, 2025, the Vermont Criminal Justice Council shall establish a statewide model policy governing the access and use of sealed criminal history records by Vermont law enforcement agencies. The purpose of the policy is to ensure consistent statewide application of law and practice regarding the access and use of sealed criminal history information for criminal justice purposes under 13 V.S.A. chapter 230, balancing the confidentiality of this information with legitimate criminal justice purposes. If a law enforcement agency or officer was required to adopt a policy pursuant to this subsection but failed to do so on or before March 15, 2026, that agency or officer shall be deemed to have adopted, and shall follow and enforce, the model policy established by the Criminal Justice Council. The policy shall govern the access and use of sealed criminal history records by all law enforcement officers in the State and shall include the following provisions consistent with 13 V.S.A. chapter 230:

(1) define the types of sealed criminal history records that may be accessed and used, including sealed criminal history records contained in records of arrests and prosecutions, and sealed criminal history records contained in computer-aided dispatch and record management systems;

(2) define a record-keeping system through which the law enforcement agency maintains records of each instance in which an officer has accessed or used a sealed criminal history record; and

(3) comply with applicable State and federal law.

(c) The Criminal Justice Council shall:

(1) adopt rules to ensure that the policies and standards of this section are met; and

(2) develop, publish, and periodically review the statewide model policy established pursuant to subsection (b) of this section.

Sec. 6. EFFECTIVE DATE

This act shall take effect on July 1, 2025.

SEN. NADER A. HASHIM
SEN. ROBERT W. NORRIS
SEN.CHRISTOPHER P. MATTOS
Committee on the part of the Senate

REP. MARTIN J. LALONDE
REP. THOMAS B. BURDITT
REP. KAREN N. DOLAN
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.

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

S. 126.

Senator Lyons, 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 Senate bill entitled:

An act relating to health care payment and delivery system reform.

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

* * * Purpose of the Act; Goals * * *

Sec. 1. PURPOSE; GOALS

The purpose of this act is to achieve transformation of and structural changes to Vermont's health care system. In enacting this legislation, the General Assembly intends to advance the following goals:

(1) improvements in health outcomes, population health, quality of care, regional access to services, and reducing disparities in access resulting from demographic factors or health status;

(2) an integrated system of care, with robust care coordination and increased investments in primary care, home health care, and long-term care;

(3) stabilizing health care providers, controlling the costs of commercial health insurance, and managing hospital costs based on the total cost of care,

beginning with reference-based pricing and continuing on to global hospital budgets;

(4) evaluating progress in achieving system transformation and structural changes by creating and applying standardized accountability metrics; and

(5) establishing a health care system that will attract and retain high-quality health care professionals to practice in Vermont and that supports, develops, and preserves the dignity of Vermont's health care workforce.

* * * Hospital Budgets and Payment Reform * * *

Sec. 2. 18 V.S.A. § 9375 is amended to read:

§ 9375. DUTIES

(a) The Board shall execute its duties consistent with the principles expressed in section 9371 of this title.

(b) The Board shall have the following duties:

(1) Oversee the development and implementation, and evaluate the effectiveness, of health care payment and delivery system reforms designed to control the rate of growth in health care costs; promote seamless care, administration, and service delivery; and maintain health care quality in Vermont, including ensuring that the payment reform pilot projects set forth in this chapter are consistent with such reforms.

(A) Implement by rule, pursuant to 3 V.S.A. chapter 25, methodologies for achieving payment reform and containing costs that may include the participation of Medicare and Medicaid, which may include the creation of health care professional cost-containment targets, reference-based pricing, global payments, bundled payments, global budgets, risk-adjusted capitated payments, or other uniform payment methods and amounts for integrated delivery systems, health care professionals, or other provider arrangements.

* * *

(5) Set rates for health care professionals pursuant to section 9376 of this title, to be implemented over time beginning with reference-based pricing as soon as practicable, but not later than hospital fiscal year 2027, and make adjustments to the rules on reimbursement methodologies as needed.

(6) Approve, modify, or disapprove requests for health insurance rates pursuant to 8 V.S.A. § 4062, taking into consideration the requirements in the underlying statutes~~,~~; changes in health care delivery~~,~~; changes in payment

methods and amounts, including implementation of reference-based pricing; protecting insurer solvency~~,~~; and other issues at the discretion of the Board.

(7) Review and establish hospital budgets pursuant to chapter 221, subchapter 7 of this title, including establishing standards for global hospital budgets that reflect the implementation of reference-based pricing and the total cost of care targets determined in collaboration with federal partners and other stakeholders or as set by the Statewide Health Care Delivery Plan developed pursuant to section 9403 of this title, once established. Beginning not later than hospital fiscal year 2028, to the extent that resources are available, the Board shall establish global hospital budgets for one or more Vermont hospitals that are not critical access hospitals. By hospital fiscal year 2030, to the extent that resources are available, the Board shall establish global hospital budgets for all Vermont hospitals.

* * *

Sec. 3. 18 V.S.A. § 9376 is amended to read:

§ 9376. PAYMENT AMOUNTS; METHODS

(a) Intent. It is the intent of the General Assembly to ensure payments to health care professionals that are consistent with efficiency, economy, and quality of care and will permit them to provide, on a solvent basis, effective and efficient health services that are in the public interest. It is also the intent of the General Assembly to eliminate the shift of costs between the payers of health services to ensure that the amount paid to health care professionals is sufficient to enlist enough providers to ensure that health services are available to all Vermonters and are distributed equitably.

(b) Rate-setting.

(1) The Board shall set reasonable rates for health care professionals, health care provider bargaining groups created pursuant to section 9409 of this title, manufacturers of prescribed products, medical supply companies, and other companies providing health services or health supplies based on methodologies pursuant to section 9375 of this title, in order to have a consistent reimbursement amount accepted by these persons. In its discretion, the Board may implement rate-setting for different groups of health care professionals over time and need not set rates for all types of health care professionals. In establishing rates, the Board may consider legitimate differences in costs among health care professionals, such as the cost of providing a specific necessary service or services that may not be available elsewhere in the State, and the need for health care professionals in particular areas of the State, particularly in underserved geographic or practice shortage areas.

(2) Nothing in this subsection shall be construed to:

(A) limit the ability of a health care professional to accept less than the rate established in subdivision (1) of this subsection (b) from a patient without health insurance or other coverage for the service or services received; or

(B) reduce or limit the covered services offered by Medicare or Medicaid.

(c) Methodologies. The Board shall approve payment methodologies that encourage cost-containment; provision of high-quality, evidence-based health services in an integrated setting; patient self-management; access to primary care health services ~~for underserved individuals, populations, and areas~~; and healthy lifestyles. Such methodologies shall be consistent with payment reform and with evidence-based practices, and may include fee-for-service payments if the Board determines such payments to be appropriate.

(d) Supervision. To the extent required to avoid federal antitrust violations and in furtherance of the policy identified in subsection (a) of this section, the Board shall facilitate and supervise the participation of health care professionals and health care provider bargaining groups in the process described in subsection (b) of this section.

(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 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.

(2)(A) Reference-based prices established pursuant to this subsection (e) shall be based on a percentage of the Medicare reimbursement for the same or a similar item or service or on another benchmark, as appropriate, provided that if the Board establishes prices that are referenced to Medicare, the Board

may opt to update the prices in the future based on a reasonable rate of growth that is separate from Medicare rates, such as the Medicare Economic Index measure of inflation, in order to provide predictability and consistency for health care professionals and payers and to protect against federal funding pressures that may impact Medicare rates in an unpredictable manner. The Board may also reference to, and update based on, other payment or pricing systems where appropriate.

(B) In establishing reference-based prices for a hospital pursuant to this subsection (e), the Board shall consider the composition of the communities served by the hospital, including the health of the population, demographic characteristics, acuity, payer mix, labor costs, social risk factors, and other factors that may affect the costs of providing care in the hospital service area, as well as the hospital's role in Vermont's health care system.

(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.

(4) The Board shall identify factors that would necessitate terminating or modifying the use of reference-based pricing in one or more hospitals, such as a measurable reduction in access to or quality of care.

(5) The Green Mountain Care Board, in consultation with the Agency of Human Services and the Vermont Steering Committee for Comprehensive Primary Health Care established pursuant to section 9403b of this title, may implement reference-based pricing for services delivered outside a hospital, such as primary care services, and may increase or decrease the percentage of Medicare or another benchmark as appropriate, first to enhance access to primary care and later for alignment with the Statewide Health Care Delivery Strategic Plan established pursuant to section 9403 of this title, once established. The Board may consider establishing reference-based pricing for services delivered outside a hospital by setting minimum amounts that shall be paid for the purpose of prioritizing access to high-quality health care services

in settings that are appropriate to patients' needs in order to contain costs and improve patient outcomes.

(6) The Board's authority to establish reference-based prices pursuant to this subsection shall not include the authority to set amounts applicable to items provided or services delivered to patients who are enrolled in Medicare or Medicaid.

Sec. 3a. 18 V.S.A. § 9451 is amended to read:

§ 9451. DEFINITIONS

As used in this subchapter:

(1) "Hospital" means a hospital licensed under chapter 43 of this title, except a hospital that is conducted, maintained, or operated by the State of Vermont.

(2) "Hospital network" means a system comprising two or more affiliated hospitals, and may include other health care professionals and facilities, that derives 50 percent or more of its operating revenue, at the consolidated network level, from Vermont hospitals and in which the affiliated hospitals deliver health care services in a coordinated manner using an integrated financial and governance structure.

(3) "Volume" means the number of inpatient days of care or admissions and the number of all inpatient and outpatient ancillary services rendered to patients by a hospital.

Sec. 4. 18 V.S.A. § 9454 is amended to read:

§ 9454. HOSPITALS; DUTIES

* * *

(b) Hospitals shall submit information as directed by the Board in order to maximize hospital budget data standardization and allow the Board to make direct comparisons of hospital expenses across the health care system.

(c) Hospitals shall adopt a fiscal year that shall begin on October 1.

Sec. 5. 18 V.S.A. § 9456 is amended to read:

§ 9456. BUDGET REVIEW

(a) The Board shall conduct reviews of each hospital's proposed budget based on the information provided pursuant to this subchapter and in accordance with a schedule established by the Board.

(b) In conjunction with budget reviews, the Board shall:

(1) review utilization information;

(2) consider the Statewide Health Care Delivery Strategic Plan developed pursuant to section 9403 of this title, once established, including the total cost of care targets, and consult with the Agency of Human Services to ensure compliance with federal requirements regarding Medicare and Medicaid;

(3) consider the Health Resource Allocation Plan identifying Vermont's critical health needs, goods, services, and resources developed pursuant to section 9405 of this title;

~~(3)~~(4) consider the expenditure analysis for the previous year and the proposed expenditure analysis for the year under review;

~~(4)~~(5) consider any reports from professional review organizations;

(6) for a hospital that operates within a hospital network, review the hospital network's financial operations as they relate to the budget of the individual hospital;

~~(5)~~(7) solicit public comment on all aspects of hospital costs and use and on the budgets proposed by individual hospitals;

~~(6)~~(8) meet with hospitals to review and discuss hospital budgets for the forthcoming fiscal year;

~~(7)~~(9) give public notice of the meetings with hospitals~~,~~ and invite the public to attend and to comment on the proposed budgets;

~~(8)~~(10) consider the extent to which costs incurred by the hospital in connection with services provided to Medicaid beneficiaries are being charged to non-Medicaid health benefit plans and other non-Medicaid payers;

~~(9)~~(11) require each hospital to file an analysis that reflects a reduction in net revenue needs from non-Medicaid payers equal to any anticipated increase in Medicaid, Medicare, or another public health care program reimbursements, and to any reduction in bad debt or charity care due to an increase in the number of insured individuals;

~~(10)~~(12) require each hospital to provide information on administrative costs, as defined by the Board, including specific information on the amounts spent on marketing and advertising costs;

~~(11)~~(13) require each hospital to create or maintain connectivity to the State's Health Information Exchange Network in accordance with the criteria established by the Vermont Information Technology Leaders, Inc., pursuant to subsection 9352(i) of this title, provided that the Board shall not require a hospital to create a level of connectivity that the State's Exchange is unable to support;

~~(12)~~(14) review the hospital's investments in workforce development initiatives, including nursing workforce pipeline collaborations with nursing schools and compensation and other support for nurse preceptors; ~~and~~

~~(13)~~(15) consider the salaries for the hospital's executive and clinical leadership, including variable payments and incentive plans, and the hospital's salary spread, including a comparison of median salaries to the medians of northern New England states and a comparison of the base salaries and total compensation for the hospital's executive and clinical leadership with those of the hospital's lowest-paid employees who deliver health care services directly to hospital patients; and

(16) consider the number of employees of the hospital whose duties are primarily administrative in nature, as defined by the Board, compared with the number of employees whose duties primarily involve delivering health care services directly to hospital patients.

(c) Individual hospital budgets established under this section shall:

(1) be consistent, to the extent practicable, with the Statewide Health Care Delivery Strategic Plan, once established, including the total cost of care targets, and with the Health Resource Allocation Plan;

(2) reflect the reference-based prices established by the Board pursuant to section 9376 of this title;

(3) take into consideration national, regional, or in-state peer group norms, according to indicators, ratios, and statistics established by the Board;

~~(3)~~(4) promote efficient and economic operation of the hospital and, if a hospital is affiliated with a hospital network, ensure that hospital spending on the hospital network's operations is consistent with the principles for health care reform expressed in section 9371 of this title and with the Statewide Health Care Delivery Strategic Plan, once established;

~~(4)~~(5) reflect budget performances for prior years;

~~(5)~~(6) include a finding that the analysis provided in subdivision ~~(b)~~(9)(b)(11) of this section is a reasonable methodology for reflecting a reduction in net revenues for non-Medicaid payers; ~~and~~

~~(6)~~(7) demonstrate that they support equal access to appropriate mental health care that meets standards of quality, access, and affordability equivalent to other components of health care as part of an integrated, holistic system of care; and

(8) include meaningful variable payments and incentive plans for hospitals that are consistent with this section and with the principles for health care reform expressed in section 9371 of this title.

(d)(1)(A) Annually, the Board shall establish a budget for each hospital on or before September 15, followed by a written decision by October 1. Each hospital shall operate within the budget established under this section.

(B)(i) Beginning not later than hospital fiscal year 2028, to the extent that resources are available, the Board shall establish global hospital budgets for one or more Vermont hospitals that are not critical access hospitals. Not later than hospital fiscal year 2030, to the extent that resources are available, the Board shall establish global hospital budgets for all Vermont hospitals.

(ii) Global hospital budgets established pursuant to this section shall include Medicare to the extent permitted under federal law but shall not include Medicaid.

* * *

(e)(1) The Board, in consultation with the Vermont Program for Quality in Health Care, shall utilize mechanisms to measure hospital costs, quality, and access and alignment with the Statewide Health Care Delivery Strategic Plan, once established.

(2)(A) Except as provided in subdivision (D) of this subdivision (e)(2), a hospital that proposes to reduce or eliminate any service in order to comply with a budget established under this section shall provide a notice of intent to the Board, the Agency of Human Services, the Office of the Health Care Advocate, and the members of the General Assembly who represent the hospital service area not less than 45 days prior to the proposed reduction or elimination.

(B) The notice shall explain the rationale for the proposed reduction or elimination and describe how it is consistent with the Statewide Health Care Delivery Strategic Plan, once established, and the hospital's most recent community health needs assessment conducted pursuant to section 9405a of this title and 26 U.S.C. § 501(r)(3).

(C) The Board may evaluate the proposed reduction or elimination for consistency with the Statewide Health Care Delivery Strategic Plan, once established and the community health needs assessment, and may modify the hospital's budget or take such additional actions as the Board deems appropriate to preserve access to necessary services.

(D) A service that has been identified for reduction or elimination in connection with the transformation efforts undertaken by the Board and the

Agency of Human Services pursuant to 2022 Acts and Resolves No. 167 does not need to comply with subdivisions (A)–(C) of this subdivision (e)(2).

(3) The Board, in collaboration with the Department of Financial Regulation, shall monitor the implementation of any authorized decrease in hospital services to determine its benefits to Vermonters or to Vermont's health care system, or both.

(4) The Board may establish a process to define, on an annual basis, criteria for hospitals to meet, such as utilization and inflation benchmarks.

(5) The Board may waive one or more of the review processes listed in subsection (b) of this section.

* * *

Sec. 6. 18 V.S.A. § 9458 is added to read:

§ 9458. HOSPITAL NETWORKS; STRUCTURE; FINANCIAL OPERATIONS

(a) The Board may review and evaluate the structure of a hospital network to determine:

(1) whether any network operations should be organized and operated out of a hospital instead of at the network; and

(2) whether the existence and operation of a network provides value to Vermonters, is in the public interest, and is consistent with the principles for health care reform expressed in section 9371 of this title and with the Statewide Health Care Delivery Strategic Plan, once established.

(b) In order to protect the public interest, the Board may, on its own initiative, investigate the financial operations of a hospital network, including compensation of the network's employees and executive leadership.

(c) The Board may recommend any action it deems necessary to correct any aspect of the structure of a hospital network or its financial operations that are inconsistent with the principles for health care reform expressed in section 9371 of this title or with the Statewide Health Care Delivery Strategic Plan, once established.

* * * Health Care Contracts * * *

Sec. 7. 18 V.S.A. § 9418c is amended to read:

§ 9418c. FAIR CONTRACT STANDARDS

* * *

(e)(1) The requirements of subdivision (b)(5) of this section do not prohibit a contracting entity from requiring a reasonable confidentiality agreement between the provider and the contracting entity regarding the terms of the proposed health care contract.

(2) Upon request, a contracting entity or provider shall provide an unredacted copy of an executed or proposed health care contract to the Department of Financial Regulation or the Green Mountain Care Board, or both.

* * * Statewide Health Care Delivery Strategic Plan; Health Care Delivery Advisory Committee; Vermont Steering Committee for Comprehensive Primary Health Care * * *

Sec. 8. 18 V.S.A. § 9403 is added to read:

§ 9403. STATEWIDE HEALTH CARE DELIVERY STRATEGIC PLAN

(a) The Agency of Human Services, in collaboration with the Green Mountain Care Board, the Department of Financial Regulation, the Vermont Program for Quality in Health Care, the Office of the Health Care Advocate, the Health Care Delivery Advisory Committee established in section 9403a of this title, the Vermont Steering Committee for Comprehensive Primary Health Care established pursuant to section 9403b of this title, and other interested stakeholders, shall lead development of an integrated Statewide Health Care Delivery Strategic Plan as set forth in this section.

(b) The Plan shall:

(1) Align with the principles for health care reform expressed in section 9371 of this title.

(2) Identify existing services and promote universal access across Vermont to high-quality, cost-effective acute care; primary care, including primary mental health services; chronic care; long-term care; substance use disorder treatment services; emergency medical services; nonemergency medical services; nonmedical services and supports; and hospital-based, independent, and community-based services.

(3) Define a shared vision and shared goals and objectives for improving access to and the quality, efficiency, and affordability of health care services in Vermont and for reducing disparities in access resulting from demographic factors or health status, including benchmarks for evaluating progress.

(4) Identify the resources, infrastructure, and support needed to achieve established targets, which will ensure the feasibility and sustainability of implementation.

(5) Provide a phased implementation timeline with milestones and regular reporting to ensure adaptability as needs evolve.

(6) Promote accountability and continuous quality improvement across Vermont's health care system through the use of data, scientifically grounded methods, and high-quality performance metrics to evaluate effectiveness and inform decision making.

(7) Provide annual targets for the total cost of care across Vermont's health care system. Using these total cost of care targets, the Plan shall identify appropriate allocations of health care resources and services across the State that balance quality, access, and cost containment. The Plan shall also establish targets for the percentages of overall health care spending that should reflect spending on primary care services, including mental health services, and on preventive care services, which targets shall be aligned with the total cost of care targets.

(8) Build on data and information from:

(A) the transformation planning resulting from 2022 Acts and Resolves No. 167, Secs. 1 and 2;

(B) the expenditure analysis and health care spending estimate developed pursuant to section 9383 of this title;

(C) the State Health Improvement Plan adopted pursuant to subsection 9405(a) of this title;

(D) the Health Resource Allocation Plan published by the Green Mountain Care Board in accordance with subsection 9405(b) of this title;

(E) hospitals' community health needs assessments and strategic planning conducted in accordance with section 9405a of this title;

(F) hospital and ambulatory surgical center quality information published by the Department of Health pursuant to section 9405b of this title;

(G) the statewide quality assurance program maintained by the Vermont Program for Quality in Health Care pursuant to section 9416 of this title;

(H) the 2020 report determining the proportion of health care spending in Vermont that is allocated to primary care, submitted to the General Assembly by the Green Mountain Care Board and the Department of Vermont Health Access in accordance with 2019 Acts and Resolves No. 17, Sec. 2;

(I) the 2024 report on Blueprint for Health payments to patient-centered medical homes, submitted to the General Assembly by the Agency of

Human Services in accordance with 2023 Acts and Resolves No. 51, Sec. 5; and

(J) such additional sources of data and information as the Agency and other stakeholders deem appropriate.

(9) Identify:

(A) opportunities to improve the quality of care across the health care delivery system, including exemplars of high-quality care to stimulate best practice dissemination;

(B) gaps in access to care, as well as unnecessary duplication of services, including circumstances in which service closures or consolidations may result in improvements in quality, access, and affordability;

(C) opportunities to reduce administrative burdens;

(D) federal, State, and other barriers to achieving the Plan's goals and, to the extent feasible, how those barriers can be removed or mitigated;

(E) priorities in steps for achieving the goals of the Plan;

(F) barriers to access to appropriate mental health and substance use disorder services that meet standards of quality, access, and affordability equivalent to other components of health care;

(G) opportunities to integrate health care services for individuals in the custody of the Department of Corrections as part of Vermont's health care delivery system;

(H) enhancements in quality reporting and data collection to provide a more current and accurate picture of the quality of health care delivery across Vermont; and

(I) systems to ensure that reported data is shared with and is accessible to the health care professionals who are providing care, enabling them to track performance and inform improvement.

(c) State agencies shall cooperate with all reasonable requests from the Agency of Human Services for data and other information and assistance needed for the Agency to prepare and update the Plan pursuant to this section.

(d)(1) In 2025 and 2026, the Agency of Human Services shall engage with stakeholders; collect and analyze data; gather information obtained through the processes established in 2022 Acts and Resolves No. 167, Secs. 1 and 2; and solicit input from the public.

(2) In 2027, the Agency shall prepare the Plan.

(3) On or before January 15, 2028, the Agency shall provide the Plan to the House Committees on Health Care and on Human Services and the Senate Committee on Health and Welfare.

(4) The Agency shall prepare an updated Plan every three years and shall provide it to the General Assembly on or before December 1 of every third year, beginning on December 1, 2030.

Sec. 9. 18 V.S.A. § 9403a is added to read:

§ 9403a. HEALTH CARE DELIVERY ADVISORY COMMITTEE

(a) There is created the Health Care Delivery Advisory Committee to:

(1) establish health care affordability benchmarks;

(2) evaluate and monitor the performance of Vermont's health care system and its impacts on population health outcomes;

(3) collaborate with the Agency of Human Services and other interested stakeholders in the development and maintenance of the Statewide Health Care Delivery Strategic Plan developed pursuant to section 9403 of this title;

(4) consider the recommendations of the Vermont Steering Committee for Comprehensive Primary Health Care established pursuant to section 9403b of this title;

(5) advise the Green Mountain Care Board on the design and implementation of an ongoing evaluation process to continuously monitor current performance in the health care delivery system; and

(6) provide coordinated and consensus recommendations to the General Assembly on issues related to health care delivery, including primary care, and population health.

(b)(1) The Advisory Committee shall be composed of the following 18 members:

(A) the Secretary of Human Services or designee;

(B) the Chair of the Green Mountain Care Board or designee;

(C) the Chief Health Care Advocate from the Office of the Health Care Advocate or designee;

(D) two members of the Vermont Steering Committee for Comprehensive Primary Health Care, selected by the Steering Committee;

(E) one representative of commercial health insurers offering major medical health insurance plans in Vermont, selected by the Commissioner of Financial Regulation;

(F) two representatives of Vermont hospitals, selected by the Vermont Association of Hospitals and Health Systems, who shall represent hospitals that are located in different regions of the State and that face different levels of financial stability;

(G) one representative of Vermont's federally qualified health centers, selected by Bi-State Primary Care Association;

(H) one representative of physicians, selected by the Vermont Medical Society;

(I) one representative of independent physician practices, selected by HealthFirst;

(J) one representative of advanced practice registered nurses, selected by the Vermont Nurse Practitioners Association;

(K) one representative of Vermont's designated and specialized service agencies, selected by Vermont Care Partners;

(L) one preferred provider from outside the designated and specialized service agency system, selected by the Commissioner of Health;

(M) one Vermont-licensed mental health professional from an independent practice, selected by the Commissioner of Mental Health;

(N) one representative of Vermont's home health agencies, selected jointly by the VNAs of Vermont and Bayada Home Health Care; and

(O) one representative of long-term care facilities, selected by the Vermont Health Care Association; and

(P) one representative of small businesses, selected by the Vermont Chamber of Commerce.

(2) The Advisory Committee shall consult with and solicit input from the Health Equity Advisory Commission; physician assistants, physical therapists, and other health care professionals who are not members of the Advisory Committee; Vermont's free clinic programs; the Vermont Program for Quality in Health Care; and other relevant stakeholders.

(3) The Secretary of Human Services or designee shall be the Chair of the Advisory Committee.

(4) The Agency of Human Services shall provide administrative and technical assistance to the Advisory Committee.

(c) Members of the Advisory Committee shall not receive per diem compensation or reimbursement of expenses for their participation on the Advisory Committee.

Sec. 9a. 18 V.S.A. § 9403b is added to read:

§ 9403b. VERMONT STEERING COMMITTEE FOR COMPREHENSIVE PRIMARY HEALTH CARE

(a) There is created the Vermont Steering Committee for Comprehensive Primary Health Care to inform the work of State government, including the Blueprint for Health and the Office of Health Care Reform in the Agency of Human Services, as it relates to access to, delivery of, and payment for primary care services in Vermont.

(b) The Steering Committee shall be composed of the following members:

(1) the Chair of the Department of Family Medicine at the University of Vermont Larner College of Medicine or designee;

(2) the Chair of the Department of Pediatrics at the University of Vermont Larner College of Medicine or designee;

(3) the Associate Dean for Primary Care at the University of Vermont Larner College of Medicine or designee;

(4) the Executive Director of the Vermont Child Health Improvement Program at the University of Vermont Larner College of Medicine or designee;

(5) the President of the Vermont Academy of Family Physicians or designee;

(6) the President of the American Academy of Pediatrics, Vermont Chapter, or designee;

(7) a member of the Green Mountain Care Board's Primary Care Advisory Committee, selected by the Green Mountain Care Board;

(8) the Executive Director of the Blueprint for Health;

(9) a primary care clinician who practices at an independent practice, selected by HealthFirst;

(10) a primary care clinician who practices at a federally qualified health center, selected by Bi-State Primary Care Association;

(11) a primary care physician, selected by the Vermont Medical Society;

(12) a primary care physician assistant, selected by the Physician Assistant Academy of Vermont;

(13) a primary care nurse practitioner, selected by the Vermont Nurse Practitioners Association;

(14) a mental health provider who practices at a community mental health center designated pursuant to section 8907 of this title, selected by Vermont Care Partners;

(15) a licensed independent clinical social worker, selected by the National Association of Social Workers, Vermont Chapter; and

(16) a psychologist, selected by the Vermont Psychological Association.

(c) The Steering Committee shall:

(1) engage in an ongoing assessment of comprehensive primary care needs in Vermont;

(2) provide recommendations for recruiting and retaining high-quality primary care providers, including on ways to encourage new talent to join Vermont's primary care workforce;

(3) develop proposals for sustainable payment models for primary care;

(4) identify methods for enhancing Vermonters' access to primary care;

(5) recommend opportunities to reduce administrative burdens on primary care providers;

(6) recommend mechanisms for measuring the quality of primary care services delivered in Vermont;

(7) provide input regarding comprehensive primary health care for the Statewide Health Care Delivery Strategic Plan as it is developed, updated, and implemented pursuant to section 9403 of this title;

(8) consult with the Green Mountain Care Board in the event that the Board develops reference-based pricing for primary care providers as permitted under subdivision 9376(e)(5) of this title; and

(9) offer additional recommendations and guidance to the Blueprint for Health, the Office of Health Care Reform, the General Assembly, and others in State government on ways to increase access to primary care services and to improve patient and provider satisfaction with primary care delivery in Vermont.

(d) The Steering Committee shall receive administrative and technical assistance from the Agency of Human Services.

(e)(1) The Executive Director of the Blueprint for Health shall call the first meeting of the Steering Committee to occur on or before September 1, 2025.

(2) The Steering Committee shall select a chair from among its members at the first meeting.

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

(f) Members of the Steering Committee shall not receive per diem compensation or reimbursement of expenses for their participation on the Steering Committee.

* * * Data Integration; Data Sharing * * *

Sec. 10. 18 V.S.A. § 9353 is added to read:

§ 9353. INTEGRATION OF HEALTH CARE DATA; REPORTS

(a) The Agency of Human Services shall collaborate with the Health Information Exchange Steering Committee in the development of the Unified Health Data Space in order to improve patient and provider access to relevant information, increase efficiencies and decrease administrative burdens on providers, and reduce health care system costs.

(b) The Agency's development of the Unified Health Data Space shall:

(1) align with the statewide Health Information Technology Plan established pursuant to section 9351 of this title;

(2) utilize the expertise of the Health Information Exchange Steering Committee;

(3) incorporate appropriate privacy and security standards that are aligned with the best privacy and security interests of patients;

(4) determine whether to integrate clinical data, claims data, data regarding social drivers of health and health-related social needs, and other data types and, if so, how to do so in a manner that protects proprietary information relating to payers and providers; provided, however, that integration of these data types or a subset of them shall not begin prior to January 1, 2027 and shall occur only upon the favorable vote of a majority of all voting members of the Health Information Exchange Steering Committee and only for the specific uses approved by a majority of all voting members of the Steering Committee;

(5) if data is integrated in accordance with subdivision (4) of this subsection, limit the use of the integrated data to the specific uses approved by the Health Information Exchange Steering Committee;

(6) ensure interoperability among contributing data sources and applications to enable use of the Unified Health Data Space;

(7) identify the resources necessary to complete data linkages for policy, health surveillance, population health management, and research usage and for

the data integration uses approved by the Health Information Exchange Steering Committee pursuant to subdivisions (4) and (5) of this subsection;

(8) establish a timeline for setup and access to the integrated system;

(9) develop and implement a system that ensures rapid access for patients and providers; and

(10) identify additional opportunities for future development, including incorporating new data types and larger populations.

(c) The Agency shall provide access to data to State agencies and health care providers as needed to support the goals of the Statewide Health Care Delivery Strategic Plan established pursuant to section 9403 of this title, once established, to the extent permitted by the data use agreements in place for each data set and the uses approved pursuant to subdivision (b)(4) of this section.

(d)(1) On or before January 15, 2026, the Agency of Human Services shall report to the House Committees on Health Care and on Human Services and the Senate Committee on Health and Welfare regarding the advantages and disadvantages of integrating clinical data, claims data, data regarding social drivers of health and health-related social needs, and other data types in the Unified Health Data Space; how an integrated system can improve patient and provider access to relevant information, increase efficiencies and decrease administrative burdens on providers, increase access to and quality of health care for Vermonters, and reduce health care system costs; and how an integrated system can be implemented in a manner that protects proprietary information relating to payers and providers.

(2) On or before January 15 annually beginning in 2027, the Agency of Human Services shall provide an update to the House Committees on Health Care and on Human Services and the Senate Committee on Health and Welfare regarding the development and implementation of the Unified Health Data Space in accordance with this section.

Sec. 11. 18 V.S.A. § 9374 is amended to read:

§ 9374. BOARD MEMBERSHIP; AUTHORITY

* * *

(i)(1) In addition to any other penalties and in order to enforce the provisions of this chapter and empower the Board to perform its duties, the Chair of the Board may issue subpoenas, examine persons, administer oaths, and require production of papers and records. Any subpoena or notice to produce may be served by registered or certified mail or in person by an agent of the Chair. Service by registered or certified mail shall be effective three

business days after mailing. Any subpoena or notice to produce shall provide at least six business days' time from service within which to comply, except that the Chair may shorten the time for compliance for good cause shown. Any subpoena or notice to produce sent by registered or certified mail, postage prepaid, shall constitute service on the person to whom it is addressed.

(2) Each witness who appears before the Chair under subpoena shall receive a fee and mileage as provided for witnesses in civil cases in Superior Courts; provided, however, any person subject to the Board's authority shall not be eligible to receive fees or mileage under this section.

(3) The Board may share any information, papers, or records it receives pursuant to a subpoena or notice to produce issued under this section with the Agency of Human Services or the Department of Financial Regulation, or both, as appropriate to the work of the Agency or Department, provided that the Agency or Department agrees to maintain the confidentiality of any information, papers, or records that are exempt from public inspection and copying under the Public Records Act.

* * *

* * * Health Care Reforms Addressing Exigent Needs * * *

Sec. 11a. HEALTH CARE SPENDING REDUCTIONS; AGENCY OF HUMAN SERVICES; REPORTS

(a)(1) The Agency of Human Services shall facilitate collaboration and coordination among health care providers in order to encourage cooperation in developing rapid responses to the urgent financial pressures facing the health care system and to identify opportunities to increase efficiency, improve the quality of health care services, reduce spending on prescription drugs, and increase access to essential services, including primary care, emergency departments, mental health and substance use disorder treatment services, prenatal care, and emergency medical services and transportation, while reducing hospital spending for hospital fiscal year 2026 by not less than 2.5 percent.

(2) The Agency of Human Services shall facilitate and supervise the participation of hospitals and other health care providers in the process set forth in subdivision (1) of this subsection as necessary for this collaborative process to be afforded state-action immunity under applicable federal and State antitrust laws.

(b) The Agency of Human Services shall report on the proposed reductions that it has approved pursuant to this section, including applicable timing and appropriate accountability measures, to the Health Reform Oversight Committee and the Joint Fiscal Committee on or before July 1, 2025. On or

before the first day of each month of hospital fiscal year 2026, beginning on October 1, 2025, the Agency shall provide updates to the Health Reform Oversight Committee and the Joint Fiscal Committee when the General Assembly is not in session, and to the House Committee on Health Care and the Senate Committee on Health and Welfare when the General Assembly is in session, regarding progress in implementing and achieving the hospital spending reductions identified pursuant to this section.

Sec. 11b. HEALTH CARE SYSTEM TRANSFORMATION; AGENCY OF HUMAN SERVICES; REPORTS

(a) The Agency of Human Services shall identify specific outcome measures for determining whether, when, and to what extent each of the following goals of its health care system transformation efforts pursuant to 2022 Acts and Resolves No. 167 (Act 167) has been met:

(1) reduce inefficiencies;

(2) lower costs;

(3) improve health outcomes;

(4) reduce health inequities; and

(5) increase access to essential services.

(b)(1) The Agency of Human Services shall report to the Health Reform Oversight Committee and the Joint Fiscal Committee:

(A) the specific outcome measures developed pursuant to subsection (a) of this section, along with a timeline for accomplishing them;

(B) how the Agency will determine its progress in accomplishing the outcome measures and achieving the transformation goals, including how it will determine the amount of savings attributable to each inefficiency reduced and how it will evaluate increases in access to essential services;

(C) the impact that each transformation decision made by an individual hospital as part of the Act 167 transformation process has or will have on the State's health care system, including on health care costs and on health insurance premiums;

(D) how the Agency is tracking and coordinating the transformation efforts of individual hospitals to ensure that they complement the transformation efforts of other hospitals and other health care providers and that they will contribute in a positive way to a transformed health care system that meets the Act 167 goals; and

(E) the amount of State funds, and federal funds, if applicable, that the Agency has spent on Act 167 transformation efforts to date or has obligated for those purposes and the amount of unspent State funds appropriated for Act 167-related purposes that remain for the Agency's Act 167 transformation efforts.

(2) On or before the first day of each month beginning on August 1, 2025 through January 1, 2027, the Agency shall provide the Health Reform Oversight Committee and the Joint Fiscal Committee when the General Assembly is not in session, and to the House Committee on Health Care and the Senate Committee on Health and Welfare when the General Assembly is in session, with updates on each of the items set forth in subdivisions (1)(A)–(E) of this subsection.

Sec. 11c. HEALTH CARE SYSTEM TRANSFORMATION; INCENTIVES; TELEHEALTH

(a) To encourage hospitals to engage proactively, think expansively, and propose transformation initiatives that will reduce costs to Vermont's health care system without negatively affecting health care quality or jeopardizing access to necessary services, the Agency of Human Services shall award grants to the hospitals in State fiscal year 2026 that actively participate in health care transformation efforts to assist them in building partnerships, reducing hospital costs for hospital fiscal year 2026, and expanding Vermonters' access to health care services, including those delivered using telehealth. It is the intent of the General Assembly that the funds appropriated in Sec. 18(b) of this act should be awarded on a first-come, first-served basis until all of the funds have been distributed.

(b) On or before December 1, 2025, the Agency of Human Services shall report to the Health Reform Oversight Committee and the Joint Fiscal Committee regarding how much of the $2,000,000.00 appropriated to the Agency pursuant to Sec. 18(b) of this act was obligated as of November 15, 2025 and how much had already been disbursed to hospitals as of that date.

Sec. 11d. DEPARTMENT OF FINANCIAL REGULATION; DOMESTIC HEALTH INSURER SUSTAINABILITY; REPORT

On or before November 1, 2025, the Department of Financial Regulation shall provide to the Health Reform Oversight Committee a plan for preserving the sustainability of domestic health insurers in Vermont, which may include utilizing reinsurance.

* * * Retaining Accountable Care Organization Capabilities * * *

Sec. 12. RETAINING ACCOUNTABLE CARE ORGANIZATION

CAPABILITIES; REPORT

The Agency of Human Services shall explore opportunities to retain capabilities developed by or on behalf of a certified accountable care organization that were funded in whole or in part using State or federal monies, or both, and that have the potential to make beneficial contributions to Vermont's health care system, such as capabilities related to comprehensive payment reform and quality data measurement and reporting. On or before December 1, 2025, the Agency of Human Services shall report its findings and recommendations to the Health Reform Oversight Committee.

* * * Implementation Updates * * *

Sec. 13. [Deleted.]

Sec. 14. GREEN MOUNTAIN CARE BOARD; IMPLEMENTATION; REPORT

On or before February 15, 2026, the Green Mountain Care Board shall provide an update to the House Committee on Health Care and the Senate Committee on Health and Welfare regarding the Board's implementation of this act, including the status of its efforts to establish methodologies for and begin implementation of reference-based pricing and development of global hospital budgets, and the effects of these efforts and activities on increasing access to care, improving the quality of care, and reducing the cost of care in Vermont.

Sec. 15. 3 V.S.A. § 3027 is amended to read:

§ 3027. HEALTH CARE SYSTEM REFORM; IMPROVING QUALITY AND AFFORDABILITY; REPORT

(a) The Director of Health Care Reform in the Agency of Human Services shall be responsible for the coordination of health care system reform efforts among Executive Branch agencies, departments, and offices, and for coordinating with the Green Mountain Care Board established in 18 V.S.A. chapter 220.

(b) On or before February 15 annually, the Agency of Human Services shall provide an update to the House Committee on Health Care and the Senate Committee on Health and Welfare regarding all of the following:

(1) The status of the Agency's efforts to develop, update, and implement the Statewide Health Care Delivery Strategic Plan in accordance with 18 V.S.A. § 9403. The Agency shall adopt an evaluation framework using an evidence-based approach to assess both the effectiveness of Plan development and implementation and the Plan's overall impact. The evaluation shall include identifying what was accomplished, how well it was

executed, and the benefits to specific cohorts within Vermont's health care system, and the Agency shall include updated evaluation results annually as part of its report.

(2) The activities of the Health Care Delivery Advisory Committee established pursuant to 18 V.S.A. § 9403a during the previous calendar year.

(3) The effects of the Statewide Health Care Delivery Strategic Plan, the efforts and activities of the Health Care Delivery Advisory Committee, and other efforts and activities engaged in or directed by the Agency on increasing access to care, improving the quality of care, and reducing the cost of care in Vermont.

Sec. 16. 18 V.S.A. § 9375(d) is amended to read:

(d) Annually on or before January 15, the Board shall submit a report of its activities for the preceding calendar year to the House Committee on Health Care and the Senate Committee on Health and Welfare.

(1) The report shall include:

* * *

(G) the status of its efforts to establish methodologies for and begin implementation of reference-based pricing and development of global hospital budgets, and the effects of these efforts and activities on increasing access to care, improving the quality of care, and reducing the cost of care in Vermont;

(H) any recommendations for modifications to Vermont statutes; and

~~(H)~~(I) any actual or anticipated impacts on the work of the Board as a result of modifications to federal laws, regulations, or programs.

* * *

* * * Positions; Appropriations * * *

Sec. 17. GREEN MOUNTAIN CARE BOARD; POSITIONS

(a) The establishment of the following three new permanent classified positions is authorized at the Green Mountain Care Board in fiscal year 2026:

(1) one Director, Reference-Based Pricing;

(2) one Project Manager, Reference-Based Pricing; and

(3) one Operations, Procurement, and Contractual Oversight Manager.

(b) These positions shall be transferred and converted from existing vacant positions in the Executive Branch.

Sec. 18. APPROPRIATIONS

(a) The sum of $2,200,000.00 is appropriated from the General Fund to the Agency of Human Services in fiscal year 2026 for use as follows:

(1) $2,000,000.00 for feasibility analysis and transformation plan development with hospitals, designated agencies, primary care organizations, and other community-based providers;

(2) $100,000.00 for development of quality and access measures, targets, and monitoring strategies for the Statewide Health Care Delivery Strategic Plan; and

(3) $100,000.00 to support the development of alternative payment models.

(b) Notwithstanding any provision of 32 V.S.A. § 10301 to the contrary, the sum of $2,000,000.00 is appropriated from the Health IT-Fund to the Agency of Human Services in fiscal year 2026 for grants to hospitals for the collaborative efforts to reduce hospital costs in accordance with Secs. 11a and 11c of this act and to expand access to health care services, such as by enhancing telehealth infrastructure development.

(c)(1) The sum of $1,062,500.00 is appropriated to the Green Mountain Care Board in fiscal year 2026 for use as follows:

(A) $512,500.00 for the positions authorized in Sec. 17 of this act, as set forth in subdivision (2) of this subsection (c);

(B) $500,000.00 from the General Fund for contracts, including contracts for assistance with implementing reference-based pricing in accordance with this act; and

(C) $50,000.00 from the General Fund for a contract with the Vermont Program for Quality in Health Care to engage in quality initiatives in accordance with this act.

(2) Of the funds appropriated in subdivision (1)(A) of this subsection:

(A) $205,000.00 is appropriated from the General Fund; and

(B) $307,500.00 is appropriated from the Green Mountain Care Board Regulatory and Administrative Fund.

(d) Notwithstanding any provision of 32 V.S.A. § 10301 to the contrary, the sum of $150,000.00 is appropriated from the Health IT-Fund to the Green Mountain Care Board in fiscal year 2026 for expenses associated with increased standardization of electronic hospital budget data submissions in accordance with Sec. 4 of this act.

(e) It is the intent of the General Assembly to provide sufficient resources in future fiscal years to enable the Green Mountain Care Board to fully implement global hospital budgets in accordance with 18 V.S.A. § 9456(d)(1)(B).

* * * Effective Dates * * *

Sec. 19. EFFECTIVE DATES

(a) Sec. 16 (18 V.S.A. § 9375(d); Green Mountain Care Board annual report) shall take effect on July 1, 2026.

(b) Secs. 17 (Green Mountain Care Board; positions) and 18 (appropriations) shall take effect on July 1, 2025.

(c) The remaining sections shall take effect on passage.

SEN. VIRGINIA V. LYONS
SEN. MARTINE LAROCQUE GULICK
SEN. SAMUEL A. DOUGLASS
Committee on the part of the Senate

REP. ALYSSA BLACK
REP. FRANCIS M. "TOPPER"MCFAUN
REP. DAISY BERBECO
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; Immediate Consideration; Third Reading Ordered; Rules Suspended; All Remaining Stages of Passage; Resolution Adopted

S.R. 15.

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

Senate resolution urging that all State agencies, departments, and offices protect the civil rights, medical confidentiality, and all aspects of personal privacy of Vermonters who have been diagnosed with autism in light of the Secretary of the U.S. Health and Human Services' recently announced plans to establish an autism research database and other databases related to autism.

Was taken up for immediate consideration.

Senator Lyons, for the Committee on Health and Welfare, to which was referred the resolution, reported that the resolution ought to be adopted.

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

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

Thereupon, the resolution was read the third time and adopted.

Rules Suspended; Bills Messaged

On motion of Senator Baruth, the rules were suspended, and the following bill were ordered messaged to the House forthwith:

S. 122, H. 472.

Rules Suspended; Bills Delivered

On motion of Senator Baruth, the rules were suspended, and the following bills were ordered delivered to the Governor forthwith:

S. 12, S. 124, S. 126.

Adjournment

On motion of Senator Baruth the Senate adjourned until two o'clock in the afternoon.

Called to Order

The Senate was called to order by the President.

Message from the House No. 77

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:

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. 45. An act relating to protection from nuisance suits for agricultural activities.

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

Rep. Durfee of Shaftsbury
Rep. LaLonde of South Burlington
Rep. Morgan, L. of Milton.

The House has considered the report of the Committee of Conference upon the disagreeing votes of the two Houses on Senate bill of the following title:

S. 123. An act relating to miscellaneous changes to laws related to motor vehicles.

And has adopted the same on its part.

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

H. 484. An act relating to miscellaneous agricultural subjects.

And has concurred therein with a further proposal of amendment thereto, in the adoption of which the concurrence of the Senate is requested.

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

H. 266. An act relating to the 340B prescription drug pricing program.

And has concurred therein.

Message from the House No. 78

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 proposal of amendment to Senate bill of the following title:

S. 122. An act relating to economic and workforce development.

And has concurred therein.

Senate Resolution Referred

S.R. 16.

Senate resolution of the following title was offered, read the first time and is as follows:

Offered by Senators Gulick and Lyons,

S.R. 16. Senate resolution relating to opposing recent federal actions that threaten public health and urging their swift reversal.

Whereas, on January 20, 2025, President Donald J. Trump issued an Executive Order to withdraw the United States from the World Health Organization (WHO), a move that jeopardizes the health and well-being of Vermonters, other Americans, and individuals all around the world because of the WHO's focus on improving public health and on detecting, preventing, and responding to health emergencies, including disease outbreaks that do not respect state lines or international borders, and

Whereas, the U.S. Department of Health and Human Services is eliminating the jobs of approximately 20,000 employees, including at the Centers for Disease Control and Prevention (CDC), where teams were cut whose work focused on preventing injuries and violence from causes including motor vehicle crashes, child maltreatment, and traumatic brain injury; on tracking trends in mental health and substance use disorders; on rape prevention and education; on maternal mortality and maternal and child health; and on many other areas affecting public health in Vermont, the United States, and beyond, and

Whereas, the Trump Administration has eliminated the entire management and regulations divisions at the Center for Tobacco Products in the Food and Drug Administration and cut most of the staff at the Office on Smoking and Health at the CDC, which severely hampers tobacco regulation and enforcement efforts and will have a negative impact on tobacco prevention in Vermont's youth and on Vermonters' public health, and

Whereas, the National Institutes of Health, a part of the U.S. Department of Health and Human Services that describes itself as "the nation's medical research agency — making important discoveries that improve health and save lives," is now refusing to award grant funds to universities that operate any programs that advance or promote diversity, equity, and inclusion, which jeopardizes the future of medical research and disregards the existence of health inequities, and

Whereas, the U.S. Department of Education cut approximately

$1 billion in federal grants that support critical mental health services in schools, which will dramatically reduce access to these services and threatens the health and well-being of youth around the country, and

Whereas, it appears that the Secretary of the U.S. Department of Health and Human Services lacks understanding of science and scientific research, including of peer-reviewed research regarding vaccines and autism, *now therefore be it*

Resolved by the Senate:

That the Senate of the State of Vermont stands in support of science, opposes these federal actions, and urges their swift reversal, *and be it further*

Resolved: That the Secretary of the Senate be directed to send a copy of this resolution to President Donald J. Trump, Secretary of Health and Human Services Robert F. Kennedy Jr., and the Vermont Congressional Delegation.

Thereupon, the President, in his discretion, treated the resolution as a bill and referred it to the Committee on Health and Welfare.

Bill Introduced

Senate bill of the following title was introduced, read the first time and referred:

S. 158.

By Senator Lyons,

An act relating to independent expenditure-only political committee contribution limits.

To the Committee on Government Operations.

Rules Suspended; Bills Pending Entry on Notice Calendar for Immediate Consideration

On motion of Senator Baruth, the rules were suspended, and the following bills, pending entry on the Calendar for notice, were ordered to be brought up for immediate consideration:

S. 123, H. 484

House Proposal of Amendment to Senate Proposal of Amendment Concurred In

H. 484.

House proposal of amendment to Senate proposal of amendment to House bill entitled:

An act relating to miscellaneous agricultural subjects.

Was taken up.

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

First: By striking out Sec. 5, 32 V.S.A. § 3752(1), and its reader assistance heading in their entireties and inserting in lieu thereof a new Sec. 5 to read as follows:

Sec. 5. [Deleted.]

Second: In Sec. 17, effective dates, by striking out subsection (b) in its entirety and inserting in lieu thereof a new subsection (b) to read as follows:

(b) The remainder of this act shall take effect on July 1, 2025.

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

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

S. 123.

Senator Brennan, 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 Senate bill entitled:

An act relating to miscellaneous changes to laws related to motor vehicles.

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

* * * Plug-in Electric Vehicles * * *

Sec. 1. 23 V.S.A. § 4(28) is amended to read:

(28) "Pleasure car" shall include all motor vehicles not otherwise defined in this title and shall include plug-in electric vehicles, battery electric vehicles, or plug-in hybrid electric vehicles as defined pursuant to subdivision (85) of this section.

* * * Veteran's Designation * * *

Sec. 2. 23 V.S.A. § 7 is amended to read:

§ 7. ENHANCED DRIVER'S LICENSE; MAINTENANCE OF DATABASE INFORMATION; FEE

* * *

(b)(1) In addition to any other requirement of law or rule, before an enhanced license may be issued to an individual, the individual shall present for inspection and copying satisfactory documentary evidence to determine

identity and U.S. citizenship. ~~An~~ A new application shall be accompanied by a photo identity document, documentation showing the individual's date and place of birth, proof of the individual's Social Security number, and documentation showing the individual's principal residence address. New and renewal application forms shall include a space for the applicant to request that a "veteran" designation be placed on the enhanced license.

(2) If a veteran, as defined in 38 U.S.C. § 101(2) and including an individual disabled during active military, naval, air, or space service, as defined in 38 U.S.C. § 101(24), requests a veteran designation and provides a Department of Defense Form 214 or other proof of veteran status specified by the Commissioner, and the Office of Veterans' Affairs confirms the individual's status as an honorably discharged veteran; a veteran discharged under honorable conditions; or an individual disabled during active military, naval, air, or space service, the identification card shall include the term "veteran" on its face.

(3) To be issued, an enhanced license must meet the same requirements as those for the issuance of a U.S. passport. Before an application may be processed, the documents and information shall be verified as determined by the Commissioner.

(4) Any additional personal identity information not currently required by the U.S. Department of Homeland Security shall need the approval of either the General Assembly or the Legislative Committee on Administrative Rules prior to the implementation of the requirements.

* * *

* * * Documentation of Anatomical Gift * * *

Sec. 3. 23 V.S.A. § 115 is amended to read:

§ 115. NONDRIVER IDENTIFICATION CARDS

* * *

(g) An identification card issued to a first-time applicant and any subsequent renewals by that person shall contain a photograph or imaged likeness of the applicant. The photographic identification card shall be available at a location designated by the Commissioner. An individual issued an identification card under this subsection that contains an imaged likeness may renew ~~his or her~~ the individual's identification card by mail. Except that a renewal by an individual required to have a photograph or imaged likeness under this subsection must be made in person so that an updated imaged likeness of the individual is obtained not less often than once every nine years.

* * *

(k) At the option of the applicant, ~~his or her~~ the applicant's valid Vermont license may be surrendered in connection with an application for an identification card. In those instances, the fee due under subsection (a) of this section shall be reduced by:

* * *

(n) The Commissioner shall provide a form that, upon the individual's execution, shall serve as a document of an anatomical gift under 18 V.S.A. chapter 110. An indicator shall be placed on the nondriver identification card of any individual who has executed an anatomical gift form in accordance with this section.

* * * Disability Placards for Volunteer Drivers * * *

Sec. 4. 23 V.S.A. § 304a is amended to read:

§ 304a. SPECIAL REGISTRATION PLATES AND PLACARDS FOR INDIVIDUALS WITH DISABILITIES

(a) As used in this section:

(1) "Ambulatory disability" means an impairment that prevents or impedes walking. An individual shall be considered to have an ambulatory disability if ~~he or she~~ the individual:

* * *

(F) is severely limited in ~~his or her~~ the individual's ability to walk due to an arthritic, neurological, or orthopedic condition.

* * *

(b) Special registration plates or removable windshield placards, or both, shall be issued by the Commissioner. The placard shall be issued without a fee to an individual who is blind or has an ambulatory disability. One set of plates shall be issued without additional fees for a vehicle registered or leased to an individual who is blind or has an ambulatory disability or to a parent or guardian of an individual with a permanent disability. The Commissioner shall issue these placards or plates under rules adopted by ~~him or her~~ the Commissioner after proper application has been made to the Commissioner by any person residing within the State. Application forms shall be available on request at the Department of Motor Vehicles.

(1) Upon application for a special registration plate or removable windshield placard, the Commissioner shall send a form prescribed by ~~him or her~~ the Commissioner to the applicant to be signed and returned by a licensed physician, licensed physician assistant, or licensed advanced practice registered nurse. The Commissioner shall file the form for future reference

and issue the placard or plate. A new application shall be submitted every four years in the case of placards and at every third registration renewal for plates but in no case greater than every four years. When a licensed physician, licensed physician assistant, or licensed advanced practice registered nurse has previously certified to the Commissioner that an applicant's condition is both permanent and stable, a special registration plate or placard need not be renewed.

* * *

(3) An individual with a disability who abuses such privileges or allows individuals not disabled to abuse the privileges provided in this section may have this privilege revoked after suitable notice and opportunity for hearing has been given ~~him or her~~ the individual by the Commissioner. Hearings under the provisions of this section shall be held in accordance with sections 105–107 of this title and shall be subject to review by the Civil Division of the Superior Court of the county where the individual with a disability resides.

(4) An applicant for a registration plate or placard for individuals with disabilities may request the Civil Division of the Superior Court in the county in which ~~he or she~~ the applicant resides to review a decision by the Commissioner to deny ~~his or her~~ the applicant's application for a special registration plate or placard.

* * *

(6) On a form prescribed by the Commissioner, a nonprofit organization that provides volunteer drivers to transport individuals who have an ambulatory disability or are blind may apply to the Commissioner for a placard. ~~Placards shall be marked "volunteer driver."~~ The organization shall ensure proper use of placards and maintain an accurate and complete record of the volunteer drivers to whom the placards are given by the organization. Placards shall be returned to the organization when the volunteer driver is no longer performing that service. Abuse of the privileges provided by the placards may result in the privileges being revoked and the placards repossessed by the Commissioner. Revocation may occur only after suitable notice and opportunity for a hearing. Hearings shall be held in accordance with sections 105–107 of this title.

* * *

(e)(1) An individual, other than an eligible person, who for ~~his or her~~ the individual's own purposes parks a vehicle in a space for individuals with disabilities shall be subject to a civil penalty of not less than $200.00 for each violation and shall be liable for towing charges.

(2) An individual, other than an eligible person, who displays a special registration plate or removable windshield placard not issued to ~~him or her~~ the individual under this section and parks a vehicle in a space for individuals with disabilities, shall be subject to a civil penalty of not less than $400.00 for each violation and shall be liable for towing charges.

* * *

(f) Individuals who have a temporary ambulatory disability may apply for a temporary removable windshield placard to the Commissioner on a form prescribed by ~~him or her~~ the Commissioner. The placard shall be valid for a period of up to six months and displayed as required under the provisions of subsection (c) of this section. The application shall be signed by a licensed physician, licensed physician assistant, or licensed advanced practice registered nurse. The validation period of the temporary placard shall be established on the basis of the written recommendation from a licensed physician, licensed physician assistant, or licensed advanced practice registered nurse. The Commissioner shall adopt rules to implement the provisions of this subsection.

* * * Fees * * *

Sec. 5. 23 V.S.A. § 115(a) is amended to read:

(a)(1) Any Vermont resident may make application to the Commissioner and be issued an identification card that is attested by the Commissioner as to true name, correct age, residential address unless the listing of another address is requested by the applicant or is otherwise authorized by law, and any other identifying data as the Commissioner may require that shall include, in the case of minor applicants, the written consent of the applicant's parent, guardian, or other person standing in loco parentis.

(2) Every application for an identification card shall be signed by the applicant and shall contain such evidence of age and identity as the Commissioner may require, consistent with subsection (l) of this section. New and renewal application forms shall include a space for the applicant to request that a "veteran" designation be placed on the applicant's identification card. If a veteran, as defined in 38 U.S.C. § 101(2) and including an individual disabled during active military, naval, air, or space service, as defined in 38 U.S.C. § 101(24), requests a veteran designation and provides a Department of Defense Form 214 or other proof of veteran status specified by the Commissioner, and the Office of Veterans' Affairs confirms the veteran's status as an honorably discharged veteran; a veteran discharged under honorable conditions; or an individual disabled during active military, naval, air, or space service, the identification card shall include the term "veteran" on its face.

(3) The Commissioner shall require payment of a fee of $29.00 at the time application for an identification card is made, except that an initial nondriver identification card shall be issued at no charge to:

(A) an individual who surrenders the individual's license in connection with a suspension or revocation under subsection 636(b) of this title due to a physical or mental condition; or

(B) an individual under 23 years of age who was in the care and custody of the Commissioner for Children and Families pursuant to 33 V.S.A. § 4903(4) in Vermont after attaining 14 years of age.

Sec. 6. 23 V.S.A. § 376 is amended to read:

§ 376. STATE, MUNICIPAL, FIRE DEPARTMENT, AND RESCUE ORGANIZATION MOTOR VEHICLES

* * *

(h)(1) The EV infrastructure fee, required pursuant subsections 361(b) and (c) of this subchapter, shall not be charged for vehicles owned by the State.

(2) The EV infrastructure fee, required pursuant subsections 361(b) and (c) of this subchapter, shall not be charged for vehicles that are owned by any county or municipality in the State and used by that county or municipality or another county or municipality in this State for county or municipal purposes.

(i)(1) The EV infrastructure fee, required pursuant subsections 361(b) and (c) of this subchapter, shall not be charged for a motor truck, trailer, ambulance, or other motor vehicle that is:

(A) owned by a volunteer fire department or other volunteer firefighting organization, an ambulance service, or an organization conducting rescue operations; and

(B) used solely for firefighting, emergency medical, or rescue purposes, or any combination of those activities.

(2) A motor vehicle or trailer subject to the provisions of this subsection shall be plainly marked on both sides of the body or cab to indicate its ownership.

Sec. 7. 23 V.S.A. § 378 is amended to read:

§ 378. VETERANS' EXEMPTIONS

No fees, including the annual emissions fee required pursuant to 3 V.S.A. § 2822(m)(1) and the electric vehicle infrastructure fees required pursuant to section 361 of this subchapter, shall be charged ~~an honorably discharged~~ to a veteran of the U.S. Armed Forces who received a discharge under other than

dishonorable conditions and is a resident of the State of Vermont for the registration of a motor vehicle that the veteran has acquired with financial assistance from the U.S. Department of Veterans Affairs, or for the registration of a motor vehicle owned by ~~him or her~~ the veteran during ~~his or her~~ the veteran's lifetime obtained as a replacement thereof, when ~~his or her~~ the veteran's application is accompanied by a copy of an approved VA Form 21-4502 issued by the U.S. Department of Veterans Affairs certifying ~~him or her~~ the veteran to be entitled to the financial assistance.

Sec. 8. 23 V.S.A. § 608 is amended to read:

§ 608. FEES

* * *

(b) An additional fee of $4.00 per year shall be paid for a motorcycle endorsement. The endorsement may be obtained for either a two-year or four-year period, to be coincidental with the length of the operator's license.

(c)(1) Individuals under 23 years of age who were in the care and custody of the Commissioner for Children and Families pursuant to 33 V.S.A. § 4903(4) in Vermont after attaining 14 years of age shall be provided with operator's licenses or operator privilege cards at no charge.

(2) No additional fee shall be due for a motorcycle endorsement for an individual under 23 years of age who was in the care and custody of the Commissioner for Children and Families pursuant to 33 V.S.A. § 4903(4) in Vermont after attaining 14 years of age.

Sec. 9. 23 V.S.A. § 608 is amended to read:

§ 608. FEES

* * *

(d) Individuals receiving Supplemental Security Income or Social Security Disability Income and individuals with a disability as defined in 9 V.S.A. § 4501 shall be provided with operator's licenses or operator privilege cards for the following fees:

(1) Original issuance: $20.00.

(2) Renewal every four years: $20.00.

(3) Replacement of lost, destroyed, or mutilated card or a new name is required: $10.00.

* * * Learner's Permits * * *

Sec. 10. 23 V.S.A. § 617 is amended to read:

§ 617. LEARNER'S PERMIT

* * *

(b)(1) Notwithstanding the provisions of subsection (a) of this section, any licensed person may apply to the Commissioner of Motor Vehicles for a learner's permit for the operation of a motorcycle in the form prescribed by the Commissioner. The Commissioner shall offer both a motorcycle learner's permit that authorizes the operation of three-wheeled motorcycles only and a motorcycle learner's permit that authorizes the operation of any motorcycle. The Commissioner shall require payment of a fee of $24.00 at the time application is made, except that no fee shall be charged for an individual under 23 years of age who was in the care and custody of the Commissioner for Children and Families pursuant to 33 V.S.A. § 4903(4) in Vermont after attaining 14 years of age.

(2) After the applicant has successfully passed all parts of the applicable motorcycle endorsement examination, other than a skill test, the Commissioner may issue to the applicant a learner's permit that entitles the applicant, subject to subsection 615(a) of this title, to operate a three-wheeled motorcycle only, or to operate any motorcycle, upon the public highways for a period of 120 days from the date of issuance. The fee for the examination shall be $11.00, except that no fee shall be charged for an individual under 23 years of age who was in the care and custody of the Commissioner for Children and Families pursuant to 33 V.S.A. § 4903(4) in Vermont after attaining 14 years of age.

(3) A motorcycle learner's permit may be renewed only twice upon payment of a $24.00 fee. An individual under 23 years of age who was in the care and custody of the Commissioner for Children and Families pursuant to 33 V.S.A. § 4903(4) in Vermont after attaining 14 years of age shall not be charged a fee for the renewal of a motorcycle learner's permit.

(4) If, during the original permit period and two renewals the permittee has not successfully passed the applicable skill test or motorcycle rider training course, the permittee may not obtain another motorcycle learner's permit for a period of 12 months from the expiration of the permit unless:

(A) ~~he or she~~ the permittee has successfully completed the applicable motorcycle rider training course; or

(B) the learner's permit and renewals thereof authorized the operation of any motorcycle and the permittee is seeking a learner's permit for the operation of three-wheeled motorcycles only.

* * *

(c) No learner's permit may be issued to any person under 18 years of age unless the parent or guardian of, or a person standing in loco parentis to, the applicant files ~~his or her~~ written consent to the issuance with the Commissioner.

(d)(1) An applicant shall pay $24.00 to the Commissioner for each learner's permit or a duplicate or renewal thereof.

(2) An applicant under 23 years of age who was in the care and custody of the Commissioner for Children and Families pursuant to 33 V.S.A. § 4903(4) in Vermont after attaining 14 years of age shall not be charged a fee for a learner's permit or a duplicate or renewal thereof.

(3) A replacement learner's permit for the operation of a motorcycle may be generated from the applicant's electronic account for no charge.

(e)(1) A learner's permit~~, which is not a learner's permit~~ for the operation of a motorcycle~~,~~ shall contain a photograph or imaged likeness of the individual. A learner's permit for a motor vehicle shall contain a photograph or imaged likeness of the individual if the permit is obtained in person. ~~The photographic learner's permit shall be available at locations designated by the Commissioner.~~

(2) An individual issued a permit under this subsection may renew ~~his or her~~ the individual's permit by mail or online, but a permit holder who chooses to have a photograph or imaged likeness under this subsection must renew in person so that an updated imaged likeness of the individual is obtained not less often than once every nine years.

* * *

* * * Commercial Learner's Permit * * *

Sec. 11. 23 V.S.A. § 4111a is amended to read:

§ 4111a. COMMERCIAL LEARNER'S PERMIT

(a) Contents of permit. A commercial learner's permit shall contain the following:

* * *

(3) physical and other information to identify and describe the permit holder, including the month, day, and year of birth; sex; ~~and~~ height; and photograph;

* * *

Sec. 12. 23 V.S.A. § 4122 is amended to read:

§ 4122. DEFERRING IMPOSITION OF SENTENCE; PROHIBITION ON MASKING OR DIVERSION

(a) No court, State's Attorney, or law enforcement officer may utilize the provisions of 13 V.S.A. § 7041 or any other program to defer imposition of sentence or judgment if the defendant holds a commercial driver's license, commercial learner's permit, or was operating a commercial motor vehicle when the violation occurred and is charged with violating any State or local traffic law other than ~~a~~ parking ~~violation~~, vehicle weight, or vehicle defect violations.

* * *

* * * License Examinations * * *

Sec. 13. 23 V.S.A. § 632 is amended to read:

§ 632. EXAMINATION REQUIRED; WAIVER

(a) Before an operator's or a junior operator's license is issued to an applicant for the first time in this State, or before a renewal license is issued to an applicant whose previous Vermont license had expired more than three years prior to the application for renewal, the applicant shall pass a satisfactory examination, except that the Commissioner may, in ~~his or her~~ the Commissioner's discretion, waive the examination when the applicant holds a chauffeur's, junior operator's, or operator's license in force at the time of application or within three years prior to the application in some other jurisdiction where an examination is required similar to the examination required in this State.

(b) The examination shall consist of:

* * *

(3) at the discretion of the Commissioner, such other examination or demonstration as ~~he or she~~ the Commissioner may prescribe, including an oral eye examination.

(c) An applicant may have an individual of ~~his or her~~ the applicant's choosing at the oral examination or road test to serve as an interpreter, including to translate any oral commands given as part of the road test.

Sec. 14. 23 V.S.A. § 634 is amended to read:

§ 634. FEE FOR EXAMINATION

* * *

(b)(1) ~~A~~ Beginning on or before July 1, 2026, a scheduling fee of $29.00 shall be paid by the applicant before the applicant may schedule the road test required under section 632 of this title. ~~Unless an applicant gives the Department at least 48 hours' notice of cancellation, if~~

(2) If the applicant does not appear as scheduled, the $29.00 scheduling fee ~~is~~ shall be forfeited, unless either:

(A) the applicant gives the Department at least 48 hours' notice; or

(B) the applicant shows good cause for the cancellation, as determined by the Commissioner.

(3) If the applicant appears for the scheduled road test, the fee shall be applied toward the license examination fee. ~~The Commissioner may waive the scheduling fee until the Department is capable of administering the fee electronically.~~

* * *

* * * Non-Real ID Operator's Privilege Cards * * *

Sec. 15. 23 V.S.A. § 603 is amended to read:

§ 603. APPLICATION FOR AND ISSUANCE OF LICENSE

(a)(1) The Commissioner or ~~his or her~~ the Commissioner's authorized agent may license operators and junior operators when an application, on a form prescribed by the Commissioner, signed and sworn to by the applicant for the license, is filed with ~~him or her~~ the Commissioner, accompanied by the required license fee and any valid license from another state or Canadian jurisdiction is surrendered.

(2) The Commissioner may, however, in ~~his or her~~ the Commissioner's discretion, refuse to issue a license to any person whenever ~~he or she~~ the Commissioner is satisfied from information given ~~him or her~~ the Commissioner by credible persons, and upon investigation, that the person is mentally or physically unfit or, because of ~~his or her~~ the person's habits or record as to crashes or convictions, is unsafe to be trusted with the operation of motor vehicles. A person refused a license under the provisions of this subsection shall be entitled to hearing as provided in sections 105–107 of this title.

* * *

(d) Except as provided in subsection (e) of this section:

(1) ~~A~~ An applicant who is a citizen of a foreign country shall produce ~~his or her~~ the applicant's passport and visa, alien registration receipt card

(green card), or other proof of legal presence for inspection and copying as a part of the application process for an operator's license, junior operator's license, or learner's permit.

(2) An operator's license, junior operator's license, or learner's permit issued to an applicant who is a citizen of a foreign country shall expire coincidentally with ~~his or her~~ the applicant's authorized duration of stay.

(e)(1) A citizen of a foreign country unable to establish legal presence in the United States who furnishes reliable proof of Vermont residence and of name, date of birth, and place of birth, and who satisfies all other requirements of this chapter for obtaining a license or permit, shall be eligible to obtain an operator's privilege card, a junior operator's privilege card, or a learner's privilege card.

* * *

(f) ~~Persons~~ Applicant's able to establish lawful presence in the United States but who otherwise fail to comply with the requirements of the REAL ID Act of 2005, Pub. L. No. 109-13, §§ 201-202, shall be eligible for an operator's privilege card, a junior operator's privilege card, or a learner's privilege card, provided the applicant furnishes reliable proof of Vermont residence and of name, date of birth, and place of birth, and satisfies all other requirements of this chapter for obtaining a license or permit. The Commissioner shall require applicants under this subsection to furnish a document or a combination of documents that reliably proves the applicant's Vermont residence and ~~his or her~~ the applicant's name, date of birth, and place of birth.

* * *

(h) A privilege card issued under this section shall:

(1) on its face bear the phrase ~~"privilege card"~~ "non-Real ID" and text indicating that it is not valid for federal identification or official purposes; and

* * *

* * * License Extension * * *

Sec. 16. 23 V.S.A § 604 is added to read:

§ 604. EARLY RENEWAL

(a) The holder of an operator's license or privilege card issued under the provisions of this subchapter may renew the operator's license or privilege card at any time prior to the expiration of the operator's license or privilege card. If one or more years remain before the expiration of the operator's license or privilege card, the Commissioner shall reduce the cost of the

renewed operator's license or privilege card by an amount that is proportionate to the number of years rounded down to the next whole year remaining before the expiration of the operator's license or privilege card.

(b) All application and documentation requirements for the renewal of an operator's license or privilege card shall apply to the early renewal of an operator's license or privilege card.

Sec. 17. 23 V.S.A. § 115b is added to read:

§ 115b. EARLY RENEWAL

(a) The holder of a nondriver identification card issued under the provisions of section 115 of this chapter may renew the nondriver identification card at any time prior to the expiration of the nondriver identification card. If one or more years remain before the expiration of the nondriver identification card, the Commissioner shall reduce the cost of the renewed nondriver identification card by an amount that is proportionate to the number of years rounded down to the next whole year remaining before the expiration of the nondriver identification card.

(b) All application and documentation requirements for the renewal of a nondriver identification card pursuant to section 115 of this chapter shall apply to the early renewal of a nondriver identification card.

Sec. 18. INFORMATION REGARDING PRIVILEGE CARDS AND NONDRIVER IDENTIFICATION CARDS; INTENT

It is the intent of the General Assembly that the Commissioner of Motor Vehicles, to the extent permitted by federal law, ensures that any individual who is unable to or does not wish to comply with the requirements of the REAL ID Act of 2005, Pub. L. No. 109-13, §§ 201 and 202 continues to be informed of the option of applying for an operator's privilege card pursuant to the provisions of 23 V.S.A. § 603(f) or a nondriver identification card pursuant to the provisions of 23 V.S.A. § 115.

Sec. 19. OUTREACH; UPDATES

(a) On or before November 15, 2025, the Department of Motor Vehicles shall develop and implement a public education and outreach campaign to inform Vermont residents about:

(1) an individual's ability to obtain an operator's license, operator's privilege card, or nondriver identification card;

(2) an individual's ability under Vermont law to self-attest with respect to the gender marker on the individual's operator's license, operator's privilege card, or nondriver identification card; and

(3) reduced fees that are available to individuals who meet certain requirements.

(b) The Commissioner shall provide two brief, written updates to the House and Senate Committees on Transportation regarding the implementation and utilization of 23 V.S.A. §§ 115b and 604. The first shall be due not more than 30 days after the Department implements the provisions of 23 V.S.A. §§ 115b and 604 and the second shall be due in January 2026.

* * * Commercial Driving Instructors * * *

Sec. 20. 23 V.S.A. § 705 is amended to read:

§ 705. QUALIFICATIONS FOR INSTRUCTOR'S LICENSE

(a) In order to qualify for an instructor's license, each applicant shall:

(1) not have been convicted of:

(A) a felony nor incarcerated for a felony within the 10 years prior to the date of application;

(B) a violation of section 1201 of this title or a like offense in another jurisdiction reported to the Commissioner pursuant to subdivision 3905(a)(2) of this title within the three years prior to the date of application;

(C) a subsequent violation of an offense listed in subdivision 2502(a)(5) of this title or of section 674 of this title; or

(D) a sex offense that requires registration pursuant to 13 V.S.A. chapter 167, subchapter 3;

(2) pass ~~such~~ an examination ~~as~~ required by the Commissioner ~~shall require~~ on:

(A) traffic laws;

(B) safe driving practices;

(C) operation of motor vehicles; and

(D) qualifications as a teacher;

(3) be physically able to operate a motor vehicle and to train others in such operation;

(4) have five years' experience as a licensed operator and be at least 21 years of age on date of application; and

(5) pay the application and license fees prescribed in section 702 of this title.

(b) Commercial motor vehicle instructors shall satisfy the requirements of subdivisions (a)(1), (2), (3), and (5) of this section, and:

(1) If the commercial motor vehicle instructor is a behind the wheel (BTW) instructor, shall either:

(A)(i) hold a CDL of the same or higher class and with all endorsements necessary to operate the commercial motor vehicle for which training is to be provided;

(ii) have at least two years of experience driving a commercial motor vehicle requiring the same or higher class of CDL and any applicable endorsements required to operate the commercial motor vehicle for which training is to be provided; and

(iii) meet any additional applicable State requirements for commercial motor vehicle instructors; or

(B)(i) hold a CDL of the same or higher class and with all endorsements necessary to operate the commercial motor vehicle for which training is to be provided;

(ii) have at least two years' experience as a BTW instructor; and

(iii) meet any additional applicable State requirements for commercial motor vehicle instructors.

(2) If the commercial motor vehicle instructor is a theory instructor, the instructor shall:

(A)(i) hold a CDL of the same or higher class and with all endorsements necessary to operate the commercial motor vehicle for which training is to be provided;

(ii) have at least two years of experience driving a commercial motor vehicle requiring the same or higher class of CDL and any applicable endorsements required to operate the commercial motor vehicle for which training is to be provided; and

(iii) meet any additional applicable State requirements for commercial motor vehicle instructors; or

(B)(i) hold a CDL of the same or higher class and with all endorsements necessary to operate the commercial motor vehicle for which training is to be provided;

(ii) have at least two years' experience as a BTW instructor; and

(iii) meet any additional applicable State requirements for commercial motor vehicle instructors.

* * * Motorcycle Instructors * * *

Sec. 21. 23 V.S.A. § 734 is amended to read:

§ 734. INSTRUCTOR REQUIREMENTS AND TRAINING

* * *

(b) The Department shall establish minimum requirements for the qualifications of a rider training instructor. The minimum requirements shall include the following:

* * *

(3) the instructor shall have at least ~~four~~ two years of licensed experience as a motorcycle ~~riding experience~~ operator during the last ~~five~~ four years;

* * *

(7) an applicant shall not be eligible for instructor status until ~~his or her~~ the applicant's driving record for the preceding five years, or the maximum number of years less than five for which a state retains driving records, is furnished; and

* * *

* * * Motor Vehicle Taxes * * *

Sec. 22. 32 V.S.A. § 8902 is amended to read:

§ 8902. DEFINITIONS

Unless otherwise expressly provided, as used in this chapter:

* * *

(5)(A) "Taxable cost" means the purchase price as defined in subdivision (4) of this section or the taxable cost as determined under section 8907 of this title.

(B) For any purchaser who has paid tax on the purchase or use of a motor vehicle that was sold or traded by the purchaser or for which the purchaser received payment under a contract of insurance, the taxable cost of the replacement motor vehicle other than a leased vehicle shall exclude:

~~(A)~~(i) The value allowed by the seller on any motor vehicle accepted by the seller as part of the consideration of the motor vehicle, provided the motor vehicle accepted by the seller is owned and previously or currently registered or titled by the purchaser, with no change of ownership since registration or titling, except for motor vehicles for which registration is not

required under the provisions of Title 23 or motor vehicles received under the provisions of subdivision 8911(8) of this title.

~~(B)~~(ii) The amount received from the sale of a motor vehicle last registered or titled in the seller's name, the amount not to exceed the clean trade-in value of the same make, type, model, and year of manufacture as designated by the manufacturer and as shown in the ~~NADA Official Used Car Guide (New England edition)~~ J.D. Power Values, or any comparable publication, provided ~~such~~ the sale occurs within three months after the taxable purchase. However, this three-month period shall be extended day-for-day for any time that a member of a guard unit or of the U.S. Armed Forces, as defined in 38 U.S.C. § 101(10), spends outside Vermont due to activation or deployment and an additional 60 days following the individual's return from activation or deployment. ~~Such~~ The amount shall be reported on forms supplied by the Commissioner of Motor Vehicles.

~~(C)~~(iii) The amount actually paid to the purchaser within three months prior to the taxable purchase by any insurer under a contract of collision, comprehensive, or similar insurance with respect to a motor vehicle owned by ~~him or her~~ the purchaser, provided that the vehicle is not subject to the tax imposed by subsection 8903(d) of this title and provided that one of these events occur:

~~(i)~~(I) the motor vehicle with respect to which ~~such~~ the payment is made by the insurer is accepted by the seller as a trade-in on the purchased motor vehicle before the repair of the damage giving rise to insurer's payment; or

~~(ii)~~(II) the motor vehicle with respect to which ~~such~~ the payment is made to the insurer is treated as a total loss and is sold for dismantling.

~~(D)~~(C) A purchaser shall be entitled to a partial or complete refund of taxes paid under subsection 8903(a) or (b) of this title if an insurer makes a payment to ~~him or her~~ the purchaser under contract of collision, comprehensive, or similar insurance after ~~he or she~~ the purchaser has paid the tax imposed by this chapter, if ~~such~~ the payment by the insurer is either:

* * *

~~(E)~~(D) The purchase price of a motor vehicle subject to the tax imposed by subsections 8903(a) and (b) of this title shall not be reduced by the value received or allowed in connection with the transfer of a vehicle that was registered for use as a short-term rental vehicle.

* * *

Sec. 23. 32 V.S.A. § 8907 is amended to read:

§ 8907. COMMISSIONER; COMPUTATION OF TAXABLE COSTS

(a) The Commissioner may investigate the taxable cost of any motor vehicle transferred subject to the provisions of this chapter. If the motor vehicle is not acquired by purchase in Vermont or is received for an amount that does not represent actual value, or if no tax form is filed or it appears to the Commissioner that a tax form contains fraudulent or incorrect information, the Commissioner may, in the Commissioner's discretion, fix the taxable cost of the motor vehicle at the clean trade-in value of vehicles of the same make, type, model, and year of manufacture as designated by the manufacturer, as shown in ~~the NADA Official Used Car Guide (New England Edition)~~ J.D. Power Values or any comparable publication, less the lease end value of any leased vehicle. The Commissioner may develop a process to determine the value of vehicles that do not have clean trade-in value in J.D. Power Values. The Commissioner may compute and assess the tax due and notify the purchaser verbally, if the purchaser is at a DMV location, or immediately by ~~certified~~ mail, and the purchaser shall remit the same within 15 days ~~thereafter~~ after notice is sent or provided.

* * *

Sec. 24. 32 V.S.A. § 8914 is amended to read:

§ 8914. REFUND

Any overpayment of such tax as determined by the Commissioner shall be refunded. To be eligible to receive a refund, a person shall submit a request for a refund within one year after paying the tax.

* * * Refund of Registration Fee * * *

Sec. 25. 23 V.S.A. § 326 is amended to read:

§ 326. REFUND UPON LOSS OF VEHICLE

The Commissioner may cancel the registration of a motor vehicle when the owner of the motor vehicle proves to the Commissioner's satisfaction that the motor vehicle has been totally destroyed by fire or, through crash or wear, has become wholly unfit for use and has been dismantled. After the Commissioner cancels the registration and the owner returns to the Commissioner either the registration certificate or the number plate or number plates, or other proof of cancellation to the satisfaction of the Commissioner, the Commissioner shall certify to the Commissioner of Finance and Management the fact of the cancellation, giving the name of the owner of the motor vehicle, the owner's address, the amount of the registration fee paid, and the date of cancellation. The Commissioner of Finance and Management

shall issue the Commissioner of Finance and Management's warrant in favor of the owner for such percent of the registration fee paid as the unexpired term of the registration bears to the entire registration period, but in no case shall the Commissioner of Finance and Management retain less than $5.00 of the fee paid.

* * * Fuel Tax Refunds * * *

Sec. 26. 23 V.S.A. § 3020 is amended to read:

§ 3020. CREDITS AND REFUNDS

(a) Credits.

(1) A user who purchased fuel within this State from a dealer or distributor upon which ~~he or she~~ the user paid the tax at the time of purchase, or a user exempt from the payment of the tax under subsection 3003(d) of this title who purchased fuel within this State upon which ~~he or she~~ the user paid tax at the time of purchase, shall be entitled to a credit equal to the amount of tax per gallon in effect when the fuel was purchased. When the amount of the credit to which any user is entitled for any reporting period exceeds the amount of ~~his or her~~ the user's tax for the same period, the excess shall be credited to the user's tax account and the user shall be notified of the date and amount of the credit by mail.

* * *

(3) A user who also sells or delivers fuel subject to the tax imposed by 32 V.S.A. chapter 233 upon which the tax imposed by this chapter has been paid shall be entitled to a credit equal to the amount of such tax paid pursuant to this chapter. When the amount of the credit to which any user is entitled for any reporting period exceeds the amount of ~~his or her~~ the user's tax for the same period, the excess shall be credited to the user's tax account and the user shall be notified of the date and amount of the credit by mail.

* * *

(b) Refunds. A user may request, in writing by mail, a refund of any credits in the user's tax account, but in no case may a user collect a refund requested more than ~~33~~ 12 months following the date the amount was credited to the user's tax account.

* * *

* * * Alteration of Odometers * * *

Sec. 27. 23 V.S.A. § 1704a is amended to read:

§ 1704a. ALTERATION OF ODOMETERS

(a) ~~Any person who sells~~ No person shall:

(1) sell, ~~attempts~~ attempt to sell, or ~~causes~~ cause to be sold any motor vehicle, highway building appliance, motorboat, all-terrain vehicle, or snowmobile ~~and has actual knowledge that~~ if the odometer, hubometer reading, or clock meter reading has been changed, tampered with, or defaced without first disclosing ~~same and a person who changes, tampers with, or defaces, or who attempts~~ that information to the buyer;

(2) change, tamper with, or deface, or attempt to change, tamper with, or deface~~,~~ any ~~gauge, dial, or other mechanical instrument, commonly known as an~~ odometer, hubometer, or clock meter~~,~~ in a motor vehicle, highway building appliance, motorboat, all-terrain vehicle, or snowmobile~~, which, under normal circumstances and without being changed, tampered with, or defaced, is designed to show by numbers or words the distance that the motor vehicle, highway building appliance, motorboat, all-terrain vehicle, or snowmobile travels,~~; or ~~who~~

(3) willfully ~~misrepresents~~ misrepresent the odometer, hubometer, or clock meter reading on the odometer disclosure statement or similar statement, title, or bill of sale.

(b) A person who violates subsection (a) of this section shall be fined not more than $1,000.00 for a first offense and fined not more than $2,500.00 for each subsequent offense.

* * * Definition of Conviction * * *

Sec. 28. 23 V.S.A. § 102 is amended to read:

§ 102. DUTIES OF COMMISSIONER

* * *

(d)(1) The Commissioner may authorize background investigations for potential employees, which may include criminal, traffic, and financial records checks; provided, however, that the potential employee is notified and has the right to withdraw ~~his or her~~ their name from application. Additionally, employees who are involved in the manufacturing or production of operator's licenses and identification cards, including enhanced licenses, or who have the ability to affect the identity information that appears on a license or identification card, or current employees who will be assigned to such positions, shall be subject to appropriate background checks and shall be provided notice of the background check and the contents of that check. These

background checks shall include a name-based and fingerprint-based criminal history records check using at a minimum the Federal Bureau of Investigation's National Crime Information Center and the Integrated Automated Fingerprint Identification database and State repository records on each covered employee.

(2) Employees may be subject to further appropriate security clearances if required by federal law, including background investigations that may include criminal and traffic records checks and providing proof of U.S. citizenship.

(3) The Commissioner may, in connection with a formal disciplinary investigation, authorize a criminal or traffic record background investigation of a current employee; provided, however, that the background review is relevant to the issue under disciplinary investigation. Information acquired through the investigation shall be provided to the Commissioner or designated division director and must be maintained in a secure manner. If the information acquired is used as a basis for any disciplinary action, it must be given to the employee during any pretermination hearing or contractual grievance hearing to allow the employee an opportunity to respond to or dispute the information. If no disciplinary action is taken against the employee, the information acquired through the background check shall be destroyed.

(e) As used in this section, "conviction" has the same meaning as in subdivision 4(60) of this title.

Sec. 29. 23 V.S.A. § 108 is amended to read:

§ 108. APPLICATION FORMS

(a) The Commissioner shall prepare and furnish all forms for applications, crash reports, conviction reports, a pamphlet containing the full text of the motor vehicle laws of the State, and all other forms needed in the proper conduct of ~~his or her~~ the Commissioner's office. ~~He or she~~ The Commissioner shall furnish an adequate supply of ~~such~~ registration forms, license applications, and motor vehicle laws each year to each town clerk, and to ~~such~~ other persons ~~as may so~~ upon request.

(b) As used in this section, "conviction" has the same meaning as in subdivision 4(60) of this title.

Sec. 30. 23 V.S.A. § 1709 is amended to read:

§ 1709. REPORT OF CONVICTIONS TO COMMISSIONER OF MOTOR VEHICLES

(a) The Judicial Bureau and every court having jurisdiction over offenses committed under any law of this State or municipal ordinance regulating the operation of motor vehicles on the highways shall forward a record of any conviction to the Commissioner within 10 days for violation of any State or local law relating to motor vehicle traffic control, other than a parking violation.

(b) As used in this section, "conviction" has the same meaning as in subdivision 4(60) of this title.

Sec. 31. 23 V.S.A. § 1200 is amended to read:

§ 1200. DEFINITIONS

As used in this subchapter:

* * *

(11) As used in this section, "conviction" has the same meaning as in subdivision 4(60) of this title.

* * * Drunken Driving * * *

Sec. 32. 23 V.S.A. § 1205 is amended to read:

§ 1205. CIVIL SUSPENSION; SUMMARY PROCEDURE

(a) Refusal; alcohol concentration at or above legal limits; suspension periods.

* * *

(2) Upon affidavit of a law enforcement officer that the officer had reasonable grounds to believe that the person was operating, attempting to operate, or in actual physical control of a vehicle in violation of section 1201 of this title and that the person submitted to a test and the test results indicated that the person's alcohol concentration was at or above a limit specified in subsection 1201(a) of this title, at the time of operating, attempting to operate, or being in actual physical control, the Commissioner shall suspend the person's operating license or nonresident operating privilege or the privilege of an unlicensed operator to operate a vehicle for a period of 90 days and until the person complies with section 1209a of this title. However, during the suspension, an eligible person may operate under the terms of an ignition interlock RDL or ignition interlock certificate issued pursuant to section 1213 of this title.

* * *

(b) Form of officer's affidavit. A law enforcement officer's affidavit in support of a suspension under this section shall be in a standardized form for use throughout the State and shall be sufficient if it contains the following statements:

* * *

(4) The officer informed the person of ~~his or her~~ the person's rights under subsection 1202(d) of this title.

(5) The officer obtained an evidentiary test (noting the time and date the test was taken) and the test indicated that the person's alcohol concentration was at or above a legal limit specified in subsection 1201(a) or (d) of this title, or the person refused to submit to an evidentiary test.

* * *

(c) Notice of suspension. On behalf of the Commissioner of Motor Vehicles, a law enforcement officer requesting or directing the administration of an evidentiary test shall serve notice of intention to suspend and of suspension on a person who refuses to submit to an evidentiary test or on a person who submits to a test the results of which indicate that the person's alcohol concentration was at or above a legal limit specified in subsection 1201(a) or (d) of this title, at the time of operating, attempting to operate, or being in actual physical control of a vehicle in violation of section 1201 of this title. The notice shall be signed by the law enforcement officer requesting the test. A copy of the notice shall be sent to the Commissioner of Motor Vehicles, and a copy shall be mailed or given to the defendant within three business days after the date the officer receives the results of the test. If mailed, the notice is deemed received three days after mailing to the address provided by the defendant to the law enforcement officer. A copy of the affidavit of the law enforcement officer shall also be mailed by first-class mail or given to the defendant within seven days after the date of notice.

* * *

(h) Final hearing.

(1) If the defendant requests a hearing on the merits, the court shall schedule a final hearing on the merits to be held within 21 days after the date of the preliminary hearing. In no event may a final hearing occur more than 42 days after the date of the alleged offense without the consent of the defendant or for good cause shown. The final hearing may only be continued by the consent of the defendant or for good cause shown. The issues at the final hearing shall be limited to the following:

* * *

(D) Whether the test was taken and the test results indicated that the person's alcohol concentration was at or above a legal limit specified in subsection 1201(a) or (d) of this title, at the time of operating, attempting to operate, or being in actual physical control of a vehicle in violation of section 1201 of this title, whether the testing methods used were valid and reliable, and whether the test results were accurate and accurately evaluated. Evidence that the test was taken and evaluated in compliance with rules adopted by the Department of Public Safety shall be prima facie evidence that the testing methods used were valid and reliable and that the test results are accurate and were accurately evaluated.

* * *

(i) Finding by the court. The court shall electronically forward a report of the hearing to the Commissioner. Upon a finding by the court that the law enforcement officer had reasonable grounds to believe that the person was operating, attempting to operate, or in actual physical control of a vehicle in violation of section 1201 of this title and that the person refused to submit to a test, or upon a finding by the court that the law enforcement officer had reasonable grounds to believe that the person was operating, attempting to operate, or in actual physical control of a vehicle in violation of section 1201 of this title and that the person submitted to a test and the test results indicated that the person's alcohol concentration was at or above a legal limit specified in subsection 1201(a) or (d) of this title, at the time the person was operating, attempting to operate, or in actual physical control, the person's operating license, or nonresident operating privilege, or the privilege of an unlicensed operator to operate a vehicle shall be suspended or shall remain suspended for the required term and until the person complies with section 1209a of this title. Upon a finding in favor of the person, the Commissioner shall cause the suspension to be canceled and removed from the record, without payment of any fee.

* * *

(n) Presumption. In a proceeding under this section, if at any time within two hours of operating, attempting to operate, or being in actual physical control of a vehicle a person had an alcohol concentration ~~of~~ at or above a legal limit specified in subsection 1201(a) or (d) of this title, it shall be a rebuttable presumption that the person's alcohol concentration was at or above the applicable limit at the time of operating, attempting to operate, or being in actual physical control.

* * *

Sec. 33. 23 V.S.A. § 1205(d) is amended to read:

(d) Form of notice. The notice of intention to suspend and of suspension shall be in a form prescribed by the Supreme Court. The notice shall include an explanation of rights, a form to be used to request a hearing, and, if a hearing is requested, the date, time, and location of the Criminal Division of the Superior Court where the person must appear for a preliminary hearing. The notice shall also contain, in boldface print, the following:

(1) You have the right to ask for a hearing to contest the suspension of your operator's license.

(2) ~~This notice shall serve as a temporary operator's license and is valid until 12:01 a.m. of the date of suspension.~~ If this is your first violation of section 1201 of this title and if you do not request a hearing, your license will be suspended as provided in this notice. If this is your second or subsequent violation of section 1201 of this title, your license will be suspended on the 11th day after you receive this notice. It is a crime to drive while your license is suspended unless you have been issued an ignition interlock restricted driver's license or ignition interlock certificate.

* * *

* * * Registration Fees for Trucks * * *

Sec. 34. 23 V.S.A. § 367 is amended to read:

§ 367. TRUCKS

(a)(1) The annual fee for registration of tractors, truck-tractors, or motor trucks except truck cranes, truck shovels, road oilers, bituminous distributors, and farm trucks used as specified in subsection (f) of this section shall be based on the total weight of the truck-tractor or motor truck, including body and cab plus the heaviest load to be carried. In computing the fees for registration of tractors, truck-tractors, or motor trucks with trailers or semi-trailers attached, except trailers or semi-trailers with a gross weight of less than ~~6,000~~ 6,099 pounds, the fee shall be based upon the weight of the tractor, truck-tractor, or motor truck, the weight of the trailer or semi-trailer, and the weight of the heaviest load to be carried by the combined vehicles. In addition to the fee set out in the following schedule, the fee for vehicles weighing between ~~10,000~~ 10,100 and ~~25,999~~ 26,099 pounds inclusive shall be an additional $42.53, the fee for vehicles weighing between ~~26,000~~ 26,100 and ~~39,999~~ 40,099 pounds inclusive shall be an additional $85.03, the fee for vehicles weighing between ~~40,000~~ 40,100 and ~~59,999~~ 60,099 pounds inclusive shall be an additional $297.68, and the fee for vehicles ~~60,000~~ 60,100 pounds and over shall be an additional $467.80. The fee shall be computed at the following rates per 1,000 pounds of weight determined pursuant to this

subdivision and rounded up to the nearest whole dollar; the minimum fee for registering a tractor, truck-tractor, or motor truck to ~~6,000~~ 6,099 pounds shall be the same as for the pleasure car type:

$18.21 when the weight ~~exceeds 6,000 pounds but does not exceed 8,000 pounds~~ is at least 6,100 pounds but not more than 8,099 pounds.

$20.83 when the weight ~~exceeds 8,000 pounds but does not exceed 12,000 pounds~~ is at least 8,100 pounds but not more than 12,099 pounds.

$22.97 when the weight ~~exceeds 12,000 pounds but does not exceed 16,000 pounds~~ is at least 12,100 pounds but not more than 16,099 pounds.

$24.56 when the weight ~~exceeds 16,000 pounds but does not exceed 20,000 pounds~~ is at least 16,100 pounds but not more than 20,099 pounds.

$25.71 when the weight ~~exceeds 20,000 pounds but does not exceed 30,000 pounds~~ is at least 20,100 pounds but not more than 30,099 pounds.

$26.26 when the weight ~~exceeds 30,000 pounds but does not exceed 40,000 pounds~~ 30,100 pounds but not more than 40,099 pounds.

$26.90 when the weight ~~exceeds 40,000 pounds but does not exceed 50,000 pounds~~ is at least 40,100 pounds but not more than 50,099 pounds.

$27.13 when the weight ~~exceeds 50,000 pounds but does not exceed 60,000 pounds~~ is at least 50,100 pounds but not more than 60,099 pounds.

$28.06 when the weight ~~exceeds 60,000 pounds but does not exceed 70,000 pounds~~ is at least 60,100 pounds but not more than 70,099 pounds.

$29.00 when the weight ~~exceeds 70,000 pounds but does not exceed 80,000 pounds~~ is at least 70,100 pounds but not more than 80,099 pounds.

$29.94 when the weight ~~exceeds 80,000 pounds but does not exceed 90,000 pounds~~ is at least 80,100 pounds but not more than 90,099 pounds.

(2) ~~Fractions of 1,000 pounds shall be computed at the next highest 1,000 pounds, excepting, however, fractions of hundredweight shall be disregarded.~~ [Repealed.]

* * *

* * * Purchase and Use Tax * * *

Sec. 35. 32 V.S.A. § 8902 is amended to read:

§ 8902. DEFINITIONS

Unless otherwise expressly provided, as used in this chapter:

* * *

(6) "Motor vehicle" ~~shall have~~ has the same ~~definition~~ meaning as in 23 V.S.A. § 4(21).

* * *

(12) "Mail" has the same meaning as in 23 V.S.A. § 4(87).

Sec. 36. 32 V.S.A. § 8905 is amended to read:

§ 8905. COLLECTION OF TAX; EDUCATION; APPEALS

(a) Every purchaser of a motor vehicle subject to a tax under subsection 8903(a) of this title shall forward ~~such~~ the tax form to the Commissioner, together with the amount of tax due at the time of first registering or transferring a registration to ~~such~~ the motor vehicle as a condition precedent to registration ~~thereof~~ of the vehicle.

(b) Every person subject to a use tax under subsection 8903(b) of this title shall forward ~~such~~ the tax form and the tax due to the Commissioner with the registration application or transfer, as the case may be, and fee at the time of first registering or transferring a registration to ~~such~~ the motor vehicle as a condition precedent to registration ~~thereof~~ of the vehicle.

* * *

(d) Every person required to collect the use tax under subsection 8903(d) of this title shall forward ~~such~~ the tax and a report of ~~same~~ the tax on forms prescribed and furnished by the Commissioner at the frequency determined by the Commissioner.

* * *

(f) Every person subject to the tax imposed by subsection 8903(g) of this title shall forward the tax form and the tax due to the Commissioner along with the title application and fee at the time of applying for a certificate of title to ~~such~~ the motor vehicle as a condition precedent to the titling ~~thereof~~ of the motor vehicle.

(g) The Commissioner shall establish procedures for taxpayers to file an appeal regarding the taxpayer's liability for the tax due pursuant to section 8903 of this chapter and compliance with the requirements of this section. The procedures shall include a process by which a taxpayer can resolve the dispute prior to the issuance of a final administrative decision on the appeal.

(h) The Commissioner shall create educational and outreach materials for taxpayers that provide information regarding the appeal process established pursuant to subsection (g) of this section and opportunities to resolve disputes.

* * * Excessive Speed * * *

Sec. 37. 23 V.S.A. § 2502 is amended to read:

§ 2502. POINT ASSESSMENT; SCHEDULE

(a) Unless the assessment of points is waived by a Superior judge or a Judicial Bureau hearing officer in the interests of justice and in accordance with subsection 2501(b) of this title, a person operating a motor vehicle shall have points assessed against ~~his or her~~ the person's driving record for convictions for moving violations of the indicated motor vehicle statutes in accord with the following schedule: (All references are to this title of the Vermont Statutes Annotated.)

* * *

(9) Eight points assessed for sections 1003 ~~and~~, 1007, and 1097. State speed zones and local speed limits, more than 30 miles per hour over and in excess of the speed limit.

* * *

* * * Tinted Windows * * *

Sec. 38. 2024 Acts and Resolves No. 165, Secs. 14, 15, and 16 are amended to read:

Sec. 14. [Deleted.]

Sec. 15. [Deleted.]

Sec. 16. [Deleted.]

* * * All-Terrain Vehicles * * *

Sec. 39. 23 V.S.A. § 3501 is amended to read:

§ 3501. DEFINITIONS

As used in this chapter:

(1) "All-terrain vehicle" or "ATV" means any nonhighway recreational vehicle, except snowmobiles, having not less than two low pressure tires (10 pounds per square inch, or less); not wider than ~~64~~ 72 inches, with two-wheel ATVs having permanent, full-time power to both wheels; and having a dry weight of less than 2,500 pounds, when used for cross-country travel on trails or on any one of the following or a combination thereof: land, water, snow, ice, marsh, swampland, and natural terrain. An ATV on a public highway shall be considered a motor vehicle, as defined in section 4 of this title, only for the purposes of those offenses listed in subdivisions 2502(a)(1)(H), (N), (R), (U), (Y), (FF), (GG), (II), and (AAA); (2)(A) and (B); (3)(A), (B), (C),

and (D); (4)(A) and (B); and (5) of this title and as provided in section 1201 of this title. An ATV does not include an electric personal assistive mobility device, a motor-assisted bicycle, or an electric bicycle.

* * *

* * * Purchase and Use Tax and Inspections Report * * *

Sec. 40. MOTOR VEHICLE PURCHASE AND USE TAX; INSPECTIONS; REPORT

(a) On or before January 31, 2026, the Commissioner of Motor Vehicles 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 the process for determining the taxable cost of a used motor vehicle for purposes of the purchase and use tax and the impact of annual motor vehicle safety and emissions inspections on Vermonters.

(b) The report shall include, at a minimum, the following:

(1) the number of persons during calendar years 2024 and 2025 who utilized the dealer appraisal process for determining the taxable cost of a used motor vehicle for purposes of the purchase and use tax;

(2) the age and type of vehicles for which the dealer appraisal process was utilized during calendar years 2024 and 2025;

(3) the difference between the clean trade-in value and the appraised value of vehicles for which the dealer appraisal process was utilized during calendar years 2024 and 2025;

(4) the number of appeals of the taxable cost of a motor vehicle that were filed in calendar years 2024 and 2025;

(5) the number appeals that resulted in a revision of the taxable cost and the difference between the originally assessed taxable cost and the revised taxable cost following the appeal;

(6) a summary of issues identified by persons contacting the Department pursuant to subsection (c) of this section;

(7) a summary of funding and other assistance related to annual motor vehicle safety and emissions inspections that is available to Vermonters with lower income;

(8) an examination of the potential approaches to reduce the financial burden of annual motor vehicle safety and emissions inspections on Vermonters, including the potential to reduce the frequency of inspections to every two years; and

(9) any recommendations for legislative action.

(c)(1) The Commissioner of Motor Vehicles shall establish an email address or other electronic means, or both, for Vermonters to contact the Department of Motor Vehicles regarding concerns with the motor vehicle purchase and use tax process.

(2) The Commissioner of Motor Vehicles shall establish an email address or other electronic means, or both, for Vermonters to contact the Department of Motor Vehicles regarding the affordability of the annual motor vehicle inspection process and suggestions for reducing the financial impact of the inspection process on Vermonters.

(3) The Commissioner shall conduct outreach at Department locations, on the Department's website, and through motor vehicle dealers to make the public aware of the opportunity to contact the Department pursuant to subdivisions (1) and (2) of this subsection.

* * * Operation of Bicycles * * *

Sec. 41. 23 V.S.A. § 1139 is amended to read:

§ 1139. RIDING ON ROADWAYS AND BICYCLE PATHS

(a) ~~A person~~ Due care and riding on the right. An individual operating a bicycle upon a roadway shall exercise due care when passing a standing vehicle or one proceeding in the same direction. Bicyclists generally shall ride as near to the right side of the improved area of the highway right-of-way as is safe, except that a bicyclist:

* * *

(b) ~~Persons riding~~ Riding two abreast. Individuals operating bicycles upon a roadway ~~may~~ shall not ride more than two abreast except on paths or parts of roadways set aside for the exclusive use of bicycles or except as otherwise permitted by the Commissioner of Public Safety in connection with a public sporting event in which case the Commissioner shall be authorized to adopt such rules as the public good requires. ~~Persons~~ Individuals riding two abreast shall not impede the normal and reasonable movement of traffic and, on a laned roadway, shall ride within a single lane.

(c) Obedience to traffic-control devices and traffic-control signals. An individual operating a bicycle shall follow all traffic-control devices and traffic-control signals governing motor vehicles except that an individual operating a bicycle who is facing a "walk" signal, as defined in section 1023 of this chapter, may make a turn or proceed across the roadway or intersection in the direction of the signal but shall yield the right of way to any vehicles or pedestrians in the roadway or intersection.

(d) Riding on a partially controlled access highway. Bicycles may be operated on the shoulders of partially controlled access highways, which are those highways where access is controlled by public authority but where there are some connections with selected public highways, some crossings at grade, and some private driveway connections. The Traffic Committee may determine that any portion of these highways is unsafe and therefore closed to bicycle operation.

Sec. 42. 23 V.S.A. § 1139a is added to read:

§ 1139a. BICYCLE CONTROL SIGNALS

(a) Bicycles shall obey bicycle-control signals. An individual operating a bicycle shall obey the instructions of a bicycle-control signal, if present, instead of any traffic-control signal for motor vehicles.

(b) Bicycle-control signal legend.

(1) Green bicycle signal.

(A) An individual operating a bicycle facing a green bicycle signal may proceed straight through the intersection or turn right or left unless a sign prohibits such a turn, provided that:

(i) the individual operating the bicycle will not be in conflict with any simultaneous motor vehicle movements at that location; or

(ii) the bicycle movement at that location is not modified by lane-use signs, turn-prohibition signs, pavement markings, separate turn signal indications, or other traffic-control devices.

(B) An individual operating a bicycle pursuant to a green bicycle signal, including when turning right and left, shall yield the right-of-way to other individuals operating bicycles and pedestrians that are in the intersection when the signal is exhibited.

(2) Steady yellow bicycle signal. An individual operating a bicycle facing a steady yellow bicycle signal is warned that the steady green signal is being terminated and that the red signal will be exhibited immediately following the steady yellow signal, at which time bicycle traffic traveling in that direction shall not enter the intersection.

(3) Steady red bicycle signal.

(A) An individual operating a bicycle facing a steady red bicycle signal alone shall stop at a clearly marked stop line, or if there is none, shall stop before entering the crosswalk on the near side of the intersection.

(B) Except when a sign is in place prohibiting a turn, an individual operating a bicycle facing a steady red bicycle signal may:

(i) cautiously enter the intersection to turn right; or

(ii) after stopping as required pursuant to subdivision (A) of this subdivision (b)(3), turn left from a one-way street onto a one-way street.

(C) An individual making a turn pursuant to subdivision (B) of this subdivision (b)(3) shall yield the right-of-way to pedestrians and other vehicles that are in the intersection.

(D) An individual operating a bicycle shall not turn right when facing a red arrow signal unless a sign permitting such a turn is present.

(E) An individual operating a bicycle to the left of adjacent motor vehicle traffic approaching the same intersection shall be prohibited from turning right when facing a steady red bicycle signal and an individual operating a bicycle to the right of adjacent motor vehicle traffic approaching the same intersection shall be prohibited from turning left when facing a steady red bicycle signal.

Sec. 43. BICYCLE OPERATION AT STOP SIGNS AND SIGNALS; EDUCATION; OUTREACH

On or before April 1, 2026, the Commissioners of Motor Vehicles and of Public Safety, in consultation with stakeholders representing bicyclists, pedestrians, municipalities, and law enforcement agencies, shall develop education and outreach materials to inform vehicle operators, law enforcement officers, municipalities, and members of the public regarding the laws governing to the operation of bicycles on roadways, including at signalized intersections. The materials shall include both written and graphical materials explaining permitted bicycle operations and requirements for the operation of motor vehicles in relation to bicycles, including safe passing distance requirements.

* * * Legal Trails * * *

Sec. 44. FINDINGS; INTENT; LEGAL TRAILS

(a) Findings. The General Assembly finds the following:

(1) Outdoor recreation is a significant part of Vermont's identity and economy.

(2) Trails provide Vermonters and visitors with access to natural beauty throughout the State and are used for a wide variety of outdoor recreational activities throughout the year.

(3) Some trails are also used by Vermonters for travel or to access their homes and properties.

(4) The State and municipalities use some trails to provide maintenance to State and municipal lands and facilities, as well as to provide public safety and rescue services.

(5) Trails may require regular maintenance to ensure that they remain passable and can continue to support recreation, travel, access, and various public services.

(6) While many trails in Vermont have been established through private easements or other agreements, a subset of trails, known as legal trails, lie along public rights-of-way that were once town highways and are governed by the provisions of 19 V.S.A. chapter 3.

(b) Intent. It is the intent of the General Assembly to clarify municipalities' authority to exclusively or cooperatively maintain legal trails under the provisions of 19 V.S.A. chapter 3.

Sec. 45. 19 V.S.A. chapter 3 is amended to read:

CHAPTER 3. TOWN HIGHWAYS

§ 301. DEFINITIONS

As used in this chapter:

* * *

(2) "Legislative body" ~~includes boards of selectmen, aldermen, and village trustees~~ means a legislative body as defined in 24 V.S.A. § 2001.

(3) ~~"Selectmen" includes village trustees and aldermen~~ "Selectboard" means a selectboard as defined in 24 V.S.A. § 2001.

* * *

(8)(A) "Trail" means a public right-of-way that is not a highway and that:

(i) municipalities have the authority to exclusively or cooperatively maintain pursuant to the provisions of this chapter; and

~~(A)~~(ii)(I) previously was a designated town highway having the same width as the designated town highway, or a lesser width if so designated; or

~~(B)~~(II) a new public right-of-way laid out as a trail by the ~~selectmen~~ legislative body for the purpose of providing access to abutting properties or for recreational use.

(B) Nothing in this ~~section~~ subdivision (8) shall be deemed to independently authorize the condemnation of land for recreational purposes or to affect the authority of ~~selectmen~~ legislative bodies to reasonably regulate the uses of recreational trails.

§ 302. CLASSIFICATION OF TOWN HIGHWAYS

(a) For the purposes of this section and receiving State aid, all town highways shall be categorized into one or another of the following classes:

* * *

(2) Class 2 town highways are those town highways selected as the most important highways in each town. As far as practicable, they shall be selected with the purposes of securing trunk lines of improved highways from town to town and to places that by their nature have more than normal amount of traffic. The ~~selectmen~~ legislative body, with the approval of the Agency, shall determine which highways are to be class 2 highways.

(3) Class 3 town highways:

(A) Class 3 town highways are all traveled town highways other than class 1 or 2 highways. The ~~selectmen~~ legislative body, after conference with a representative of the Agency, shall determine which highways are class 3 town highways.

* * *

(5) Trails shall not be considered highways ~~and the town~~. A municipality shall have the authority to maintain trails but shall not be responsible for any maintenance, including culverts and bridges.

* * *

§ 303. TOWN HIGHWAY CONTROL

Town highways shall be under the general supervision and control of the ~~selectmen~~ legislative body of the town where the roads are located. ~~Selectmen~~ The legislative body of a town shall supervise all expenditures.

§ 304. DUTIES OF SELECTBOARD

(a) It shall be the duty and responsibility of the selectboard of the town to, or acting as a board, it shall have the authority to:

* * *

(16) Unless the town electorate votes otherwise, under the provisions of 17 V.S.A. § 2646, appoint a road commissioner, or remove ~~him or her~~ the road commissioner from office, pursuant to 17 V.S.A. § 2651. Road commissioners, elected or appointed, shall have only the powers and authority regarding highways granted to them by the selectboard.

* * *

(24) Maintain trails, but shall not be required to maintain trails.

* * *

* * * Effective Dates * * *

Sec. 46. EFFECTIVE DATES

(a) This section and Secs. 16 and 17 (early renewal of operator's licenses, operator's privilege cards, and nondriver identification) shall take effect on passage.

(b) Sec. 45 (maintenance of legal trails) shall take effect on April 1, 2026.

(c) Secs. 9 (reduced license fees for individuals receiving SSI or SSDI benefits) and 41 (operation of bicycles) shall take effect on July 1, 2026.

(d) The remaining sections shall take effect on July 1, 2025.

SEN. PATRICK M. BRENNAN
SEN. REBECCA E. WHITE
SEN. WENDY K. HARRISON
Committee on the part of the Senate

REP. MATTHEW E. WALKER
REP. PHIL POUECH
REP. CANDICE 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 Delivered

On motion of Senator Baruth, the rules were suspended, and the following bill was ordered delivered to the Governor forthwith:

S. 123.

Rules Suspended; Bill Messaged

On motion of Senator Baruth, the rules were suspended, and the following bill was ordered messaged to the House forthwith:

H. 484.

Recess

On motion of Senator Baruth the Senate recessed until four o'clock in the afternoon.

Called to Order

The Senate was called to order by the President.

Recess

On motion of Senator Baruth the Senate recessed until six o'clock in the evening.

Called to Order

The Senate was called to order by the President.

Message from the House No. 79

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

S. 127. An act relating to housing and housing development.

And has adopted the same on its part.

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

H. 321. An act relating to miscellaneous cannabis amendments.

And has severally concurred therein with a further proposal of amendment thereto, in the adoption of which the concurrence of the Senate is requested.

Rules Suspended; Bills Pending Entry on Notice Calendar for Immediate Consideration

On motion of Senator Baruth, the rules were suspended, and the following bills and Senate resolution, pending entry on the Calendar for notice, were ordered to be brought up for immediate consideration:

S.R. 16, S. 127, H. 321.

Consideration Postponed

S.R. 16.

Senator Gulick, for the Committee on Health and Welfare to which was referred Senate resolution entitled:

Senate resolution opposing recent federal actions that threaten public health and urging their swift reversal.

Reported that the resolution ought to be adopted.

Thereupon, the resolution was read the second time by title only pursuant to Rule 43, and pending the question, Shall the resolution be read a third time?, Senators Gulick, Lyons, Hart and Douglass move to amend the resolution by striking out all after the title and inserting in lieu thereof the following:

Whereas, on January 20, 2025, President Donald J. Trump issued an Executive Order to withdraw the United States from the World Health Organization (WHO), a move that may jeopardize the health and well-being of Vermonters, other Americans, and individuals all around the world because of the WHO's focus on improving public health and on detecting, preventing, and responding to health emergencies, including disease outbreaks that do not respect state lines or international borders, and

Whereas, the U.S. Department of Health and Human Services is eliminating the jobs of approximately 20,000 employees, including at the Centers for Disease Control and Prevention (CDC), where teams were cut whose work focused on preventing injuries and violence from causes including motor vehicle crashes, child maltreatment, and traumatic brain injury; on tracking trends in mental health and substance use disorders; on rape prevention and education; on maternal mortality and maternal and child health; and on many other areas affecting public health in Vermont, the United States, and beyond, and

Whereas, the Trump Administration has eliminated the entire management and regulations divisions at the Center for Tobacco Products in the Food and Drug Administration and cut most of the staff at the Office on Smoking and Health at the CDC, which severely hampers tobacco regulation and enforcement efforts and will have a negative impact on tobacco prevention in Vermont's youth and on Vermonters' public health, and

Whereas, the National Institutes of Health, a part of the U.S. Department of Health and Human Services that describes itself as "the nation's medical research agency — making important discoveries that improve health and save lives," is now refusing to award grant funds to universities that operate any

programs that advance or promote diversity, equity, and inclusion, which jeopardizes the future of medical research and disregards the existence of health inequities, and

Whereas, the U.S. Department of Education cut approximately $1 billion in federal grants that support critical mental health services in schools, which will dramatically reduce access to these services and threatens the health and well-being of youth around the country, and

Whereas, it appears that the Secretary of the U.S. Department of Health and Human Services disregards certain science and scientific research, including peer-reviewed research regarding vaccines and autism, *now therefore be it*

Resolved by the Senate:

That the Senate of the State of Vermont stands in support of science, opposes these federal actions, and urges their swift reversal, *and be it further*

Resolved: That the Secretary of the Senate be directed to send a copy of this resolution to President Donald J. Trump, Secretary of Health and Human Services Robert F. Kennedy Jr., and the Vermont Congressional Delegation.

Recess

Thereupon, pending the question, Shall the resolution be amended as recommended by Senators Gulick, Lyons, Hart and Douglass?, the President declared a recess until the fall of the gavel.

Called to Ordered

The Senate was called to order by the President.

Thereupon, consideration on the resolution was postponed.

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

S. 127.

Senator Ram Hinsdale, 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 Senate bill entitled:

An act relating to housing and housing development.

Respectfully reports that it has met and considered the same and recommends that the House recede from its proposal of amendment and that

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

* * * Vermont Rental Housing Improvement Program * * *

Sec. 1. 10 V.S.A. § 699 is amended to read:

§ 699. VERMONT RENTAL HOUSING IMPROVEMENT PROGRAM

(a) Creation of Program.

* * *

(5)(A) The Department may cooperate with and subgrant funds to State agencies and governmental subdivisions and public and private organizations in order to carry out the purposes of this ~~subsection~~ section.

(B) Solely with regards to actions undertaken pursuant to this subdivision (5), entities carrying out the provisions of this section, including grantees, subgrantees, and contractors of the State, shall be exempt from the provisions of 8 V.S.A. chapter 73 (licensed lenders, mortgage brokers, mortgage loan originators, sales finance companies, and loan solicitation companies).

* * *

(d) Program requirements applicable to grants and forgivable loans.

(1)(A) A grant or loan shall not exceed~~:~~

~~(i) $70,000.00 per unit, for rehabilitation or creation of an eligible rental housing unit meeting the applicable building accessibility requirements under the Vermont Access Rules; or~~

~~(ii)~~ $50,000.00 per unit, for rehabilitation or creation of any other eligible rental housing unit. Up to an additional $20,000.00 per unit may be made available for specific elements that collectively bring the unit to the visitable standard outlined in the rules adopted by the Vermont Access Board.

* * *

(e) Program requirements applicable to grants and five-year forgivable loans. For a grant or five-year forgivable loan awarded through the Program, the following requirements apply for a minimum period of five years:

(1) A landlord shall coordinate with nonprofit housing partners and local ~~coordinated entry~~ homelessness service organizations approved by the Department to identify potential tenants.

(2)(A) Except as provided in subdivision ~~(2)~~(B) of this ~~subsection~~ subdivision (e)(2), a landlord shall lease the unit to a household that is:

(i) exiting homelessness, including any individual under 25 years of age who secures housing through a master lease held by a youth service provider on behalf of individuals under 25 years of age;

(ii) actively working with an immigrant or refugee resettlement program; ~~or~~

(iii) composed of at least one individual with a disability who receives or is ~~eligible~~ approved to receive Medicaid-funded ~~home and community based~~ home- and community-based services or Social Security Disability Insurance;

(iv) displaced due to a natural disaster; or

(v) with approval from the Department in writing, an organization that will hold a master lease that explicitly states the unit will be used in service of the populations described in this subsection (e).

* * *

(4)(A) A landlord may convert a grant to a forgivable loan upon approval of the Department and the housing organization that approved the grant.

(B) A landlord who converts a grant to a forgivable loan shall receive a ~~10-percent~~ prorated credit for loan forgiveness for each year in which the landlord participates in the Program.

(f) Requirements applicable to 10-year forgivable loans. For a 10-year forgivable loan awarded through the Program, the following requirements apply for a minimum period of 10 years:

(1) ~~A landlord shall coordinate with nonprofit housing partners and local coordinated entry organizations to identify potential tenants~~ The total cost of rent for the unit, including utilities not covered by rent payments, shall not exceed the applicable fair market rent established by the Department of Housing and Urban Development, except that a landlord may accept a housing voucher that exceeds fair market rent, if available.

(2)~~(A) Except as provided in subdivision (2)(B) of this subsection (f), a landlord shall lease the unit to a household that is:~~

~~(i) exiting homelessness, including any individual under 25 years of age who secures housing through a master lease held by a youth service provider on behalf of individuals under 25 years of age;~~

~~(ii) actively working with an immigrant or refugee resettlement program; or~~

~~(iii) composed of at least one individual with a disability who is eligible to receive Medicaid-funded home and community based services.~~

~~(B) If, upon petition of the landlord, the Department or the housing organization that issued the grant determines that a household under subdivision (2)(A) of this subsection (f) is not available to lease the unit, then the landlord shall lease the unit:~~

~~(i) to a household with an income equal to or less than 80 percent of area median income; or~~

~~(ii) if such a household is unavailable, to another household with the approval of the Department or housing organization.~~

~~(3)(A)~~ A landlord shall accept any housing vouchers that are available to pay all, or a portion of, the tenant's rent and utilities.

~~(B) If no housing voucher or federal or State subsidy is available, the cost of rent for the unit, including utilities not covered by rent payments, shall not exceed the applicable fair market rent established by the Department of Housing and Urban Development.~~

~~(4)~~(3) The Department shall forgive ~~10 percent of the~~ a prorated amount of a forgivable loan for each year a landlord participates in the loan program.

(g) Minimum funding for grants and five-year forgivable loans.

(1) Annually, the Department shall establish a minimum allocation of funding set aside to be used for five-year grants or forgivable loans to serve eligible households pursuant to subsection (e) of this section. Remaining funds may be used for either five-year grants or forgivable loans or 10-year forgivable loans pursuant to subsection (f) of this section. The set aside shall be a minimum of 30 percent of funds disbursed annually.

(2) The Department shall consult with the Agency of Human Services to evaluate factors in establishing the amount of the set aside, including:

(A) the availability of housing vouchers;

(B) the current need for housing for eligible households;

(C) the ability and desire of landlords to house eligible households;

(D) the support services available for landlords; and

(E) the prior uptake and success rates for participating landlords.

(3) The Department shall coordinate with the local Coordinated Entry Lead Agencies and Homeownership Centers to direct referrals for those individuals or families prioritized to be housed pursuant to the five-year grants or forgivable loans.

(4) Funds from the set aside not utilized after nine months shall become available for 10-year forgivable loans.

(5) The Department shall annually publish the amount of the set aside on its website.

* * *

(i) Creation of the Vermont Rental Housing Improvement Program Fund. Funds repaid or returned to the Department from forgivable loans or grants funded by the Program shall return to the Vermont Rental Housing Improvement Fund to be used for Program expenditures and administrative costs at the discretion of the Department.

(j) Annual report. Annually, the Department shall submit a report to the House Committees on Human Services and on General and Housing and the Senate Committee on Economic Development, Housing and General Affairs regarding the following:

(1) separately, the number of units funded and the number of units rehabilitated through grants, through a five-year forgivable loan, and through a 10-year forgivable loan;

(2) for grants and five-year forgivable loans, for the first year after the expiration of the lease requirements outlined in subdivision (e)(2)(A) of this section, whether the unit is still occupied by a tenant who meets the qualifications of that subdivision;

(3) for each program, for the first year after the expiration of the applicable lease requirements outlined in this section, the amount of rent charged by the landlord and how that rent compares to fair market rent established by the Department of Housing and Urban Development; and

(4) the rate of turnover for tenants housed utilizing grants or five-year forgivable loans and 10-year forgivable loans separately.

* * * MHIR * * *

Sec. 2. 10 V.S.A. § 700 is added to read:

§ 700. VERMONT MANUFACTURED HOME IMPROVEMENT AND REPAIR PROGRAM

(a) There is created within the Department of Housing and Community Development the Manufactured Home Improvement and Repair Program. The Department shall design and implement the Program to award funding to statewide or regional nonprofit housing organizations, or both, to provide financial assistance or awards to manufactured homeowners and manufactured home park owners to improve existing homes, incentivize new slab placement

for prospective homeowners, and incentivize park improvements for infill of more homes.

(b) The following projects are eligible for funding through the Program:

(1) The Department may award up to $20,000.00 to owners of manufactured housing communities to complete small-scale capital needs to help infill vacant lots with homes, including disposal of abandoned homes, lot grading and preparation, the siting and upgrading of electrical boxes, enhancing E-911 safety issues, transporting homes out of flood zones, and improving individual septic systems. Costs awarded under this subdivision may also cover legal fees and marketing to help make it easier for home-seekers to find vacant lots around the State.

(2) The Department may award funding to manufactured homeowners for which the home is their primary residence to address habitability and accessibility issues to bring the home into compliance with safe living conditions.

(3) The Department may award up to $15,000.00 per grant to a homeowner to pay for a foundation or federal Department of Housing and Urban Development-approved slab, site preparation, skirting, tie-downs, and utility connections on vacant lots within a manufactured home community.

(c) The Department may adopt rules, policies, and guidelines to aid in enacting the Program.

* * * Vermont Infrastructure Sustainability Fund * * *

Sec. 3. 24 V.S.A. chapter 119, subchapter 6 is amended to read:

Subchapter 6. Special Funds

* * *

§ 4686. VERMONT INFRASTRUCTURE SUSTAINABILITY FUND

(a) Creation. There is created the Vermont Infrastructure Sustainability Fund within the Vermont Bond Bank.

(b) Purpose. The purpose of the Fund is to provide capital to extend and increase capacity of water and sewer service and other public infrastructure in municipalities where lack of extension or capacity is a barrier to housing development.

(c) Administration. The Vermont Bond Bank may administer the Fund in coordination with and support from other State agencies, government component parts, and quasi-governmental agencies.

(d) Program parameters.

(1) The Vermont Bond Bank, in consultation with the Department of Housing and Community Development, shall develop program guidelines to effectively implement the Fund.

(2) The program shall provide low-interest loans or purchase bonds from municipalities to expand infrastructure capacity. Eligible activities include:

(A) preliminary engineering and planning;

(B) engineering design and bid specifications;

(C) construction for municipal water and wastewater systems;

(D) transportation investments, including those required by municipal regulation, the municipality's official map, designation requirements, or other planning or engineering identifying complete streets and transportation and transit related improvements, including improvements to existing streets; and

(E) other eligible activities as determined by the guidelines produced by the Vermont Bond Bank in consultation with the Department of Housing and Community Development.

(e) Application requirements. Eligible project applications shall demonstrate:

(1) the project will create reserve capacity necessary for new housing unit development;

(2) the project has a direct link to housing unit production; and

(3) the municipality has a commitment to own and operate the project throughout its useful life.

(f) Application criteria. In addition to any criteria developed in the program guidelines, project applications shall be evaluated using the following criteria:

(1) whether there is a direct connection to proposed or in-progress housing development with demonstrable progress toward regional housing targets;

(2) whether the project is an expansion of an existing system;

(3) the proximity to a designated area;

(4) the project readiness and estimated time until the need for financing;

(5) the demonstration of financing for project completion or completion of a project component; and

(6) the relative need of the community per the housing targets established by the Department of Housing and Community Development.

(g) Award terms. The Vermont Bond Bank, in consultation with the Department of Housing and Community Development, shall establish award terms that may include:

(1) the maximum loan or bond amount;

(2) the maximum term of the loan or bond amount;

(3) the time by which amortization shall commence;

(4) the maximum interest rate;

(5) whether the loan is eligible for forgiveness and to what percentage or amount;

(6) the necessary security for the loan or bond; and

(7) any additional covenants required to further secure the loan or bond.

(h) Revolving fund.

(1) Any funds repaid or returned from the Infrastructure Sustainability Fund shall be deposited into the Fund and used to continue the program established in this section.

(2) The Bank may use the funds in conjunction with other Bank programs to accomplish the policy objectives outlined in this section.

* * * VHFA Rental Housing Revolving Loan Program * * *

Sec. 4. 2023 Acts and Resolves No. 47, Sec. 38 is amended to read:

Sec. 38. RENTAL HOUSING REVOLVING LOAN PROGRAM

(a) Creation; administration. The Vermont Housing Finance Agency shall design and implement a Rental Housing Revolving Loan Program and shall create and administer a revolving loan fund to provide subsidized loans for rental housing developments that serve middle-income households.

(b) Loans; eligibility; criteria.

* * *

(7) The Agency shall use one or more legal mechanisms to ensure that:

(A) a subsidized unit remains affordable to a household earning the applicable percent of area median income for the longer of:

(i) seven years; or

(ii) full repayment of the loan plus three years; and

(B) during the affordability period determined pursuant to subdivision (A) of this subdivision (7), the annual increase in rent for a subsidized unit does not exceed three percent or an amount otherwise authorized by the Agency.

* * *

* * * Housing and Residential Services Planning Committee * * *

Sec. 5. STATE HOUSING AND RESIDENTIAL SERVICES PLANNING COMMITTEE; REPORT

(a) Creation. There is created the State Housing and Residential Services Planning Committee to generate a State plan to develop housing for individuals with developmental disabilities.

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

(1) one current member of the House of Representatives, who shall be appointed by the Speaker of the House;

(2) one current member of the Senate, who shall be appointed by the Committee on Committees;

(3) the Secretary of Human Services or designee;

(4) the Commissioner of Disabilities, Aging, and Independent Living or designee;

(5) the Commissioner of Housing and Community Development or designee;

(6) the State Treasurer or designee;

(7) one member, appointed by the Developmental Disabilities Housing Initiative;

(8) the Executive Director of the Vermont Developmental Disabilities Council;

(9) one member, appointed by Green Mountain Self-Advocates;

(10) one member, appointed by Vermont Care Partners;

(11) one member, appointed by the Vermont Housing and Conservation Board; and

(12) one member, appointed by the Associated General Contractors of Vermont.

(c) Powers and duties. The Committee shall create an actionable plan to develop housing for individuals with developmental disabilities that reflects the diversity of needs expressed by those individuals and their families, including individuals with high-support needs who require 24-hour care and those with specific communication needs. The plan shall include:

(1) a schedule for the creation of at least 600 additional units of service-supported housing;

(2) the number and description of the support needs of individuals with developmental disabilities anticipated to be served annually;

(3) anticipated funding needs; and

(4) recommendations for changes in State laws or policies that are obstacles to the development of housing needed by individuals with Medicaid-funded home- and community-based services.

(d) Assistance.

(1) The Committee shall have the administrative, technical, and legal assistance of the Department of Housing and Community Development.

(2) Upon request of the Committee, the Department of Disabilities, Aging, and Independent Living shall provide an analysis of the current state of housing in Vermont for individuals with development disabilities and, to the extent available, an analysis of the level of community support needed for these individuals.

(e) Report. On or before November 15, 2025, the Committee shall submit a written report to the House Committees on General and Housing and on Human Services and the Senate Committees on Economic Development, Housing and General Affairs and on Health and Welfare with its findings and any recommendations for legislative action.

(f) Meetings.

(1) The Secretary of Human Services shall call the first meeting of the Committee to occur on or before July 15, 2025.

(2) The Committee shall select a chair from among its members at the first meeting.

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

(4) The Committee shall cease to exist on November 30, 2025.

(g)(1) Compensation and reimbursement. For attendance at meetings during adjournment of the General Assembly, a legislative member of the Committee serving in the member's capacity as a legislator shall be entitled to

per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 23 for not more than six meetings. These payments shall be made from monies appropriated to the General Assembly.

(2) Members of the Committee who are not otherwise compensated for their time shall be entitled to per diem compensation as permitted under 32 V.S.A. § 1010 for not more than six meetings. These payments shall be made from monies appropriated to the Department of Housing and Community Development for that purpose.

(h) Intent to appropriate. Notwithstanding subdivision (g)(2) of this section, per diems for the cost of attending meetings shall only be available in the event an appropriation is made in fiscal year 2026 from the General Fund to the Department of Housing and Community Development for that purpose.

* * * Tax Department Housing Data Access * * *

Sec. 6. 32 V.S.A. § 5404 is amended to read:

§ 5404. DETERMINATION OF EDUCATION PROPERTY TAX GRAND LIST

* * *

(b) Annually, on or before August 15, the clerk of a municipality, or the supervisor of an unorganized town or gore, shall transmit to the Director in an electronic or other format as prescribed by the Director~~:~~ education and municipal grand list data, including exemption information and grand list abstracts; tax rates; an extract of the assessor database also referred to as a Computer Assisted Mass Appraisal (CAMA) system or Computer Assisted Mass Appraisal database; and the total amount of taxes assessed in the town or unorganized town or gore. The data transmitted shall identify each parcel by a parcel identification number assigned under a numbering system prescribed by the Director. Municipalities may continue to use existing numbering systems in addition to, but not in substitution for, the parcel identification system prescribed by the Director. If changes or additions to the grand list are made by the listers or other officials authorized to do so after such abstract has been so transmitted, such clerks shall forthwith certify the same to the Director.

* * *

* * * Landlord Certificate * * *

Sec. 7. REPEAL; ACT 181 PROSPECTIVE LANDLORD CERTIFICATE CHANGES

2024 Acts and Resolves No. 181, Secs. 98 (landlord certificate amendments) and 114(5) (effective date of landlord certificate amendments) are repealed.

Sec. 8. 32 V.S.A. § 6069 is amended to read:

§ 6069. LANDLORD CERTIFICATE

* * *

(b) The owner of each rental property shall, on or before January 31 of each year, furnish a certificate of rent to the Department of Taxes.

(c) A certificate under this section shall be in a form prescribed by the Commissioner and shall include the following:

(1) the name of ~~the~~ each renter~~,~~;

(2) the address and ~~any property tax parcel identification number of the homestead, the information required under subsection (f) of this section,~~ the School Property Account Number of the rental property;

(3) the name of the owner or landlord of the rental property;

(4) the phone number, email address, and mailing address of the owner or landlord of the rental property, as available;

(5) the type or types of rental units on the rental property;

(6) the number of rental units on the rental property;

(7) the number of ADA-accessible units on the rental property; and

(8) any additional information that the Commissioner determines is appropriate.

* * *

(f) ~~Annually on or before October 31, the Department shall prepare and make available to a member of the public upon request a database in the form of a sortable spreadsheet that contains the following information for each rental unit for which the Department received a certificate pursuant to this section:~~

~~(1) name of owner or landlord;~~

~~(2) mailing address of landlord;~~

~~(3) location of rental unit;~~

~~(4) type of rental unit;~~

~~(5) number of units in building; and~~

~~(6) School Property Account Number.~~ Annually on or before December 15, the Department shall submit a report on the aggregated data collected under this section to the House Committee on General and Housing and the Senate Committee on Economic Development, Housing and General Affairs.

* * * Land Bank Report * * *

Sec. 9. DHCD LAND BANK REPORT

(a) On or before November 1, 2026, the Department of Housing and Community Development shall issue a report to the House Committee on General and Housing and the Senate Committee on Economic Development, Housing and General Affairs outlining a legal framework for implementation of a State land bank. The report shall include proposed legislative language specific to:

(1) the creation and ongoing administration of a statewide land bank;

(2) the authorization of regional or municipal land banks; and

(3) the identification of funding proposals to support the establishment and sustainability of each separate model.

(b) The report shall include an analysis on which option, the creation of a statewide land bank or the authorization of regional or municipal land banks, best serves the interest of Vermont communities, including rural communities.

(c) On or before January 15, 2026, the Department of Housing and Community Development shall provide a written update to the House Committee on General and Housing and the Senate Committee on Economic Development, Housing and General Affairs on progress made, including a preliminary assessment of the information required in the final report.

* * * Housing and Public Accommodations Protections * * *

Sec. 10. 9 V.S.A. § 4456a is amended to read:

§ 4456a. RESIDENTIAL RENTAL APPLICATION ~~FEES; PROHIBITED~~

(a) A landlord or a landlord's agent shall not charge an application fee to any individual in order to apply to enter into a rental agreement for a residential dwelling unit. This ~~section~~ subsection shall not be construed to prohibit a person from charging a fee to a person in order to apply to rent commercial or nonresidential property.

(b)(1) In order to conduct a background or credit check, a landlord shall accept any of the following:

(A) an original or a copy of any unexpired form of government-issued identification;

(B) an Individual Taxpayer Identification Number; or

(C) a Social Security number.

(2) A landlord or a landlord's agent shall not require a Social Security number for the completion of a residential rental application or refuse to accept an application due to the lack of a Social Security number.

Sec. 11. 9 V.S.A. § 4501 is amended to read:

§ 4501. DEFINITIONS

As used in this chapter:

* * *

(12)(A) "Harass" means to engage in unwelcome conduct that detracts from, undermines, or interferes with a person's:

(i) use of a place of public accommodation or any of the accommodations, advantages, facilities, or privileges of a place of public accommodation because of the person's race, creed, color, national origin, citizenship, immigration status, marital status, sex, sexual orientation, gender identity, or disability; or

(ii) terms, conditions, privileges, or protections in the sale or rental of a dwelling or other real estate, or in the provision of services or facilities in connection with a dwelling or other real estate, because of the person's race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability, or because the person intends to occupy a dwelling with one or more minor children, or because the person is a recipient of public assistance, or because the person is a victim of abuse, sexual assault, or stalking.

* * *

Sec. 12. 9 V.S.A. § 4502 is amended to read:

§ 4502. PUBLIC ACCOMMODATIONS

(a) An owner or operator of a place of public accommodation or an agent or employee of such owner or operator shall not, because of the race, creed, color, national origin, citizenship, immigration status, marital status, sex, sexual orientation, or gender identity of any person, refuse, withhold from, or deny to that person any of the accommodations, advantages, facilities, and privileges of the place of public accommodation.

* * *

Sec. 13. 9 V.S.A. § 4503 is amended to read:

§ 4503. UNFAIR HOUSING PRACTICES

(a) It shall be unlawful for any person:

(1) To refuse to sell or rent, or refuse to negotiate for the sale or rental of, or otherwise make unavailable or deny, a dwelling or other real estate to any person because of the race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person intends to occupy a dwelling with one or more minor children, or because a person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking.

(2) To discriminate against, or to harass, any person in the terms, conditions, privileges, and protections of the sale or rental of a dwelling or other real estate, or in the provision of services or facilities in connection with a dwelling or other real estate, because of the race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person intends to occupy a dwelling with one or more minor children, or because a person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking.

(3) To make, print, or publish, or cause to be made, printed, or published any notice, statement, or advertisement, with respect to the sale or rental of a dwelling or other real estate that indicates any preference, limitation, or discrimination based on race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person intends to occupy a dwelling with one or more minor children, or because a person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking.

(4) To represent to any person because of the race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person intends to occupy a dwelling with one or more minor children, or because a person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking, that any dwelling or other real estate is not available for inspection, sale, or rental when the dwelling or real estate is in fact so available.

* * *

(6) To discriminate against any person in the making or purchasing of loans or providing other financial assistance for real-estate-related transactions or in the selling, brokering, or appraising of residential real property, because of the race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person intends to occupy a dwelling with one or more minor children, or because a person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking.

(7) To engage in blockbusting practices, for profit, which may include inducing or attempting to induce a person to sell or rent a dwelling by representations regarding the entry into the neighborhood of a person or persons of a particular race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person intends to occupy a dwelling with one or more minor children, or because a person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking.

(8) To deny any person access to or membership or participation in any multiple listing service, real estate brokers' organization, or other service, organization, or facility relating to the business of selling or renting dwellings, or to discriminate against any person in the terms or conditions of such access, membership, or participation, on account of race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking.

* * *

(12) To discriminate in land use decisions or in the permitting of housing because of race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, disability, the presence of one or more minor children, income, or because of the receipt of public assistance, or because a person is a victim of abuse, sexual assault, or stalking, except as otherwise provided by law.

* * *

(d) If required by federal law, the verification of immigration status or differential treatment on the basis of citizenship or immigration status shall not constitute a violation of subsection (a) of this section with respect to the sale and rental of dwellings.

(e) For purposes of subdivision (a)(6) of this section, it shall not constitute unlawful discrimination for a lender to consider a credit applicant's immigration status to the extent such status has bearing on the lender's rights and remedies regarding loan repayment and further provided such consideration is consistent with any applicable federal law or regulation.

* * * LURB Study * * *

Sec. 14. 2024 Acts and Resolves No. 181, Sec. 11a is amended to read:

Sec. 11a. ACT 250 APPEALS STUDY

(a) On or before ~~January 15, 2026~~ November 15, 2025, the Land Use Review Board shall issue a report evaluating whether to transfer appeals of permit decisions and jurisdictional opinions issued pursuant to 10 V.S.A. chapter 151 to the Land Use Review Board or whether they should remain at the Environmental Division of the Superior Court. The Board shall convene a stakeholder group that at a minimum shall be composed of a representative of environmental interests, attorneys that practice environmental and development law in Vermont, the Vermont League of Cities and Towns, the Vermont Association of Planning and Development Agencies, the Vermont Chamber of Commerce, the Land Access and Opportunity Board, the Office of Racial Equity, the Vermont Association of Realtors, a representative of ~~non-profit~~ nonprofit housing development interests, a representative of for-profit housing development interests, a representative of commercial development interests, an engineer with experience in development, the Agency of Commerce and Community Development, and the Agency of Natural Resources in preparing the report. The Board shall provide notice of the stakeholder meetings on its website and each meeting shall provide time for public comment.

(b) The report shall at minimum recommend:

(1) whether to allow consolidation of appeals at the Board, or with the Environmental Division of the Superior Court, and how, including what resources the Board would need, if transferred to the Board, appeals of permit decisions issued under 24 V.S.A. chapter 117 and the Agency of Natural Resources can be consolidated with Act 250 appeals;

(2) how to prioritize and expedite the adjudication of appeals related to housing projects, including the use of hearing officers to expedite appeals and the setting of timelines for processing of housing appeals;

(3) procedural rules to govern the Board's administration of Act 250 and the adjudication of appeals of Act 250 decisions. These rules shall include procedures to create a firewall and eliminate any potential for conflicts with

the Board managing appeals and issuing permit decisions and jurisdictional opinions; and

(4) other actions the Board should take to promote the efficient and effective adjudication of appeals, including any procedural improvements to the Act 250 permitting process and jurisdictional opinion appeals.

(c) The report shall be submitted to the Senate Committees on Economic Development, Housing and General Affairs and on Natural Resources and Energy and the House Committee on Environment ~~and Energy~~.

* * * Brownfields * * *

Sec. 15. 10 V.S.A. § 6604c is amended to read:

§ 6604c. MANAGEMENT OF DEVELOPMENT SOILS

(a) Management of development soils. Notwithstanding any other requirements of this chapter to the contrary, development soils may be managed at a location permitted pursuant to an insignificant waste event approval authorization issued pursuant to the Solid Waste Management Rules that contains, at a minimum, the following:

(1) the development soils are generated from a hazardous materials site managed pursuant to a corrective action plan or a soil management plan approved by the Secretary;

(2) the development soils have been tested for arsenic, lead, and polyaromatic hydrocarbons pursuant to a monitoring plan approved by the Secretary that ensures that the soils do not leach above groundwater enforcement standards;

(3) the location where the soils are managed is appropriate for the amount and type of material being managed;

(4) the soils are capped in a manner approved by the Secretary;

(5) any activity that may disturb the development soils at the permitted location shall be conducted pursuant to a soil management plan approved by the Secretary; and

(6) the permittee files a record notice of where the soils are managed in the land records.

* * *

Sec. 16. REPORT ON THE STATUS OF MANAGEMENT OF DEVELOPMENT SOILS

(a) As part of the biennial report to the House Committee on Environment and the Senate Committee on Natural Resources and Energy under 10 V.S.A.

§ 6604(c), the Secretary of Natural Resources shall report on the status of the management of development soils in the State under 10 V.S.A. § 6604c. The report shall include:

(1) the number of insignificant waste event approval authorizations issued by the Secretary in the previous two years for the management of development soils;

(2) the number of certified categorical solid waste facilities operating in the State for the management of development soils;

(3) a summary of how the majority of development soils in the State are being managed;

(4) an estimate of the cost to manage development soils, depending on management method; and

(5) any additional information the Secretary determines relevant to the management of development soils in the State.

(b) As used in this section, "development soil" has the same meaning as in 10 V.S.A. § 6602(39).

Sec. 17. 10 V.S.A. § 6641 is amended to read:

§ 6641. BROWNFIELD PROPERTY CLEANUP PROGRAM; CREATION; POWERS

(a) There is created the Brownfield Property Cleanup Program to enable certain interested parties to request the assistance of the Secretary to review and oversee work plans for investigating, abating, removing, remediating, and monitoring a property in exchange for protection from certain liabilities under section 6615 of this title. The Program shall be administered by the Secretary who shall:

* * *

(c) When conducting any review required by this subchapter, the Secretary shall prioritize the review of remediation at a site that contains housing or that is planned for the construction or rehabilitation of single-family or multi-family housing.

Sec. 18. BROWNFIELDS PROCESS IMPROVEMENT; REPORT

On or before November 1, 2025, the Secretary of Natural Resources shall report to the House Committees on Environment and on General and Housing and the Senate Committees on Economic Development, Housing and General Affairs and on Natural Resources and Energy with proposals to make the Program established pursuant to 10 V.S.A. chapter 159, subchapter 3

(brownfields reuse and liability limitation) substantially more efficient. At a minimum, the report shall include both of the following:

(1) A survey of stakeholders in the brownfields program to identify areas that present challenges to the redevelopment of contaminated properties, with a focus on redevelopment for housing. The Secretary shall provide recommendations to resolve these challenges.

(2) An analysis of strengths and weaknesses of implementing a licensed site professional program within the State. The Secretary shall make a recommendation on whether such a program should be implemented. If the Secretary recommends implementation, the report shall include any changes to statute or budget needed to implement this program.

Sec. 19. FISCAL YEAR 2026 ENVIRONMENTAL CONTINGENCY FUND DISBURSEMENT FOR BROWNFIELDS

In fiscal year 2026, the Secretary of Natural Resources is authorized to disburse up to $2,000,000.00 from the Environmental Contingency Fund for the assessment, planning, and cleanup of brownfields sites.

* * * Tax Increment Financing * * *

Sec. 20. 24 V.S.A. chapter 53, subchapter 7 is added to read:

Subchapter 7. Community and Housing Infrastructure Program

§ 1906. DEFINITIONS

As used in this subchapter:

(1) "Affordable housing" has the same meaning as in section § 4303 of this title.

(2) "Affordable housing development" means a housing development of which at least 15 percent of the units are affordable housing units. Affordable units shall be subject to covenants or restrictions that preserve their affordability until all indebtedness for the housing infrastructure project of which the housing development is part has been retired.

(3) "Brownfield" means a property on which the presence or potential presence of a hazardous material, pollutant, or contaminant complicates the expansion, development, redevelopment, or reuse of the property.

(4) "Committed" means pledged and appropriated for the purpose of the current and future payment of financing and related costs.

(5) "Developer" means the person undertaking to construct a housing development.

(6) "Financing" means debt, including principal, interest, and any fees or charges directly related to that debt, incurred by a sponsor, or other instruments or borrowing used by a sponsor, to pay for a housing infrastructure project and, in the case of a sponsor that is a municipality, authorized by the municipality pursuant to section 1910a of this subchapter.

(7) "Housing development" means the construction, rehabilitation, or renovation of any building on a housing development site approved under this subchapter.

(8) "Housing development site" means the parcel or parcels encompassing a housing development as authorized by a municipality pursuant to section 1908 of this subchapter.

(9) "Housing infrastructure agreement" means a legally binding agreement to finance and develop a housing infrastructure project and to construct a housing development among a municipality, a developer, and, if applicable, a third-party sponsor.

(10) "Housing infrastructure project" means one or more improvements authorized by a municipality pursuant to section 1908 of this subchapter.

(11) "Improvements" means:

(A) the installation, construction, or reconstruction of infrastructure that will serve a public good and fulfill the purpose stated in section 1907 of this subchapter; and

(B) the funding of debt service interest payments for a period of up to four years, beginning on the date on which the debt is first incurred.

(12) "Legislative body" means the mayor and alderboard, the city council, the selectboard, and the president and trustees of an incorporated village, as appropriate.

(13) "Lifetime education property tax increment retention" means the total education property tax increment to be retained for a housing infrastructure project across its lifetime.

(14) "Moderate-income housing" means housing for which the total annual cost of renting or ownership, as applicable, does not exceed 30 percent of the gross annual income of a household at 150 percent of the highest of the following:

(A) the county median income, as defined by the U.S. Department of Housing and Urban Development;

(B) the standard metropolitan statistical area median income if the municipality is located in such an area, as defined by the U.S. Department of Housing and Urban Development; or

(C) the statewide median income, as defined by the U.S. Department of Housing and Urban Development.

(15) "Moderate-income housing development" means a housing development of which at least 25 percent of the units are moderate-income housing units. Moderate-income units shall be subject to covenants or restrictions that preserve their affordability until all indebtedness for the housing infrastructure project of which the housing development is part has been retired.

(16) "Municipality" means a city, town, or incorporated village.

(17) "Original taxable value" means the total valuation as determined in accordance with 32 V.S.A. chapter 129 of all taxable real property located within a housing development site as of its creation date, provided that no parcel within the housing development site shall be divided or bisected.

(18) "Related costs" means expenses incurred and paid by a municipality, exclusive of the actual cost of constructing and financing improvements, that are directly related to the creation and implementation of the municipality's housing infrastructure project, including reimbursement of sums previously advanced by the municipality for those purposes. Related costs may include direct municipal expenses such as departmental or personnel costs related to creating or administering the housing infrastructure project to the extent they are paid from the tax increment realized from municipal and not education taxes and using only that portion of the municipal increment above the percentage required for servicing debt as determined in accordance with section 1910c of this subchapter.

(19) "Sponsor" means the person undertaking to finance a housing infrastructure project. Any of a municipality, a developer, or an independent agency that meets State lending standards may serve as a sponsor for a housing infrastructure project.

§ 1907. PURPOSE

The purpose of the Community and Housing Infrastructure Program is to encourage the development of new primary residences for households of low and moderate income across both rural and urban areas of all Vermont counties that would not be created but for the infrastructure improvements funded by the Program.

§ 1908. CREATION OF HOUSING INFRASTRUCTURE PROJECT AND HOUSING DEVELOPMENT SITE

(a) The legislative body of a municipality may create within its jurisdiction a housing infrastructure project, which shall consist of improvements that stimulate the development of housing, and a housing development site, which shall consist of the parcel or parcels on which a housing development is installed or constructed.

(b) To create a housing infrastructure project and housing development site, a municipality, in coordination with stakeholders, shall:

(1) develop a housing development plan, including:

(A) a description of the proposed housing infrastructure project, the proposed housing development, and the proposed housing development site;

(B) identification of a sponsor;

(C) a tax increment financing plan meeting the standards of subsection 1910(h) of this subchapter;

(D) a pro forma projection of expected costs of the proposed housing infrastructure project;

(E) a projection of the tax increment to be generated by the proposed housing development;

(F) a development schedule that includes a list, a cost estimate, and a schedule for the proposed housing infrastructure project and the proposed housing development; and

(G) a determination that the proposed housing development furthers the purpose of section 1907 of this subchapter;

(2) develop a plan describing the housing development site by its boundaries and the properties therein, entitled "Proposed Housing Development Site (municipal name), Vermont";

(3) hold one or more public hearings, after public notice, on the proposed housing infrastructure project, including the plans developed pursuant to this subsection; and

(4) adopt by act of the legislative body of the municipality the plan developed under subdivision (2) of this subsection, which shall be recorded with the municipal clerk and lister or assessor.

(c) The creation of a housing development site shall occur at 12:01 a.m. on April 1 of the calendar year in which the Vermont Economic Progress Council

approves the use of tax increment financing for the housing infrastructure project pursuant to section 1910 of this subchapter.

§ 1909. HOUSING INFRASTRUCTURE AGREEMENT

(a) The housing infrastructure agreement for a housing infrastructure project shall:

(1) clearly identify the sponsor for the housing infrastructure project;

(2) clearly identify the developer and the housing development for the housing development site;

(3) obligate the tax increments retained pursuant to section 1910c of this subchapter for not more than the financing and related costs for the housing infrastructure project;

(4) provide that any housing unit within the housing development be offered exclusively as a primary residence until all indebtedness for the housing infrastructure project of which the housing development is part has been retired, provided that this condition shall be satisfied by biennially providing a landlord certificate or homestead declaration; and

(5) provide for performance assurances to reasonably secure the obligations of all parties under the housing infrastructure agreement.

(b) A municipality shall provide notice of the terms of the housing infrastructure agreement for the municipality's housing infrastructure project to the legal voters of the municipality and shall provide the same information as set forth in subsection 1910a(e) of this subchapter.

§ 1910. HOUSING INFRASTRUCTURE PROJECT APPLICATION; VERMONT ECONOMIC PROGRESS COUNCIL

(a) Application. A municipality, upon approval of its legislative body, may apply to the Vermont Economic Progress Council to use tax increment financing for a housing infrastructure project.

(b) But-for test. The Vermont Economic Progress Council shall review each application other than those for which the housing development is an affordable housing development to determine whether the infrastructure improvements proposed to serve the housing development site and the proposed housing development would not have occurred as proposed in the application or would have occurred in a significantly different and less desirable manner than as proposed in the application but for the proposed utilization of the incremental tax revenues.

(c) Process requirements. The Vermont Economic Progress Council shall review a municipality's housing infrastructure project application to determine whether the municipality has:

(1) created a housing infrastructure project and housing development site pursuant to section 1908 of this subchapter;

(2) executed a housing infrastructure agreement for the housing infrastructure project that adheres to the standards of section 1909 of this subchapter with a developer and, if the municipality is not financing the housing infrastructure project itself, a sponsor; and

(3) approved or pledged to use incremental municipal tax revenues for the housing infrastructure project in the proportion provided for municipal tax revenues in section 1910c of this subchapter.

(d) Project criteria. The Vermont Economic Progress Council shall review a municipality's housing infrastructure project application to determine whether:

(1) at least 60 percent of the floor area of the projected housing development is dedicated to housing; or

(2) the projected housing development meaningfully addresses the purpose of section 1907 of this subchapter.

(e) Affordability criterion. The Vermont Economic Progress Council shall review a municipality's housing infrastructure project application to determine whether the projected housing development is an affordable housing development or a moderate-income housing development for purposes of the increased education property tax increment retention percentage under section 1910c of this subchapter.

(f) Tax increment financing plan. The Vermont Economic Progress Council shall approve a municipality's tax increment financing plan prior to a sponsor's incurrence of debt for the housing infrastructure project, including, if the sponsor is a municipality, prior to a public vote to pledge the credit of the municipality under section 1910a of this subchapter. The tax increment financing plan shall include:

(1) a statement of costs and sources of revenue;

(2) estimates of assessed values within the housing development site;

(3) the portion of those assessed values to be applied to the housing infrastructure project;

(4) the resulting tax increments in each year of the financial plan and the lifetime education property tax increment retention;

(5) the amount of bonded indebtedness or other financing to be incurred;

(6) other sources of financing and anticipated revenues; and

(7) the duration of the financial plan.

(g) Approval. The Vermont Economic Progress Council shall approve or deny an application submitted pursuant to this section not later than 90 days following the site visit conducted as part of the application's review. The Vermont Economic Progress Council shall only approve tax increment financing for applications:

(1) that meet the process requirements, either of the project criteria of this section, and, for an application for which the housing development is not an affordable housing development, the but-for test;

(2) for which the Council has approved the tax increment financing plan; and

(3) that are submitted on or before December 31, 2035.

(h) Limit. The Vermont Economic Progress Council shall not annually approve more than $200,000,000.00 in aggregate lifetime education property tax increment retention.

§ 1910a. INDEBTEDNESS

(a) A municipality approved for tax increment financing under section 1910 of this subchapter may incur indebtedness against revenues of the housing development site at any time during a period of up to five years following the creation of the housing development site. The Vermont Economic Progress Council may extend this debt incursion period by up to three years.

(b) Notwithstanding any provision of any municipal charter, each instance of borrowing by a municipality to finance or otherwise pay for a housing infrastructure project shall occur only after the legal voters of the municipality, by a majority vote of all voters present and voting on the question at a special or annual municipal meeting duly warned for the purpose, authorize the legislative body to pledge the credit of the municipality, borrow, or otherwise secure the debt for the specific purposes so warned.

(c) Any indebtedness incurred under this section may be retired over any period authorized by the legislative body of the municipality.

(d) The housing development site shall continue until the date and hour the indebtedness is retired or, if no debt is incurred, the debt incursion period ends.

(e) A municipal legislative body shall provide information to the public prior to the public vote required under subsection (b) of this section. This information shall include the amount and types of debt and related costs to be incurred, including principal, interest, and fees; terms of the debt; the housing infrastructure project to be financed; the housing development projected to occur because of the housing infrastructure project; and notice to the voters that if the tax increment received by the municipality from any property tax source is insufficient to pay the principal and interest on the debt in any year, the municipality shall remain liable for the full payment of the principal and interest for the term of the indebtedness. If interfund loans within the municipality are used, the information must also include documentation of the terms and conditions of the loan.

(f) If interfund loans within the municipality are used as the method of financing, no interest shall be charged.

(g) The use of a bond anticipation note shall not be considered a first incurrence of debt pursuant to subsection (a) of this section.

§ 1910b. ORIGINAL TAXABLE VALUE; TAX INCREMENT

(a) As of the date the housing development site is created, the lister or assessor for the municipality shall certify the original taxable value and shall certify to the legislative body in each year thereafter during the life of the housing development site the amount by which the total valuation as determined in accordance with 32 V.S.A. chapter 129 of all taxable real property within the housing development site has increased or decreased relative to the original taxable value.

(b) Annually throughout the life of the housing development site, the lister or assessor shall include not more than the original taxable value of the real property in the assessed valuation upon which the treasurer computes the rates of all taxes levied by the municipality and every other taxing district in which the housing development site is situated, but the treasurer shall extend all rates so determined against the entire assessed valuation of real property for that year.

(c) Annually throughout the life of the housing development site, a municipality shall remit not less than the aggregate education property tax due on the original taxable value to the Education Fund.

(d) Annually throughout the life of the housing development site, the municipality shall hold apart, rather than remit to the taxing districts, that proportion of all taxes paid that year on the real property within the housing

development site that the excess valuation bears to the total assessed valuation. The amount held apart each year is the "tax increment" for that year. The tax increment shall only be used for financing and related costs.

(e) Not more than the percentages established pursuant to section 1910c of this subchapter of the municipal and State education tax increments received with respect to the housing development site and committed for the payment for financing for improvements and related costs shall be segregated by the municipality in a special tax increment financing account and in its official books and records until all capital indebtedness incurred for the housing infrastructure project has been fully paid. The final payment shall be reported to the treasurer, who shall thereafter include the entire assessed valuation of the housing development site in the assessed valuations upon which the municipal and other tax rates are computed and extended, and thereafter no taxes from the housing development site shall be deposited in the special tax increment financing account.

(f) Notwithstanding any charter provision or other provision, all property taxes assessed within a housing development site shall be subject to the provisions of this section. Special assessments levied under chapter 76A or 87 of this title or under a municipal charter shall not be considered property taxes for the purpose of this section if the proceeds are used exclusively for operating expenses related to properties within the housing development site and not for improvements within the housing development site.

§ 1910c. USE OF TAX INCREMENT; RETENTION PERIOD

(a) Uses of tax increments. A municipality may apply tax increments retained pursuant to this subchapter to debt incurred within the period permitted under section 1910a of this subchapter, to related costs, and to the direct payment of the cost of a housing infrastructure project. A municipality may provide tax increment to a sponsor only upon receipt of an invoice for payment of the financing, and the sponsor shall confirm to the municipality once the tax increment has been applied to the financing. Any direct payment shall be subject to the same public vote provisions of section 1910a of this subchapter as apply to debt.

(b) Education property tax increment.

(1) For a housing infrastructure project that does not satisfy the affordability criterion of section 1910 of this subchapter, up to 75 percent of the education property tax increment may be retained for up to 20 years, beginning the first year in which debt is incurred for the housing infrastructure project.

(2) For a housing infrastructure project that satisfies the affordability criterion of section 1910 of this subchapter, up to 85 percent of the education property tax increment may be retained for up to 20 years, beginning the first year in which debt is incurred for the housing infrastructure project.

(3) Upon incurring the first debt, a municipality shall notify the Department of Taxes and the Vermont Economic Progress Council of the beginning of the retention period of the education property tax increment.

(c) Municipal property tax increment. Not less than 85 percent of the municipal property tax increment may be retained, beginning the first year in which debt is incurred for the housing infrastructure project.

(d) Excess tax increment.

(1) Of the municipal and education property tax increments received in any tax year that exceed the amounts committed for the payment of the financing and related costs for a housing infrastructure project, equal portions of each increment may be retained for the following purposes:

(A) to prepay principal and interest on the financing;

(B) to place in a special tax increment financing account required pursuant to subsection 1910b(e) of this subchapter and use for future financing payments; or

(C) to use for defeasance of the financing.

(2) Any remaining portion of the excess education property tax increment shall be distributed to the Education Fund. Any remaining portion of the excess municipal property tax increment shall be distributed to the city, town, or village budget in the proportion that each budget bears to the combined total of the budgets unless otherwise negotiated by the city, town, or village.

(e) Adjustment of percentage. During the 10th year following the creation of a housing development site, the municipality shall submit an updated tax increment financing plan to the Vermont Economic Progress Council that shall include adjustments and updates of appropriate data and information sufficient for the Vermont Economic Progress Council to determine, based on tax increment financing debt actually incurred and the history of increment generated during the first 10 years, whether the percentages approved under this section should be continued or adjusted to a lower percentage to be retained for the remaining duration of the retention period and still provide sufficient municipal and education increment to service the remaining debt.

§ 1910d. INFORMATION REPORTING

(a) A municipality with an active housing infrastructure project shall:

(1) develop a system, segregated for the housing infrastructure project, to identify, collect, and maintain all data and information necessary to fulfill the reporting requirements of this section;

(2) provide timely notification to the Department of Taxes and the Vermont Economic Progress Council of any housing infrastructure project debt, public vote, or vote by the municipal legislative body immediately following the debt incurrence or public vote on a form prescribed by the Council, including copies of public notices, agendas, minutes, vote tally, and a copy of the information provided to the public pursuant to subsection 1910a(e) of this subchapter; and

(3) annually on or before February 15, submit on a form prescribed by the Vermont Economic Progress Council an annual report to the Council and the Department of Taxes, including the information required by subdivision (2) of this subsection if not previously submitted, the information required for annual audit under section 1910e of this subchapter, and any information required by the Council or the Department of Taxes for the report required pursuant to subsection (b) of this section.

(b) Annually on or before April 1, the Vermont Economic Progress Council and the Department of Taxes shall submit a report to the Senate Committees on Economic Development, Housing and General Affairs and on Finance and the House Committees on Commerce and Economic Development, on General and Housing, and on Ways and Means that provides the aggregate lifetime education property tax increment retention approved that year, describes common reasons applicants to the Community and Housing Infrastructure Program fail to secure approval for tax increment financing, and includes for each housing infrastructure project approved pursuant to this subchapter the following:

(1) the date of approval;

(2) a description of the housing infrastructure project;

(3) the original taxable value of the housing development site;

(4) the scope and value of projected and actual improvements and developments in the housing development site, including the number of housing units created;

(5) the sale prices for initial offerings of any housing units;

(6) the number and types of housing units for which a permit is being pursued under 10 V.S.A. chapter 151 (State land use and development plans) and, for each applicable housing development, the current stage of the permitting process;

(7) projected and actual incremental revenue amounts;

(8) the allocation of incremental revenue, including the amount allocated to related costs;

(9) projected and actual financing; and

(10) an evaluation of the amount of public funds flowing to private ownership or usage.

(c) On or before January 15, 2035, the Vermont Economic Progress Council shall submit a report to the Senate Committees on Economic Development, Housing and General Affairs and on Finance and the House Committees on Commerce and Economic Development, on General and Housing, and on Ways and Means evaluating the success of the Community and Housing Infrastructure Program in achieving its purpose, as stated in section 1907 of this chapter, including by identifying the amount and kinds of housing produced through the Program and by determining whether housing development pursued through the Program meets the project criteria of section 1910 of this chapter.

§ 1910e. AUDITING

Annually on or before April 1 until the year following the end of the period for retention of education property tax increment, a municipality with a housing infrastructure project approved under this subchapter shall ensure that the special tax increment financing account required by section 1910b of this subchapter is subject to the annual audit prescribed in section 1681 or 1690 of this title and submit a copy to the Vermont Economic Progress Council. If an account is subject only to the audit under section 1681 of this title, the Council shall ensure a process is in place to subject the account to an independent audit. Procedures for the audit must include verification of the original taxable value and annual and total municipal and education property tax increments generated, expenditures for financing and related costs, and current balance.

§ 1910f. RULEMAKING; GUIDANCE

(a) Authority to adopt rules and guidance.

(1) The Vermont Economic Progress Council may adopt rules that are reasonably necessary to implement this subchapter.

(2) The Vermont Economic Progress Council shall issue guidance to implement this subchapter on or before November 15, 2025. Upon issuance, the Vermont Economic Progress Council shall publicly post and submit to the Senate Committees on Economic Development, Housing and General Affairs and on Finance and the House Committees on Commerce and Economic Development, on General and Housing, and on Ways and Means any guidance documents.

(b) Authority to issue decisions.

(1) The Secretary of Commerce and Community Development, after reasonable notice to a municipality and an opportunity for a hearing, may issue decisions to a municipality on questions and inquiries concerning the administration of housing infrastructure projects, statutes, rules, noncompliance with this subchapter, and any instances of noncompliance identified in audit reports conducted pursuant to section 1910e of this subchapter.

(2) The Vermont Economic Progress Council shall prepare recommendations for the Secretary of Commerce and Community Development prior to any decision issued pursuant to subsection (b) of this section. The Council may prepare recommendations in consultation with the Commissioner of Taxes, the Attorney General, and the State Treasurer. In preparing recommendations, the Council shall provide a municipality with a reasonable opportunity to submit written information in support of its position.

(3) The Secretary of Commerce and Community Development shall review the recommendations of the Council and issue a final written decision on each matter within 60 days following receipt of the recommendations. The Secretary may permit an appeal to be taken by any party to a Superior Court for determination of questions of law in the same manner as the Supreme Court may by rule provide for appeals before final judgment from a Superior Court before issuing a final decision.

(c) Remedy for noncompliance. If the Secretary issues a decision under subsection (b) of this section that includes a finding of noncompliance and that noncompliance has resulted in the improper reduction in the amount due the Education Fund, the Secretary, unless and until the Secretary is satisfied that there is no longer any such failure to comply, shall request that the State Treasurer bill the municipality for the total identified underpayment. The amount of the underpayment shall be due from the municipality upon receipt of the bill. If the municipality does not pay the underpayment amount within 60 days, the amount may be withheld from any funds otherwise payable by the State to the municipality or a school district in the municipality or of which the municipality is a member.

(d) Referral; Attorney General. In lieu of or in addition to any action authorized in subsection (c) of this section, the Secretary of Commerce and Community Development or the State Treasurer may refer the matter to the Office of the Attorney General with a recommendation that an appropriate civil action be initiated.

(e) Appeal; hearing officer. A hearing that is held pursuant to this section shall be subject to the provisions of 3 V.S.A. chapter 25 relating to contested cases. The hearing shall be conducted by the Secretary or by a hearing officer appointed by the Secretary. If a hearing is conducted by a hearing officer, the hearing officer shall have all authority to conduct the hearing that is provided for in the applicable contested case provisions of 3 V.S.A. chapter 25, including issuing findings of fact, hearing evidence, and compelling, by subpoena, the attendance and testimony of witnesses.

Sec. 21. 32 V.S.A. § 3325 is amended to read:

§ 3325. VERMONT ECONOMIC PROGRESS COUNCIL

(a) Creation. The Vermont Economic Progress Council is created to exercise the authority and perform the duties assigned to it, including its authority and duties relating to:

(1) the Vermont Employment Growth Incentive Program pursuant to subchapter 2 of this chapter; ~~and~~

(2) tax increment financing districts pursuant to 24 V.S.A. chapter 53, subchapter 5 and section 5404a of this title; and

(3) the Community and Housing Infrastructure Program pursuant to 24 V.S.A. chapter 53, subchapter 7.

(b) Membership.

(1) The Council shall have 11 voting members:

(A) nine residents of the State appointed by the Governor with the advice and consent of the Senate who are knowledgeable and experienced in the subjects of community development and planning, education funding requirements, economic development, State fiscal affairs, property taxation, or entrepreneurial ventures and represent diverse geographical areas of the State and municipalities of various sizes;

(B) one member of the Vermont House of Representatives appointed by the Speaker of the House; and

(C) one member of the Vermont Senate appointed by the Senate Committee on Committees.

(2)(A) The Council shall have two regional members from each region of the State, one appointed by the regional development corporation of the region and one appointed by the regional planning commission of the region.

(B) A regional member shall be a nonvoting member and shall serve during consideration by the Council of an application from ~~his or her~~ the member's region.

(3) Exclusively for purposes of reviewing and approving housing infrastructure project applications under the Community and Housing Infrastructure Program, the Council shall additionally have three nonvoting members:

(A) the Executive Director of the Vermont Housing Finance Agency or designee;

(B) the Executive Director of the Vermont Housing and Conservation Board or designee; and

(C) the Commissioner of Housing and Community Development or designee.

* * *

(g) Decisions not subject to review. A decision of the Council to approve or deny an application under subchapter 2 of this chapter, ~~or~~ to approve or deny a tax increment financing district pursuant to 24 V.S.A. chapter 53, subchapter 5 and section 5404a of this title, or to approve or deny a housing infrastructure project pursuant to 24 V.S.A. chapter 53, subchapter 7 is an administrative decision that is not subject to the contested case hearing requirements under 3 V.S.A. chapter 25 and is not subject to judicial review.

Sec. 22. COMMUNITY AND HOUSING INFRASTRUCTURE PROGRAM; VERMONT ECONOMIC PROGRESS COUNCIL; HOUSING DEVELOMPENT SITE; REPORT

On or before December 15, 2025, the Vermont Economic Progress Council shall report to the Senate Committees on Economic Development, Housing and General Affairs and on Finance and the House Committees on Commerce and Economic Development, on General and Housing, and on Ways and Means on considerations for amending the definition of "housing development site" under 24 V.S.A. §§ 1906 and 1908 to support the Community and Housing Infrastructure Program, including a recommendation on whether to include immediately contiguous parcels in the definition.

* * * Smoke and Carbon Monoxide Alarms * * *

Sec. 23. 9 V.S.A. chapter 77 is amended to read:

CHAPTER 77. SMOKE ~~DETECTORS~~ ALARMS AND CARBON MONOXIDE ~~DETECTORS~~ ALARMS

§ 2881. DEFINITIONS

As used in this chapter:

* * *

(2) "Smoke ~~detector~~ alarm" means a device that detects visible or invisible particles of combustion and sounds a warning alarm, is operated from a power supply within the unit or wired to it from an outside source, and is approved or listed for the purpose by Underwriters Laboratory or by another nationally recognized independent testing laboratory.

(3) "Carbon monoxide ~~detector~~ alarm" means a device with an assembly that incorporates a sensor control component and an alarm notification that detects elevations in carbon monoxide levels and sounds a warning alarm, is operated from a power supply within the unit or wired to it from an outside source, and is approved or listed for the purpose by Underwriters Laboratory or by another nationally recognized independent testing laboratory.

§ 2882. INSTALLATION

(a) A person who constructs a single-family dwelling shall install ~~photoelectric-only-type~~ photoelectric-type or UL 217 compliant smoke ~~detectors~~ alarms in the vicinity of any bedrooms and on each level of the dwelling, and one or more carbon monoxide ~~detectors~~ alarms in the vicinity of any bedrooms in the dwelling in accordance with the manufacturer's instructions. In a dwelling provided with electrical power, ~~detectors~~ alarms shall be powered by the electrical service in the building and by battery.

(b) Any single-family dwelling when transferred by sale or exchange shall contain ~~photoelectric-only-type~~ photoelectric-type or UL 217 compliant smoke ~~detectors~~ alarms in the vicinity of any bedrooms and on each level of the dwelling installed in accordance with the manufacturer's instructions and one or more carbon monoxide ~~detectors~~ alarms installed in accordance with the manufacturer's instructions. A single-family dwelling constructed before January 1, 1994 may contain smoke ~~detectors~~ alarms powered by the electrical service in the building or by battery, or by a combination of both. In a single-family dwelling newly constructed after January 1, 1994 that is provided with electrical power, smoke ~~detectors~~ alarms shall be powered by the electrical service in the building and by battery. In a single-family dwelling newly constructed after July 1, 2005 that is provided with electrical power, carbon

monoxide ~~detectors~~ alarms shall be powered by the electrical service in the building and by battery.

(c) Nothing in this section shall require an owner or occupant of a single-family dwelling to maintain or use a smoke ~~detector~~ alarm or a carbon monoxide ~~detector~~ alarm after installation.

§ 2883. REQUIREMENTS FOR TRANSFER OF DWELLING

(a) The seller of a single-family dwelling, including one constructed for first occupancy, whether the transfer is by sale or exchange, shall certify to the buyer at the closing of the transaction that the dwelling is provided with ~~photoelectric-only-type~~ photoelectric-type or UL 217 compliant smoke ~~detectors~~ alarms and carbon monoxide ~~detectors~~ alarms in accordance with this chapter. This certification shall be signed and dated by the seller.

(b) If the buyer notifies the seller within 10 days by certified mail from the date of conveyance of the dwelling that the dwelling lacks any ~~photoelectric-only-type~~ photoelectric-type or UL 217 compliant smoke ~~detectors~~ alarms, or any carbon monoxide ~~detectors~~ alarms, or that any ~~detector~~ alarm is not operable, the seller shall comply with this chapter within 10 days after notification.

* * *

Sec. 24. 20 V.S.A. § 2731 is amended to read:

§ 2731. RULES; INSPECTIONS; VARIANCES

* * *

(j) ~~Detectors~~ Alarms. Rules adopted under this section shall require that information written, approved, and distributed by the Commissioner on the type, placement, and installation of ~~photoelectric~~ photoelectric-type or UL 217 compliant smoke ~~detectors~~ alarms and carbon monoxide ~~detectors~~ alarms be conspicuously posted in the retail sales area where the ~~detectors~~ alarms are sold.

* * *

* * * Effective Dates * * *

Sec. 25. EFFECTIVE DATES

This act shall take effect on July 1, 2025, except that Sec. 4 (Rental Housing Revolving Loan Program), Sec. 7 (repeal; Act 181 prospective landlord certificate changes), and this section shall take effect on passage.

SEN. ALISON CLARKSON
SEN. KESHA RAM HINSDALE
SEN. CHRISTOPHER P. MATTOS
Committee on the part of the Senate

REP. MARC. B. MIHALY
REP. CHARLES A. KIMBELL
REP. MICHAEL J. MARCOTTE
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.

House Proposal of Amendment to Senate Proposal of Amendment Concurred In

H. 321.

House proposal of amendment to Senate proposal of amendment to House bill entitled:

An act relating to miscellaneous cannabis amendments.

Was taken up.

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

First: By striking out Sec. 4, 7 V.S.A. § 881, in its entirety and inserting in lieu thereof the following:

Sec. 4. [Deleted.]

Second: By striking out Sec. 8, 7 V.S.A. § 901, in its entirety and inserting in lieu thereof the following:

Sec. 8. [Deleted.]

Third: By striking out Sec. 11, 7 V.S.A. § 904c, in its entirety and inserting in lieu thereof the following:

Sec. 11. [Deleted.]

Fourth: By striking out Sec. 12, 7 V.S.A. § 910, in its entirety and inserting in lieu thereof the following:

Sec. 12. [Deleted.]

Fifth: By striking out Secs. 15a and 15b, Cannabis Showcase Event Permit Pilot and report, in their entireties and inserting in lieu thereof the following:

Sec. 15a. [Deleted.]

Sec. 15b. [Deleted.]

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

Consideration Resumed, Senate Resolution Recommitted

S.R. 16.

Senate resolution entitled:

Senate resolution opposing recent federal actions that threaten public health and urging their swift reversal.

Was taken up.

Thereupon, pending the question, Shall the resolution be amended as recommending by Senators Gulick, Lyons, Hart and Douglass? on motion of Senator Gulick, the resolution was recommitted to the Committee on Health and Welfare.

Rules Suspended; Bill Delivered

On motion of Senator Baruth, the rules were suspended, and the following bill was ordered delivered to the Governor forthwith:

S. 127.

Rules Suspended; Bill Messaged

On motion of Senator Baruth, the rules were suspended, and the following bill was ordered messaged to the House forthwith:

H. 321.

Point of Privilege Journalized

During announcements, on a point of personal privilege, Senator Douglass addressed the Chair, and on motion of Senator Westman, his remarks were entered into the Journal.

“I rise today to share a bit of hopeful and heartwarming news, the kind that reminds us, in the midst of our long days in this building, why the work we do matters so deeply to the families of Vermont.

“For those of you who aren't already aware, my wife and I are expecting our first child this coming fall, a boy. For many years we believed we might never have this chance because of significant fertility concerns. But after years of uncertainty and hope, we have been blessed.

“Even though we're months away, we certainly feel his presence, especially my wife, who is very familiar with his kicking. Apparently, he has strong opinions already, maybe he has a future as a Senator, but I'll still love him if hes a House Member.

“I'm grateful. We're celebrating him not only for the joy he's brought, but as a powerful reminder that hope endures, and that sometimes, dreams come

true. An even though he's not here yet, I want him to know that I love him and I'm already proud of him.

"Thank you, Mr President."

Recess

On motion of Senator Baruth the Senate recessed until eight-thirty in the evening.

Called to Order

The Senate was called to order by the President.

Appointments Confirmed; Not on Calendar for Notice

Pending entry on the Calendar for notice, under suspension of the rules, as moved by Senator Collamore, the following Gubernatorial appointments were confirmed together as a group by the Senate, without reports given by the Committees to which they were referred and without debate:

Shippee, Rhonda of Morgan - Member of the Vermont Economic Development Authority - July 1, 2024 to June 30, 2030.

Johnson, William J. of Isle La Motte - Member of the Electricians' Licensing Board - April 15, 2024 to June 30, 2024.

Recess

On motion of Senator Baruth the Senate recessed until ten o'clock in the evening.

Called to Order

The Senate was called to order by the President.

Message from the House No. 80

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

S. 45. An act relating to protection from nuisance suits for agricultural activities.

And has adopted the same on its part.

Rules Suspended; Immediate Consideration; Report of Committee of Conference Accepted and Adopted on the Part of the Senate

S. 45.

Pending entry on the Calendar for notice, on motion of Senator Baruth, the rules were suspended, and the following bill was taken up for immediate consideration:

An act relating to protection from nuisance suits for agricultural activities.

Senator Norris, 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 Senate bill entitled:

An act relating to protection from nuisance suits for agricultural activities.

Respectfully reports that it has met and considered the same and recommends that the Senate accede to the House proposal of amendment with further proposal of amendment in Sec. 1, 12 V.S.A. chapter 195, section 5753, by striking out subsection (c) in its entirety and inserting in lieu thereof a new subsection (c) to read as follows:

(c) The nuisance protection for an agricultural activity provided for under subsection (a) of this section shall not apply if the plaintiff demonstrates one or more of the following:

(1) A nuisance violation results from the negligent operation of an agricultural activity.

(2) The agricultural activity has a substantial adverse effect on health, safety, or welfare based upon objective, documented medical or scientific evidence that the agricultural activity was the proximate cause of the alleged effect.

(3) A reasonable person would find that the agricultural activity was a proximate cause of a noxious and significant interference with the use and enjoyment of the neighboring property.

SEN. ROBERT W. NORRIS
SEN. ROBERT PLUNKETT
SEN. RUSSELL H. INGALLS
Committee on the part of the Senate

REP. DAVID K. DURFEE
REP. MARTIN J. LALONDE
REP. LELAND J. MORGAN
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.

Appointment Confirmed; Not on Calendar for Notice

Pending entry on the Calendar for notice, under suspension of the rules (and particularly, Senate Rule 93), as moved by Senator Collamore, the following Gubernatorial appointment was confirmed by the Senate, without a report given by the Committee to which it was referred and without debate:

Chase, Heather of Chester - Member of the Vermont Economic Progress Council - April 28, 2025 to March 31, 2029.

Rules Suspended; Bill Delivered

On motion of Senator Baruth, the rules were suspended, and the following bill was ordered delivered to the Governor forthwith:

S. 45.

Recess

On motion of Senator Baruth the Senate recessed until eleven o'clock in the evening.

Called to Order

The Senate was called to order by the President.

Senate Concurrent Resolution

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

Offered By Senators Watson, Cummings and Perchlik,

Offered by Reps. Casey and McCann,

S.C.R. 6.

Senate concurrent resolution honoring Montpelier City Manager William J. Fraser for three decades of distinguished municipal public service.

Adjournment

On motion of Senator Baruth, the Senate adjourned until two o'clock in the afternoon on Saturday, May 31, 2025.

SATURDAY, MAY 31, 2025

Pursuant to the Senate Rules, in the absence of the President, the Senate was called to order by the President *pro tempore*.

Devotional Exercises

A moment of silence was observed in lieu of devotions.

Message from the House No. 81

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

S. 51. An act relating to the Vermont unpaid caregiver tax credit.

And has adopted the same on its part.

Message from the House No. 82

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

H. 91. An act relating to the Vermont Homeless Emergency Assistance and Responsive Transition to Housing Program.

And has adopted the same on its part.

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

H. 397. An act relating to miscellaneous amendments to the statutes governing emergency management and flood response.

And has concurred therein.

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

S.C.R. 6. Senate concurrent resolution honoring Montpelier City Manager William J. Fraser for three decades of distinguished municipal public service.

And has adopted the same in concurrence.

Adjournment

No quorum of the Senate having assembled, pursuant to Rule 9 of the Senate Rules, the Senate adjourned until eleven o'clock in the forenoon on Tuesday, June 3, 2025.

TUESDAY, JUNE 3, 2025

Pursuant to Rule 8 of the Senate Rules, in the absence of the President and the President *pro tempore*, the time for convening of the Senate having been set at eleven o'clock in the forenoon, the Senate was called to order by John H. Bloomer, Jr., Secretary of the Senate.

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 Mx. Nigel Hicks-Tibbles, its First Assistant Clerk, as follows:

Mr. President:

I am directed to inform the Senate that:

The Governor has informed the House that on June 2, 2025, he approved and signed bills originating in the House of the following titles:

H. 44. An act relating to miscellaneous amendments to the laws governing impaired driving.

H. 401. An act relating to exemptions for food manufacturing establishments.

H. 488. An act relating to the fiscal year 2026 Transportation Program and miscellaneous changes to laws related to transportation.

H. 505. An act relating to approval of amendments to the charter of the Town of Barre.

Adjournment

No quorum of the Senate having assembled, pursuant to Rule 9 of the Senate Rules, the Senate adjourned until eleven o'clock in the forenoon on Friday, June 6, 2025.

FRIDAY, JUNE 6, 2025

Pursuant to the Senate Rules, in the absence of the President, the Senate was called to order by the President *pro tempore.*

Devotional Exercises

A moment of silence was observed in lieu of devotions.

Adjournment

No quorum of the Senate having assembled, pursuant to Rule 9 of the Senate Rules, the Senate adjourned until eleven o'clock in the forenoon on Monday, June 9, 2025.

MONDAY, JUNE 9, 2025

Pursuant to the Senate Rules, in the absence of the President, the Senate was called to order by the President *pro tempore*.

Devotional Exercises

A moment of silence was observed in lieu of devotions.

Message from the House No. 84

A message was received from the House of Representatives by Mx. Nigel Hicks-Tibbles, its First Assistant Clerk, as follows:

Mr. President:

I am directed to inform the Senate that:

The Governor has informed the House that on June 5, 2025, he approved and signed bills originating in the House of the following titles:

H. 105. An act relating to expanding the Youth Substance Awareness Safety Program.

H. 222. An act relating to civil orders of protection.

H. 231. An act relating to technical corrections to fish and wildlife statutes.

H. 458. An act relating to the Agency of Digital Services.

H. 482. An act relating to Green Mountain Care Board authority to adjust a hospital's reimbursement rates and to appoint a hospital observer.

H. 504. An act relating to approval of amendments to the charter of the City of Rutland.

The Governor has informed the House that on June 5, 2025, he did not approve and allowed to become law without his signature a bill originating in the House of the following title:

H. 1. An act relating to accepting and referring complaints by the State Ethics Commission.

Text of Communication from Governor

The text of the communication from His Excellency, the Governor, setting forth his reasons for refusing to sign and *allowing to become law without his signature* **House Bill No. 1.** is as follows:

"June 5, 2025

The Honorable BetsyAnn Wrask
Clerk of the Vermont House of Representatives
State House
Montpelier, VT 05633

Dear Ms. Wrask:

Pursuant to the Vermont Constitution, I'm allowing H.1, *An act relating to accepting and referring complaints by the State Ethics Commission,* to become law without my signature.

Just last year, in a rare area of consensus in that session, the Legislature agreed to enhance accountability and transparency in State ethics laws, including applying these higher standards to its own branch.

Among the many changes in H.1, it's my belief this bill softens the Legislature's commitment to the statutory State Code of Ethics. I'm concerned about how this change will be viewed by Vermonters, who want their state government to set a high standard for the conduct of its officials and the transparency with which issues are addressed.

Nevertheless, considering the balance of the bill and remaining ethical requirements, it does not rise to the level of a veto.

For these reasons, I'm allowing H.1 to become law without my signature and urge the Legislature to take another look at this in the next session. In the meantime, the Executive Branch will continue to adhere to the standards applied to it by both our laws, as well as the self-imposed higher standards of my executive order on this matter.

Sincerely,

/s/Philip B. Scott
Governor

PBS/kp"

Adjournment

No quorum of the Senate having assembled, pursuant to Rule 9 of the Senate Rules, the Senate adjourned until eleven o'clock in the forenoon on Wednesday, June 11, 2025.

WEDNESDAY, JUNE 11, 2025

Pursuant to the Senate Rules, in the absence of the President, the Senate was called to order by the President *pro tempore*.

Devotional Exercises

A moment of silence was observed in lieu of devotions.

Message from the Governor

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

Mr. President:

I am directed by the Governor to inform the Senate that on the ninth day of June, 2025 he approved and signed bills originating in the Senate of the following titles:

S. 53. An act relating to certification of community-based perinatal doulas and Medicaid coverage for doula services.

S. 59. An act relating to amendments to Vermont's Open Meeting Law.

Message from the Governor

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

Mr. President:

I am directed by the Governor to inform the Senate that on the ninth day of June, 2025 he returned without signature and *vetoed* a bill originating in the Senate of the following title:

S. 125. An act relating to collective bargaining.

Text of Communication from Governor

The text of the communication to the Senate from His Excellency, the Governor, whereby he vetoed and returned unsigned **Senate Bill No. 125** to the Senate is as follows:

"June 9, 2025

The Honorable John Bloomer
Secretary of the Senate
State House
Montpelier, VT 05633

Dear Mr. Bloomer:

Pursuant to Chapter II, Section 11 of the Vermont Constitution, I am returning S.125, *An act relating to collective bargaining,* without my signature because of my objections described herein:

This bill would effectively unionize a group of Judiciary employees with a simple definitional change. I'm concerned that despite unions testifying this was a priority for their organization, employees who would be impacted by this bill were not consulted or asked to testify.

The Judiciary has advised this change could have a negative impact on the effective management of courthouses and fear a workplace marked by divisiveness and angst were this bill to pass. At a time when our court system is managing a significant backlog, we should be focusing on improving efficiencies within the system.

Further, this bill seeks to bolster existing unions by significantly increasing the voting threshold for union decertification. This means it will be much more difficult for employees who do not feel well represented to consider their alternatives.

I support collective bargaining, but I believe employees should have choices for which union they belong to. This bill seeks to make it harder for employees, if they choose, to seek union representation from other organizations. I believe the threshold to trigger a vote for certification should be the same as decertification.

Our employees should be heard and respected and for this reason I cannot allow this bill to go into law.

Sincerely,

/s/Philip B. Scott
Governor"

PBS/kp"

Adjournment

No quorum of the Senate having assembled, pursuant to Rule 9 of the Senate, the Senate adjourned until eleven o'clock in the forenoon on Friday, June 13, 2025.

FRIDAY, JUNE 13, 2025

Pursuant to Rule 8 of the Senate Rules, in the absence of the President and the President *pro tempore*, the time for convening of the Senate having been set at eleven o'clock in the forenoon, the Senate was called to order by John H. Bloomer, Jr., Secretary of the Senate.

Devotional Exercises

A moment of silence was observed in lieu of devotions.

Message from the House No. 85

A message was received from the House of Representatives by Mx. Nigel Hicks-Tibbles, its First Assistant Clerk, as follows:

Mr. President:

I am directed to inform the Senate that:

The Governor has informed the House that on June 11, 2025, he approved and signed bills originating in the House of the following titles:

H. 106. An act relating to selling real property within a FEMA mapped flood hazard area.

H. 209. An act relating to intranasal epinephrine in schools.

H. 238. An act relating to the phaseout of consumer products containing added perfluoroalkyl and polyfluoroalkyl substances.

H. 266. An act relating to the 340B prescription drug pricing program.

H. 321. An act relating to miscellaneous cannabis amendments.

H. 397. An act relating to miscellaneous amendments to the statutes governing emergency management and flood response.

H. 472. An act relating to professions and occupations regulated by the Office of Professional Regulation.

H. 484. An act relating to miscellaneous agricultural subjects.

The Governor has informed the House that on June 11, 2025, he returned without signature and vetoed a bill originating in the House of the following title:

H. 91. An act relating to the Vermont Homeless Emergency Assistance and Responsive Transition to Housing Program.

Text of Communication from Governor

The text of the communication from His Excellency, the Governor, whereby he vetoed and returned unsigned **House Bill No. 91** to the House is as follows:

"June 11, 2025

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 H.91, *An act relating to the Vermont Homeless Emergency Assistance and Responsive Transition to Housing Program,* without my signature.

For quite some time I've talked about the need to put an end to the pandemic-era "hotel/motel" program. We are the only state in the region that continues to operate an emergency housing program at this scale and unfortunately, H.91 does not adequately reduce the size or cost of the program. In fact, this bill proposes we spend millions of dollars more than the $45 million used last year (for comparison, in 2019 we appropriated $5 million).

It's also important to point out that since the expansion of the program, 135 individuals sheltering in hotels and motels have died. It's my belief many of these deaths may have been prevented had there been more accountability and better engagement.

Rather than continuing to fund a program that isn't good for those in it, I believe we should focus on real solutions like building additional shelter capacity and requirements to engage in work, training, and treatment for those who need it. That way, those who are experiencing homelessness are more likely to get back on their feet and into permanent housing. H.91 does not adequately address how this would be accomplished.

It's my hope the Legislature and community stakeholders will work with the Agency of Human Services to transform the hotel/motel program into one that delivers value for Vermont taxpayers, those in the program, the community-based organizations providing shelters and services, and communities that have been unfairly burdened by this failed program.

Sincerely,

/s/Philip B. Scott
Governor

PBS/kp"

Message from the Governor

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

Mr. President:

I am directed by the Governor to inform the Senate that on the twelfth day of June, 2025 he approved and signed bills originating in the Senate of the following titles:

S. 12. An act relating to sealing criminal history records.

S. 45. An act relating to protection from nuisance suits for agricultural activities.

S. 63. An act relating to modifying the regulatory duties of the Green Mountain Care Board.

S. 69. An act relating to an age-appropriate design code.

S. 109. An act relating to miscellaneous judiciary procedures.

S. 122. An act relating to economic and workforce development.

S. 123. An act relating to miscellaneous changes to laws related to motor vehicles.

S. 124. An act relating to miscellaneous agricultural subjects.

S. 126. An act relating to health care payment and delivery system reform.

S. 127. An act relating to housing and housing development.

Adjournment

No quorum of the Senate having assembled, pursuant to Rule 9 of the Senate, the Senate adjourned until ten o'clock in the forenoon on Monday, June 16, 2025.

MONDAY, JUNE 16, 2025

In the absence of the President (who was Acting Governor in the absence of the Governor), the Senate was called to order by the President *pro tempore.*

Recess

The Chair declared a recess until 10:30 a.m.

Called to Order

The Senate was called to order by the President *pro tempore.*

Devotional Exercises

A moment of silence was observed in lieu of devotions.

Pledge of Allegiance

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

Proposals of Amendment; Third Reading Ordered; Rules Suspended; All Remaining Stages of Passage; Bill Passed in Concurrence with Proposal of Amendment; Rules Suspended; Bill Messaged

H. 474.

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

An act relating to miscellaneous changes to election law.

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

Sec. 1. [Deleted.]

Sec. 2. [Deleted.]

Sec. 3. [Deleted.]

* * * One-Bite Candidacy * * *

Sec. 4. 17 V.S.A. § 2381 is amended to read:

§ 2381. APPLICABILITY OF SUBCHAPTER

* * *

(c) In no event shall a candidate who loses a major party primary be nominated to appear on the general election ballot pursuant to this subchapter by a committee of any party other than the party for which the candidate appeared on the primary ballot.

Sec. 5. 17 V.S.A. § 2401 is amended to read:

§ 2401. APPLICABILITY OF SUBCHAPTER

(a) A person may be nominated and have ~~his or her~~ the person's name printed on the general election ballot for any office by filing a consent similar in form to the consent prescribed by section 2361 of this title and a statement of nomination with the Secretary of State. In the case of a nomination for justice of the peace, the consent form and statement of nomination shall be filed with the town clerk.

(b) A candidate who loses a major party primary for any office shall not appear on the general election ballot as an independent candidate for the same office for which the candidate lost in the primary election.

Sec. 6. [Deleted.]

* * * Miscellaneous Changes to Electronic Ballot Delivery Law * * *

Sec. 7. 17 V.S.A. § 2539 is amended to read:

§ 2539. DELIVERY OF EARLY VOTER ABSENTEE BALLOTS

* * *

(c) Military or overseas voters.

(1) Early voter absentee ballots for military or overseas voters shall be sent air mail, first class, postpaid when such service is available, or they may be electronically delivered when requested by the voter.

(2)(A) The town clerk's office shall be open on the 46th day before any election that includes a federal office and the town clerk shall send on or before that day all absentee ballots to any military or overseas voter who requested an early voter absentee ballot on or before that day.

(B) On that day the town clerk shall complete any reporting requirements and any other responsibilities regarding the mailing of early voter absentee ballots to military or overseas voters, as directed by the Secretary of State.

(3) As used in this section, "overseas voters" means a person who was last domiciled in Vermont before leaving the United States and now resides outside the United States.

(d) Voters who participate in the Secretary of State's Address Confidentiality Program. In the case of persons who participate in the address confidentiality program administered by the Secretary of State set forth in 15 V.S.A. § 1152, if the voter or authorized person requests in the application or otherwise that early voter absentee ballots be mailed or electronically delivered, the town clerk shall mail or electronically deliver the ballots.

Sec. 8. [Deleted.]

* * * Write-in Candidate Registration and Minimum Thresholds in Primary Elections * * *

Sec. 9. 17 V.S.A. § 2370 is amended to read:

§ 2370. WRITE-IN CANDIDATES

(a)(1) In order to have votes listed for a write-in candidate under section 2587 of this title, not later than 5:00 p.m. on the Thursday preceding the primary election, a write-in candidate for the General Assembly, any State office, or any federal office shall complete a form of the Secretary of State's design affirming that the candidate wants to have received votes listed under subdivision 2587(e)(3) of this title. The candidate shall file the form with either all town clerks within the candidate's applicable district or the Secretary of State's office in an electronic manner approved by the Secretary. The Secretary of State shall notify the appropriate town clerks of any filings made in accordance with this subsection as soon as practicable.

(2) Notwithstanding subdivision (1) of this subsection, a write-in candidate is not required to file if:

(A) the candidate has already filed a consent to the printing of the candidate's name on the ballot for a major political party, as provided in section 2361, 2385, or 2402 of this title; or

(B) no candidate is printed on the ballot, or if a candidate whose name is printed on the ballot dies or is otherwise disqualified prior to 7:00 p.m. on the election day.

(b) A write-in candidate shall not qualify as a primary winner unless ~~he or she~~ the candidate receives ~~at least one-half~~ the same number of votes as the number of signatures required for ~~his or her~~ the candidate's office on a primary petition, except that if a write-in candidate receives more votes than a candidate whose name is printed on the ballot, ~~he or she may~~ the write-in candidate shall qualify as a primary winner.

~~(b)~~(c) ~~The~~ Before becoming the party's candidate in the general election, the write-in candidate who qualifies as a primary winner under this section must:

(1) still be determined a winner under section 2369 of this chapter ~~before he or she becomes the party's candidate in the general election~~; and

(2) file a consent similar in form to the consent prescribed by sections 2361, 2385, and 2402 of this title with the Secretary of State.

Sec. 10. 17 V.S.A. § 2472 is amended to read:

§ 2472. CONTENTS

* * *

(b)(1) Each office to be voted upon shall be separately indicated and preceded by the word "For," as: "For United States Senator." Beneath the office to be voted upon shall appear the instructions: "Vote for not more than (the number of candidates to be elected)."

* * *

(5)(A) In order to have votes listed for a write-in candidate under section 2587 of this title, not later than 5:00 p.m. on the Thursday preceding the election, a write-in candidate for the General Assembly, any State office, or any federal office shall complete a form of the Secretary of State's design affirming that the candidate wants to have received votes listed under subdivision 2587(e)(3) of this title. The candidate shall file the form with either all town clerks within the candidate's applicable district or the Secretary of State's office in an electronic manner approved by the Secretary. The Secretary of State shall notify the appropriate town clerks of any filings made in accordance with this subsection (b) as soon as practicable.

(B) Notwithstanding subdivision (A) of this subdivision (b)(5), a write-in candidate is not required to file if:

(i) the candidate has already filed a consent to the printing of the candidate's name on the ballot for a major political party, as provided in section 2361, 2385, or 2402 of this title; or

(ii) no candidate is printed on the ballot, or if a candidate whose name is printed on the ballot dies or is otherwise disqualified prior to 7:00 p.m. on the election day.

* * *

Sec. 11. 17 V.S.A. § 2587 is amended to read:

§ 2587. RULES FOR COUNTING VOTES

* * *

(e)(1) In the case of "write-in" votes, the act of writing in the name of a candidate~~,~~ or pasting a label containing a candidate's name upon the ballot, without other indications of the voter's intent, shall constitute a vote for that candidate, even though the voter did not fill in the square or oval after the name.

(2) The election officials counting ballots and tallying results shall ~~list every person who receives a "write-in" vote and the number of votes received.~~:

(A) count write-in votes:

(i) for candidates who have filed in compliance with section 2370, 2472, or 2702 of this title or who have filed a consent to the printing of the candidate's name on the ballot for a major political party, as provided in section 2361, 2385, or 2402 of this title; or

(ii) for all candidates if no candidate is printed on the ballot, or if a candidate whose name is printed on the ballot dies or is otherwise disqualified prior to 7:00 p.m. on election day;

(B) ~~On each tally sheet, the counters shall~~ add together the names of candidates counted under subdivision (A) of this subdivision (e)(2) that are clearly the same person, even though a nickname or last name is used~~.~~; and

~~(B) Names of fictitious or deceased persons shall not be listed and shall be recorded on the tally sheet as a blank vote.~~

(C) record the name and vote totals on the tally sheet only of a write-in candidate having votes counted pursuant to subdivision (A) of this subdivision (e)(2) and list those candidates individually, and record all other write-in votes on the tally sheet as in aggregate as "other write-ins."

(3) Notwithstanding any contrary provisions in subdivision (2)(A) of this subsection, if the number of "other write-ins" for the same nomination or office equals or exceeds the number of votes cast for any candidate for the same nomination or office who appears to have been nominated or elected, election officials shall record the name and vote totals on the tally sheet for all candidates for that nomination or office. If this result occurs in a multiple-municipality district, but one or more municipalities did not record the name and vote totals for all candidates, the Secretary of State, on the day after the election, shall order the town clerk to reconvene the board of civil authority. In the presence of at least two other election officials who are not members of the same political party, the clerk shall open the ballot containers, list all write-ins for this nomination or office individually, and record write-in votes for all candidates. The clerk shall then place the entire contents in containers, affix new seals, and transmit the new seal numbers.

* * *

Sec. 12. 17 V.S.A. § 2702 is amended to read:

§ 2702. NOMINATING PETITION

(a) The name of any person shall be printed upon the primary ballot as a candidate for nomination by any major political party if petitions signed by at least 1,000 voters in accordance with sections 2353, 2354, and 2358 of this title are filed with the Secretary of State, together with the written consent of the person to the printing of the person's name on the ballot.

(b) Petitions shall be filed not later than 5:00 p.m. on the 15th day of December preceding the primary election.

(c) The petition shall be in a form prescribed by the Secretary of State.

(d) A person's name shall not be listed as a candidate on the primary ballot of more than one party in the same election.

(e) Each petition shall be accompanied by a filing fee of $2,000.00 to be paid to the Secretary of State. However, if the petition of a candidate is accompanied by the affidavit of the candidate, which shall be available for public inspection, that the candidate and the candidate's campaign committee are without sufficient funds to pay the filing fee, the Secretary of State shall waive all but $300.00 of the payment of the filing fee by that candidate.

(f)(1) In order to have votes listed for a write-in candidate under section 2587 of this title, not later than 5:00 p.m. on the Thursday preceding the election, a write-in candidate for nomination shall complete a form of the Secretary of State's design affirming that the candidate wants to have received votes for that office in every major political party's primary results listed under subdivision 2587(e)(3) of this title. The candidate shall file the form with either all town clerks within the candidate's applicable district or the Secretary of State's office in an electronic manner approved by the Secretary. The Secretary of State shall notify the appropriate town clerks of any filings made in accordance with this subsection as soon as practicable.

(2) Notwithstanding subdivision (1) of this subsection, a write-in candidate is not required to file if:

(A) the candidate has already filed a consent to the printing of the candidate's name on the ballot for a major political party, as provided in section 2361, 2385, or 2402 of this title; or

(B) no candidate is printed on the ballot, or if a candidate whose name is printed on the ballot dies or is otherwise disqualified prior to 7:00 p.m. on the election day.

* * * Campaign Finance; Reporting Thresholds * * *

Sec. 13. 17 V.S.A. § 2921 is amended to read:

§ 2921. ~~CANDIDATES;~~ REGISTRATION; ~~CHECKING ACCOUNT; TREASURER~~ CANDIDATES

(a)(1) Each candidate who ~~has made expenditures or accepted contributions of $500.00 or more in an election cycle~~ files a consent to the printing of the candidate's name on the ballot, as provided in section 2361, 2370, 2385, or 2402 of this title, shall register with the Secretary of State ~~within 10 days of~~

~~reaching the $500.00 threshold or on the date that the next report is required of the candidate under this chapter, whichever occurs first,~~ prior to filing the consent stating ~~his or her~~ the candidate's full name and address~~;~~, the office the candidate is seeking~~;~~ ~~the name and address of the bank in which the candidate maintains his or her campaign checking account;~~ and the name and address of the treasurer responsible for maintaining the checking account. A candidate's treasurer may be the candidate or ~~his or her~~ the candidate's spouse.

(2) A candidate's consent, subsequently filed in accordance with section 2361, 2385, or 2402 of this title, shall state the candidate's name the same as it appears on this registration.

(3) Each candidate who makes an expenditure shall file with the Secretary of State, at the time of making the first expenditure, the name and address of the bank in which the candidate maintains the campaign checking account.

* * *

Sec. 14. 17 V.S.A. § 2922 is amended to read:

§ 2922. REGISTRATION; POLITICAL COMMITTEES; ~~REGISTRATION; CHECKING ACCOUNT; TREASURER~~ INDEPENDENT EXPENDITURE-ONLY POLITICAL COMMITTEES

(a)(1) Each political committee or independent expenditure-only political committee shall register with the Secretary of State within 10 days ~~of~~ after making expenditures of ~~$1,000.00~~ $500.00 or more ~~and~~ or accepting contributions of ~~$1,000.00~~ $500.00 or more, stating its full name and address~~;~~. Committees that are not self-funded individuals shall also state the name and address of the bank in which it maintains its campaign checking account; and the name and address of the treasurer responsible for maintaining the checking account.

* * *

(b) All expenditures by a political committee or an independent expenditure-only political committee shall be paid by either a credit card or a debit card, check, or other electronic transfer from the single campaign checking account in the bank designated by the ~~political~~ committee under subsection (a) of this section, or, if under $250.00, the ~~political~~ committee may make the expenditure from cash from that campaign checking account if accompanied by a receipt, a copy of which shall be maintained by the ~~political~~ committee for at least two years from the end of the two-year general election cycle in which the expenditure was made. A self-funded individual need not utilize a campaign checking account, but shall otherwise comply with this section. Nothing in this subsection shall be construed to prohibit the payment

of fees required to be made from a separately held online account designated solely to collect campaign contributions made to the ~~political~~ committee.

(c) A political committee or an independent expenditure-only political committee whose principal place of business or whose treasurer is not located in this State shall file a statement with the Secretary of State designating a person who resides in this State upon whom may be served any process, notice, or demand required or permitted by law to be served upon the ~~political~~ committee. This statement shall be filed at the same time as the registration required in subsection (a) of this section.

Sec. 15. 17 V.S.A. § 2964 is amended to read:

§ 2964. CAMPAIGN REPORTS; CANDIDATES FOR STATE OFFICE, THE GENERAL ASSEMBLY, AND COUNTY OFFICE; POLITICAL COMMITTEES; INDEPENDENT EXPENDITURE-ONLY POLITICAL COMMITTEES; POLITICAL PARTIES

(a)(1) Each candidate for State office, the General Assembly, or a two-year-term county office who has rolled over any amount of surplus into ~~his or her~~ the candidate's new campaign or who has made expenditures or accepted contributions of $500.00 or more during the two-year general election cycle and, except as provided in subsection (b) of this section, each political committee and independent expenditure-only political committee that has not filed a final report pursuant to subsection 2965(b) of this chapter, and each political party required to register under section 2923 of this chapter shall file with the Secretary of State campaign finance reports as follows:

(A) in the first year of the two-year general election cycle, on July 1; and

(B) in the second year of the two-year general election cycle:

(i) on March 15;

(ii) on July 1 and August 1;

(iii) on September 1;

(iv) on October 1, October 15, and the Friday before the general election; and

(v) two weeks after the general election.

(2) Each candidate for a four-year-term county office who has rolled over any amount of surplus into ~~his or her~~ the candidate's new campaign or who has made expenditures or accepted contributions of $500.00 or more during the four-year general election cycle shall file with the Secretary of State campaign finance reports as follows:

(A) in the first three years of the four-year general election cycle, on July 1; and

(B) in the fourth year of the four-year general election cycle:

(i) on March 15;

(ii) on July 1 and August 1;

(iii) on September 1;

(iv) on October 1, October 15, and the Friday before the general election; and

(v) two weeks after the general election.

(b)(1) A political committee, independent expenditure-only political committee, or a political party that has accepted contributions or made expenditures of ~~$1,000.00~~ $500.00 or more during the local election cycle for the purpose of influencing a local election or supporting or opposing one or more candidates in a local election shall file with the Secretary of State campaign finance reports regarding that local election 30 days before, 10 days before, and two weeks after the local election.

* * *

(c) ~~The failure of a candidate, political committee, or political party to file a report under this section shall be deemed an affirmative statement that a report is not required of the candidate, political committee, or political party under this section~~ A candidate, political committee, independent expenditure-only committee, or political party that is not otherwise required to file a report pursuant to this section shall file with the Secretary of State a report and affirmative statement that the candidate, political committee, independent expenditure-only committee, or political party has not either rolled over any amount of surplus into a new campaign or made expenditures or accepted contributions in the amounts specified in this section.

Sec. 16. REPEAL

17 V.S.A. § 2966 (reports by candidates not reaching monetary reporting threshold) is repealed.

Sec. 17. 17 V.S.A. § 2970 is amended to read:

§ 2970. CAMPAIGN REPORTS; ~~OTHER ENTITIES;~~ PUBLIC QUESTIONS

(a) Any formal or informal political action committee ~~of two or more individuals or a corporation, labor organization, public interest group, or other entity, not including a political party,~~ or independent expenditure-only political

committee that makes expenditures of ~~$1,000.00~~ $500.00 or more during the election cycle for the purpose of advocating a position on a public question or influencing an election in any election shall file a report of its expenditures 30 days before, 10 days before, and two weeks after the election with the Secretary of State.

* * *

* * * Campaign Finance; Independent Expenditure-Only Political Committees * * *

Sec. 17a. 17 V.S.A. § 2901 is amended to read:

§ 2901. DEFINITIONS

As used in this chapter:

* * *

(10) "Independent expenditure-only political committee" means ~~a political committee that~~ any one or more individuals, or any corporation, labor organization, public interest group, or other entity, excluding a political party, that accepts contributions or makes expenditures in any amounts within any two-year general election cycle for the purpose of supporting or opposing candidates, influencing an election, or advocating for or against a public question; conducts its activities entirely independent of candidates; does not give contributions to candidates, political committees, or political parties; does not make related expenditures; and is not closely related to a political party or to a political committee that makes contributions to candidates or makes related expenditures. "Independent expenditure-only political committee" includes any "self-funded individual," meaning an individual who receives no contributions from any other source for the purpose of supporting or opposing candidates, influencing an election, or advocating for or against a public question.

* * *

(13) "Political committee" or "political action committee" means any formal or informal committee of ~~two~~ one or more individuals or a corporation, labor organization, public interest group, or other entity, not including a political party, that accepts contributions ~~of $1,000.00~~ or ~~more and~~ makes expenditures ~~of $1,000.00 or more~~ in any amounts in any two-year general election cycle for the purpose of supporting or opposing one or more candidates, influencing an election, or advocating a position on a public question in any election, and includes ~~an independent expenditure-only political committee and~~ a legislative leadership political committee.

* * *

Sec. 17b. 17 V.S.A. § 2925 is amended to read:

§ 2925. POLITICAL COMMITTEES; SURPLUS CAMPAIGN FUNDS

(a) A member of a political committee or an independent expenditure-only political committee that has surplus funds after all campaign debts have been paid shall not convert the surplus to personal use.

* * *

Sec. 17c. 17 V.S.A. § 2945 is amended to read:

§ 2945. ACCEPTING CONTRIBUTIONS

(a) A candidate, political committee, independent expenditure-only political committee, or political party accepts a contribution when the contribution is deposited in the candidate's, committee's, or party's campaign account or five business days after the candidate, committee, or party receives it, whichever comes first.

(b) A candidate, political committee, independent expenditure-only political committee, or political party shall not accept a monetary contribution in excess of $100.00 unless made by check, credit or debit card, or other electronic transfer.

Sec. 17d. 17 V.S.A. § 2962 is amended to read:

§ 2962. REPORTS; GENERAL PROVISIONS

(a) Any report required to be submitted to the Secretary of State under this chapter shall contain the statement "I hereby certify that the information provided on all pages of this campaign finance disclosure report is true to the best of my knowledge, information, and belief" and places for the signature of the candidate or the treasurer of the candidate, political committee, independent expenditure-only political committee, or political party.

* * *

Sec. 17e. 17 V.S.A. § 2965 is amended to read:

§ 2965. FINAL REPORTS; ~~CANDIDATES FOR STATE OFFICE, THE GENERAL ASSEMBLY, AND COUNTY OFFICE; POLITICAL COMMITTEES; POLITICAL PARTIES;~~ END-OF-CYCLE REPORTS ~~FOR POLITICAL COMMITTEES AND POLITICAL PARTIES~~

* * *

(b)(1) At any time, but not later than December 15 following the general election, each political committee, independent expenditure-only political

committee, or political party that has not filed a final report as set forth in subdivision (2) of this subsection shall file an end-of-cycle report that lists a complete accounting of all contributions and expenditures since the last report.

(2) At any time, a political committee, independent expenditure-only political committee, or a political party may file a "final report" that lists a complete accounting of all contributions and expenditures since the last report and liquidation of surplus and that shall constitute the termination of its campaign activities.

Sec. 17f. 17 V.S.A. § 2972 is amended to read:

§ 2972. IDENTIFICATION IN ELECTIONEERING COMMUNICATIONS

(a) An electioneering communication shall contain the name and mailing address of the person, candidate, political committee, independent expenditure-only political committee, or political party that paid for the communication. The name and address shall appear prominently and in a manner such that a reasonable person would clearly understand by whom the expenditure has been made, except that:

(1) An audio electioneering communication paid for by a candidate does not need to contain the candidate's address.

(2) An electioneering communication paid for by a person acting as an agent or consultant on behalf of another person, candidate, political committee, independent expenditure-only political committee, or political party shall clearly designate the name and mailing address of the person, candidate, political committee, independent expenditure-only political committee, or political party on whose behalf the communication is published or broadcast.

* * *

(c)(1) In addition to the identification requirements in subsections (a) and (b) of this section, an electioneering communication paid for by or on behalf of a political committee, independent expenditure-only political committee, or political party shall contain the name of any contributor who contributed more than 25 percent of all contributions and more than $2,000.00 to that committee or party since the beginning of the two-year general election cycle in which the electioneering communication was made to the date on which the expenditure for the electioneering communication was made.

(2) For the purposes of this subsection, a ~~political~~ committee or political party shall be treated as having made an expenditure if the committee or party or person acting on behalf of the committee or party has executed a contract to make the expenditure.

* * *

Sec. 17g. 17 V.S.A. § 2973 is amended to read:

§ 2973. SPECIFIC IDENTIFICATION REQUIREMENTS FOR RADIO, TELEVISION, OR INTERNET COMMUNICATIONS

(a) In addition to the identification requirements set forth in section 2972 of this subchapter, a person, candidate, political committee, independent expenditure-only political committee, or political party that makes an expenditure for an electioneering communication shall include in any communication that is transmitted through radio, television, or online video, in a clearly spoken manner, an audio statement of the name and title of the person who paid for the communication and that the person paid for the communication.

(b) If the person who paid for the communication is not an individual, the audio statement required by this section shall include the name of that person and the name and title of the treasurer in the case of a political committee, independent expenditure-only political committee, or political party or the principal officer in the case of any other person that is not an individual.

* * * Audits of Voter Checklists and District Boundaries * * *

Sec. 18. AUDITS OF VOTER CHECKLISTS AND DISTRICT BOUNDARIES

(a) On or before September 15, 2025, local boards of civil authority and town clerks whose municipal boundaries are divided for the purpose of Representative districts and Senatorial districts shall audit their voter checklists to ensure that those checklists accurately correspond to the prescribed district boundaries.

(b) On or before October 1, 2025, each town clerk described in subsection (a) of this section shall provide a written summary of the audit to the Elections Division of the Secretary of State's office.

(c) On or before November 15, 2025, the Secretary shall submit a written report to the House Committee on Government Operations and Military Affairs and the Senate Committee on Government Operations with the findings of the audits.

(d) Within two weeks after passage of this act, the Elections Division of the Secretary of State's office shall notify each town clerk and board of civil authority described in subsection (a) of this section that they must perform the audits.

(e) The Elections Division of the Secretary of State's office shall provide support and training to each town clerk and board of civil authority described in subsection (a) of this section.

* * * Deadline Modifications and Miscellaneous Clarifications * * *

Sec. 20. 17 V.S.A. § 1971 is amended to read:

§ 1971. CASTING MORE THAN ONE BALLOT

A legal voter who knowingly ~~casts more than one ballot at any one time of balloting~~ votes more than once in any election held in this State, or who votes in both this State and another state or territory in the same or equivalent election for the same office shall be fined not more than $1,000.00 if the offense is committed at a primary or general election, and not more than $100.00 if committed at a local election.

Sec. 21. REPEAL

17 V.S.A. § 1973 (voting in more than one place) is repealed.

Sec. 22. 17 V.S.A. § 2103 is amended to read:

§ 2103. DEFINITIONS

As used in this title, unless the context or a specific definition requires a different reading:

* * *

(6) "Campaign" means any organized or coordinated activity undertaken by ~~two~~ one or more persons, any part of which is designed to influence the nomination, election, or defeat of any candidate or the passage, defeat, or modification of any public question.

* * *

Sec. 23. 17 V.S.A. § 2358 is amended to read:

§ 2358. EXAMINING PETITIONS; SUPPLEMENTARY PETITIONS

* * *

(b) If found not to conform, ~~he or she~~ the officer shall state in writing on a particular petition why it cannot be accepted, and within ~~72 hours~~ two business days from receipt, ~~he or she~~ the officer shall return it to the candidate in whose behalf it was filed. In such case, supplementary petitions may be filed not later than 10 days after the date for filing petitions. However, supplementary petitions shall not be accepted if petitions with signatures of different persons totaling at least the required number were not received by the filing deadline.

* * *

Sec. 24. [Deleted.]

Sec. 25. 17 V.S.A. § 2413 is amended to read:

§ 2413. NOMINATION OF JUSTICES OF THE PEACE

(a)(1) The party members in each town, on or before the third Monday in July before each primary election, upon the call of the town committee, may meet in caucus and nominate candidates for justice of the peace.

* * *

(e) For any nomination made under this section, the chair and secretary of the committee or caucus shall file the statement required by section 2385 of this title by 5:00 p.m. on the ~~third day following~~ fourth Monday in July before the primary election.

Sec. 26. 17 V.S.A. § 2402 is amended to read:

§ 2402. REQUISITES OF STATEMENT

* * *

(d)(1) A statement of nomination and a completed and signed consent form shall be filed:

* * *

(B) in the case of nomination for justice of the peace, not earlier than the fourth Monday in April and not later than 5:00 p.m. on the third ~~day following the~~ Monday in July before each primary election; or

* * *

Sec. 27. 17 V.S.A. § 2546 is amended to read:

§ 2546. RECEIPT OF BALLOTS BY CLERK; VOTER STATUS; OPPORTUNITY TO CURE; PROCESSING ABSENTEE BALLOTS

(a) Town clerk; process generally. Beginning ~~30~~ 45 days before the opening of the polls on election day, upon receipt of a mailing envelope containing ballots returned by a voter, the town clerk shall, within three business days or on the next day the office is open for business, whichever is later, direct two election officials working together to do all of the following:

* * *

Sec. 28. 17 V.S.A. § 2703 is amended to read:

§ 2703. EXAMINING PETITIONS; SUPPLEMENTARY PETITIONS

The Secretary of State shall examine the petitions and ascertain whether they conform to the provisions of this chapter, and sections 2353, 2354, and 2358 of this title. If found not to conform, ~~he or she~~ the Secretary shall state in writing why a particular petition cannot be accepted, and within ~~72 hours~~

two business days from receipt ~~he or she~~, the Secretary shall return it to the candidate in whose behalf it was filed. In such case, supplementary petitions may be filed not later than 10 days after the deadline for filing petitions. However, supplementary petitions shall not be accepted if petitions with the signatures of at least 1,000 persons were not filed by the deadline for filing petitions set forth in section 2702 of this chapter.

* * * Local Elections; Open Meeting Law Not Applicable to Annual Meetings * * *

Sec. 29. 1 V.S.A. § 310 is amended to read:

§ 310. DEFINITIONS

As used in this subchapter:

* * *

(5)(A) "Meeting" means a gathering of a quorum of the members of a public body for the purpose of discussing the business of the public body or for the purpose of taking action.

* * *

(E) "Meeting" does not mean a gathering of the voters of a municipality for purposes of conducting an annual or special municipal meeting.

(6) "Public body" means any board, council, or commission of the State or one or more of its political subdivisions, any board, council, or commission of any agency, authority, or instrumentality of the State or one or more of its political subdivisions, or any committee or subcommittee of any of the foregoing boards, councils, or commissions, except that "public body" does not include:

(A) councils or similar groups established by the Governor for the sole purpose of advising the Governor with respect to policy; or

(B) the voters of a municipality at an annual or special municipal meeting.

* * *

Sec. 30. [Deleted.]

Sec. 31. [Deleted.]

Sec. 32. [Deleted.]

Sec. 33. [Deleted.]

Sec. 34. [Deleted.]

Sec. 35. [Deleted.]

Sec. 36. [Deleted.]

* * * Automatic Voter Registration * * *

Sec. 37. 17 V.S.A. § 2145a is amended to read:

§ 2145a. REGISTRATIONS AT THE DEPARTMENT OF MOTOR VEHICLES

(a) An application for, or renewal of, a motor vehicle driver's license or nondriver identification card shall serve as a simultaneous application to register to vote if the applicant attests to U.S. citizenship or the Department has proof of U.S. citizenship unless the applicant checks the box on the application designating that ~~he or she~~ the applicant declines to use the application as a voter registration application.

(b)(1) A motor vehicle driver's license or nondriver identification card application shall provide and request the following information and shall be in the form approved by the Secretary of State:

(A) The applicant's citizenship.

(B) The applicant's place and date of birth.

(C) The applicant's town of legal residence.

(D) The applicant's E-911 street address or a description of the physical location of the applicant's residence. The description must contain sufficient information so that the town clerk can determine whether the applicant is a resident of the town.

(E) The voter's oath.

(F) The applicant's ~~e-mail~~ email address and phone number, which shall be optional to provide.

* * *

(d)(1) The Department of Motor Vehicles shall transmit motor vehicle driver's license and nondriver identification card applications received under this section to the Secretary of State not later than five days after the date the application was accepted by the Department, or before the date of any primary or general election, whichever is sooner.

(2) The Department of Motor Vehicles shall not transmit motor vehicle driver's license and nondriver identification card applications when the Department does not have proof of U.S. citizenship for an applicant and the applicant has failed to attest to U.S. citizenship, or when the applicant has designated that ~~he or she~~ the applicant declines to be registered.

(3) The Department of Motor Vehicles shall ensure confidentiality of records as required by subdivision (b)(2)(A) of this section.

* * *

Sec. 38. [Deleted.]

Sec. 39. [Deleted.]

* * * Effective Date * * *

Sec. 40. EFFECTIVE DATE

This act shall take effect on passage.

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

Thereupon, the bill was read the second time by title only pursuant to Rule 43, and pending the question, Shall the bill be amended as recommended by the Committee on Government Operations?, Senator Collamore moved to amend the proposal of amendment of the Committee on Government Operations by striking out Sec. 9, 17 V.S.A. § 2370, in its entirety and inserting in lieu thereof a new Sec. 9 to read as follows:

Sec. 9. 17 V.S.A. § 2370 is amended to read:

§ 2370. WRITE-IN CANDIDATES

(a)(1) In order to have votes listed for a write-in candidate under section 2587 of this title, not later than 5:00 p.m. on the Thursday preceding the primary election, a write-in candidate for the General Assembly, any State office, or any federal office shall complete a form of the Secretary of State's design affirming that the candidate wants to have received votes listed under subdivision 2587(e)(3) of this title. The candidate shall file the form with either all town clerks within the candidate's applicable district or the Secretary of State's office in an electronic manner approved by the Secretary. The Secretary of State shall notify the appropriate town clerks of any filings made in accordance with this subsection as soon as practicable.

(2) Notwithstanding subdivision (1) of this subsection, a write-in candidate is not required to file if:

(A) the candidate has already filed a consent to the printing of the candidate's name on the ballot for a major political party, as provided in section 2361, 2385, or 2402 of this title; or

(B) no candidate is printed on the ballot, or if a candidate whose name is printed on the ballot dies or is otherwise disqualified prior to 7:00 p.m. on the election day.

(b) A write-in candidate shall not qualify as a primary winner unless ~~he or she~~ the candidate receives at least one-half the number of votes as the number of signatures required for ~~his or her~~ the candidate's office on a primary petition, except that if a write-in candidate receives more votes than a candidate whose name is printed on the ballot, ~~he or she may~~ the write-in candidate shall qualify as a primary winner.

~~(b)~~(c) ~~The~~ Before becoming the party's candidate in the general election, the write-in candidate who qualifies as a primary winner under this section must:

(1) still be determined a winner under section 2369 of this chapter ~~before he or she becomes the party's candidate in the general election~~; and

(2) file a consent similar in form to the consent prescribed by sections 2361, 2385, and 2402 of this title with the Secretary of State.

Which was agreed to.

Thereupon, the question, Shall the Senate propose to the House to amend the bill as recommended by the Committee on Government Operations, as amended?, was agreed to and third reading was ordered.

Thereupon, on motion of Senator Collamore, the rules were suspended and the bill was placed in all remaining stages of passage.

Thereupon, the bill was read a third time and passed in concurrence with proposal of amendment.

Thereupon, on motion of Senator Collamore, the rules were suspended and the bill was ordered messaged to the House forthwith.

Bill Recommitted

S. 125.

Senate bill entitled:

An act relating to collective bargaining.

Was taken up.

On motion of Senator Clarkson, the bill was recommitted to the Committee on Economic Development, Housing and General Affairs.

Report of Committee of Conference Accepted and Adopted on the Part of the Senate; Rules Suspended; Bill Delivered

S. 51.

Senator Cummings, 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 Senate bill entitled:

An act relating to the Vermont unpaid caregiver tax credit.

Respectfully reports that it has met and considered the same and recommends that the Senate accede to the House proposal of amendment.

SEN. ANN E. CUMMINGS
SEN. THOMAS I. CHITTENDEN
SEN. RANDOLPH D.BROCK

Committee on the part of the Senate

REP. EMILIE K. KORNHEISER
REP. WILLIAM P. CANFIELD
REP. CHARLES A. KIMBELL

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, on a roll call, Yeas 28, Nays. 0.

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: Beck, Bongartz, Brennan, Brock, Chittenden, Clarkson, Collamore, Cummings, Douglass, Gulick, Hardy, Harrison, Hart, Hashim, Heffernan, Ingalls, Lyons, Major, Mattos, Perchlik, Plunkett, Ram Hinsdale, Vyhovsky, Watson, Weeks, Westman, White, Williams.

Those Senators who voted in the negative were: None.

Those Senators absent or not voting were: Baruth (presiding), Norris.

On motion of Senator Lyons, the rules were suspended and the bill was ordered delivered to the Governor forthwith.

Senate Resolution Adopted

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

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

S.R. 17. Senate resolution honoring the outstanding legislative staff service of Chrissy Gilhuly and extending to her best wishes for future success.

Whereas, for a number of years, the cheerful presence of Chrissy Gilhuly has graced the General Assembly, as she has effectively and enthusiastically performed several critical staff roles, and

Whereas, whether serving as the Supervisor of Committee Services at Legislative Counsel (2015–2017), ensuring that the committee assistants were properly performing their duties; working as a Joint Fiscal Office Staff Associate (2020–2022), engaging in key interbranch communication activities and working directly on legislative matters with the Senate Committee on Appropriations; and since October 30, 2022, executing her duties as the Senate Operations Manager/Journal Clerk, supporting the orderly conduct of Senate business on and off the floor and the publication of the Senate Journal, Chrissy Gilhuly has always worked conscientiously, in a nonpartisan manner, and with the highest degree of professionalism, and

Whereas, her competence and proficiency in each of these positions drew on her prior private and nonprofit experience, encompassing communications, logistics, marketing, and management, and spanning theatrical patron administration, retail ownership, and a variety of other enterprises, and

Whereas, Vermont State Senators know they can always rely on Chrissy Gilhuly for essential assistance in the legislative process and that the caliber of her contributions is unsurpassed, and

Whereas, her employment record in the Senate and throughout the General Assembly has set a standard of excellence for others to follow, and

Whereas, Chrissy Gilhuly's stellar reputation previously attracted the attention of the Executive Branch, in which she served at the Department of Finance and Management, and, once again, the leadership in the Pavilion Building has successfully beckoned her to return, where she will master a new challenge at the Agency of Administration, *now therefore be it*

Resolved by the Senate:

That the Senate of the State of Vermont honors the outstanding legislative staff service of Chrissy Gilhuly and extends to her best wishes for future success, *and be it further*

Resolved: That the Secretary of the Senate be directed to send a copy of this resolution to Chrissy Gilhuly.

Recess

The Chair declared a recess until 2:30 p.m.

Called to Order

The Senate was called to order by the President *pro tempore*.

Recess

The Chair declared a recess until 3:00 p.m.

Called to Order

The Senate was called to order by the President.

Rules Suspended; Immediate Consideration; Report of Committee of Conference Accepted and Adopted on the Part of the Senate; Messaged to House

H. 454.

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

An act relating to transforming Vermont's education governance, quality, and finance systems.

Was taken up for immediate consideration.

Senator Bongartz, 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:

An act relating to transforming Vermont's education governance, quality, and finance systems.

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

* * * Findings and Intent * * *

Sec. 1. FINDINGS; INTENT; PLAN

(a) The General Assembly finds that:

(1) In 1997, the first piece of law the General Assembly enacted in response to *Brigham v. State*, 166 Vt. 246 (1997) stated, "[t]he right to public education is integral to Vermont's constitutional form of government and its guarantees of political and civil rights…[and] fundamental for the success of Vermont's children in a rapidly-changing society and global marketplace as well as the State's own economic and social prosperity." 16 V.S.A. § 1.

(2) From the very first attempt at creating a basic frame of government, Vermont's founders chose to include a right to public education, the only governmental service included in Vermont's first Constitution of 1777.

(3) As the U.S. Supreme Court stated in *Brown v. Board of Education*, 347 U.S. 483 (1954), "education is perhaps the most important function of state and local governments…[i]t is required in the performance of our most basic public responsibilities…[i]t is the very foundation of good citizenship."

(4) The most enduring legacy of *Brigham* is the State's responsibility to ensure substantially equal educational opportunities for all Vermont students.

(5) The education system is still reeling from the effects of a global pandemic, yet the same challenges that have faced Vermont's education system remain. Thirty to 40 years ago, Vermont educated more than 110,000 students each year. Today, there are approximately 84,000 students in the public education system. Many schools have lost a significant number of students and, with them, the ability to offer robust services and programs at every school. Vermont's youth need to be prepared for a rapidly evolving future.

(6) Vermonters deserve an exceptional educational system that is stable and predictable and where a student's home address does not dictate the quality of education they receive. School district size and boundaries, school size, and class size are all influential factors in shaping the quality of instruction and overall student outcomes. The effectiveness of our schools depends on teacher quality, resource availability, and the unique strengths of local communities. Change in our educational system is needed. Systems are made of people, so change must come carefully and thoughtfully, with meaningful engagement by all Vermonters.

(b) Intent; plan.

(1) To ensure each student is provided substantially equal educational opportunities that will prepare them to thrive in a 21st-century world, it is the intent of the General Assembly to work strategically, intentionally, and thoughtfully to ensure that each incremental change made to Vermont's public

education system provides strength and support to its only constitutionally required governmental service.

(2) It is further the intent of the General Assembly to:

(A) in the 2026 session:

(i) enact new, larger school district boundaries that would be effective July 1, 2026;

(ii) enact updates to career and technical education governance systems, both at the local and statewide levels, that are reflective of the larger public education governance transformation to new, larger school districts;

(iii) create a coordinated and coherent statewide strategy for career and technical education that is responsive to students and the State's workforce needs and that provides opportunities for more integration between career and technical education and traditional high school work;

(iv) enact student-centered updates to fully fund career and technical education within a foundation formula that does not create competition between sending schools and career and technical education programs for available funds nor exceed current spending levels;

(v) begin the process to create voting wards within each school district to ensure school board membership is apportioned in such a manner as to achieve substantially equal weighting of the votes of all voters in the election of school board members; and

(vi) establish an appropriate weight for prekindergarten students, as well as enact changes to the publicly funded prekindergarten program that ensure costs are borne by the appropriate funding source depending on the age of the student and the prekindergarten education provider;

(B) provide or enable the provision of the necessary staffing, resources, and support to the Agency of Education, the Secretary of State's Office, town clerks, and other integral parties to the election system to hold the first school board member elections within the newly created school districts in a special election in November 2027; and

(C) provide or enable the provision of the necessary staffing, resources, and support to the Agency of Education, State Board of Education, and other integral parties to ensure that the necessary guidance and funding is in place to allow for a smooth and successful transition between the operation of Vermont's current 119 school districts to the new, larger school districts, with new school districts assuming responsibility for the education of all resident students on July 1, 2028; and

(3) It is further the intent of the General Assembly to ensure that the imposition of the new statewide education tax rate contemplated by this act does not result in an increase of education property tax bills relative to Vermont's current education funding system for municipalities across Vermont. The General Assembly intends to mitigate or reduce property tax bills for Vermonters by, among other things:

(A) enacting new school district boundaries that increase the efficiency of the delivery of educational services through scale;

(B) addressing inefficiencies of education delivery through programmatic updates to prekindergarten, career and technical education, and special education;

(C) improving staffing ratios to increase sustainability and reduce costs;

(D) addressing high-cost, languishing physical school infrastructure through implementation of a new State aid for school construction program;

(E) evaluating and consolidating education governance structures to reduce administrative costs and burdens;

(F) stabilizing education property taxes by transitioning from an education funding system that funds locally varying budgets to a foundation formula that funds predictable educational opportunity payments;

(G) implementing a foundation formula with costs reflective of the most efficient method of delivery of education services to Vermont pupils of all educational needs within Vermont's existing education structure;

(H) providing a process for regular recalibration of the foundation formula to reduce costs over time as educational efficiencies are gained through the implementation of new governance and programmatic structures;

(I) reserving support for small and sparse schools for schools that are small or sparse by necessity;

(J) shifting certain education and other related costs off of the Education Fund and on to other sources of funding that do not impact the property tax bills of Vermonters;

(K) implementing equalizing measures for any local spending additional to educational opportunity payments that reserve funds within the Education Fund to reduce following-year property tax bills;

(L) imposing a cap on local spending additional to educational opportunity payments to limit property tax rate increases through the supplemental district spending tax;

(M) providing transitionary measures to ease school district movement from current education spending to educational opportunity payments under the new foundation formula; and

(N) replacing the existing property tax credit with a homestead exemption that increases income sensitivity benefits to Vermonters with low and moderate income and smooths existing income sensitivity benefit cliffs.

* * * Commission on the Future of Public Education * * *

Sec. 2. 2024 Acts and Resolves No. 183, Sec. 1 is amended to read:

Sec. 1. THE COMMISSION ON THE FUTURE OF PUBLIC EDUCATION; REPORTS

(a) Creation. There is hereby created the Commission on the Future of Public Education in Vermont. The right to education is fundamental for the success of Vermont's children in a rapidly changing society and global marketplace as well as for the State's own economic and social prosperity. The Commission shall study the provision of education in Vermont and make recommendations for a statewide vision for Vermont's public education system to ensure that all students are afforded substantially equal educational opportunities in an efficient, sustainable, and stable education system. The Commission shall also make recommendations for the strategic policy changes necessary to make Vermont's educational vision a reality for all Vermont students.

(b) Membership. The Commission shall be composed of the following members and, to the extent possible, the members shall represent the State's geographic, gender, racial, and ethnic diversity:

(1) the Secretary of Education or designee;

(2) the Chair of the State Board of Education or designee;

(3) the Tax Commissioner or designee;

(4) one current member of the House of Representatives, appointed by the Speaker of the House;

(5) one current member of the Senate, appointed by the Committee on Committees;

(6) one representative from the Vermont School Boards Association (VSBA), appointed by the VSBA Executive Director;

(7) one representative from the Vermont Principals' Association (VPA), appointed by the VPA Executive Director;

(8) one representative from the Vermont Superintendents Association (VSA), appointed by the VSA Executive Director;

(9) one representative from the Vermont National Education Association (VTNEA), appointed by the VTNEA Executive Director;

(10) one representative from the Vermont Association of School Business Officials (VASBO) with experience in school construction projects, appointed by the President of VASBO;

(11) the Chair of the Census-Based Funding Advisory Group, created under 2018 Acts and Resolves No. 173;

(12) the Executive Director of the Vermont Rural Education Collaborative; and

(13) one representative from the Vermont Independent Schools Association (VISA), appointed by the President of VISA.

(c) Steering group. On or before July 1, 2024, the Speaker of the House shall appoint two members of the Commission, the Committee on Committees shall appoint two members of the Commission, and the Governor shall appoint two members of the Commission to serve as members of a steering group. The steering group shall provide leadership to the Commission and shall work with a consultant or consultants to analyze the issues, challenges, and opportunities facing Vermont's public education system, as well as develop and propose a work plan to formalize the process through which the Commission shall seek to achieve its final recommendations. The formal work plan shall be approved by a majority of the Commission members. The steering group ~~shall form a subcommittee of the Commission to address education finance topics in greater depth and~~ may form one or more ~~additional~~ subcommittees of the Commission to address ~~other~~ key topics in greater depth, as necessary. ~~The steering group may appoint non-Commission members to the education finance subcommittee. All other subcommittees shall be composed solely of Commission members.~~

(d) Collaboration and information review.

(1) The Commission ~~shall~~ may seek input from and collaborate with key stakeholders, as directed by the steering group. At a minimum, the Commission shall consult with:

(A) the Department of Mental Health;

(B) the Department of Labor;

(C) the President of the University of Vermont or designee;

(D) the Chancellor of the Vermont State Colleges Corporation or designee;

(E) a representative from the Prekindergarten Education Implementation Committee;

(F) the Office of Racial Equity;

(G) a representative with expertise in the Community Schools model in Vermont;

(H) the Vermont Youth Council;

(I) the Commission on Public School Employee Health Benefits; and

(J) an organization committed to ensuring equal representation and educational equity.

(2) The Commission shall also review and take into consideration existing educational laws and policy, including legislative reports the Commission deems relevant to its work and, at a minimum, 2015 Acts and Resolves No. 46, 2018 Acts and Resolves No. 173, 2022 Acts and Resolves No. 127, and 2023 Acts and Resolves No. 76.

(e) Duties of the Commission. The Commission shall study Vermont's public education system and make recommendations to ensure all students are afforded quality educational opportunities in an efficient, sustainable, and equitable education system that will enable students to achieve the highest academic outcomes. The result of the Commission's work shall be ~~a recommendation for a statewide vision for Vermont's public education system, with recommendations for the policy changes necessary to make Vermont's educational vision a reality~~ recommendations for what roles, functions, or decisions should be a function of local control and what roles, functions, or decisions should be a function of control at the State level. In creating and making its recommendations, the Commission shall engage in the following:

(1) Public engagement. The Commission shall conduct not fewer than 14 public meetings to inform the work required under this section. At least one meeting of the Commission as a whole or a subcommittee of the Commission shall be held in each county. The Commission shall publish a draft of its final recommendations on or before October 1, 2025, solicit public feedback, and incorporate such feedback into its final recommendations. When submitting its final recommendations to the General Assembly, the Commission shall include all public feedback received as an addendum to its final report. The public feedback process shall include:

(A) a minimum 30-day public comment period, during which time the Commission shall accept written comments from the public and stakeholders; and

(B) a public outreach plan that maximizes public engagement and includes notice of the availability of language assistance services when requested.

(2) Policy considerations. ~~In developing its recommendations, the Commission shall consider and prioritize the following topics~~ The Commission's work shall include recommendations for:

(A) ~~Governance, resources, and administration. The Commission shall study and make recommendations regarding education governance at the State level, including the role of the Agency of Education in the provision of services and support for the education system. Recommendations under this subdivision (A) shall include, at a minimum, the following:~~

~~(i) whether changes need to be made to the structure of the Agency of Education, including whether it better serves the recommended education vision of the State as an agency or a department;~~

~~(ii) what are the staffing needs of the Agency of Education;~~

~~(iii) whether changes need to be made to the composition, role, and function of the State Board of Education to better serve the recommended education vision of the State;~~

~~(iv) what roles, functions, or decisions should be a function of local control and what roles, functions, or decisions should be a function of control at the State level; and~~

~~(v) the effective integration of career and technical education in the recommended education vision of the State.~~ necessary updates to the roles and responsibilities of school district boards and the electorate, including amendments to 16 V.S.A. §§ 562 and 563;

(B) ~~Physical size and footprint of the education system. The Commission shall study and make recommendations regarding how the unique geographical and socioeconomic needs of different communities should factor into the provision of education in Vermont, taking into account and building upon the recommendations of the State Aid to School Construction Working Group. Recommendations under this subdivision (B) shall include, at a minimum, the following:~~

~~(i) an analysis and recommendation for the most efficient and effective number and location of school buildings, school districts, and supervisory unions needed to achieve Vermont's vision for education, provided~~

~~that if there is a recommendation for any change, the recommendation shall include an implementation plan;~~

~~(ii) an analysis of the capacity and ability to staff all public schools with a qualified workforce, driven by data on class-size recommendations;~~

~~(iii) analysis of whether, and if so, how, collaboration with Vermont's postsecondary schools may support the development and retention of a qualified educator workforce;~~

~~(iv) an analysis of the current town tuition program and whether, and if so, what, changes are necessary to meet Vermont's vision for education, including the legal and financial impact of funding independent schools and other private institutions, including consideration of the following:~~

~~(I) the role designation, under 16 V.S.A. § 827, should play in the delivery of public education; and~~

~~(II) the financial impact to the Education Fund of public dollars being used in schools located outside Vermont; and~~

~~(v) an analysis of the current use of private therapeutic schools in the provision of special education services and whether, and if so, what, changes are necessary to meet Vermont's special education needs, including the legal and financial impact of funding private therapeutic schools.~~ a process for a community served by a school to have a voice in decisions regarding school closures and recommendations for what that process shall entail; and

(C) ~~The role of public schools. The Commission shall study and make recommendations regarding the role public schools should play in both the provision of education and the social and emotional well-being of students. Recommendations under this subdivision (C) shall include, at a minimum, the following:~~

~~(i) how public education in Vermont should be delivered;~~

~~(ii) whether Vermont's vision for public education shall include the provision of wraparound supports and collocation of services;~~

~~(iii) whether, and if so, how, collaboration with Vermont's postsecondary schools may support and strengthen the delivery of public education; and~~

~~(iv) what the consequences are for the Commission's recommendations regarding the role of public schools and other service providers, including what the role of public schools means for staffing, funding, and any other affected system, with the goal of most efficiently~~

~~utilizing State funds and services and maximizing federal funding~~ a process for monitoring implementation of this act in a manner that is transparent and public facing.

(D) ~~Education finance system. The Commission shall explore the efficacy and potential equity gains of changes to the education finance system, including weighted educational opportunity payments as a method to fund public education. The Commission's recommendations shall be intended to result in an education funding system designed to afford substantially equal access to a quality basic education for all Vermont students in accordance with State v. Brigham, 166 Vt. 246 (1997). Recommendations under this subdivision (D) shall include, at a minimum, the following:~~

~~(i) allowable uses for the Education Fund that shall ensure sustainable and equitable use of State funds;~~

~~(ii) the method for setting tax rates to sustain allowable uses of the Education Fund;~~

~~(iii) whether, and if so, what, alternative funding models would create a more affordable, sustainable, and equitable education finance system in Vermont, including the consideration of a statutory, formal base amount of per pupil education spending and whether school districts should be allowed to spend above the base amount;~~

~~(iv) adjustments to the excess spending threshold, including recommendations that target specific types of spending;~~

~~(v) the implementation of education spending caps on different services, including administrative and support services and categorical aid;~~

~~(vi) how to strengthen the understanding and connection between school budget votes and property tax bills;~~

~~(vii) adjustments to the property tax credit thresholds to better match need to the benefit;~~

~~(viii) a system for ongoing monitoring of the Education Fund and Vermont's education finance system, to include consideration of a standing Education Fund advisory committee;~~

~~(ix) an analysis of the impact of healthcare costs on the Education Fund, including recommendations for whether, and if so, what, changes need to be made to contain costs; and~~

~~(x) implementation details for any recommended changes to the education funding system.~~ [Repealed.]

(E) Additional considerations. The Commission may consider any other topic, factor, or issue that it deems relevant to its work and recommendations.

(f) Reports. The Commission shall prepare and submit to the General Assembly the following:

(1) a formal, written work plan, which shall include a communication plan to maximize public engagement, on or before September 15, 2024;

(2) a written report containing its preliminary findings and recommendations, including short-term cost containment considerations for the 2025 legislative session, on or before December 15, 2024; and

(3) a written report containing its final findings and recommendations ~~for a statewide vision for Vermont's public education system and the policy changes necessary to make that educational vision a reality~~ based on its analysis of the governance topics contained in subdivisions (e)(2)(A)–(C) of this section, on or before December 1, 2025~~; and~~

~~(4) proposed legislative language to advance any recommendations for the education funding system on or before December 15, 2025~~.

(g) Assistance. The Agency of Education shall contract with one or more independent consultants or facilitators to provide technical and legal assistance to the Commission for the work required under this section. For the purposes of scheduling meetings and providing administrative assistance, the Commission shall have the assistance of the Agency of Education. The Agency shall also provide the educational and financial data necessary to facilitate the work of the Commission. School districts shall comply with requests from the Agency to assist in data collections.

(h) Meetings.

(1) The Secretary of Education shall call the first meeting of the Commission to occur on or before July 15, 2024.

(2) The Speaker of the House and the President Pro Tempore shall jointly select a Commission chair.

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

(4) Meetings shall be conducted in accordance with Vermont's Open Meeting Law pursuant to 1 V.S.A. chapter 5, subchapter 2.

(5) The Commission shall cease to exist on December 31, 2025.

(i) Compensation and reimbursement. Members of the Commission shall be entitled to per diem compensation and reimbursement of expenses as

permitted under 32 V.S.A. § 1010 for not more than 30 meetings, including subcommittee meetings. These payments shall be made from monies appropriated to the Agency of Education.

* * * School District Redistricting * * *

Sec. 3. SCHOOL DISTRICT REDISTRICTING TASK FORCE; REPORT

(a) Creation. There is created the School District Redistricting Task Force to recommend new school district boundaries and configurations to the General Assembly.

(b) Membership. The Task Force shall be composed of the following members:

(A) Nonlegislative members. There shall be five nonlegislative members, all of whom shall have extensive experience working within the Vermont public education system. Appointing authorities shall coordinate to ensure that, to the extent possible, each of the five nonlegislative members represents a different geographic region of the State.

(i) Two members shall be appointed by the Speaker of the House, one of whom shall be a retired or former Vermont superintendent of a supervisory union with multiple member school districts and one of whom shall be either a retired or former Vermont school business manager or a retired or former school board member.

(ii) Two members shall be appointed by the Committee on Committees, one of whom shall be a retired or former Vermont superintendent and one of whom shall be a retired or former Vermont school business manager.

(iii) One member shall be appointed by the Governor, who shall be a retired or former Vermont superintendent.

(B) Legislative members. There shall be six legislative members.

(i) Three members shall be current members of the House of Representatives, not all from the same political party nor from the same school district, who shall be appointed by the Speaker of the House.

(ii) Three members shall be current members of the Senate, not all from the same political party nor from the same school district, who shall be appointed by the Committee on Committees.

(c) Powers and duties. In consultation with the Commission on the Future of Public Education, the Task Force shall study and consider different configurations for school district consolidation and propose not more than three options for new school district boundaries. At least one boundary

proposal recommendation shall consider the use of supervisory unions and supervisory districts, allow for the continuation of a tuitioning system that provides continued access to independent schools that have served geographic areas that do not operate public schools for the grades served by the independent schools, and to the extent practical, not separate geographic areas that contain nonoperating school districts as such districts exist on July 1, 2025.

(1) Proposed new school districts or supervisory unions and supervisory districts shall have, to the extent practical, an average daily membership of not fewer than approximately 4,000 and not more than 8,000 prekindergarten through grade 12 students.

(2) Proposed new school districts or supervisory unions and supervisory districts shall also be, to the greatest extent possible, grand list and pupil-count balanced, demographically equitable, logistically feasible, and create the least amount of disruption to students as possible.

(3) In creating the proposed districts, the Task Force shall consider the following with the goal of increasing equitable access to educational opportunity for all students:

(A) current school district and town boundaries and other historic and current community connections, including access to regional services for students, such as designated agencies;

(B) geographic barriers, including mountains and rivers;

(C) population distribution;

(D) location, capacity, and the facility condition index score of current school buildings;

(E) transportation and employment patterns and practices:

(F) grand list values accounting for the homestead exemption and current education spending;

(G) student demographics;

(H) the debt, liabilities, and assets of current school districts;

(I) staffing levels and salary scales;

(J) opportunities to support local elementary schools, central middle schools, and regional high schools, with the least disruption to students;

(K) access to career and technical education (CTE) for all eligible students;

(L) the maximization of cost efficiencies;

(M) the location of schools and CTE centers; and

(N) any other factors the Task Force deems relevant.

(d) Public input. The Task Force shall hold not fewer than two public hearings to receive and consider feedback from members of the public regarding school district consolidation and proposed boundaries and shall work closely with the Commission on the Future of Public Education's public engagement process to maximize public input regarding the development of the proposed new school district boundaries.

(e) Assistance. The Task Force shall have the administrative, technical, and legal assistance of the Agency of Administration, the Agency of Digital Services, Vermont Center for Geographic Information, and the Department of Taxes. The Task Force shall retain the services of one or more independent third parties to provide contracted facilitation resources or any other services the Task Force deems necessary.

(f) Report and maps. On or before December 1, 2025, the Task Force shall submit a written report to the House Committees on Education and on Government Operations and Military Affairs and the Senate Committees on Education and on Government Operations with its proposals for new consolidated school district boundaries. The report shall include how each proposal meets the requirements contained in subdivisions (c)(1) and (2) of this section, how the considerations in subdivision (c)(3) of this section factored into each proposal, and the pros and cons of each proposal. Detailed maps shall also be included with the report and the maps shall include the following information, in addition to the proposed school district boundaries themselves:

(1) average daily membership for each proposed school district for the 2023–2024 school year;

(2) the member towns for each proposed school district;

(3) the location of public schools and nontherapeutic approved independent schools that are eligible to receive public tuition as of July 1, 2025, and the grades operated by each of those schools;

(4) the five-year facility condition index score for each school;

(5) PCB testing score for each school;

(6) the 10-year change in enrollment between 2014 and 2024 for each school; and

(7) the grand list value of each proposed school district.

(g) Meetings.

(1) The member appointed by the Governor shall call the first meeting of the Task Force to occur on or before August 1, 2025.

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

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

(4) The Task Force shall cease to exist on June 30, 2026.

(h) Compensation and reimbursement. Members of the Task Force shall be entitled to per diem compensation and reimbursement of expenses as permitted under 32 V.S.A. § 1010 for not more than eight meetings. These payments shall be made from monies appropriated to the Agency of Administration.

(i) Appropriations.

(1) The sum of $50,000.00 is appropriated to the Agency of Administration from the General Fund in fiscal year 2026 for the purposes of supporting the Task Force and the hiring of one or more facilitation consultants pursuant to subsection (e) of this section.

(2) The sum of $100,000.00 is appropriated to the Agency of Digital Services from the General Fund in fiscal year 2026 to cover costs associated with supporting the Task Force, or, if necessary, for the purposes of hiring one or more consultants to provide support to the Task Force.

(3) The sum of $10,000.00 is appropriated to the Agency of Administration from the General Fund in fiscal year 2026 for per diem compensation and reimbursement of expenses for nonlegislative members of the Task Force.

(4) The sum of $10,000.00 is appropriated to the General Assembly from the General Fund in fiscal year 2026 for per diem compensation and reimbursement of expenses for legislative members of the Task Force.

* * * School District Voting Ward Task Force * * *

Sec. 4. SCHOOL DISTRICT VOTING WARD WORKING GROUP; REPORT; MAPS

(a) Creation. There is created the School District Voting Ward Working Group to create voting district wards within the new school districts contemplated by this act, to ensure school board membership is apportioned in such a manner as to achieve substantially equal weighting of the votes of all voters in the choice of school board members.

(b) Membership. The Working Group shall be composed of the following members who shall have substantial understanding of Vermont geography, trade, travel, social interaction, and Vermont's public education system:

(1) the Secretary of State or designee, who shall be the chair;

(2) three members, who shall be appointed by the Vermont Municipal Clerk Treasurer Association;

(3) two members, appointed by the Vermont School Boards Association; and

(4) the Director of the Vermont Center for Geographic Information or designee.

(c) Powers and duties. On or before October 15, 2025, the Working Group shall consult with the School District Redistricting Task Force created in Sec. 3 of this act to gain an understanding of the status of the work of the Task Force and to determine whether the Task Force has one or more boundary proposals ready for the Working Group to begin the work of creating voting wards. Using the boundary proposals of the Task Force, the Working Group shall, following the principles of apportionment followed by the legislative apportionment board, make recommendations to the General Assembly to achieve voting districts within each school district that are compact, contiguous, and drawn to achieve substantially equal weighting of votes and that meet the requirements of applicable State and federal law. If at any time during the work of the Working Group, the General Assembly enacts new school district boundaries, or it appears clear the General Assembly is focused on only one proposal, the Working Group shall focus its work and recommendations to align with the work of the General Assembly. The Working Group's recommendations shall include:

(1) the optimal number of school board members per school board to maximize public representation and democratic input while maintaining effective school board size; and

(2) boundaries for school district voting wards within each school district, with alternative options if necessary, including detailed maps clearly and unambiguously delineating ward boundaries that respect current municipal boundary lines.

(d) Assistance. The Working Group shall have the administrative, technical, and legal assistance of the Secretary of State's office and the technical assistance of the Agency of Digital Services, Vermont Center for Geographic Information. The Working Group may contract for such expert services as may be necessary to carry out its duties.

(e) Meetings.

(1) The Secretary of State shall call the first meeting of the Task Force to occur on or before October 1, 2025.

(2) The Secretary of State shall be the chair.

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

(4) The Task Force shall cease to exist on June 30, 2026.

(f) Compensation and reimbursement. Members of the Working Group shall be entitled to per diem compensation and reimbursement of expenses as permitted under 32 V.S.A. § 1010 for not more than 10 meetings. These payments shall be made from monies appropriated to the Secretary of State's office.

(g) Appropriation for Working Group. The sum of $15,000.00 is appropriated to the Secretary of State's Office from the General Fund in fiscal year 2026 for per diem compensation and reimbursement of expenses for members of the Working Group.

(h) Appropriation for voting ward creation. The sum of $200,000.00 is appropriated from the General Fund to the Office of Legislative Counsel for the contracting and software resources necessary to create school district voting wards.

* * * Class Size Minimums * * *

Sec. 5. SCALE; INTENT

It is the intent of the General Assembly to transform education in Vermont by leveraging attainable and research-based scale to increase equity of opportunity and promote efficiency and affordability.

Sec. 6. 16 V.S.A. § 165 is amended to read:

§ 165. EDUCATION QUALITY STANDARDS; EQUAL EDUCATIONAL OPPORTUNITIES; INDEPENDENT SCHOOL MEETING EDUCATION QUALITY STANDARDS

(a) In order to carry out Vermont's policy that all Vermont children will be afforded educational opportunities that are substantially equal in quality, each Vermont public school, including each career technical center, shall meet the following education quality standards:

* * *

(9) The school complies with average class size minimum standards; provided, however, that when class size minimums apply to content areas, an individual class may be smaller than the minimum average. As used in this

subdivision, "content area" means a group of courses within a specific licensing endorsement area.

(A) Class size standards.

(i) The average class size minimum for first-grade classes shall be 10 students.

(ii) The average class size minimum for grades two through five shall be 12 students.

(iii) The average class size minimum for grades six through eight in all required content areas shall be 15 students.

(iv) The average class size minimum for grades nine through 12 in all required content area classes shall be 18 students.

(v) Multiage classrooms for grades kindergarten through eight shall be limited to two grade levels per classroom.

(vi) Prekindergarten, kindergarten, career and technical education, flexible pathways, terminal courses, advanced placement courses, courses that require specialized equipment, and driver's education classes shall be excluded from the class size minimum requirements in this subdivision (9). Small group services for the purpose of providing special education, supplemental or targeted academic intervention, or English learner instruction shall also be excluded from the class size minimum requirements in this subdivision (9).

(vii) Class sizes shall not exceed the maximum occupancy limits established by local and State fire codes, including egress and safety requirements.

(B) Waivers. If a school board determines that it operates a school that is unable to comply with the class size minimum standards due to geographic isolation, or a school has developed an implementation plan to meet the standards contained in this subdivision (9) that may include consolidation or merger, the school board may ask the State Board of Education to grant it waiver from this subdivision (9). The State Board shall define what qualifies as geographic isolation in its rules adopted pursuant to subdivision (a)(3) of this section. The State Board's decision shall be final.

(C) State Board action. If the Secretary determines that a school is not meeting the class size minimum standards set forth in this subdivision (9) over the course of three consecutive school years, the Secretary may recommend to the State Board one or more of the actions listed in subsection (b) of this section, regardless of whether the school is meeting all other education quality standards. The State Board shall then follow the procedure of subsection (c) of this section.

(b) Annually, the Secretary shall determine whether students in each Vermont public school are provided educational opportunities substantially equal to those provided in other public schools. If the Secretary determines that a school is not meeting the education quality standards listed in subsection (a) of this section or that the school is making insufficient progress in improving student performance in relation to the standards for student performance set forth in subdivision 164(9) of this title, ~~he or she~~ the Secretary shall describe in writing actions that a district must take in order to meet either or both sets of standards and shall provide technical assistance to the school. If the school fails to meet the standards or make sufficient progress within two years ~~of~~ following the determination, the Secretary shall recommend to the State Board one or more of the following actions:

(1) the Agency continue to provide technical assistance for one more cycle of review;

(2) the State Board adjust supervisory union boundaries or responsibilities of the superintendency pursuant to section 261 of this title;

(3) the Secretary assume administrative control of an individual school, school district, or supervisory union, including budgetary control to ensure sound financial practices, only to the extent necessary to correct deficiencies;

(4) the State Board close an individual school or schools and require that the school district pay tuition to another public school or an approved independent school pursuant to chapter 21 of this title; or

(5) the State Board require two or more school districts to consolidate their governance structures.

(c) The State Board, after offering the school board an opportunity for a hearing, shall either dismiss the Secretary's recommendation or order that one or more of the actions listed in subsection (b) of this section be taken. The action ordered by the State Board shall be the least intrusive consistent with the need to provide students attending the school substantially equal educational opportunities. A school board aggrieved by an order of the State Board may appeal the order in accordance with the Rules of Civil Procedure.

* * *

(e) If the Secretary determines at any time that the failure of a school to meet the education quality standards listed in subsection (a) of this section is severe or pervasive, potentially results in physical or emotional harm to students or significant deprivation of equal education opportunities, and the school has either unreasonably refused to remedy the problem or its efforts have proved ineffective, ~~he or she~~ the Secretary may recommend to the State

Board one or more of the actions listed in subsection (b) of this section. The State Board shall then follow the procedure of subsection (c) of this section.

* * *

Sec. 7. FAILURE TO COMPLY WITH EDUCATION QUALITY STANDARDS; STATE BOARD ACTION

Notwithstanding 16 V.S.A. § 165(b)(4) and (5) and any other provision of law to the contrary, the State Board shall be prohibited from ordering school district consolidation or school consolidation if a school fails to comply with class size minimum education quality standards and the resulting consolidation would result in school construction costs in excess of the applicable district's capital reserve account until the General Assembly establishes new school district boundaries and takes further action regarding the consequences for failure to meet education quality standards.

* * * Agency and State Board Rules and Reports * * *

Sec. 8. STATE BOARD OF EDUCATION; RULES; REPORT

(a) Rules.

(1) The State Board of Education shall initiate rulemaking to amend the Education Quality Standards rule 2000 series, Agency of Education, Education Quality Standards (22-000-003), pursuant to 3 V.S.A. chapter 25:

(A) on or before August 1, 2026, to ensure compliance with the class size minimum standards set pursuant to 16 V.S.A. § 165(a)(9); and

(B) on or before July 1, 2027, to adopt standards for statewide graduation requirements based on standards adopted by the State Board and recommendations from the Agency of Education, which shall take effect beginning in the 2027–2028 school year for the graduating class of 2031 and every graduating class thereafter.

(2) On or before August 1, 2026, the State Board of Education shall initiate rulemaking to amend the approved independent school rule 2200 series, Agency of Education, Independent School Program Approval (22-000-004), pursuant to 3 V.S.A. chapter 25, to require approved independent schools that intend to accept public tuition to comply with the class size minimum standards set pursuant to 16 V.S.A. § 165(a)(9). The amendments shall also create a process for review by the State Board for failure to meet the class size minimum requirements and the corresponding actions the Board may take for such noncompliance; provided, however, that the Board shall provide an approved independent school a substantially similar opportunity to come into compliance with class size minimum standards that it would provide to a public school.

(b) Report. On or before December 1, 2025, the State Board of Education shall submit a written report to the House and Senate Committees on Education with proposed standards for schools to be deemed "small by necessity" or "sparse by necessity."

Sec. 9. AGENCY OF EDUCATION; SCHOOL CALENDAR; GRADUATION REQUIREMENTS; REPORT

(a) Statewide graduation requirements. On or before January 1, 2026, the Agency of Education shall recommend to the State Board of Education standards for statewide graduation requirements based on standards adopted by the State Board.

(b) Statewide school calendar.

(1) On or before January 15, 2027, the Secretary of Education shall develop and publish a statewide calendar for the public schools of the State, including career and technical centers, that shall be in effect in the 2028–2029 academic year and after.

(2) On or before January 15, 2027, the Secretary shall present to the House and Senate Committees on Education a list of the statutory amendments necessary to effect the intent of this subsection.

(c) Report. On or before December 1, 2025, the Agency of Education shall submit a written report and recommended legislative language, as applicable, to the House and Senate Committees on Education with the following:

(1) In consultation with educators and administrators, a proposed implementation plan for statewide financial data and student information systems.

(2) Recommendations for a school construction division within the Agency of Education, including position descriptions and job duties for each position within the division, a detailed description of the assistance the division would provide to the field, and the overall role the Agency would play within a State aid to school construction program.

(3) A progress report regarding the development of clear, unambiguous guidance that would be provided to school officials and school board members regarding the business processes and transactions that would need to occur to facilitate school district mergers into larger, consolidated school districts, including the merging of data systems, asset and liability transfers, and how to address collective bargaining agreements for both educators and staff. The report shall include a detailed description of how the Agency will provide support and consolidation assistance to the field in each of these areas and an estimate of the costs associated with such work.

(4) In consultation with superintendents, directors of therapeutic independent schools, special education directors, and, in the opinion of the Agency, other experts, recommendations for the need for cooperative education services and the oversight of therapeutic schools within the school governance framework both at a State and local level.

Sec. 10. STATE BOARD OF EDUCATION; REVIEW OF RULES; APPROPRIATION

(a) The State Board of Education shall review each rule series the State Board is responsible for and make a determination as to the continuing need for, appropriateness of, or need for updating of said rules. On or before December 1, 2026, the State Board of Education shall submit a written report to the House and Senate Committees on Education with its recommendation for rules that are no longer needed and a plan to update rules that are still necessary, including the order in which the Board proposes to update the rules and any associated costs or staffing needs.

(b) The sum of $200,000.00 is appropriated from the General Fund to the Agency of Education in fiscal year 2026 to provide the State Board of Education with the contracted resources necessary to review and update the Board's rules.

Sec. 11. [Deleted.]

* * * State Aid to School Construction * * *

Sec. 12. 16 V.S.A. § 3440 is added to read:

§ 3440. STATEMENT OF POLICY

It is the intent of this chapter to encourage the efficient use of public funds to modernize school infrastructure in alignment with current educational needs. School construction projects supported by this chapter should be developed taking consideration of standards of quality for public schools under section 165 of this title and prioritizing cost, geographic accessibility, 21st century education facilities standards, statewide enrollment trends, and capacity and scale that support best educational practices. Further, it is the intent of this chapter to encourage the use of existing infrastructure to meet the needs of Vermont students. Joint construction projects between two or more school districts and consolidation of buildings within a district where feasible and educationally appropriate are encouraged.

Sec. 13. 16 V.S.A. § 3442 is added to read:

§ 3442. STATE AID FOR SCHOOL CONSTRUCTION PROGRAM

The Agency of Education shall be responsible for implementing the State Aid for School Construction Program according to the provisions of this chapter. The Agency shall be responsible for:

(1) reviewing all preliminary applications for State school construction aid and issuing an approval or denial in accordance with section 3445 of this chapter;

(2) adopting rules pursuant to 3 V.S.A. chapter 25 pertaining to school construction and capital outlay, including rules to specify a point prioritization methodology and a bonus incentive structure aligned with the legislative intent expressed in section 3440 of this title;

(3) including as part of its budget submitted to the Governor pursuant to subdivision 212(21) of this title its annual school construction funding request;

(4) developing a prequalification and review process for project delivery consultants and architecture and engineering firms specializing in prekindergarten through grade 12 school design, renovation, or construction and maintaining a list of such prequalified firms and consultants;

(5) providing technical assistance and guidance to school districts and supervisory unions on all phases of school capital projects;

(6) providing technical advice and assistance, training, and education to school districts, supervisory unions, general contractors, subcontractors, construction or project managers, designers, and other vendors in the planning, maintenance, and establishment of school facility space;

(7) maintaining a current list of school construction projects that have received preliminary approval, projects that have received final approval, and the priority points awarded to each project;

(8) collecting, maintaining, and making publicly available quarterly progress reports of all ongoing school construction projects that shall include, at a minimum, the costs of the project and the time schedule of the project;

(9) recommending policies and procedures designed to reduce borrowing for school construction programs at both State and local levels;

(10) conducting a needs survey at least every five years to ascertain the capital construction, reconstruction, maintenance, and other capital needs for all public schools and maintaining such data in a publicly accessible format;

(11) developing a formal enrollment projection model or using projection models already available;

(12) encouraging school districts and supervisory unions to investigate opportunities for the maximum utilization of space in and around the district or supervisory union;

(13) collecting and maintaining a clearinghouse of prototypical school plans, as appropriate, that may be consulted by eligible applicants;

(14) retaining the services of consultants, as necessary, to effectuate the roles and responsibilities listed within this section; and

(15) notwithstanding 2 V.S.A. § 20(d), annually on or before December 15, submitting a written report to the General Assembly regarding the status and implementation of the State Aid for School Construction Program, including the data required to be collected pursuant to this section.

Sec. 14. 16 V.S.A. § 3443 is added to read:

§ 3443. STATE AID FOR SCHOOL CONSTRUCTION ADVISORY BOARD

(a) Creation. There is hereby created the State Aid for School Construction Advisory Board, which shall advise the Agency on the implementation of the State Aid for School Construction Program in accordance with the provisions of this chapter, including the adoption of rules, setting of statewide priorities, criteria for project approval, and recommendations for project approval and prioritization.

(b) Membership.

(1) Composition. The Board shall be composed of the following eight members:

(A) four members who shall serve as ex officio members:

(i) the State Treasurer or designee;

(ii) the Commissioner of Buildings and General Services or designee;

(iii) the Executive Director of the Vermont Bond Bank or designee; and

(iv) the Chair of the State Board of Education or designee; and

(B) four members, none of whom shall be a current member of the General Assembly, who shall serve four-year terms as follows:

(i) two members, appointed by the Speaker of the House, each of whom shall have expertise in education or construction, real estate, or finance and one of whom shall represent a supervisory union; and

(ii) two members, appointed by the Committee on Committees, each of whom shall have expertise in education or construction, real estate, or finance and one of whom shall be an educator.

(2) Members with four-year terms.

(A) A member with a term limit shall serve a term of four years and until a successor is appointed. A term shall begin on January 1 of the year of appointment and run through December 31 of the last year of the term. Terms of these members shall be staggered so that not all terms expire at the same time.

(B) A vacancy created before the expiration of a term shall be filled in the same manner as the original appointment for the unexpired portion of the term.

(C) A member with a term limit shall not serve more than two consecutive terms. A member appointed to fill a vacancy created before the expiration of a term shall not be deemed to have served a term for the purpose of this subdivision (C).

(c) Duties. The Board shall advise the Agency on the implementation of the State Aid for School Construction Program in accordance with the provisions of this chapter, including:

(1) rules pertaining to school construction and capital outlay;

(2) project priorities;

(3) proposed legislation the Board deems desirable or necessary related to the State Aid for School Construction Program, the provisions of this chapter, and any related laws;

(4) policies and procedures designed to reduce borrowing for school construction programs at both State and local levels;

(5) development of a formal enrollment projection model or the consideration of using projection models already available;

(6) processes and procedures necessary to apply for, receive, administer, and comply with the conditions and requirements of any grant, gift, appropriation of property, services, or monies;

(7) the collection and maintenance of a clearinghouse of prototypical school plans that may be consulted by eligible applicants and recommended incentives to utilize such prototypes;

(8) the determination of eligible cost components of projects for funding or reimbursement, including partial or full eligibility for project components for which the benefit is shared between the school and other municipal and community entities;

(9) development of a long-term vision for a statewide capital plan in accordance with needs and projected funding;

(10) collection and maintenance of data on all public school facilities in the State, including information on size, usage, enrollment, available facility space, and maintenance;

(11) advising districts on the use of a needs survey to ascertain the capital construction, reconstruction, maintenance, and other capital needs for schools across the State; and

(12) encouraging school districts and supervisory unions to investigate opportunities for the maximum utilization of space in and around the district or supervisory union.

(d) Meetings.

(1) The Chair of the State Board of Education shall call the first meeting of the Board to occur on or before September 1, 2025.

(2) The Board shall select a chair from among its members at the first meeting.

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

(4) The Board shall meet not more than six times per year.

(e) Assistance. The Board shall have the administrative, technical, and legal assistance of the Agency of Education.

(f) Compensation and reimbursement. Members of the Board shall be entitled to per diem compensation and reimbursement of expenses as permitted under 32 V.S.A. § 1010 for not more than six meetings per year.

(g) Report. On or before December 15, 2025, the Board shall submit a written report to the House Committees on Education and on Ways and Means and the Senate Committees on Education and on Finance on recommendations for addressing the transfer of any debt obligations from current school districts to future school districts as contemplated by Vermont's education transformation.

Sec. 15. PROSPECTIVE REPEAL OF STATE AID FOR SCHOOL CONSTRUCTION ADVISORY BOARD

16 V.S.A. § 3443 (State Aid for School Construction Advisory Board) is repealed on July 1, 2035.

Sec. 16. 16 V.S.A. § 3444 is added to read:

§ 3444. SCHOOL CONSTRUCTION AID SPECIAL FUND

(a) Creation. There is created the School Construction Aid Special Fund, to be administered by the Agency of Education. Monies in the Fund shall be used for the purposes of:

(1) awarding aid to school construction projects under section 3445 of this title;

(2) awarding grants through the Facilities Master Plan Grant Program established in section 3441 of this title;

(3) funding administrative costs of the State Aid for School Construction Program; and

(4) awarding emergency aid under section 3445 of this title.

(b) Funds. The Fund shall consist of:

(1) any amounts transferred or appropriated to it by the General Assembly; and

(2) any interest earned by the Fund.

Sec. 17. 16 V.S.A. § 3445 is added to read:

§ 3445. APPROVAL AND FUNDING OF SCHOOL CONSTRUCTION PROJECTS

(a) Construction aid.

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

(2) Approval of preliminary application.

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

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

(ii) economic efficiencies;

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

(iv) statewide educational initiatives.

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

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

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

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

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

(dd) deterioration of an existing building; or

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

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

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

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

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

(I) engages robust community involvement;

(II) considers regional solutions;

(III) evaluates environmental contaminants; and

(IV) produces a facilities master plan that unites the applicant's vision statement, educational needs, enrollment projections, renovation needs, and construction projects.

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

(4) Request for legislative appropriation. The Agency shall submit its annual school construction funding request to the Governor as part of its budget pursuant to subdivision 212(21) of this title. Following submission of the Governor's recommended budget to the General Assembly pursuant to 32 V.S.A. § 306, the House Committee on Education and the Senate Committee on Education shall recommend a total school construction appropriation for the next fiscal year to the General Assembly.

(5) Final approval for construction aid.

(A) Unless approved by the Secretary for good cause in advance of commencement of construction, a school district shall not begin construction before the Secretary approves a final application. A school district may submit a written final application to the Secretary at any time following approval of a preliminary application.

(B) The Secretary may approve a final application for a project provided that:

(i) the project has received preliminary approval;

(ii) the district has voted funds or authorized a bond for the total estimated cost of the project;

(iii) the district has made arrangements for project construction supervision by persons competent in the building trades;

(iv) the district has provided for construction financing of the project during a period prescribed by the Agency;

(v) the project has otherwise met the requirements of this chapter;

(vi) if the proposed project includes a playground, the project includes a requirement that the design and construction of playground equipment follow the guidelines set forth in the U.S. Consumer Product Safety Commission Handbook for Public Playground Safety; and

(vii) if the total estimated cost of the proposed project is less than $50,000.00, no performance bond or irrevocable letter of credit shall be required.

(C) The Secretary may provide that a grant for a high school project is conditioned upon the agreement of the recipient to provide high school instruction for any high school pupil living in an area prescribed by the Agency who may elect to attend the school.

(D) A district may begin construction upon receipt of final approval. However, a district shall not be reimbursed for debt incurred due to borrowing of funds in anticipation of aid under this section.

(6) Award of construction aid.

(A) The base amount of an award shall be 20 percent of the eligible debt service cost of a project. Projects are eligible for additional bonus incentives as specified in rule for up to an additional 20 percent of the eligible debt service cost. Amounts shall be awarded annually and are subject to an annual appropriation for the purposes of the program.

(B) As used in subdivision (A) of this subdivision (6), "eligible debt service cost" of a project means the product of the lifetime cost of the bond authorized for the project and the ratio of the approved cost of a project to the total cost of the project.

(b) Emergency aid. Notwithstanding any other provision of this section, the Secretary may grant aid for a project the Secretary deems to be an emergency in the amount of 30 percent of eligible project costs, up to a maximum eligible total project cost of $300,000.00.

Sec. 18. 16 V.S.A. § 3446 is added to read:

§ 3446. APPEAL

Any municipal corporation as defined in section 3447 of this title aggrieved by an order, allocation, or award of the Agency of Education may, within 30 days, appeal to the Superior Court in the county in which the project is located.

Sec. 19. TRANSFER OF RULEMAKING AUTHORITY; TRANSFER OF RULES

(a) The statutory authority to adopt rules by the State Board of Education pertaining to school construction and capital outlay adopted under 16 V.S.A. § 3448(e) and 3 V.S.A. chapter 25 is transferred from the State Board of Education to the Agency of Education.

(b) All rules pertaining to school construction and capital outlay adopted by the State Board of Education under 3 V.S.A. chapter 25 prior to July 1,

2026 shall be deemed the rules of the Agency of Education and remain in effect until amended or repealed by the Agency of Education pursuant to 3 V.S.A. chapter 25.

(c) The Agency of Education shall provide notice of the transfer to the Secretary of State and the Legislative Committee on Administrative Rules in accordance with 3 V.S.A. § 848(d)(2).

Sec. 20. REPEALS

(a) 16 V.S.A. § 3448 (approval of funding of school construction projects; renewable energy) is repealed on July 1, 2026.

(b) 16 V.S.A. § 3448a (appeal) is repealed on July 1, 2026.

* * * Schools Eligible to Receive Public Tuition * * *

Sec. 21. 16 V.S.A. § 828 is amended to read:

§ 828. TUITION TO APPROVED SCHOOLS; AGE; APPEAL

(a) A school district shall not pay the tuition of a student except to:

(1) a public school~~,~~ located in Vermont;

(2) an approved independent school~~,~~ that:

(A) is located in Vermont;

(B) is approved under section 166 of this title on or before July 1, 2025;

(C) is located within either:

(i) a supervisory district that does not operate a public school for some or all grades as of July 1, 2024; or

(ii) a supervisory union with one or more member school districts that does not operate a public school for some or all grades as of July 1, 2024;

(D) had at least 25 percent of its student enrollment composed of students attending on a district-funded tuition basis pursuant to chapter 21 of this title during the 2023–2024 school year; and

(E) complies with the minimum class size requirements contained in subdivision 165(a)(9) of this title and State Board rule; provided, however, that if a school is unable to comply with the class size minimum standards due to geographic isolation or a school has developed an implementation plan to meet the class size minimum requirements, the school may ask the State Board to grant it a waiver from this subdivision (E), which decision shall be final;

(3) an independent school meeting education quality standards~~,~~;

(4) a tutorial program approved by the State Board~~,~~;

(5) an approved education program~~, or~~;

(6) ~~an independent school in another state or country approved under the laws of that state or country, that complies with the reporting requirement under subsection 4010(c) of this title,~~ a public school located in another state; or

(7) a therapeutic approved independent school located in Vermont or another state or country that is approved under the laws of that state or country.

(b) ~~nor shall payment~~ Payment of tuition on behalf of a person shall not be denied on account of age.

(c) Unless otherwise provided, a person who is aggrieved by a decision of a school board relating to eligibility for tuition payments, the amount of tuition payable, or the school the person may attend, may appeal to the State Board and its decision shall be final.

(d) As used in this section, "therapeutic approved independent school" means an approved independent school that limits enrollment for publicly funded students residing in Vermont to students who are on an individualized education program or plan under Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. § 794, or who are enrolled pursuant to a written agreement between a local education agency and the school or pursuant to a court order.

Sec. 22. TUITION TRANSITION

A school district that pays tuition pursuant to the provisions of 16 V.S.A. chapter 21 in effect on June 30, 2025 shall continue to pay tuition on behalf of a resident student enrolled for the 2024–2025 school year in or who has been accepted for enrollment for the 2025–2026 school year by an approved independent school subject to the provisions of 16 V.S.A. § 828 in effect on June 30, 2025, until such time as the student graduates from that school.

* * * State-Level Governance * * *

Sec. 23. STATE-LEVEL GOVERNANCE; INTENT

It is the intent of the General Assembly to consolidate structures and systems that are foundational to the administration of education and to ensure that the State Board of Education is the independent, transparent, and public facing body for public education and to ensure the Board maintains its ability to provide an important outlet for the public to engage in the rulemaking process and regularly provide public comment regarding the state of Vermont's education system.

Sec. 24. 16 V.S.A. § 161 is amended to read:

§ 161. STATE BOARD OF EDUCATION; APPOINTMENT OF MEMBERS; TERM; VACANCY

The State Board shall consist of ~~ten~~ 10 members. Two of the members shall be secondary students, one of whom shall be a full member and the other of whom shall be a junior member who may not vote. ~~All~~ Eight members, including the two student members, shall be appointed by the Governor with the advice and consent of the Senate. One member shall be appointed by the Speaker of the House and one member shall be appointed by the Senate Committee on Committees. In the appointment of the nonstudent members, priority shall be given to the selection of persons with a demonstrated commitment to ensuring quality education for Vermont students. To the extent possible, the members shall represent the State's geographic, gender, racial, and ethnic diversity. The Secretary shall serve on the State Board as a nonvoting member.

(1) Upon the expiration of the respective terms of those members of the Board previously appointed, excluding the student members, the ~~Governor~~ appointing authority that made the initial appointment to the expired term shall, biennially in the month of February with the advice and consent of the Senate, as applicable, appoint members for terms of six years. The terms shall begin March 1 of the year in which the appointments are made. A member serving a term of six years shall not be eligible for reappointment for successive terms.

(2) In the event of any vacancy occurring in the membership of the Board, the ~~Governor~~ appointing authority that made the initial appointment to the vacated term shall fill the vacancy with a qualified person whose appointment shall be for the unexpired portion of the term.

(3) Biennially, the Board shall choose a member of the Board to be its chair.

(4) Annually, using an application process that is open and accessible to all eligible students, the Governor shall appoint a Vermont secondary school student who will continue to be a secondary student for at least two years following taking office, to serve on the State Board for two years, beginning on July 1 of the year of appointment. The student member shall not vote during the first year and shall be a full and voting member during the second year of ~~his or her~~ the student's term.

Sec. 25. TRANSITION PERIOD APPOINTMENTS; STATE BOARD OF EDUCATION

(a) Members currently serving on the State Board of Education may continue to serve for the duration of the term to which they were appointed.

(b) Beginning on July 1, 2025, as terms of currently serving members expire, appointments of successors shall be made in accordance with the considerations and appointment authority contained in 16 V.S.A. § 161.

(1) The Speaker of the House shall make the first appointment to a vacant or expired seat that occurs after July 1, 2025 and shall make any subsequent appointments to fill the vacated or expired term for that same seat after the initial transition period appointment.

(2) The Senate Committee on Committees shall make the second appointment to a vacant or expired seat that occurs after July 1, 2025 and shall make any subsequent appointments to fill the vacated or expired term for that same seat after the initial transition period appointment.

(3) The Governor shall make the third appointment, with the advice and consent of the Senate, to a vacant or expired seat that occurs after July 1, 2025 and shall make any subsequent appointments to fill the vacated or expired term for that same seat after the initial transition period appointment.

(c) Once the first three appointments after July 1, 2025 are made in accordance with subsection (b) of this section, the Governor shall make all subsequent appointments for the remaining five nonstudent seats, with the advice and consent of the Senate, in accordance with 16 V.S.A. § 161.

Sec. 26. 16 V.S.A. § 162 is amended to read:

§ 162. REMOVAL OF BOARD MEMBERS

After notice and hearing, the Governor may remove a member of the State Board for incompetency, failure to discharge ~~his or her~~ the member's duties, malfeasance, illegal acts, or other cause inimical to the welfare of the public schools; and in case of such removal, ~~he or she~~ the appointing authority that made the initial appointment shall appoint a person to fill the unexpired term.

* * * Calculation of Tuition * * *

Sec. 27. 16 V.S.A. § 823 is amended to read:

§ 823. ~~ELEMENTARY~~ TUITION

(a) Tuition for ~~elementary~~ students shall be paid by the district in which the student is a resident. The district shall pay ~~the full tuition charged its students attending a public elementary school~~ to a receiving school for each resident

student attending the receiving school an amount equal to the base amount contained in subdivision 4001(16) of this title multiplied by the sum of one and any weights applicable to the resident student under section 4010 of this title. ~~If a payment made to a public elementary school is three percent more or less than the calculated net cost per elementary pupil in the receiving school district for the year of attendance, the district shall be reimbursed, credited, or refunded pursuant to section 836 of this title. Notwithstanding the provisions of this subsection or of subsection 825(b) of this title, the boards of both the receiving and sending districts may enter into tuition agreements with terms differing from the provisions of those subsections, provided that the receiving district must offer identical terms to all sending districts, and further provided that the statutory provisions apply to any sending district that declines the offered terms.~~

(b) ~~Unless the electorate of a school district authorizes payment of a higher amount at an annual or special meeting warned for the purpose, the tuition paid to an approved independent elementary school or an independent school meeting education quality standards shall not exceed the least of:~~

~~(1) the average announced tuition of Vermont union elementary schools for the year of attendance;~~

~~(2) the tuition charged by the approved independent school for the year of attendance; or~~

~~(3) the average per-pupil tuition the district pays for its other resident elementary students in the year in which the student is enrolled in the approved independent school.~~ (1) In addition to the tuition amount calculated in subsection (a) of this section, a receiving school may charge, and a sending school shall be required to pay, an additional fee in the amount of the product of the base amount and up to 0.05 for each student attending the receiving school in grades nine through 12 only if the following conditions are met:

(A) the receiving school has received approval from the State Board of Education to charge the additional fee under this subsection (b), which approval shall be granted in accordance with rules adopted by the State Board; and

(B) the electorate of each school district with at least one student attending the receiving school has approved supplemental district spending, as defined in 32 V.S.A. § 5401, for the purpose of this subsection and in an amount sufficient to cover the additional fee authorized under this subsection (b).

(2) For the purposes of this subsection, a receiving school shall not include an approved independent school in Vermont functioning as an approved area career and technical center.

(c) A receiving school that elects and is eligible to charge an additional fee pursuant to subsection (b) of this section shall charge the same additional fee for each student attending on a publicly funded tuition basis pursuant to chapter 21 of this title. A receiving school is prohibited from charging different fees pursuant to this section to different school districts.

(d) Notwithstanding subsections (a), (b), and (c) of this section, or any other provision of law to the contrary, the district shall pay the full tuition charged its students attending an approved independent school in Vermont functioning as an approved area career and technical center.

Sec. 28. REPEALS

16 V.S.A. §§ 824 (high school tuition), 825 (maximum tuition rate; calculated net cost per pupil defined), 826 (notice of tuition rates; special education charges), and 836 (tuition overcharge or undercharge) are repealed on July 1, 2029.

Sec. 28a. STATE BOARD OF EDUCATION; TUITION FEE RULES

On or before July 1, 2027, the State Board of Education shall adopt rules pursuant to 3 V.S.A. chapter 25 to govern the approval process for a receiving school to charge an additional fee pursuant to 16 V.S.A. § 823. The Board's rules shall require a receiving school to demonstrate that an additional fee is necessary to educate the specific students the fee is being applied to and that the fee will be used to educate such students and not used to shift costs elsewhere within the applicable school's budget.

* * * Special Education Delivery * * *

Sec. 29. STATE OF SPECIAL EDUCATION DELIVERY; AGENCY OF EDUCATION; REPORT

(a) On or before September 1, 2025, the Agency of Education shall submit a written report to the House and Senate Committees on Education, the House Committee on Ways and Means, and the Senate Committee on Finance addressing the factors contributing to growth in extraordinary special education reimbursement costs. The report shall include detailed information regarding the current state of special education delivery in Vermont, including an update on the implementation of special education changes enacted pursuant to 2018 Acts and Resolves No. 173 (Act 173). The report shall include a description of the current state of support for students with

disabilities in Vermont and recommended changes to structure, practice, and law with the goal of:

(1) improving the delivery of special education services and managing the rising extraordinary special education costs as Vermont's special education finance system transitions from a census block grant to a weight for special education costs;

(2) ensuring better, more inclusive services in the least restrictive environment in a way that makes efficient and effective use of limited resources while resulting in the best outcomes;

(3) responding to the challenges of fully implementing Act 173 and the lessons learned from implementation efforts to date;

(4) ensuring that the delivery of special education is responsive to student needs; and

(5) addressing drivers of growth of extraordinary expenditures in special education.

(b) The report shall include:

(1) An analysis of the costs of and services provided for students with extraordinary needs in specialized settings, separated by school-district-operated specialized programs, independent nonprofit programs, and independent for-profit programs. The report shall include a geographic map with the location of all specialized programs within the State of Vermont, as well as the following information for each individual specialized program:

(A) disability categories served;

(B) grade levels served;

(C) the number of students with IEPs and the average duration of time each student spent in the program over the last 10 years;

(D) average cost per pupil, inclusive of extraordinary spending and any costs in excess of general tuition rates;

(E) years of experience, training, and tenure of licensed special education staff;

(F) a review of the findings of all investigations conducted by the Agency of Education; and

(G) a review of the Agency's public assurance capabilities, with respect to special education programs in all settings, and an analysis of the effectiveness of current oversight or rule, and recommended changes if needed.

(2) An evaluation of the state of implementation of Act 173, including examples of where implementation has been successful, where it has not, and why.

(3) Identification of drivers of accelerating costs within the special education system.

(4) Identification of barriers to the success of students with disabilities.

(5) A description of how specialized programs for students with extraordinary needs operated by school districts, independent nonprofit schools, and independent for-profit schools are funded, with an analysis of the benefits and risks of each funding model.

(6) An assessment of whether Vermont's current special education laws ensure equitable access for all students with disabilities to education alongside their peers in a way that is consistent with the Vermont education quality standards for public schools and the right to a free appropriate public education (FAPE) under the Individuals with Disabilities Education Act, 20 U.S.C. §§ 1400–1482.

(7) A review of the capacity of the Agency to support and guide school districts on the effective support of students with disabilities, as well as compliance with federal law, which shall include:

(A) a review of final reports of investigations conducted by the Agency in school-district-operated specialized programs, independent nonprofit programs, and independent for-profit programs in the previous 10 years and an evaluation of what practices could reduce adverse findings in these settings;

(B) an assessment of the ability of the State to ensure State resources are used in the most efficient and effective way possible to support the success of students with disabilities and their access to a free and appropriate public education;

(C) a review of any pending and recent federal findings against the State or school districts, as well as progress on corrective actions;

(D) a review of the Agency's staffing and capacity to review and conduct monitoring and visits to schools, especially independent settings;

(E) a description of the process and status of reviews and approvals of approved independent schools that provide special education and therapeutic schools; and

(F) recommendations for whether the Agency has capacity to ensure timely review of approved independent schools and provide sufficient

oversight for specialized programs in nonprofit independent schools and for-profit independent schools.

(8) Recommendations for needed capacity at the Agency to provide technical assistance and support to school districts in the provision of special education services.

(9) An analysis of whether more strategic support for better primary first instruction and more successful implementation of Act 173 needs to be in place for a weighted funding model for special education to succeed, including a suggested transition timeline, with indicators, to be incorporated into the Agency's strategic plan.

(10) If warranted, a review of options for changes to practice, structure, and law that ensure students with disabilities are provided access to quality education, in the least restrictive environment, in a cost-effective way that is consistent with State and federal law, which may include a review of the possible role of BOCES and the impact of larger districts on effective, high-quality support for students with disabilities.

(11) Recommendations for reducing the growth in extraordinary special education reimbursement costs, which shall include recommended legislative language to accomplish any such recommendations.

Sec. 30. SPECIAL EDUCATION STRATEGIC PLAN; AGENCY OF EDUCATION

(a) Strategic plan. In consultation with the State Advisory Panel on Special Education established under 16 V.S.A. § 2945, the Agency of Education shall develop a three-year strategic plan for the delivery of special education services in Vermont. The strategic plan shall include unambiguous measurable outcomes and a timeline for implementation. The strategic plan shall be informed by the analysis and findings of the report required of the Agency under Sec. 29 of this act and be designed to ensure successful implementation of 2018 Acts and Resolves No. 173 (Act 173) and provide the supports and processes that need to be in place for the transition to a weighted funding model for special education to succeed, including a suggested transition timeline, with benchmarks for success. The strategic plan shall also include contingency recommendations for special education funding in the event federal special education funding under the Individuals with Disabilities Education Act, 20 U.S.C. §§ 1400–1482, is no longer available or transitions to a system that requires more planning and management on the part of the State to ensure funds are distributed equitably.

(b) Reports.

(1) On or before December 1, 2025, the Agency shall submit the three-year strategic plan created pursuant to subsection (a) of this section to the House and Senate Committees on Education, the House Committee on Ways and Means, and the Senate Committee on Finance.

(2) On or before December 1 of 2026, 2027, 2028, and 2029, the Agency shall submit a written report to the House and Senate Committees on Education, the House Committee on Ways and Means, and the Senate Committee on Finance with a detailed update on the Agency's implementation of its strategic plan and any recommendations for legislative changes needed to ensure a successful transition to a weighted funding model and continued successful implementation of Act 173.

Sec. 31. POSITION; AGENCY OF EDUCATION

(a) Establishment of one new permanent, classified position is authorized in the Agency of Education in fiscal year 2026 to support development and implementation of the three-year strategic plan required under Sec. 30 of this act.

(b) The sum of $150,000.00 is appropriated from the General Fund to the Agency of Education's base budget in fiscal year 2026 for the purposes of funding the position created in subsection (a) of this section. The Agency shall include funding for this permanent position in their annual base budget request in subsequent years.

* * * Agency of Education Transformation Support * * *

Sec. 32. AGENCY OF EDUCATION; TRANSFORMATION APPROPRIATION

The sum of $2,865,000.00 is appropriated from the General Fund to the Agency of Education in fiscal year 2026 to support education transformation work as follows:

(1) $200,000.00 to support school boards transitioning to new governance models as contemplated in this act;

(2) $562,500.00 for positions established in Sec. 33 of this act; and

(3) $2,102,500.00 for contracted services to support school districts with administrative activities relating to consolidation, including accounting, budget and operational practice, and to support education quality activities including the alignment of curricula, instructional materials, and teaching activities.

Sec. 33. EDUCATION TRANSFORMATION; POOL POSITIONS

The General Fund appropriation in Sec. 32 of this act shall fund five limited service classified positions taken from the position pool. The pool positions shall be used to establish the following limited service classified positions at the Agency of Education in fiscal year 2026 to support education transformation work:

(1) one Business Operations Support Specialist;

(2) one Data Integration Support Specialist;

(3) one Curriculum and Education Quality Standards Integration Specialist;

(4) one Learning and Teaching Integration Specialist; and

(5) one School Facilities Field Support Specialist.

* * * State Funding of Public Education * * *

Sec. 34. 16 V.S.A. § 4001 is amended to read:

§ 4001. DEFINITIONS

As used in this chapter:

(1) "Average daily membership" of a school district ~~or, if needed in order to calculate the appropriate homestead tax rate, of the municipality as defined in 32 V.S.A. § 5401(9),~~ in any year means:

* * *

(6) ~~"Education spending" means the amount of the school district budget, any assessment for a joint contract school, career technical center payments made on behalf of the district under subsection 1561(b) of this title, and any amount added to pay a deficit pursuant to 24 V.S.A. § 1523(b) that is paid for by the school district, but excluding any portion of the school budget paid for from any other sources such as endowments, parental fundraising, federal funds, nongovernmental grants, or other State funds such as special education funds paid under chapter 101 of this title.~~

~~(A) [Repealed.]~~

~~(B) For all bonds approved by voters prior to July 1, 2024, voter-approved bond payments toward principal and interest shall not be included in "education spending" for purposes of calculating excess spending pursuant to 32 V.S.A. § 5401(12).~~ [Repealed.]

* * *

(13) "~~Base education~~ Categorical base amount" means a number used to calculate categorical grants awarded under this title that is equal to $6,800.00 per equalized pupil, adjusted as required under section 4011 of this title.

(14) ~~"Per pupil education spending" of a school district in any school year means the per pupil education spending of that school district as determined under subsection 4010(f) of this title.~~ [Repealed.]

* * *

(16) "Base amount" means a per pupil cost-factor amount of $15,033.00, which shall be adjusted for inflation annually on or before November 15 by the Secretary of Education. As used in this subdivision, "adjusted for inflation" means adjusting the base dollar amount by the National Income and Product Accounts (NIPA) implicit price deflator for state and local government consumption expenditures and gross investment published by the U.S. Department of Commerce, Bureau of Economic Analysis, from fiscal year 2025 through the fiscal year for which the amount is being determined, and rounding upward to the nearest whole dollar amount.

(17) "Educational opportunity payment" means the base amount multiplied by the school district's weighted long-term membership as determined under section 4010 of this title.

Sec. 35. 16 V.S.A. § 4010 is amended to read:

§ 4010. DETERMINATION OF WEIGHTED LONG-TERM MEMBERSHIP AND ~~PER PUPIL EDUCATION SPENDING~~ EDUCATIONAL OPPORTUNITY PAYMENT

(a) Definitions. As used in this section:

(1) "EL pupils" means pupils described under section 4013 of this title.

(2) "FPL" means the Federal Poverty Level.

(3) "Weighting categories" means the categories listed under subsection (b) of this section.

(4) "Child with a disability" means any child in Vermont eligible under State rules to receive special education who is enrolled in any of kindergarten through grade 12.

(5) "Disability" means any of:

(A) a specific learning disability or a speech or language impairment, each of which is identified as "Category A";

(B) an emotional disturbance, intellectual disability, developmental delay, or other health impairment, each of which is identified as "Category B"; or

(C) autism spectrum disorder, deaf-blindness, hearing impairment, orthopedic impairment, traumatic brain injury, or visual impairment, each of which is identified as "Category C."

(6) "English language proficiency level" means each of the English language proficiency levels published as a standardized measure of academic language proficiency in WIDA ACCESS for ELLs 2.0 and available to members of the WIDA consortium of state departments of education.

(7) "Newcomer or SLIFE" means a pupil identified as a New American or as a student with limited or interrupted formal education.

(b) Determination of average daily membership and weighting categories. On or before the first day of December during each school year, the Secretary shall determine the average daily membership, as defined in subdivision 4001(1) of this title, of each school district for the current school year and shall ~~perform the following tasks.~~,

~~(1) Using~~ using average daily membership, list for each school district the number of:

~~(A)~~(1) pupils in prekindergarten;

~~(B)~~(2) pupils in kindergarten through grade five;

~~(C)~~(3) pupils in grades six through eight;

~~(D)~~(4) pupils in grades nine through 12;

~~(E)~~(5) pupils whose families are at or below 185 percent of FPL, using the highest number of pupils in the district:

~~(i)~~(A) that meet this definition under the universal income declaration form; or

~~(ii)~~(B) who are directly certified for free and reduced-priced meals; ~~and~~

~~(F)~~(6) EL pupils who have been most recently assessed at an English language proficiency level of:

(A) Level 1;

(B) Level 2 or 3;

(C) Level 4; or

(D) Level 5 or 6;

(7) EL pupils who are identified as Newcomer or SLIFE; and

(8) Children with a disability whose disability is identified as:

(A) Category A;

(B) Category B; or

(C) Category C, provided that a child with multiple disabilities shall be counted solely under this subdivision (C).

~~(2)(A) Identify all school districts that have low population density, measured by the number of persons per square mile residing within the land area of the geographic boundaries of the district as of July 1 of the year of determination, equaling:~~

~~(i) fewer than 36 persons per square mile;~~

~~(ii) 36 or more persons per square mile but fewer than 55 persons per square mile; or~~

~~(iii) 55 or more persons per square mile but fewer than 100 persons per square mile.~~

~~(B) Population density data shall be based on the best available U.S. Census data as provided to the Agency of Education by the Vermont Center for Geographic Information.~~

~~(C) Using average daily membership, list for each school district that has low population density the number of pupils in each of subdivisions (A)(i) (iii) of this subdivision (2).~~

~~(3)(A) Identify all school districts that have one or more small schools, which are schools that have an average two-year enrollment of:~~

~~(i) fewer than 100 pupils; or~~

~~(ii) 100 or more pupils but fewer than 250 pupils.~~

~~(B) As used in subdivision (A) of this subdivision (3), "average two-year enrollment" means the average enrollment of the two most recently completed school years, and "enrollment" means the number of pupils who are enrolled in a school operated by the district on October 1. A pupil shall be counted as one whether the pupil is enrolled as a full-time or part-time student.~~

~~(C) Using average two-year enrollment, list for each school district that has a small school the number of pupils in each of subdivisions (A)(i) (ii) of this subdivision (3).~~

(c) Reporting on weighting categories to the Agency of Education. Each school district shall annually report to the Agency of Education by a date

established by the Agency the information needed in order for the Agency to compute the weighting categories under subsection (b) of this section for that district. In order to fulfill this obligation, a school district that pays public tuition on behalf of a resident student (sending district) to a public school in another school district, an approved independent school, or an out-of-state school (each a receiving school) may request the receiving school to collect this information on the sending district's resident student, and if requested, the receiving school shall provide this information to the sending district in a timely manner.

(d) Determination of weighted long-term membership. For each weighting category ~~except the small schools weighting category under subdivision (b)(3) of this section~~, the Secretary shall compute the weighting count by using the long-term membership, as defined in subdivision 4001(7) of this title, in that category.

(1) ~~The Secretary shall first apply grade level weights~~ Prekindergarten weight. Each pupil included in long-term membership ~~shall count as one, multiplied by the following amounts:~~

~~(A)~~ who is enrolled in prekindergarten— shall receive an additional weighting amount of negative 0.54~~;~~

~~(B) grades six through eight – 0.36; and~~

~~(C) grades nine through 12 – 0.39~~.

(2) ~~The Secretary shall next apply a~~ Economic disadvantage weight ~~for pupils whose family is at or below 185 percent of FPL~~. Each pupil included in long-term membership whose family is at or below 185 percent of FPL shall receive an additional weighting amount of ~~1.03~~ 1.02.

(3) ~~The Secretary shall next apply a weight for EL pupils~~ EL proficiency weights. Each EL pupil included in long-term membership shall receive an additional weighting amount, based on the EL pupil's English language proficiency level, of ~~2.49~~:

(A) 2.11, if assessed as Level 1;

(B) 1.41, if assessed as Level 2 or 3;

(C) 1.20, if assessed as Level 4; or

(D) 0.12, if assessed as Level 5 or 6.

(4) ~~The Secretary shall then apply a weight for pupils living in low population density school districts~~ EL Newcomer/SLIFE weight. Each EL pupil included in long-term membership ~~residing in a low population density school district, measured by the number of persons per square mile residing~~

~~within the land area of the geographic boundaries of the district as of July 1 of the year of determination,~~ who is a Newcomer or SLIFE shall receive an additional weighting amount of~~:~~ 0.42

~~(A) 0.15, where the number of persons per square mile is fewer than 36 persons;~~

~~(B) 0.12, where the number of persons per square mile is 36 or more but fewer than 55 persons; or~~

~~(C) 0.07, where the number of persons per square mile is 55 or more but fewer than 100~~.

(5) ~~The Secretary shall lastly apply a weight for pupils who attend a small school. If the number of persons per square mile residing within the land area of the geographic boundaries of a school district as of July 1 of the year of determination is 55 or fewer, then, for each pupil listed under subdivision (b)(3)(C) of this section (pupils who attend small schools)~~ Special education weights. Each child with a disability included in long-term membership shall receive an additional weighting amount, based on the categorization of the child's disability, of:

(A) ~~where the school has fewer than 100 pupils in average two-year enrollment, the school district shall receive an additional weighting amount of 0.21 for each pupil included in the small school's average two-year enrollment~~ 0.79, if the disability is identified as Category A; ~~or~~

(B) ~~where the small school has 100 or more but fewer than 250 pupils, the school district shall receive an additional weighting amount of 0.07 for each pupil included in the small school's average two-year enrollment~~ 1.89, if the disability is identified as Category B; or

(C) 2.49, if the disability is identified as Category C.

(6) A school district's weighted long-term membership shall equal long-term membership plus the cumulation of the weights assigned by the Secretary under this subsection.

(e) Hold harmless. A district's weighted long-term membership shall in no case be less than 96 and one-half percent of its actual weighted long-term membership the previous year prior to making any adjustment under this subsection.

(f) Determination of ~~per pupil education spending~~ educational opportunity payment. ~~As soon as reasonably possible after a school district budget is approved by voters, the Secretary shall determine the per pupil education spending for the next fiscal year for the school district. Per pupil education spending shall equal a school district's education spending divided by its~~

~~weighted long-term membership~~ The Secretary shall determine each school district's educational opportunity payment by multiplying the school district's weighted long-term membership determined under subsection (d) of this section by the base amount.

* * *

(h) Updates to weights, base amount, and transportation reimbursement. On or before January 1, ~~2027~~ 2026 and on or before January 1 of every fifth year thereafter, the Agency of Education and the Joint Fiscal Office shall calculate, based on their consensus view and with the advice and consultation of a professional judgment panel convened by the Agency, updates to the weights and the base amount, including any inflationary measure, to account for cost changes underlying those weights and shall issue a written report on their work to the House and Senate Committees on Education, the House Committee on Ways and Means, and the Senate Committee on Finance. The General Assembly shall update the weights under this section, the base amount, and transportation reimbursement under section 4016 of this title not less than every five years and the implementation date for the updated weights and transportation reimbursement shall be delayed by a year in order to provide school districts with time to prepare their budgets. Updates to the weights may include recalibration, recalculation, adding or eliminating weights, or any combination of these actions.

Sec. 36. 16 V.S.A. § 4011 is amended to read:

§ 4011. EDUCATION PAYMENTS

(a) Annually, the General Assembly shall appropriate funds to pay for ~~statewide education spending~~ each school district's educational opportunity payment and supplemental district spending, as defined in 32 V.S.A. § 5401, the small schools and sparsity support grants under section 4019 of this chapter, and a portion of a ~~base education~~ categorical base amount for each adult education and secondary credential program student.

(b) For each fiscal year, the categorical base ~~education~~ amount shall be $6,800.00, which shall be adjusted for inflation annually on or before November 15 by the Secretary of Education. As used in this subsection, "adjusted for inflation" means adjusting the categorical base dollar amount by the National Income and Product Accounts (NIPA) implicit price deflator for state and local government consumption expenditures and gross investment published by the U.S. Department of Commerce, Bureau of Economic Analysis, from fiscal year 2005 through the fiscal year for which the amount is being determined, and rounding upward to the nearest whole dollar amount.

(c) Annually, each school district shall receive ~~an education spending payment~~ for support of education costs its educational opportunity payment determined pursuant to subsection 4010(f) of this chapter and a dollar amount equal to its supplemental district spending, if applicable to that school district, as defined in 32 V.S.A. § 5401. ~~An unorganized town or gore shall receive an amount equal to its per pupil education spending for that year for each student. No district shall receive more than its education spending amount.~~

(d) [Repealed.]

(e) [Repealed.]

(f) Annually, the Secretary shall pay to a local adult education and literacy provider, as defined in section 942 of this title, that provides an adult education and secondary credential program an amount equal to 26 percent of the categorical base ~~education~~ amount for each student who completes the diagnostic portions of the program, based on an average of the previous two years; 40 percent of the payment required under this subsection shall be from State funds appropriated from the Education Fund and 60 percent of the payment required under this subsection shall be from State funds appropriated from the General Fund.

* * *

(i) Annually, on or before October 1, the Secretary shall send to school boards for inclusion in town reports and publish on the Agency website ~~the following information:~~

~~(1) the statewide average district per pupil education spending for the current fiscal year; and~~

~~(2)~~ a statewide comparison of student-teacher ratios among schools that are similar in number of students and number of grades.

Sec. 37. 16 V.S.A. § 4019 is added to read:

§ 4019. SMALL SCHOOLS; SPARSE SCHOOLS; SUPPORT GRANTS

(a) Definitions. As used in this section:

(1) "Enrollment" means the number of students who are enrolled in a school operated by the school district on October 1. A student shall be counted as one whether the student is enrolled as a full-time or part-time student.

(2) "Small school" means a school that:

(A) has fewer than 100 pupils in two-year average enrollment; and

(B) has been determined by the State Board of Education, on an annual basis, to be "small by necessity" under standards consistent with those submitted to the General Assembly pursuant to Sec. 8(b) of this act.

(3) "Sparse area" means a city, town, or incorporated village where the number of persons per square mile residing within the land area of the geographic boundaries of the city, town, or incorporated village as of July 1 of the year of determination is fewer than 55 persons.

(4) "Sparse school" means a school that:

(A) is within a sparse area; and

(B) has been determined by the State Board of Education, on an annual basis, to be "sparse by necessity" under standards consistent with those submitted to the General Assembly pursuant to Sec. 8(b) of this act.

(5) "Two-year average enrollment" means the average enrollment of the two most recently completed school years.

(b) Small schools support grant. Annually, the Secretary shall pay a small schools support grant to each school district for each small school within the school district in an amount determined by multiplying the two-year average enrollment in the small school by $3,157.00.

(c) Sparse schools support grant. Annually, the Secretary shall pay a sparse schools support grant to each school district for each sparse school within the school district in an amount determined by multiplying the two-year average enrollment in the sparse school by $1,954.00.

(d) Inflationary adjustment. Each dollar amount under subsections (b) and (c) of this section shall be adjusted for inflation annually on or before November 15 by the Secretary. As used in this subsection, "adjusted for inflation" means adjusting the dollar amount by the National Income and Product Accounts (NIPA) implicit price deflator for state and local government consumption expenditures and gross investment published by the U.S. Department of Commerce, Bureau of Economic Analysis, from fiscal year 2025 through the fiscal year for which the amount is being determined, and rounding upward to the nearest whole dollar amount.

Sec. 38. 16 V.S.A. § 4025 is amended to read:

§ 4025. EDUCATION FUND

(a) The Education Fund is established to comprise the following:

(1) all revenue paid to the State from the statewide education tax on nonhomestead and homestead property under 32 V.S.A. chapter 135;

(2) all revenue paid to the State from the supplemental district spending tax imposed pursuant to 32 V.S.A. § 5402(f);

* * *

(b) Monies in the Education Fund shall be used for the following:

* * *

(3) ~~To make payments required under 32 V.S.A. § 6066(a)(1) and only that portion attributable to education taxes, as determined by the Commissioner of Taxes, of payments required under 32 V.S.A. § 6066(a)(3).~~ The State Treasurer shall withdraw funds from the Education Fund upon warrants issued by the Commissioner of Finance and Management based on information supplied by the Commissioner of Taxes. The Commissioner of Finance and Management may draw warrants for disbursements from the Fund in anticipation of receipts. All balances in the Fund at the end of any fiscal year shall be carried forward and remain a part of the Fund. Interest accruing from the Fund shall remain in the Fund.

* * *

Sec. 39. 16 V.S.A. § 4026 is amended to read:

§ 4026. EDUCATION FUND BUDGET STABILIZATION RESERVE~~; CREATION AND PURPOSE~~

* * *

(e) ~~The enactment of this chapter and other provisions of the Equal Educational Opportunity Act of which it is a part have been premised upon estimates of balances of revenues to be raised and expenditures to be made under the act for such purposes as education spending payments, categorical State support grants, provisions for property tax income sensitivity, payments in lieu of taxes, current use value appraisals, tax stabilization agreements, the stabilization reserve established by this section, and for other purposes.~~ If the stabilization reserve established under this section should in any fiscal year be less than 5.0 percent of the prior fiscal year's appropriations from the Education Fund, as defined in subsection (b) of this section, the Joint Fiscal Committee shall review the information provided pursuant to 32 V.S.A. § 5402b and provide the General Assembly its recommendations for change necessary to restore the stabilization reserve to the statutory level provided in subsection (b) of this section.

Sec. 40. 16 V.S.A. § 4028 is amended to read:

§ 4028. FUND PAYMENTS TO SCHOOL DISTRICTS

(a) On or before September 10, December 10, and April 30 of each school year, one-third of ~~the education spending payment under section 4011 of this title~~ each school district's educational opportunity payment as determined under subsection 4010(f) of this chapter and supplemental district spending, as defined in 32 V.S.A. § 5401, shall become due to school districts~~, except that districts that have not adopted a budget by 30 days before the date of payment under this subsection shall receive one-quarter of the base education amount and upon adoption of a budget shall receive additional amounts due under this subsection~~.

(b) Payments made for special education under chapter 101 of this title, for career technical education under chapter 37 of this title, and for other aid and categorical grants paid for support of education shall also be from the Education Fund.

(c)~~(1) Any district that has adopted a school budget that includes high spending, as defined in 32 V.S.A. § 5401(12), shall, upon timely notice, be authorized to use a portion of its high spending penalty to reduce future education spending:~~

~~(A) by entering into a contract with an operational efficiency consultant or a financial systems consultant to examine issues such as transportation arrangements, administrative costs, staffing patterns, and the potential for collaboration with other districts;~~

~~(B) by entering into a contract with an energy or facilities management consultant; or~~

~~(C) by engaging in discussions with other school districts about reorganization or consolidation for better service delivery at a lower cost.~~

~~(2) To the extent approved by the Secretary, the Agency shall pay the district from the property tax revenue to be generated by the high spending increase to the district's spending adjustment as estimated by the Secretary, up to a maximum of $5,000.00. For the purposes of this subsection, "timely notice" means written notice from the district to the Secretary by September 30 of the budget year. If the district enters into a contract with a consultant pursuant to this subsection, the consultant shall not be an employee of the district or of the Agency. A copy of the consultant's final recommendations or a copy of the district's recommendations regarding reorganization, as appropriate, shall be submitted to the Secretary, and each affected town shall include in its next town report an executive summary of the consultant's or district's final recommendations and notice of where a complete copy is available. No district is authorized to obtain funds under this section more than one time in every five years.~~ [Repealed.]

* * *

Sec. 41. 16 V.S.A. § 563 is amended to read:

§ 563. POWERS OF SCHOOL BOARDS; FORM OF VOTE

The school board of a school district, in addition to other duties and authority specifically assigned by law:

* * *

(11)(A) Shall prepare and distribute annually a proposed budget for the next school year according to such major categories as may from time to time be prescribed by the Secretary.

(B) [Repealed.]

(C) At a school district's annual or special meeting, the electorate may vote to provide notice of availability of the school budget required by this subdivision to the electorate in lieu of distributing the budget. If the electorate of the school district votes to provide notice of availability, it must specify how notice of availability shall be given, and such notice of availability shall be provided to the electorate at least 30 days before the district's annual meeting. The proposed budget shall be prepared and distributed at least ~~ten~~ 10 days before a sum of money is voted on by the electorate. Any proposed budget shall show the following information in a format prescribed by the Secretary:

(i) all revenues from all sources, and expenses, including as separate items any assessment for a supervisory union of which it is a member and any tuition to be paid to a career technical center; and including the report required in subdivision 242(4)(D) of this title itemizing the component costs of the supervisory union assessment;

(ii) the specific amount of any deficit incurred in the most recently closed fiscal year and how the deficit was or will be remedied;

(iii) the anticipated ~~homestead~~ statewide education tax rate ~~and the percentage of household income used to determine income sensitivity in the district as a result of passage of the budget, including those portions of the tax rate attributable to supervisory union assessments~~, as adjusted for each tax classification pursuant to 32 V.S.A. § 5402; ~~and~~

(iv) the definition of "~~education spending~~ supplemental district spending," the ~~number of pupils and number of equalized pupils in~~ long-term membership of the school district, and the district's ~~education spending~~ per ~~equalized~~ pupil supplemental district spending in the proposed budget and in each of the prior three years; and

(v) the supplemental district spending yield.

(D) The board shall present the budget to the voters by means of a ballot in the following form:

"Article #1 (School Budget):

Shall the voters of the school district approve the school board to expend $ _____, which is the amount the school board has determined to be necessary in excess of the school district's educational opportunity payment for the ensuing fiscal year?

The _____ District estimates that this proposed budget, if approved, will result in per pupil ~~education~~ supplemental district spending of $_____, which is _____% higher/lower than per pupil ~~education~~ supplemental district spending for the current year, and a supplemental district spending tax rate of _____ per $100.00 of equalized education property value."

* * *

Sec. 42. REPEALS

(a) 16 V.S.A. § 4031 (unorganized towns and gores) is repealed.

(b) 2022 Acts and Resolves No. 127, Sec. 8 (suspension of excess spending penalty, hold harmless provision, and ballot language requirement) is repealed.

(c) 16 V.S.A. § 2961 (census grant; special education) is repealed.

(d) 16 V.S.A. § 4013(d) (English learners services; State aid; categorical aid) is repealed.

(e) 16 V.S.A. § 4015 (merger support for merged districts) is repealed.

Sec. 43. 16 V.S.A. § 4032 is added to read

§ 4032. SUPPLEMENTAL DISTRICT SPENDING RESERVE

(a) There is hereby created the Supplemental District Spending Reserve within the Education Fund. Any recapture, as defined in 32 V.S.A. § 5401, paid to the Education Fund as part of the revenue from the supplemental district spending tax imposed pursuant to 32 V.S.A. § 5402(f) shall be reserved within the Supplemental District Spending Reserve.

(b) In any fiscal year in which the amounts raised through the supplemental district spending tax imposed pursuant to 32 V.S.A. § 5402(f) are insufficient to cover payment to each school district of its supplemental district spending, the Supplemental District Spending Reserve shall be used by the Commissioner of Finance and Management to the extent necessary to offset the deficit as determined by generally accepted accounting principles.

(c) Any funds remaining in the Supplemental District Spending Reserve at the close of the fiscal year after accounting for the process under subsection (b) of this section shall be unreserved in the Education Fund for the purpose of decreasing the following year's statewide education property tax rate.

Sec. 44. AGENCY OF EDUCATION; TRANSPORTATION REIMBURSEMENT GUIDELINES

On or before December 15, 2025, the Agency of Education shall submit a written report to the House Committees on Ways and Means and on Education and the Senate Committees on Finance and on Education on clear and equitable guidelines for minimum transportation to be provided and covered by transportation reimbursement grant under 16 V.S.A. § 4016 as part of Vermont's education transformation.

Sec. 45. REPORT; JOINT FISCAL OFFICE; INFLATIONARY MEASURES; PREKINDERGARTEN EDUCATION FUNDING

(a) On or before December 15, 2025, the Joint Fiscal Office shall submit a report to the House Committees on Ways and Means and on Education and the Senate Committees on Finance and on Education that analyzes the National Income and Product Accounts (NIPA) implicit price deflator for state and local government consumption expenditures and gross investment published by the U.S. Department of Commerce, Bureau of Economic Analysis, and alternative inflationary measures that may be applied to state education funding systems. As part of the report, the Joint Fiscal Office shall analyze options and provide considerations for selecting an inflationary measure appropriate to Vermont's education funding system.

(b) On or before December 15, 2025, the Joint Fiscal Office shall submit a report to the House Committee on Ways and Means, the Senate Committee on Finance, and the House and Senate Committees on Education on the current funding systems for prekindergarten education, the Child Care Financial Assistance Program, or any other early care and learning systems. The report shall review financial incentives in these existing early care and learning systems. As part of the report, the Joint Fiscal Office shall provide considerations for changing the funding streams associated with these early care and learning systems to align with the education transformation initiatives envisioned in this act.

Sec. 45a. FOUNDATION FORMULA; JOINT FISCAL OFFICE; REPORT

(a) The Joint Fiscal Office shall contract with one or more contractors with expertise in Vermont's education funding system to recommend updates to the cost-factor foundation formula created by this act to move from special education weights based on disability categories to a reliance on the provision

of special education services and to update any other weights determined to be empirically necessary for an adequate and equitable education, taking into account the cost savings generated by new, larger consolidated school districts. Additionally, the contractors shall make recommendations regarding the following:

(1) suitable geographic measures for determining sparsity within the foundation formula;

(2) whether it costs more to educate a secondary student than an elementary student in Vermont and, if so, an appropriate weight to capture the cost differential of educating secondary students; and

(3) how to account for the provision of career and technical education within Vermont's foundation formula.

(b) The contractors shall submit the foundation formula, analysis of geographic measures, and the other recommendations required under subsection (a) of this section, along with a detailed analysis to support the contractor's recommendations, to the House Committee on Ways and Means, the Senate Committee on Finance, and the House and Senate Committees on Education on or before December 1, 2026.

(c) The sum of $400,000.00 is appropriated to the Joint Fiscal Office from the General Fund in fiscal year 2026 to hire one or more contractors for the purposes in subsection (a) of this section.

(d) The contractors shall be required to train the Joint Fiscal Office and the Agency of Education in the methodologies needed to recalibrate and recalculate the base and weights in accordance with 16 V.S.A. § 4010(f).

Sec. 45b. EDUCATIONAL OPPORTUNITY PAYMENTS; TUITION; TRANSITION; FYS 2029–2032

(a) Notwithstanding 16 V.S.A. § 4001(17), in each of fiscal years 2029 through 2032, the educational opportunity payment for a school district shall equal the educational opportunity payment for the school district as calculated pursuant to 16 V.S.A. § 4010(f) plus a yearly adjustment equal to:

(1) in fiscal year 2029, the transition gap multiplied by 0.80;

(2) in fiscal year 2030, the transition gap multiplied by 0.60;

(3) in fiscal year 2031, the transition gap multiplied by 0.40; and

(4) in fiscal year 2032, the transition gap multiplied by 0.20.

(b) Notwithstanding 16 V.S.A. § 823(a), in each of fiscal years 2029 through 2032, a school district shall pay as tuition to a receiving school for

each resident student attending the receiving school an amount equal to the adjusted base multiplied by the sum of one and any weights applicable to the resident student under section 16 V.S.A. § 4010.

(c) As used in this section:

(1) "Adjusted base" means the quotient resulting from dividing the school district's educational opportunity payment, as adjusted by the yearly adjustment, by the school district's weighted long-term membership as defined in 16 V.S.A. § 4001.

(2) "Adjusted for inflation" means adjusting the school district's education spending by the National Income and Product Accounts (NIPA) implicit price deflator for state and local government consumption expenditures and gross investment published by the U.S. Department of Commerce, Bureau of Economic Analysis, from fiscal year 2025 through fiscal year 2029 and rounding upward to the nearest whole dollar amount.

(3) "Transition gap" means the amount, whether positive or negative, that results from subtracting the school district's educational opportunity payment as calculated pursuant to 16 V.S.A. § 4010(f) for fiscal year 2029 from the school district's education spending in fiscal year 2025, as adjusted for inflation. The school district's education spending shall be adjusted for inflation on or before November 15 by the Secretary of Education.

Sec. 45c. 32 V.S.A. § 5414 is amended to read:

§ 5414. CREATION; EDUCATION FUND ADVISORY COMMITTEE

* * *

(e) Meetings.

(1) The Commissioner of Taxes shall call the first meeting of the Committee to occur on or before July 15, ~~2025~~ 2026.

* * *

* * * Education Property Tax Rate Formula * * *

Sec. 46. 32 V.S.A. § 5401 is amended to read:

§ 5401. DEFINITIONS

As used in this chapter:

* * *

(8) ~~"Education spending" means "education spending" as defined in 16 V.S.A. § 4001(6).~~ [Repealed.]

* * *

(12) ~~"Excess spending" means:~~

~~(A) The per pupil spending amount of the district's education spending, as defined in 16 V.S.A. § 4001(6), plus any amount required to be added from a capital construction reserve fund under 24 V.S.A. § 2804(b).~~

~~(B) In excess of 118 percent of the statewide average district per pupil education spending increased by inflation, as determined by the Secretary of Education on or before November 15 of each year based on the passed budgets to date. As used in this subdivision, "increased by inflation" means increasing the statewide average district per pupil education spending for fiscal year 2025 by the most recent New England Economic Project cumulative price index, as of November 15, for state and local government purchases of goods and services, from fiscal year 2025 through the fiscal year for which the amount is being determined.~~ [Repealed.]

(13)~~(A) "Education property tax spending adjustment" means the greater of one or a fraction in which:~~

~~(i) the numerator is the district's per pupil education spending plus excess spending for the school year, and~~

~~(ii) the denominator is the property dollar equivalent yield for the school year, as defined in subdivision (15) of this section, multiplied by the statewide adjustment.~~

~~(B) "Education income tax spending adjustment" means the greater of one or a fraction in which the numerator is the district's per pupil education spending plus excess spending for the school year, and the denominator is the income dollar equivalent yield for the school year, as defined in subdivision (16) of this section.~~ [Repealed.]

* * *

(15) ~~"Property dollar equivalent yield" means the amount of per pupil education spending that would result in a district having a homestead tax rate of $1.00 per $100.00 of equalized education property value.~~ [Repealed.]

(16) ~~"Income dollar equivalent yield" means the amount of per pupil education spending that would result in a district having an income percentage in subdivision 6066(a)(2) of this title of 2.0 percent.~~ [Repealed.]

(17) "Statewide adjustment" means the ratio of the aggregate education property tax grand list of all municipalities to the aggregate value of the equalized education property tax grand list of all municipalities.

(18) "Adjusted equalized education property tax grand list" means the equalized education property tax grand list after removing the value of homestead property exempted from the statewide education property tax and the supplemental district spending tax pursuant to section 6066 of this title.

(19) "Per pupil supplemental district spending" means the per pupil amount of supplemental district spending resulting from dividing a school district's supplemental district spending by its long-term membership as defined in 16 V.S.A. § 4001(7).

(20) "Recapture" means the amount of revenue raised through imposition of the supplemental district spending tax pursuant to subsection 5402(f) of this chapter that is in excess of the school district's supplemental district spending.

(21) "School district with the lowest taxing capacity" means the school district other than an interstate school district anticipated to have the lowest aggregate adjusted equalized education property tax grand list of its municipal members per long-term membership as defined in 16 V.S.A. § 4001(7) in the following fiscal year.

(22) "Supplemental district spending" means the spending that the voters of a school district approve in excess of the school district's educational opportunity payment, as defined in 16 V.S.A. § 4001(17), for the fiscal year, provided that the voters of a school district other than an interstate school district shall not approve spending in excess of 5 percent of the product of the base amount, as defined in 16 V.S.A. § 4001(16), and the school district's long-term membership, as defined in 16 V.S.A. § 4001(7).

(23) "Supplemental district spending yield" means the amount of property tax revenue per long-term membership as defined in 16 V.S.A. § 4001(7) that would be raised in the school district with the lowest taxing capacity using a supplemental district spending tax rate of $1.00 per $100.00 of equalized education property value multiplied by the statewide adjustment.

Sec. 46a. SUPPLEMENTAL DISTRICT SPENDING; CAP; TRANSITION; FYS 2029–2037

Notwithstanding 32 V.S.A. § 5401(22), in each of fiscal years 2029 through 2037, the voters of a school district other than an interstate school district shall not approve spending in excess of the following percentage of the product of the base amount, as defined in 16 V.S.A. § 4001(16), and the school district's long-term membership, as defined in 16 V.S.A. § 4001(7):

(1) in fiscal years 2029 through 2033, 10 percent;

(2) in fiscal year 2034, 9 percent;

(3) in fiscal year 2035, 8 percent;

(4) in fiscal year 2036, 7 percent; and

(5) in fiscal year 2037, 6 percent.

Sec. 47. 32 V.S.A. § 5402 is amended to read:

§ 5402. EDUCATION PROPERTY TAX LIABILITY

(a) A statewide education tax is imposed on all nonhomestead and homestead property at ~~the following rates:~~

~~(1) The tax rate for nonhomestead property shall be $1.59 per $100.00 divided by the statewide adjustment.~~

~~(2) The tax rate for homestead property shall be $1.00 multiplied by the education property tax spending adjustment for the municipality per $100.00 of equalized education property value as most recently determined under section 5405 of this title. The homestead property tax rate for each municipality that is a member of a union or unified union school district shall be calculated as required under subsection (e) of this section.~~ a rate sufficient to cover expenditures from the Education Fund other than supplemental district spending, after accounting for forecasted non-property tax revenues and any funds unreserved in the Education Fund following the process under 16 V.S.A. § 4032(c). It is the intention of the General Assembly that the statewide education tax rate under this section shall be adopted for each fiscal year by act of the General Assembly. If the General Assembly fails to adopt a statewide education tax rate for a fiscal year, the statewide education tax rate for the fiscal year shall equal the product of 110 percent and the statewide education tax rate for the preceding fiscal year. The statewide education tax rate shall be adjusted for homestead property and each general class of nonhomestead property provided under section 4152a of this title as follows:

If the tax classification of the property subject to taxation is:	then the statewide education tax rate is multiplied by a factor of:
Homestead	1.0
Nonhomestead Nonresidential	1.0
Nonhomestead Residential	1.0

(b) The statewide education tax shall be calculated as follows:

(1) The Commissioner of Taxes shall determine for each municipality the education tax rates under subsection (a) of this section divided by the number resulting from dividing the municipality's most recent common level of appraisal by the statewide adjustment. The legislative body in each

municipality shall then bill each property taxpayer at the ~~homestead or nonhomestead~~ applicable rate determined by the Commissioner under this subdivision, multiplied by the education property tax grand list value of the property, properly classified as homestead or nonhomestead property and without regard to any other tax classification of the property not authorized under this chapter. Statewide education property tax bills shall show the tax due and the calculation of the rate determined under subsection (a) of this section, divided by the number resulting from dividing the municipality's most recent common level of appraisal by the statewide adjustment, multiplied by the current grand list value of the property to be taxed. Statewide education property tax bills shall also include language provided by the Commissioner pursuant to subsection 5405(g) of this title.

(2) Taxes assessed under this section shall be assessed and collected in the same manner as taxes assessed under chapter 133 of this title with no tax classification other than ~~as homestead or nonhomestead property~~ those required by this section; provided, however, that the tax levied under this chapter shall be billed to each taxpayer by the municipality in a manner that clearly indicates the tax is separate from any other tax assessed and collected under chapter 133, including an itemization of the separate taxes due. The bill may be on a single sheet of paper with the statewide education tax and other taxes presented separately and side by side.

(3) ~~If a district has not voted a budget by June 30, an interim homestead education tax shall be imposed at the base rate determined under subdivision (a)(2) of this section, divided by the number resulting from dividing the municipality's most recent common level of appraisal by the statewide adjustment, but without regard to any spending adjustment under subdivision 5401(13) of this title. Within 30 days after a budget is adopted and the deadline for reconsideration has passed, the Commissioner shall determine the municipality's homestead tax rate as required under subdivision (1) of this subsection.~~ [Repealed.]

(c)(1) The treasurer of each municipality shall by December 1 of the year in which the tax is levied and on June 1 of the following year pay to the State Treasurer for deposit in the Education Fund one-half of the municipality's statewide ~~nonhomestead tax and one-half of the municipality's homestead~~ education tax, as determined under subdivision (b)(1) of this section.

(2) The Secretary of Education shall determine each municipality's net ~~nonhomestead~~ education tax payment ~~and its net homestead education tax payment~~ to the State based on grand list information received by the Secretary not later than the March 15 prior to the June 1 net payment. Payment shall be accompanied by a return prescribed by the Secretary of Education. Each

municipality may retain 0.225 of one percent of the total education tax collected, only upon timely remittance of net payment to the State Treasurer or to the applicable school district or districts. ~~Each municipality may also retain $15.00 for each late property tax credit claim filed after April 15 and before September 2, as notified by the Department of Taxes, for the cost of issuing a new property tax bill.~~

(d) [Repealed.]

(e) ~~The Commissioner of Taxes shall determine a homestead education tax rate for each municipality that is a member of a union or unified union school district as follows:~~

~~(1) For a municipality that is a member of a unified union school district, use the base rate determined under subdivision (a)(2) of this section and a spending adjustment under subdivision 5401(13) of this title based upon the per pupil education spending of the unified union.~~

~~(2) For a municipality that is a member of a union school district:~~

~~(A) Determine the municipal district homestead tax rate using the base rate determined under subdivision (a)(2) of this section and a spending adjustment under subdivision 5401(13) of this title based on the per pupil education spending in the municipality who attends a school other than the union school.~~

~~(B) Determine the union district homestead tax rate using the base rate determined under subdivision (a)(2) of this section and a spending adjustment under subdivision 5401(13) of this title based on the per pupil education spending of the union school district.~~

~~(C) Determine a combined homestead tax rate by calculating the weighted average of the rates determined under subdivisions (A) and (B) of this subdivision (2), with weighting based upon the ratio of union school long-term membership, as defined in 16 V.S.A. § 4001(7), from the member municipality to total long-term membership of the member municipality; and the ratio of long-term membership attending a school other than the union school to total long-term membership of the member municipality. Total long-term membership of the member municipality is based on the number of pupils who are legal residents of the municipality and attending school at public expense. If necessary, the Commissioner may adopt a rule to clarify and facilitate implementation of this subsection (e).~~ [Repealed.]

(f)(1) A supplemental district spending tax is imposed on all homestead and nonhomestead property in each member municipality of a school district that approves spending pursuant to a budget presented to the voters of a school district under 16 V.S.A. § 563. The Commissioner of Taxes shall determine

the supplemental district spending tax rate for each school district by dividing the school district's per pupil supplemental district spending as certified by the Secretary of Education by the supplemental district spending yield. The legislative body in each member municipality shall then bill each property taxpayer at the rate determined by the Commissioner under this subsection, divided by the number resulting from dividing the municipality's most recent common level of appraisal by the statewide adjustment and multiplied by the current grand list value of the property to be taxed. The bill shall show the tax due and the calculation of the rate.

(2) The supplemental district spending tax assessed under this subsection shall be assessed and collected in the same manner as taxes assessed under chapter 133 of this title with no tax classification other than as homestead or nonhomestead property; provided, however, that the tax levied under this chapter shall be billed to each taxpayer by the municipality in a manner that clearly indicates the tax is separate from any other tax assessed and collected under chapter 133 of this title and the statewide education property tax under this section, including an itemization of the separate taxes due. The bill may be on a single sheet of paper with the supplemental district spending tax, the statewide education tax, and other taxes presented separately and side by side.

(3) The treasurer of each municipality shall on or before December 1 of the year in which the tax is levied and on or before June 1 of the following year pay to the State Treasurer for deposit in the Education Fund one-half of the municipality's supplemental district spending tax as determined under subdivision (1) of this subsection.

(4) The Secretary of Education shall determine each municipality's net supplemental district spending tax payment to the State based on grand list information received by the Secretary not later than the March 15 prior to the June 1 net payment. Payment shall be accompanied by a return prescribed by the Secretary of Education. Each municipality may retain 0.225 of one percent of the total supplemental district spending tax collected, only upon timely remittance of net payment to the State Treasurer or to the applicable school district.

Sec. 48. 32 V.S.A. § 5402b is amended to read:

§ 5402b. STATEWIDE EDUCATION TAX ~~YIELDS~~ RATE; SUPPLEMENTAL DISTRICT SPENDING YIELD; RECOMMENDATION OF THE COMMISSIONER

(a) Annually, not later than December 1, the Commissioner of Taxes, after consultation with the Secretary of Education, the Secretary of Administration,

and the Joint Fiscal Office, shall calculate and recommend ~~a property dollar equivalent yield, an income dollar equivalent yield, and a nonhomestead property tax rate~~ the statewide education property tax rate pursuant to subsection 5402(a) of this chapter and the supplemental district spending yield for the following fiscal year. In making these calculations, the Commissioner shall assume~~:~~ the statutory reserves are maintained at five percent pursuant to 16 V.S.A. § 4026, the amounts in the Supplemental District Spending Reserve are unavailable for any purpose other than that specified in 16 V.S.A. § 4032(b), and the statewide education property tax rate is divided by the statewide adjustment

~~(1) the homestead base tax rate in subdivision 5402(a)(2) of this title is $1.00 per $100.00 of equalized education property value;~~

~~(2) the applicable percentage in subdivision 6066(a)(2) of this title is 2.0;~~

~~(3) the statutory reserves under 16 V.S.A. § 4026 and this section were maintained at five percent;~~

~~(4) the percentage change in the average education tax bill applied to nonhomestead property and the percentage change in the average education tax bill of homestead property and the percentage change in the average education tax bill for taxpayers who claim a credit under subsection 6066(a) of this title are equal;~~

~~(5) the equalized education grand list is multiplied by the statewide adjustment in calculating the property dollar equivalent yield; and~~

~~(6) the nonhomestead rate is divided by the statewide adjustment~~.

(b) For each fiscal year, the ~~property dollar equivalent~~ supplemental district spending yield ~~and the income dollar equivalent yield~~ shall be the same as in the prior fiscal year~~,~~ unless set otherwise by the General Assembly.

* * *

(d) Along with the recommendations made under this section, the Commissioner shall include:

(1) the base amount as defined in 16 V.S.A. § 4001(16);

(2) for each school district, the estimated long-term membership, weighted long-term membership, and aggregate adjusted equalized education property tax grand list of its municipal members;

(3) for each school district, the estimated aggregate adjusted equalized education property tax grand list of its municipal members per long-term membership;

(4) the estimated school district with the lowest taxing capacity; and

(5) the range of per pupil supplemental district spending between all districts in the State for the previous year.

* * *

Sec. 48a. HOMESTEAD PROPERTY TAX RATE; TRANSITION; FYS 2029–2032; REPORT

(a) Notwithstanding 32 V.S.A. § 5402, in each of fiscal years 2029 through 2032, the homestead property tax rate for a school district shall equal the homestead property tax rate imposed pursuant to 32 V.S.A. § 5402 plus a yearly adjustment equal to:

(1) in fiscal year 2029, the transition gap multiplied by 0.80;

(2) in fiscal year 2030, the transition gap multiplied by 0.60;

(3) in fiscal year 2031, the transition gap multiplied by 0.40; and

(4) in fiscal year 2032, the transition gap multiplied by 0.20.

(b) As used in this section, "transition gap" means the amount, whether positive or negative, that results from subtracting the uniform homestead property tax rate for fiscal year 2029 were it calculated assuming no tax rate transition under this section from the homestead property tax rate for the school district in fiscal year 2028.

(c) On or before December 15, 2027, the Department of Taxes, in consultation with the Joint Fiscal Office and the Agency of Education, shall submit a written report to the House Committee on Ways and Means and the Senate Committee on Finance with recommendations and an implementation plan to ensure that education property tax rates do not increase as part of the transition to the new foundation formula.

* * * Conforming Revisions; Statewide Property Tax Rate * * *

Sec. 49. 32 V.S.A. § 5404a(b)(1) is amended to read:

(b)(1) An agreement affecting the education property tax grand list defined under subsection (a) of this section shall reduce the municipality's education property tax liability under this chapter for the duration of the agreement or exemption without extension or renewal, and for a maximum of 10 years. A municipality's property tax liability under this chapter shall be reduced by any difference between the amount of the education property taxes collected on the subject property and the amount of education property taxes that would have been collected on such property if its fair market value were taxed at the equalized ~~nonhomestead~~ rate for the tax year.

Sec. 50. 32 V.S.A. § 5405(g) is amended to read:

(g) The Commissioner shall provide to municipalities for the front of property tax bills the ~~district homestead~~ ~~property~~ statewide education tax rate before equalization~~, the nonresidential tax rate before equalization,~~ and the calculation process that creates the equalized homestead and nonhomestead tax rates. The Commissioner shall further provide to municipalities for the back of property tax bills an explanation of the common level of appraisal, including its origin and purpose.

* * * Statewide Property Tax Credit Repeal; Homestead Exemption Created * * *

Sec. 51. 32 V.S.A. § 5400 is amended to read:

§ 5400. STATUTORY PURPOSES

* * *

(c) The statutory purpose of the exemption for qualified housing in subdivision 5404a(a)(6) of this title is to ensure that taxes on this rent-restricted housing provided to Vermonters of low and moderate income are more equivalent to property taxed ~~using the State~~ as a homestead ~~rate~~ property and to adjust the costs of investment in rent-restricted housing to reflect more accurately the revenue potential of such property.

* * *

(j) The statutory purpose of the homestead property tax exemption in subdivision 6066(a)(1) of this title is to reduce the property tax liability for Vermont households with low and moderate household income.

Sec. 52. 32 V.S.A. chapter 154 is amended to read:

CHAPTER 154. HOMESTEAD PROPERTY TAX EXEMPTION, MUNICIPAL PROPERTY TAX CREDIT, AND RENTER CREDIT

§ 6061. DEFINITIONS

As used in this chapter ~~unless the context requires otherwise~~:

(1) "~~Property~~ Municipal property tax credit" means a credit of the prior tax year's ~~statewide or~~ municipal property tax liability ~~or a homestead owner credit,~~ as authorized under ~~section~~ subdivision 6066(a)(2) of this ~~title, as the context requires~~ chapter.

* * *

(8) ~~"Annual tax levy" means the property taxes levied on property taxable on April 1 and without regard to the year in which those taxes are due or paid.~~ [Repealed.]

(9) "Taxable year" means the calendar year preceding the year in which the claim is filed.

(10) [Repealed.]

(11) "Housesite" means that portion of a homestead, as defined under subdivision 5401(7) of this title but not under subdivision 5401(7)(G) of this title, that includes as much of the land owned by the claimant surrounding the dwelling as is reasonably necessary for use of the dwelling as a home, but in no event more than two acres per dwelling unit, and, in the case of multiple dwelling units, not more than two acres per dwelling unit up to a maximum of 10 acres per parcel.

(12) "Claim year" means the year in which a claim is filed under this chapter.

(13) "Homestead" means a homestead as defined under subdivision 5401(7) of this title, but not under subdivision 5401(7)(G) of this title, and declared on or before October 15 in accordance with section 5410 of this title.

(14) ~~"Statewide education tax rate" means the homestead education property tax rate multiplied by the municipality's education spending adjustment under subdivision 5402(a)(2) of this title and used to calculate taxes assessed in the municipal fiscal year that began in the taxable year.~~ [Repealed.]

* * *

(21) "Homestead property tax exemption" means a reduction in the amount of housesite value subject to the statewide education tax and the supplemental district spending tax in the claim year as authorized under sections 6066 and 6066a of this chapter.

§ 6062. NUMBER AND IDENTITY OF CLAIMANTS; APPORTIONMENT

* * *

(d) Whenever a housesite is an integral part of a larger unit such as a farm or a multi-purpose or multi-dwelling building, property taxes paid shall be that percentage of the total property tax as the value of the housesite is to the total value. Upon a claimant's request, the listers shall certify to the claimant the value of ~~his or her~~ the claimant's homestead and housesite.

* * *

§ 6063. CLAIM AS PERSONAL; CREDIT AND EXEMPTION AMOUNT AT TIME OF TRANSFER

(a) The right to file a claim under this chapter is personal to the claimant and shall not survive ~~his or her~~ the claimant's death, but the right may be exercised on behalf of a claimant by ~~his or her~~ the claimant's legal guardian or attorney-in-fact. When a claimant dies after having filed a timely claim, the municipal property tax credit and the homestead exemption amount shall be ~~credited~~ applied to the ~~homestead~~ property tax liability of the claimant's estate as provided in section 6066a of this title.

(b) In case of sale or transfer of a residence~~,~~ after April 1 of the claim year:

(1) any municipal property tax credit ~~amounts~~ amount related to that residence shall be allocated to the ~~seller~~ transferor at closing unless the parties otherwise agree;

(2) any homestead property tax exemption related to that residence based on the transferor's household income under subdivision 6066(a)(1) of this chapter shall cease to be in effect upon transfer; and

(3) a transferee who is eligible to declare the residence as a homestead but for the requirement to own the residence on April 1 of the claim year shall, notwithstanding subdivision 5401(7) and subsection 5410(b) of this title, be eligible to apply for a homestead property tax exemption in the claim year when the transfer occurs by filing with the Commissioner of Taxes a homestead declaration pursuant to section 5410 of this title and a claim for exemption on or before the due date prescribed under section 6068 of this chapter.

* * *

§ 6065. FORMS; TABLES; NOTICES

(a) In administering this chapter, the Commissioner shall provide suitable claim forms with tables of allowable claims, instructions, and worksheets for claiming a homestead property tax exemption and municipal property tax credit.

(b) Prior to June 1, the Commissioner shall also prepare and supply to each town in the State notices describing the homestead property tax exemption and municipal property tax credit for inclusion in property tax bills. The notice shall be in simple, plain language and shall explain how to file for a homestead property tax exemption and a municipal property tax credit, where to find assistance filing for a credit or an exemption, or both, and any other related information as determined by the Commissioner. The notice shall direct taxpayers to a resource where they can find versions of the notice translated into the five most common non-English languages in the State. A town shall include such notice in each tax bill and notice of delinquent taxes that it mails to taxpayers who own in that town a residential property, without regard for

whether the property was declared a homestead pursuant to subdivision 5401(7) of this title.

(c) Notwithstanding the provisions of subsection (b) of this section, towns that use envelopes or mailers not able to accommodate notices describing the homestead property tax exemption and municipal property tax credit may distribute such notices in an alternative manner.

§ 6066. COMPUTATION OF HOMESTEAD PROPERTY TAX EXEMPTION, MUNICIPAL PROPERTY TAX CREDIT, AND RENTER CREDIT

(a) ~~An eligible claimant who owned the homestead on April 1 of the year in which the claim is filed shall be entitled to a credit for the prior year's homestead property tax liability amount determined as follows:~~

~~(1)(A) For a claimant with household income of $90,000.00 or more:~~

~~(i) the statewide education tax rate, multiplied by the equalized value of the housesite in the taxable year;~~

~~(ii) minus (if less) the sum of:~~

~~(I) the income percentage of household income for the taxable year; plus~~

~~(II) the statewide education tax rate, multiplied by the equalized value of the housesite in the taxable year in excess of $225,000.00.~~

~~(B) For a claimant with household income of less than $90,000.00 but more than $47,000.00, the statewide education tax rate, multiplied by the equalized value of the housesite in the taxable year, minus (if less) the sum of:~~

~~(i) the income percentage of household income for the taxable year; plus~~

~~(ii) the statewide education tax rate, multiplied by the equalized value of the housesite in the taxable year in excess of $400,000.00.~~

~~(C) For a claimant whose household income does not exceed $47,000.00, the statewide education tax rate, multiplied by the equalized value of the housesite in the taxable year, minus the lesser of:~~

~~(i) the sum of the income percentage of household income for the taxable year plus the statewide education tax rate, multiplied by the equalized value of the housesite in the taxable year in excess of $400,000.00; or~~

~~(ii) the statewide education tax rate, multiplied by the equalized value of the housesite in the taxable year reduced by $15,000.00.~~

~~(2) "Income percentage" in this section means two percent, multiplied by the education income tax spending adjustment under subdivision 5401(13)(B) of this title for the property tax year that begins in the claim year for the municipality in which the homestead residence is located~~

(1) An eligible claimant who owned the homestead on April 1 of the claim year and whose household income does not exceed $115,000.00 shall be entitled to a homestead property tax exemption in the claim year in an amount determined as follows:

If household income (rounded to the nearest dollar) is:	then the claimant is entitled to a homestead property tax exemption against the first $425,000.00 in housesite value of this percent:
$0.00 — 25,000.00	95.00
$25,001.00 — 40,000.00	90.00
$40,001.00 — 50,000.00	80.00
$50,001.00 — 60,000.00	70.00
$60,001.00 — 70,000.00	60.00
$70,001.00 — 80,000.00	50.00
$80,001.00 — 90,000.00	40.00
$90,001.00 — 100,000.00	30.00
$100,001.00 — 110,000.00	20.00
$110,001.00 — 115,000.00	10.00

~~(3)~~(2) ~~A~~ An eligible claimant who owned the homestead on April 1 of the claim year and whose household income does not exceed $47,000.00 shall also be entitled to ~~an additional~~ a credit amount ~~from~~ against the claimant's municipal taxes for the upcoming fiscal year that is equal to the amount by which the municipal property taxes for the municipal fiscal year that began in the taxable year upon the claimant's housesite exceeds a percentage of the claimant's household income for the taxable year as follows:

If household income (rounded to the nearest dollar) is:	then the taxpayer is entitled to credit for the reduced property tax in excess of this percent of that income:
$0.00 — 9,999.00	1.50
$10,000.00 — 47,000.00	3.00

~~(4) A claimant whose household income does not exceed $47,000.00 shall also be entitled to an additional credit amount from the claimant's statewide education tax for the upcoming fiscal year that is equal to the amount by which the education property tax for the municipal fiscal year that began in the taxable year upon the claimant's housesite, reduced by the credit amount determined under subdivisions (1) and (2) of this subsection, exceeds a percentage of the claimant's household income for the taxable year as follows:~~

~~If household income (rounded to the nearest dollar) is:~~	~~then the taxpayer is entitled to credit for the reduced property tax in excess of this percent of that income:~~
~~$0.00 — 9,999.00~~	~~0.5~~
~~$10,000.00 — 24,999.00~~	~~1.5~~
~~$25,000.00 — 47,000.00~~	~~2.0~~

~~(5)~~(3) In no event shall the homestead property tax exemption provided for in subdivision (1) of this subsection reduce the housesite value below zero. In no event shall the municipal property tax credit provided for in subdivision ~~(3) or (4)~~(2) of this subsection exceed the amount of the reduced municipal property tax. ~~The credits under subdivision (4) of this subsection shall be calculated considering only the tax due on the first $400,000.00 in equalized housesite value.~~

(4) Each dollar amount in subdivision (1) of this subsection shall be adjusted for inflation annually on or before November 15 by the Commissioner of Taxes. As used in this subdivision, "adjusted for inflation" means adjusting the dollar amount by the National Income and Product Accounts (NIPA) implicit price deflator for state and local government consumption expenditures and gross investment published by the U.S. Department of Commerce, Bureau of Economic Analysis, from fiscal year 2025 through the fiscal year for which the amount is being determined, and rounding upward to the nearest whole dollar amount.

(b)(1) An eligible claimant who rented the homestead shall be entitled to a credit for the taxable year in an amount not to exceed $2,500.00, to be calculated as follows:

* * *

(c) To be eligible for an ~~adjustment~~ exemption or credit under this chapter, the claimant:

(1) must have been domiciled in this State during the entire taxable year;

(2) may not be a person claimed as a dependent by any taxpayer under the federal Internal Revenue Code during the taxable year; and

(3) in the case of a renter, shall have rented property for at least six calendar months, which need not be consecutive, during the taxable year.

(d) The owner of a mobile home that is sited on a lot not owned by the homeowner may include an amount determined under subdivision 6061(7) of this title as allocable rent paid on the lot with the amount of property taxes paid by the homeowner on the home for the purpose of computation of ~~credits~~ the municipal property tax credit under subdivision (a)~~(3)~~(2) of this section, unless the homeowner has included in the claim an amount of property tax on common land under the provisions of subsection (e) of this section.

(e) Property taxes paid by a cooperative, not including a mobile home park cooperative, allocable to property used as a homestead shall be attributable to the co-op member for the purpose of computing the ~~credit of~~ property tax liability of the co-op member under this section. Property owned by a cooperative declared as a homestead may only include the homestead and a pro rata share of any common land owned or leased by the cooperative, not to exceed the two-acre housesite limitation. The share of the cooperative's assessed value attributable to the housesite shall be determined by the cooperative and specified annually in a notice to the co-op member. Property taxes paid by a mobile home park cooperative, allocable to property used as a housesite, shall be attributed to the owner of the housesite for the purpose of computing the ~~credit of~~ property tax liability of the housesite owner under this section. Property owned by the mobile home park cooperative and declared as a housesite may only include common property of the cooperative contiguous with at least one mobile home lot in the park, not to exceed the two-acre housesite limitation. The share attributable to any mobile home lot shall be determined by the cooperative and specified in the cooperative agreement. A co-op member who is the housesite owner shall be entitled to a property tax credit in an amount determined by multiplying the property taxes allocated under this subsection by the percentage of the exemption for which the housesite owner's household income qualifies under subdivision (a)(1) of this section.

(f) [Repealed.]

(g) Notwithstanding subsection (d) of this section, if the land surrounding a homestead is owned by a nonprofit corporation or community land trust with tax exempt status under 26 U.S.C. § 501(c)(3), the homeowner may include an allocated amount as property tax paid on the land with the amount of property taxes paid by the homeowner on the home for the purposes of computation of ~~the credit~~ property tax liability under this section. The allocated amount shall

be determined by the nonprofit corporation or community land trust on a proportional basis. The nonprofit corporation or community land trust shall provide to that homeowner, by January 31, a certificate specifying the allocated amount. The certificate shall indicate the proportion of total property tax on the parcel that was assessed for municipal property tax and for statewide property tax and the proportion of total value of the parcel. A homeowner under this subsection shall be entitled to a property tax credit in an amount determined by multiplying the property taxes allocated under this subsection by the percentage of the exemption for which the homeowner's household income qualifies under subdivision (a)(1) of this section.

(h) A homestead owner shall be entitled to an additional property tax credit amount equal to one percent of the amount of income tax refund that the claimant elects to allocate to payment of ~~homestead~~ statewide education property tax under section 6068 of this title.

(i) ~~Adjustments~~ The homestead property tax exemption and the municipal property tax credit under subsection (a) of this section shall be calculated without regard to any exemption under subdivision 3802(11) of this title.

§ 6066a. DETERMINATION OF HOMESTEAD PROPERTY TAX EXEMPTION AND MUNICIPAL PROPERTY TAX CREDIT

(a) Annually, the Commissioner shall determine the homestead property tax exemption and the municipal property tax credit amount under section 6066 of this title, related to a homestead owned by the claimant, based on the prior taxable year's income and for the municipal property tax credit, crediting property taxes paid in the prior year, and for the homestead property tax exemption, exempting the housesite value in the claim year. The Commissioner shall notify the municipality in which the housesite is located of the amount of the homestead property tax exemption and municipal property tax credit for the claimant for ~~homestead~~ property tax liabilities on a monthly basis. The municipal property tax credit of a claimant who was assessed property tax by a town that revised the dates of its fiscal year, however, is the excess of the property tax that was assessed in the last 12 months of the revised fiscal year, over the adjusted property tax of the claimant for the revised fiscal year, as determined under section 6066 of this title, related to a homestead owned by the claimant.

(b) The Commissioner shall include in the total homestead property tax exemption and municipal property tax credit amount determined under subsection (a) of this section, for credit to the taxpayer for ~~homestead~~ statewide education property tax and supplemental district spending tax liabilities, any income tax overpayment remaining after allocation under

section 3112 of this title and setoff under section 5934 of this title, which the taxpayer has directed to be used for payment of property taxes.

(c) The Commissioner shall notify the municipality of any claim and refund amounts unresolved by November 1 at the time of final resolution, including adjudication, if any; provided, however, that towns will not be notified of any additional credit amounts after November 1 of the claim year, and such amounts shall be paid to the claimant by the Commissioner.

(d) [Repealed.]

(e) At the time of notice to the municipality, the Commissioner shall notify the taxpayer of the homestead property tax ~~credit~~ exemption amount determined under subdivision 6066(a)(1) of this title~~, the amount determined under subdivision 6066(a)(3) of this title,~~; any ~~additional~~ municipal property credit ~~amounts~~ amount due the homestead owner under ~~section~~ subdivision 6066(a)(2) of this title~~,~~; the amount of income tax refund, if any, allocated to payment of ~~homestead~~ statewide education property tax liabilities~~,~~; and any late-claim reduction amount.

(f)(1) For taxpayers and amounts stated in the notice to towns on or before July 1, municipalities shall create and send to taxpayers a ~~homestead~~ property tax bill, instead of the bill required under subdivision 5402(b)(1) of this title, providing the total amount allocated to payment of ~~homestead~~ statewide education property tax liabilities and notice of the balance due. Municipalities shall apply the amount of the homestead property tax exemption allocated under this chapter to current year property taxes in equal amounts to each of the taxpayers' property tax installments that include education taxes and the amount of the municipal property tax credit allocated under this chapter to current year municipal property taxes in equal amounts to each of the taxpayers' property tax installments that include municipal taxes. Notwithstanding section 4772 of this title, if a town issues a corrected bill as a result of the notice sent by the Commissioner under subsection (a) of this section, issuance of the corrected new bill does not extend the time for payment of the original bill nor relieve the taxpayer of any interest or penalties associated with the original bill. If the corrected bill is less than the original bill, and there are also no unpaid current year taxes, interest, or penalties, and no past year delinquent taxes or penalties and interest charges, any overpayment shall be reflected on the corrected tax bill and refunded to the taxpayer.

(2) For homestead property tax exemption and municipal property tax credit amounts for which municipalities receive notice after November 1, municipalities shall issue a new ~~homestead~~ property tax bill with notice to the

taxpayer of the total amount allocated to payment of ~~homestead~~ property tax liabilities and notice of the balance due.

(3) The homestead property tax exemption and municipal property tax credit amount determined for the taxpayer shall be allocated first to current year housesite value and property tax on the homestead parcel, next to current-year homestead parcel penalties and interest, next to any prior year homestead parcel penalties and interest, and last to any prior year housesite value and property tax on the homestead parcel. No homestead property tax exemption or municipal credit shall be allocated to a housesite value or property tax liability for any year after the year for which the claim or refund allocation was filed. No municipal tax-reduction incentive for early payment of taxes shall apply to any amount allocated to the property tax bill under this chapter.

(4) If the homestead property tax exemption or the municipal property tax credit amount as described in subsection (e) of this section exceeds the property tax, penalties, and interest due for the current and all prior years, the municipality shall refund the excess to the taxpayer, without interest, within 20 days of the first date upon which taxes become due and payable or 20 days after notification of the exemption or credit amount by the Commissioner of Taxes, whichever is later.

(g) The Commissioner of Taxes shall pay monthly to each municipality the amount of municipal property tax credit of which the municipality was last notified related to municipal property tax on homesteads within that municipality, as determined by the Commissioner of Taxes.

§ 6067. ~~CREDIT~~ CLAIM LIMITATIONS

(a) Claimant. Only one individual per household per taxable year shall be entitled to a homestead exemption claim or property tax credit claim, or both, under this chapter.

(b) Other states. An individual who received a homestead exemption or credit with respect to property taxes assessed by another state for the taxable year shall not be entitled to receive a credit under this chapter.

(c) Dollar amount. No ~~taxpayer~~ claimant shall receive a renter credit under subsection 6066(b) of this title in excess of $2,500.00. No ~~taxpayer~~ claimant shall receive a municipal property tax credit under subdivision 6066(a)~~(3)~~(2) of this title greater than $2,400.00 ~~or cumulative credit under subdivisions 6066(a)(1)-(2) and (4) of this title greater than $5,600.00~~.

§ 6068. APPLICATION AND TIME FOR FILING

(a) A homestead property tax exemption or municipal property tax credit claim or request for allocation of an income tax refund to ~~homestead~~ statewide

education property tax payment shall be filed with the Commissioner on or before the due date for filing the Vermont income tax return, without extension, and shall describe the school district in which the homestead property is located and shall particularly describe the homestead property for which the exemption or credit ~~or allocation~~ is sought, including the school parcel account number prescribed in subsection 5404(b) of this title. A renter credit claim shall be filed with the Commissioner on or before the due date for filing the Vermont income tax return, without extension.

(b)(1) If ~~the~~ a claimant files a municipal property tax credit claim after October 15 but on or before March 15 of the following calendar year, the municipal property tax credit under this chapter:

~~(1)~~(A) shall be reduced in amount by $150.00, but not below $0.00;

~~(2)~~(B) shall be issued directly to the claimant; and

~~(3)~~(C) shall not require the municipality where the claimant's property is located to issue an adjusted ~~homestead~~ property tax bill.

(2) If a claimant files a homestead property tax exemption claim under this chapter after October 15 but on or before March 15 of the following calendar year, the claimant shall pay a penalty of $150.00 and the municipality where the claimant's property is located shall not be required to issue an adjusted property tax bill.

(c) No request for allocation of an income tax refund or for a renter credit claim may be made after October 15. No homestead property tax exemption or municipal property tax credit claim may be made after March 15 of the calendar year following the due date under subsection (a) of this section.

* * *

§ 6070. DISALLOWED CLAIMS

A claim shall be disallowed if the claimant received title to ~~his or her~~ the claimant's homestead primarily for the purpose of receiving benefits under this chapter.

§ 6071. EXCESSIVE AND FRAUDULENT CLAIMS

(a) In any case in which it is determined under the provisions of this title that a claim is or was excessive and was filed with fraudulent intent, the claim shall be disallowed in full and the Commissioner may impose a penalty equal to the amount claimed. A disallowed claim may be recovered by assessment as income taxes are assessed. The assessment, including assessment of penalty, shall bear interest from the date the claim was credited against

property tax or income tax or paid by the State until repaid by the claimant at the rate per annum established from time to time by the Commissioner pursuant to section 3108 of this title. The claimant in that case, and any person who assisted in the preparation of filing of such excessive claim or supplied information upon which the excessive claim was prepared, with fraudulent intent, shall be fined not more than $1,000.00 or be imprisoned not more than one year, or both.

(b) In any case in which it is determined that a claim is or was excessive, the Commissioner may impose a 10 percent penalty on such excess, and if the claim has been paid or credited against property tax or income tax otherwise payable, the municipal property tax credit or homestead exemption shall be reduced or canceled and the proper portion of any amount paid shall be similarly recovered by assessment as income taxes are assessed, and such assessment shall bear interest at the rate per annum established from time to time by the Commissioner pursuant to section 3108 of this title from the date of payment or, in the case of credit of a municipal property tax bill under section 6066a of this title, from December 1 of the year in which the claim is filed until refunded or paid.

* * *

§ 6073. ~~REGULATIONS~~ RULES OF THE COMMISSIONER

The Commissioner may, from time to time, ~~issue~~ adopt, amend, and withdraw ~~regulations~~ rules interpreting and implementing this chapter.

§ 6074. AMENDMENT OF CERTAIN CLAIMS

At any time within three years after the date for filing claims under subsection 6068(a) of this chapter, a claimant who filed a claim by October 15 may file to amend that claim with regard to housesite value, ~~housesite education tax,~~ housesite municipal tax, and ownership percentage or to correct the amount of household income reported on that claim.

Sec. 53. DEPARTMENT OF TAXES; HOMESTEAD EXEMPTION; REPORT

(a) It is the intent of the General Assembly to transition the way income-based property tax relief is provided to homestead property owners from the existing credit system towards an income-based homestead exemption.

(b) On or before December 15, 2026, the Department of Taxes, in consultation with the Joint Fiscal Office, shall submit a proposal to the House Committee on Ways and Means and the Senate Committee on Finance designing a homestead exemption structure that minimizes the:

(1) property tax impacts for homestead property owners under the new education tax structure established in this act; and

(2) benefit cliffs compared to those in the existing credit system.

(c) The Department of Taxes shall additionally include with its proposal:

(1) recommendations for an inflationary adjustment measure suited to the income sensitivity and housesite value measures of the proposed homestead exemption;

(2) an analysis of the implications of moving to income sensitivity measures that provide benefits to households with household income of up to $175,000.00 a year; and

(3) updates to the homestead declaration under 32 V.S.A. § 5410 to address the implementation of the proposed homestead exemption, which may be provided as a sample form.

* * * Conforming Revisions; Property Tax Credit Repeal * * *

Sec. 54. 11 V.S.A. § 1608 is amended to read:

§ 1608. ELIGIBILITY FOR PROPERTY TAX RELIEF

Members of cooperative housing corporations shall be eligible to apply for and receive a homestead property tax ~~adjustment~~ exemption and municipal property tax credit under 32 V.S.A. § 6066, subject to the conditions of eligibility set forth therein.

Sec. 55. 32 V.S.A. § 3102(j) is amended to read:

(j) Tax bills prepared by a municipality under subdivision 5402(b)(1) of this title showing only the amount of total tax due shall not be considered confidential return information under this section. For the purposes of calculating ~~credits~~ the homestead property tax exemption and the municipal property tax credit under chapter 154 of this title, information provided by the Commissioner to a municipality under subsection 6066a(a) of this title and information provided by the municipality to a taxpayer under subsection 6066a(f) shall be considered confidential return information under this section.

Sec. 56. 32 V.S.A. § 3206(b) is amended to read:

(b) As used in this section, "extraordinary relief" means a remedy that is within the power of the Commissioner to grant under this title, a remedy that compensates for the result of inaccurate classification of property as homestead or nonhomestead pursuant to section 5410 of this title through no fault of the taxpayer, or a remedy that makes changes to a taxpayer's

homestead property tax exemption, municipal property tax credit, or renter credit claim necessary to remedy the problem identified by the Taxpayer Advocate.

* * * Education Fund Advisory Committee * * *

Sec. 57. 32 V.S.A. § 5414 is amended to read:

§ 5414. CREATION; EDUCATION FUND ADVISORY COMMITTEE

(a) Creation. There is created the Education Fund Advisory Committee to monitor Vermont's education financing system, conduct analyses, assist with the transformation of Vermont's education finance system, and perform the duties under subsection (c) of this section.

* * *

(c) Powers and duties.

(1) Annually, on or before December 15, the Committee shall make recommendations to the General Assembly regarding:

(A) updating the weighting factors using the weighting model and methodology used to arrive at the weights enacted ~~under 2022 Acts and Resolves No. 127~~ for the foundation formula, which may include recalibration, recalculation, adding or eliminating weights, or any combination of these actions, as necessary;

(B) changes to, or the addition of new or elimination of existing, categorical aid, as necessary;

(C) changes to income levels eligible for a ~~property tax credit~~ homestead exemption under section 6066 of this title;

(D) means to adjust the revenue sources for the Education Fund;

(E) means to improve equity, transparency, and efficiency in education funding statewide;

(F) the amount of the Education Fund stabilization reserve;

(G) school district use of reserve fund accounts; ~~and~~

(H) national best practices for addressing intra-school district effects of a foundation formula, including through the use of weighting factors;

(I) how to maintain intra-district equity under Vermont's foundation formula;

(J) whether weighted foundation formula payments lead to improved outcomes across all populations; and

(K) any other topic, factor, or issue the Committee deems relevant to its work and recommendations.

* * *

Sec. 58. [Deleted.]

Sec. 59. [Deleted.]

* * * Property Classification * * *

Sec. 60. 32 V.S.A. § 4152 is amended to read:

§ 4152. CONTENTS

(a) When completed, the grand list of a town shall be in such form as the Director prescribes and shall contain such information as the Director prescribes, including:

(1) In alphabetical order, the name of each real property owner and each owner of taxable personal property.

(2) The last known mailing address of all such owners.

(3) A brief description of each parcel of taxable real estate in the town, including a classification assigned pursuant to section 4152a of this title. ~~"Parcel"~~ As used in this subdivision, "parcel" means a separate and sellable lot or piece of real estate. Parcels may be combined to represent all contiguous land in the same ownership, together with all improvements thereon.

* * *

Sec. 61. 32 V.S.A. § 4152a is added to read:

§ 4152a. PROPERTY TAX CLASSIFICATIONS

(a) The grand list of a town shall include one or more tax classifications for each parcel of real estate. A parcel shall be classified using one of the general classes of real estate listed under subsection (b) of this section and based on the considerations set forth in this section and by guidance provided by the Division of Property Valuation and Review. The listers and assessors shall annually update the grand list to include a tax classification not later than June 1 of every year, using information submitted to the Department of Taxes pursuant to this section. The tax classification may be updated after June 1 when a taxpayer files, or corrects an erroneously filed, homestead declaration after June 1.

(b) A parcel shall be assigned one or more of the following general classes:

(1) Homestead;

(2) Nonhomestead nonresidential; and

(3) Nonhomestead residential.

(c) As used in this section:

(1) "Homestead" means a parcel, or portion of a parcel, declared as a homestead on or before October 15 in accordance with section 5410 of this title for the current year.

(2) "Nonhomestead nonresidential" means a parcel, or portion of a parcel, that does not qualify as "homestead," or "nonhomestead residential" under this section.

(3) "Nonhomestead residential" means a parcel, or portion of a parcel, for which a homestead was not declared in accordance with section 5410 of this title for the current year and that has a residential property, as defined by the Commissioner by rule.

(d) A parcel with two or more portions qualifying for different tax classifications under this section shall be classified proportionally based on the percentage of floor space used.

(1) In the case of a homestead with 25 percent or less of floor space used for a business purpose, the parcel shall be classified as a homestead pursuant to subdivision 5401(a)(7)(F) of this title.

(2) If a portion of floor space is used for more than one purpose, the use in which the floor space is most often used shall be considered the primary use and the floor space shall be dedicated to that use for purposes of tax classification.

(e) The Commissioner shall amend existing forms, and publish new forms, as needed to gather the necessary attestations and declarations required under this section.

(f) Nothing in this section shall be construed to alter the tax treatment or enrollment eligibility of property as it relates to use value appraisal under chapter 124 of this title.

(g) Persons aggrieved by a decision to classify property for taxation purposes under this section may appeal in the manner provided for property valuation appeals under this title.

Sec. 61a. PROPERTY TAX CLASSIFICATIONS; TRANSITION; DATA COLLECTION

For calendar year 2027, the Commissioner of Taxes shall amend and create forms so that taxpayers report information on the use of their property for such property to be classified as homestead, nonhomestead residential, nonhomestead nonresidential, or a proportional classification of those uses. The information collected, and classifications determined, shall align with the

definitions and requirements of Sec. 61 of this act. The Commissioner shall use the information to determine and assign a tax classification for every grand list parcel and, on or before October 1, 2027, the Commissioner shall provide that information to the Joint Fiscal Office.

Sec. 61b. PROPERTY TAX CLASSIFICATIONS IMPLEMENTATION REPORT

(a) The Commissioner of Taxes shall study the implementation of new property tax classifications under this act and identify any further actions required by the Department of Taxes, Vermont municipalities, and the General Assembly to successfully implement the new tax classification system on the timeline established by this act. The issues considered by the Commissioner shall include any adjustments to the statutory definitions, any needed changes to existing forms, whether new forms or taxpayer filings are needed, and how the Department could identify parcels with dwelling units that do not have an affiliated homestead declaration or landlord certificate on file.

(b) The Commissioner shall additionally recommend sets of tax rate multipliers to be applied under 32 V.S.A. § 5402(a) as amended by this act.

(1) The Commissioner shall recommend a multiplier set that would ensure any new revenue derived from the nonhomestead residential classification would cover the cost to the Education Fund caused by the homestead property tax exemption under 32 V.S.A. § 6066(a) as amended by this act.

(2) The Commissioner shall recommend a different multiplier set that would ensure that any new revenue derived from the nonhomestead residential classification would mitigate forecasted property tax increases on homestead property taxpayers caused by the implementation of this act.

(c) On or before December 15, 2025, the Commissioner of Taxes shall submit a study report detailing the Commissioner's findings under this section to the House Committee on Ways and Means and the Senate Committee on Finance.

Sec. 61c. TAX CLASSIFICATIONS; RATE MULTIPLIERS; INTENT

It is the intent of the General Assembly that the creation of a tax classification system, and the specific tax classifications to be used by that system, will be reevaluated at the same time as any further amendment of the tax rate multipliers created under 32 V.S.A. § 6066(a) as amended by this act.

Sec. 61d. PROSPECTIVE REPEAL OF TAX CLASSIFICATIONS

In order to ensure successful implementation of education finance reform as set forth in this act, in the absence of legislative action on or before July 1,

2028 that creates a new tax rate multiplier to be used in a tax classification system, subdivision (f)(10) of Sec. 70 of this act is repealed on July 1, 2028.

* * * Regional Assessment Districts * * *

Sec. 62. 32 V.S.A. chapter 121, subchapter 1A is added to read:

Subchapter 1A. Statewide and Regional Property Assessment

§ 3415. LEGISLATIVE INTENT

It is the intent of the General Assembly in adopting this subchapter to create regional assessment districts so that:

(1) properties on grand lists are regularly reappraised;

(2) property data collection is consistent and standardized across the State; and

(3) property valuation is conducted by trained and certified individuals and firms.

§ 3416. REGIONAL ASSESSMENT DISTRICTS; ESTABLISHMENT

(a) There are hereby established 12 regional assessment districts, whose member municipalities shall fully and jointly reappraise their grand lists every six years pursuant to subsection 3417(b) of this subchapter. Member municipalities shall contract jointly with one or more third parties to conduct reappraisals.

(b) Each county shall constitute one regional assessment district, except that Franklin and Grand Isle Counties shall constitute one district and Essex and Orleans Counties shall constitute one district.

§ 3417. STANDARD GUIDELINES; PROCEDURES; RULEMAKING

(a) The Director of Property Valuation and Review shall establish standard guidelines and procedures, and may adopt rules, for regional assessment districts, including:

(1) guidelines for contracting with third parties to conduct or assist with reappraisals, including standard reappraisal contract terms;

(2) standards for the collection and recordation of parcel data;

(3) requirements relating to information technology, including standards for data software contracts and computer-assisted mass appraisal systems; and

(4) standardized practices for a full reappraisal, including cases in which physical inspections are unnecessary and how technology is to be utilized.

(b) The Director of Property Valuation and Review shall establish a schedule for each regional assessment district to fully reappraise every six years. The Director, at the Director's discretion, may alter the reappraisal schedule for a regional assessment district or for one or more of a regional assessment district's member municipalities.

* * * Transition to Regional Assessment Districts * * *

Sec. 63. TRANSITION; ANNUAL PROGRESS REPORT

(a) Notwithstanding 32 V.S.A. § 4041a or any other provision of law to the contrary:

(1) the Director of Property Valuation and Review shall not order any new municipal reappraisals of grand list properties that is not part of a regionalized reappraisal system on and after January 1, 2027;

(2) a reappraisal order for which a municipality does not have a contract in place before January 1, 2030 shall no longer have the force and effect of law on and after January 1, 2030, except for those that are part of a regionalized reappraisal system; and

(3) a municipality shall not enter into a new reappraisal contract on or after January 1, 2027, except for those that are part of a regionalized reappraisal system.

(b) On or before every January 15 from January 15, 2027 to January 15, 2030, the Commissioner of Taxes shall submit a report to the House Committee on Ways and Means and the Senate Committee on Finance relating to the progress made in preparing for the implementation of regional assessment districts pursuant to this act.

Sec. 64. REGIONAL ASSESSMENT DISTRICT STAKEHOLDER WORKING GROUP

On or before January 15, 2026, the Department of Taxes, in consultation with relevant stakeholders, shall submit recommendations to the House Committee on Ways and Means and the Senate Committee on Finance advising on the implementation of regional assessment districts and on the development of guidelines, procedures, and rules needed to effectuate a regionalized reappraisal system. The recommendations will include an analysis of the advantages and disadvantages of having the State take full responsibility for regionalized appraisals. In making its recommendation, the Department of Taxes shall provide suggestions for legislative language that address:

(1) the authority or authorities who will contract for and conduct reappraisals;

(2) the authority or authorities who will hear and decide property valuation appeals;

(3) amendments necessary to conform statute to the change from an April 1 to January 1 grand list assessment date; and

(4) any other recommended revisions to achieve a regionalized reappraisal system.

* * * Miscellaneous Tax * * *

Sec. 65. 32 V.S.A. § 6066a(f)(1) is amended to read:

(f)(1) For taxpayers and amounts stated in the notice to towns on or before July 1, municipalities shall create and send to taxpayers a homestead property tax bill, instead of the bill required under subdivision 5402(b)(1) of this title, providing the total amount allocated to payment of homestead education property tax liabilities and notice of the balance due. Nothing in this subdivision, however, shall be interpreted as altering the requirement under subdivision 5402(b)(2) of this title that the statewide education homestead tax be billed in a manner that is stated clearly and separately from any other tax. Municipalities shall apply the amount allocated under this chapter to current year property taxes in equal amounts to each of the taxpayers' property tax installments that include education taxes. Notwithstanding section 4772 of this title, if a town issues a corrected bill as a result of the notice sent by the Commissioner under subsection (a) of this section, issuance of the corrected new bill does not extend the time for payment of the original bill nor relieve the taxpayer of any interest or penalties associated with the original bill. If the corrected bill is less than the original bill, and there are also no unpaid current year taxes, interest, or penalties, and no past year delinquent taxes or penalties and interest charges, any overpayment shall be reflected on the corrected tax bill and refunded to the taxpayer.

Sec. 66. 32 V.S.A. § 5252 is amended to read:

§ 5252. LEVY AND NOTICE OF SALE; SECURING PROPERTY

(a) When the collector of taxes of a town or of a municipality within it has for collection a tax assessed against real estate in the town and the taxpayer owes a minimum of $1,500.00 and is delinquent for a period longer than one year, the collector may extend a warrant on such land. However, no warrant shall be extended until a delinquent taxpayer is given an opportunity to enter a written reasonable repayment plan pursuant to subsection (c) of this section. If a collector receives notice from a mobile home park owner pursuant to 10 V.S.A. § 6248(b), the collector shall, within 15 days after the notice, commence tax sale proceedings to hold a tax sale within 60 days after the notice. If the collector fails to initiate such proceedings, the town may initiate

tax sale proceedings only after complying with 10 V.S.A. § 6249(f). If the tax collector extends the warrant, the collector shall:

* * *

Sec. 67. 32 V.S.A. § 4465 is amended to read:

§ 4465. APPOINTMENT OF PROPERTY VALUATION HEARING OFFICER; OATH; PAY

When an appeal to the Director is not withdrawn or forwarded by the Director to Superior Court pursuant to subsection 4461(a) of this title, the Director shall refer the appeal in writing to a person not employed by the Director, appointed by the Director as hearing officer. The Director shall have the right to remove a hearing officer for inefficiency, malfeasance in office, or other cause. In like manner, the Director shall appoint a hearing officer to fill any vacancy created by resignation, removal, or other cause. Before entering into their duties, persons appointed as hearing officers shall take and subscribe the oath of the office prescribed in the Constitution, which oath shall be filed with the Director. The ~~Director~~ Commissioner of Taxes shall pay each hearing officer ~~a sum not to exceed $150.00 per diem for each day wherein hearings are held~~ $38.00 per hour plus a cost-of-living adjustment in an amount equal to any adjustment approved for exempt employees by the Secretary of Administration, together with reasonable expenses as the ~~Director~~ Commissioner may determine. A hearing officer may subpoena witnesses, records, and documents in the manner provided by law for serving subpoenas in civil actions and may administer oaths to witnesses.

Sec. 68. 32 V.S.A. § 5402(c)(2) is amended to read:

(2) The Secretary of Education shall determine each municipality's net nonhomestead education tax payment and its net homestead education tax payment to the State based on grand list information received by the Secretary not later than the March 15 prior to the June 1 net payment. Payment shall be accompanied by a return prescribed by the Secretary of Education. Each municipality may retain 0.225 of one percent of the total education tax collected, only upon timely remittance of net payment to the State Treasurer or to the applicable school district or districts. ~~Each municipality may also retain $15.00 for each late property tax credit claim filed after April 15 and before September 2, as notified by the Department of Taxes, for the cost of issuing a new property tax bill.~~

Sec. 69. 32 V.S.A. § 5401(13) is amended to read:

(13)(A) "Education property tax spending adjustment" means the greater of one or a fraction in which:

(i) the numerator is the district's per pupil education spending plus excess spending for the school year, and

(ii) the denominator is the property dollar equivalent yield for the school year, as defined in subdivision (15) of this section~~, multiplied by the statewide adjustment~~.

(B) "Education income tax spending adjustment" means the greater of one or a fraction in which the numerator is the district's per pupil education spending plus excess spending for the school year, and the denominator is the income dollar equivalent yield for the school year, as defined in subdivision (16) of this section.

* * * Effective Dates * * *

Sec. 70. EFFECTIVE DATES

(a) This section and the following sections shall take effect on passage:

(1) Sec. 1 (findings; intent; plan);

(2) Sec. 2 (Commission on the Future of Public Education);

(3) Sec. 3 (School District Redistricting Task Force);

(4) Sec. 4 (School District Voting Ward Working Group);

(5) Sec. 28a (State Board of Education tuition fee rules);

(6) Sec. 32 (Agency of Education transformation support);

(7) Sec. 33 (Agency of Education positions);

(8) Sec. 44 (transportation reimbursement guidelines);

(9) Sec. 45 (inflationary measures; prekindergarten; reports);

(10) Sec. 45a (foundation formula report);

(11) Sec. 45c (Education Fund Advisory Committee; delay);

(12) Sec. 53 (homestead exemption report);

(13) Sec. 61b (property tax classifications implementation report);

(14) Sec. 61c (tax classifications intent);

(15) Sec. 61d (prospective repeal);

(16) Sec. 63 (regional assessment district transition; progress report);

(17) Sec. 64 (RAD stakeholder working group);

(18) Sec. 65 (inadvertently removed language);

(19) Sec. 66 (minimum debt for tax sales);

(20) Sec. 68 (property tax credit late fee); and

(21) Sec. 69 (statewide adjustment correction).

(b) The following sections shall take effect on July 1, 2025:

(1) Sec. 5 (scale; intent);

(2) Sec. 8 (SBE rules; report);

(3) Sec. 9 (AOE report; school calendar; graduation requirements);

(4) Sec. 10 (SBE rule review; appropriation);

(5) Sec. 14 (16 V.S.A. § 3443);

(6) Sec. 15 (School Construction Advisory Board sunset);

(7) Sec. 21 (16 V.S.A. § 828);

(8) Sec. 22 (tuition transition);

(9) Sec. 23 (state-level governance; intent);

(10) Sec. 24 (16 V.S.A. § 161);

(11) Sec. 25 (SBE appointments transition);

(12) Sec. 26 (16 V.S.A. § 162);

(13) Sec. 29 (special education report);

(14) Sec. 30 (AOE special education strategic plan);

(15) Sec. 31 (AOE position); and

(16) Sec. 67 (PVR hearing officer pay).

(c) The following sections shall take effect on July 1, 2026:

(1) Sec. 6 (class size minimums);

(2) Sec. 7 (failure to comply with class size minimums);

(3) Sec. 12 (school construction policy);

(4) Sec. 13 (16 V.S.A. § 3442);

(5) Sec. 16 (16 V.S.A. § 3444);

(6) Sec. 17 (16 V.S.A. § 3445);

(7) Sec. 18 (16 V.S.A. § 3446);

(8) Sec. 19 (transfer of rulemaking authority); and

(9) Sec. 20 (repeals).

(d) Sec. 48 (December 1 letter) shall take effect on July 1, 2027.

(e) Sec. 61a shall take effect on January 1, 2027, provided that the General Assembly has enacted new school district boundaries between the enactment of this act and January 1, 2027.

(f) The following sections shall take effect on July 1, 2028, provided that the new school districts contemplated by this act have assumed responsibility for the education of all resident students and that the expert tasked with developing a cost-factor foundation formula has provided to the General Assembly the report pursuant to Sec. 45a to provide the General Assembly an opportunity to enact legislation in consideration of the report:

(1) In Sec. 27, 16 V.S.A. § 823(a) and (d);

(2) Sec. 28 (tuition repeals);

(3) Secs. 34–43 (transition to cost-factor foundation formula);

(4) Sec. 45b (educational opportunity payment transition);

(5) Secs. 46, 47, 49, and 50 (statewide education tax; supplemental district spending tax);

(6) Sec. 46a (supplemental district spending tax; cap; transition);

(7) Sec. 48a (tax rate transition);

(8) Secs. 51, 52, and 54–56 (property tax credit repeal; creation of homestead exemption);

(9) Sec. 57 (Education Fund Advisory Committee; review of foundation formula); and

(10) Secs. 60 and 61 (property tax classifications).

(g) In Sec. 27, 16 V.S.A. § 823(b) and (c) shall take effect on July 1, 2028, provided that the new school districts contemplated by this act have assumed responsibility for the education of all resident students and that the cost-factor foundation formula report required pursuant to Sec. 45a contains evidence that it costs more to educate students in grades nine through 12 but the General Assembly has failed to enact legislation to add a secondary student weight.

(h) Sec. 62 (regional assessment districts) shall take effect on January 1, 2029.

SEN. SETH BONGARTZ
SEN. ANN E. CUMMINGS
SEN. SCOTT L. BECK

Committee on the part of the Senate

REP. PETER C. CONLON
REP. EMILIE K. KORNHEISER
REP. CHRISTOPHER TAYLOR

Committee on the part of the House

Thereupon, pending the question, Shall the Senate accept and adopt the report of the Committee of Conference?, Senator Vyhovsky immediately raised a point of order on the ground that the Committee of Conference failed to adhere to the requirements of Sec. 771.2 of Mason's Manual of Legislative Procedure, as section 46a and portions of section 47 of the Report of the Committee of Conference were not in the Senate proposal of amendment, nor in the bill as passed by the House, and therefore the Committee of Conference did not confine itself to the differences between the two Houses and thus the report in its entirety was objectionable and could not be considered by the Senate.

Thereupon, the President sustained the point of order and ruled that the report of the Committee of Conference did go beyond the areas of disagreement between the two Houses and therefore was *objectionable* and could *not* be considered by the Senate.

Thereupon, Senator Baruth moved the rules be suspended to permit consideration of the objectionable Committee of Conference report.

Which was agreed to, on a roll call, Yeas 26, Nays 3.

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

Roll Call

Those Senators who voted in the affirmative were: Baruth, Beck, Bongartz, Brennan, Brock, *Chittenden, Clarkson, Collamore, Cummings, Douglass, Harrison, Hart, Hashim, Heffernan, Ingalls, Lyons, Major, Mattos, Perchlik, Plunkett, Ram Hinsdale, Watson, Weeks, Westman, White, Williams.

Those Senators who voted in the negative were: Gulick, Hardy, Vyhovsky.

The Senator absent and not voting was: Norris.

*Senator Chittenden explained his vote as follows:

"This bill could be dragged out by adding it to H. 480. I have learned that at this stage of the session, it is best to not vote against rules suspension."

Thereupon, the question, Shall the Senate accept and adopt the report of the Committee of Conference?, was decided in the affirmative, on a roll call, Yeas 17, Nays. 12.

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

Roll Call

Those Senators who voted in the affirmative were: Baruth, Beck, Bongartz, Brennan, Brock, Collamore, Cummings, *Douglass, Harrison, Hart, *Heffernan, Lyons, *Mattos, Plunkett, Ram Hinsdale, Weeks, *Williams.

Those Senators who voted in the negative were: Chittenden, Clarkson, Gulick, Hardy, Hashim, *Ingalls, Major, Perchlik, Vyhovsky, Watson, Westman, White.

The Senator absent and not voting was: Norris.

*Senator Douglass explained his vote as follows:

"I'm voting yes not to stand with my colleagues, or even the governor, but in support of the spirit of reform that I was elected, in part, to address. Without such reform and to remain where we are, I have failed my voters. We will see a continued onslaught of tax increases and a system that continues to grow beyond reason. I've had many concerns and nonnegotiables as this bill has progressed and in one way or another, they've all been addressed. I've gone back and forth in the last twenty-four hours, but the final reason I settled here are the guardrails in place to bring us back next year to address the concerns that still bother me. And I know one thing for certain, with the information I've been given in the last forty-eight, I am not voting to raise property taxes."

*Senator Heffernan explained his vote as follows:

"I voted yes because my constituents asked for change in our educational system. Voters do want their property taxes to be lower and know that our educational system is why. Like the Senior Senator from Addison, I have concerns, but believe this is the best way forward."

*Senator Ingalls explained his vote as follows:

"I vote no not because I don't believe that we need to do better. I vote no because the initial first look raises taxes too high in too many of my towns, the poorest region of the state. I'm in sincere hopes that as we work on H.454, we can make it the law that puts the kids first in education. I also hope that the first look that raises taxes on my towns levels out and this bill does what we all hope that public education should do in Vermont, give Vermont kids the best education in the world. I also want to say how proud I am of this Senate. There

are a lot of Senators who worked incredibly hard to get where we are today. All the while staying composed, respectful, and committed to their constituents of Vermont."

*Senator Mattos explained his vote as follows:

"I vote yes on H.454 as a first step in the process, not the last. H.454 will begin the work to create a more equitable education system for all of Vermont's children. I look forward to continuing this work in January. Make no mistake, as the work continues, if it does not work for my school staff, taxpayers, and most importantly the children of the communities I serve, I will have to get off the bus. Thank you."

*Senator Williams explained his vote as follows:

"The first step to solving a problem is admitting that you have one. H.454, although not perfect, is intended to deal with a problem which began with Act 60 back in 1997.

"This bill is the plan to validate the education vision to make Vermont education a world class endeavor. It will become just that if all stakeholders get on board with it to make it happen. I am confident that will happen for our children."

Thereupon, on motion of Senator Baruth, the rules were suspended and the bill was ordered messaged to the House forthwith.

Recess

On motion of Senator Baruth the Senate recessed until 6:00 p.m.

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 Senate proposal of amendment to the following House bill:

H. 474. An act relating to miscellaneous changes to election law.

And has concurred therein.

Recess

On motion of Senator Baruth the Senate recessed until 6:30 p.m.

Called to Order

The Senate was called to order by the President.

Recess

On motion of Senator Baruth the Senate recessed until 7:00 p.m.

Called to Order

The Senate was called to order by the President.

Joint Senate Resolution Adopted on the Part of the Senate

J.R.S. 28.

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

Offered by Senator Baruth,

J.R.S. 28. Joint resolution relating to final adjournment of the General Assembly in 2025.

Resolved by the Senate and House of Representatives:

That when the President of the Senate and the Speaker of the House of Representatives adjourn their respective houses on the sixteenth or seventeenth day of June 2025, they shall do so to reconvene on the joint call of the Speaker of the House and the President *Pro Tempore* of the Senate, if needed, or on the sixth day of January 2026 at ten o'clock in the forenoon, if not so reconvened prior to that date.

Bills Delivered

Senator Baruth moved that pursuant to Joint Rule 15 that all bills passed by both the Senate and the House be ordered to the Governor.

Which was agreed to.

Secretary Directed to Inform the House of Completion of Business

On motion of Senator Baruth, the Secretary was directed to inform the House that the Senate has completed the business of the session and is ready to adjourn pursuant to the provisions of J.R.S. 28.

Committee Appointed to Inform Governor of Completion of Business

On motion of Senator Baruth, the President appointed the following four Senators as members of a committee to wait upon His Excellency, Philip B. Scott, the Governor, and inform him that the Senate has completed the business of the session and is ready to adjourn pursuant to the provisions of J.R.S. 28:

Senator Ram Hinsdale
Senator Beck
Senator White
Senator Collamore

Report of Committee

The Committee appointed to wait upon His Excellency, the Governor, to inform him that the Senate had, on its part, completed the business of the session and was ready to adjourn pursuant to the provisions of J.R.S. 28, performed the duties assigned to it and escorted the Governor to the rostrum.

Remarks of Governor

The Governor, the Honorable Philip B. Scott, assumed the rostrum and briefly addressed the Senate.

Departure of Governor

The Governor, having completed the delivery of his message, was escorted from the Chamber by the committee appointed by the Chair.

Final Adjournment

On motion of Senator Baruth, at seven o'clock and forty minutes in the evening (7:40 P.M.), the Senate adjourned, pursuant to the provisions of J.R.S. 28.

Message from the House No. 87

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

H. 454. An act relating to transforming Vermont’s education governance, quality, and finance systems.

And has adopted the same on its part.

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

H. 480. An act relating to miscellaneous amendments to education law.

And has concurred therein.

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

J.R.S. 28. Joint resolution relating to final adjournment of the General Assembly in 2025.

And has adopted the same in concurrence.

Message from the House No. 88

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 on its part completed the business of the first half of the Biennial Session and is ready to adjourn pursuant to the provisions of J.R.S. 28.

Message from the House No. 89

A message was received from the House of Representatives by Mx. Nigel Hicks-Tibbles, its First Assistant Clerk, as follows:

Mr. President:

I am directed to inform the Senate that:

The Governor has informed the House that on June 25, 2025, he approved and signed a bill originating in the House of the following title:

H. 474. An act relating to miscellaneous changes to election law.

Message from the House No. 90

A message was received from the House of Representatives by Mx. Nigel Hicks-Tibbles, its First Assistant Clerk, as follows:

Mr. President:

I am directed to inform the Senate that:

The Governor has informed the House that on June 27, 2025, he approved and signed a bill originating in the House of the following title:

H. 480. An act relating to miscellaneous amendments to education law.

Message from the House No. 91

A message was received from the House of Representatives by Mx. Nigel Hicks-Tibbles, its First Assistant Clerk, as follows:

Mr. President:

I am directed to inform the Senate that:

The Governor has informed the House that on July 1, 2025, he approved and signed a bill originating in the House of the following title:

H. 454. An act relating to transforming Vermont's education governance, quality, and finance systems.

Committees Appointed After Final Adjournment

Appointment of Senate Member to the Task Force to Explore the Development of Convention Center and Performance Venues

Pursuant to the provisions of Act No. 65 § 3(a)(2) (Acts of 2025), the President, on behalf of the Committee on Committees, announced the appointment of the following Senator to serve on the Task Force to Explore the Development of Convention Center and Performance Venues during this biennium:

Senator Chittenden

Appointment of Senate Member to the Human Services and Educational Facilities Grant Program Advisory Committee

Pursuant to the provisions of 24 V.S.A. § 5606(b), the Committee on Committees announced the appointment of the following Senator to serve on the Human Services and Educational Facilities Grant Program Advisory Committee during this biennium:

Senator Douglass

Appointment of Senate Members to the the School District Redistricting Task Force

Pursuant to the provisions of Act No. 73 § 3(b)(2)(b) (Acts of 2025), the Committee on Committees announced the appointment of the following Senators to serve on the School District Redistricting Task Force during this biennium:

Senator Beck
Senator Gulick
Senator Harrison

Appointment of Senate Member to the Higher Education Endowment Trust Fund Council

Pursuant to the provisions of Act No. 16 § 2885(h)(7) (Acts of 2025), the Committee on Committees announced the appointment of the following Senator to serve on the Higher Education Endowment Trust Fund Council during this biennium:

Senator Perchlik

CERTIFICATION

"STATE OF VERMONT

Office of the Secretary of the Senate
Senate Chamber
State House
Montpelier, Vermont 05633

I hereby certify that the foregoing Journal is a true and correct record of the proceedings of the Senate of the State of Vermont for the first year of the biennial session of 2025.

This was the first year of the seventy-eighth biennial session of the General Assembly, beginning Constitutionally on the first Wednesday after the first Monday of January (being the eighth day of January, 2025), and ending on the sixteenth day of June, 2025.

Attest:

/s/John H. Bloomer, Jr.

JOHN H. BLOOMER, JR.
Secretary of the Senate"