

Journal of the Senate

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 Recommended; 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~~ that have demonstrated or ~~who that~~ 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~~ 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~~ 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, 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 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:

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 Proposal 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 proposal 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 Senate 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

servicing 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 amendment 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 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 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.