

1 H.880

2 An act relating to increasing access to justice and to corporate taxes and
3 fees

4 It is hereby enacted by the General Assembly of the State of Vermont:

5 Sec. 1. FINDINGS

6 The General Assembly finds that:

7 (1) One of the most effective factors in deterring individuals from
8 engaging in criminal activity is ensuring that there will be certain and timely
9 consequences for engaging in that activity. Imposing certain and timely
10 consequences depends on a well-functioning, well-resourced criminal justice
11 system.

12 (2) Vermont's court system is facing a backlog of cases, a situation that
13 predates but was exacerbated by the COVID-19 pandemic. As of February
14 2024, there were 16,714 pending criminal cases. Based on recent case
15 clearance rates, it would take many years to clear the current backlog.

16 (3) The Judiciary's goal for resolving cases is not more than 365 days
17 for a felony and not more than 180 days for a misdemeanor. But as of
18 December 31, 2023, only 59 percent of standard felony cases and 44 percent of
19 standard misdemeanor cases in this State were being resolved within those
20 time frames. As of a recent count, there were 1,160 pending misdemeanor
21 cases that were more than 720 days old.

1 (4) Court diversion (pre-charge and post-charge) allows law
2 enforcement and prosecutors to refer individuals to community providers of
3 restorative justice rather than to the court system, alleviating pressure on the
4 courts while resulting in improved outcomes and reduced recidivism for the
5 offenders.

6 (5) The State’s Attorneys, deputy State’s Attorneys, and the State’s
7 Attorneys’ victim advocates handle extremely large caseloads, with the
8 attorneys carrying approximately 362 cases at any time and victim advocates
9 assigned to an average of 640 cases apiece.

10 (6) Public defenders and conflict contract attorneys in or under contract
11 with the Office of the Defender General are also handling very large caseloads
12 coming out of the pandemic. On average, each staff attorney carries 280 cases,
13 which is significantly higher than the caseload recommendations from the
14 National Advisory Council or the National Association for Public Defense, and
15 the Office recently added 10 caseload relief contractors to manage the increase
16 in cases in the conflict docket.

17 (7) A large proportion of calls to law enforcement relating to violence
18 involve instances of domestic violence. Community-based victim advocates
19 provide crisis and ongoing support to victims of domestic and sexual violence
20 and work directly with survivors who are navigating the criminal and civil
21 court process. Community-based victim advocates play an essential role in

1 assisting victims and survivors who are navigating the court backlog and in
2 ensuring that victims' rights are upheld throughout the process. Despite the
3 important work of community-based domestic and sexual violence advocates,
4 there have been no ongoing State investments in community-based domestic
5 violence services in over 10 years.

6 (8) Moving cases swiftly through the civil docket and family courts has
7 a positive effect on public safety by helping enable stability for families and
8 communities. Providing legal assistance in civil cases to individuals who
9 cannot afford an attorney moves cases more swiftly through the civil courts
10 and increases access to justice for vulnerable Vermonters.

11 (9) In certain types of cases, the fact that only one side is represented by
12 an attorney can lead to a power imbalance. For eviction cases, landlords are
13 represented by an attorney in more than 90 percent of cases, while tenants are
14 represented in less than 30 percent of cases. Many homeowners facing
15 foreclosure live on fixed income, and foreclosures make up nearly one-third of
16 the court's civil court docket. In 2023, there were nearly 1,900 eviction
17 actions and 400 foreclosures across the State.

18 (10) Legal assistance organizations provide critical services that help
19 individuals with low income to address issues impacting their families' homes,
20 incomes, jobs, and access to vital services. By creating meaningful access to
21 the legal system, these services bring stability to low-income Vermonters,

1 which also contributes to alleviating the court backlog. To fulfill this role,
2 these organizations need additional resources.

3 (11) Vermont Legal Aid assisted nearly 18,000 Vermonters to address
4 legal challenges in 2023, an increase of 10 percent over the previous year.

5 Sec. 2. 13 V.S.A. § 7282 is amended to read:

6 § 7282. SURCHARGE

7 (a) In addition to any penalty or fine imposed by the court for a criminal
8 offense or any civil penalty imposed by the Judicial Bureau for a traffic
9 violation, including any violation of a fish and wildlife statute or regulation,
10 violation of a motor vehicle statute, or violation of any local ordinance relating
11 to the operation of a motor vehicle, except violations relating to seat belts and
12 child restraints and ordinances relating to parking violations, the clerk of the
13 court or Judicial Bureau shall levy an additional surcharge of:

14 * * *

15 (8)(A) For any offense or violation committed after June 30, 2006, but
16 before July 1, 2008, \$26.00, of which \$18.75 shall be deposited in the Victims
17 Compensation Special Fund.

18 (B) For any offense or violation committed after June 30, 2008, but
19 before July 1, 2009, \$36.00, of which \$28.75 shall be deposited in the ~~Victims~~
20 Victims Compensation Special Fund.

1 (C) For any offense or violation committed after June 30, 2009, but
2 before July 1, 2013, \$41.00, of which ~~\$27.50~~ \$23.75 shall be deposited in the
3 Victims Compensation Special Fund created by section 5359 of this title, and
4 of which ~~\$13.50~~ \$10.00 shall be deposited in the Domestic and Sexual
5 Violence Special Fund created by section 5360 of this title.

6 (D) For any offense or violation committed after June 30, 2013, but
7 before July 1, 2023, \$47.00, of which ~~\$33.50~~ \$29.75 shall be deposited in the
8 Victims Compensation Special Fund created by section 5359 of this title, and
9 of which ~~\$13.50~~ \$10.00 shall be deposited in the Domestic and Sexual
10 Violence Special Fund created by section 5360 of this title.

11 (E) For any offense or violation committed after June 30, 2023,
12 \$47.00, of which \$33.50 shall be deposited in the Victims Compensation
13 Special Fund created by section 5359 of this title, and of which \$13.50 shall be
14 deposited in the Domestic and Sexual Violence Special Fund created by
15 section 5360 of this title.

16 * * *

17 Sec. 3. 32 V.S.A. § 5811(18) is amended to read:

18 (18) “Vermont net income” means, for any taxable year and for any
19 corporate taxpayer:

20 (A) the taxable income of the taxpayer for that taxable year under the
21 laws of the United States, without regard to 26 U.S.C. § 168(k), and excluding

1 income that under the laws of the United States is exempt from taxation by the
2 states:

3 (i) increased by:

4 (I) the amount of any deduction for State and local taxes on or
5 measured by income, franchise taxes measured by net income, franchise taxes
6 for the privilege of doing business and capital stock taxes; ~~and~~

7 (II) to the extent such income is exempted from taxation under
8 the laws of the United States ~~by~~, the amount received by the taxpayer on and
9 after January 1, 1986 as interest income from state and local obligations, other
10 than obligations of Vermont and its political subdivisions, and any dividends
11 or other distributions from any fund to the extent such dividend or distribution
12 is attributable to such Vermont State or local obligations;

13 (III) the amount of any deduction for a federal net operating
14 loss; and

15 (IV) the amount of any deduction allowed under 26 U.S.C.

16 § 250(a); and

17 (ii) decreased by:

18 * * *

1 Sec. 4. 32 V.S.A. § 5832 is amended to read:

2 § 5832. TAX ON INCOME OF CORPORATIONS

3 A tax is imposed for each calendar year, or fiscal year ending during that
4 calendar year, upon the income earned or received in that taxable year by every
5 taxable corporation, reduced by any Vermont net operating loss allowed under
6 section 5888 of this title, such tax being the greater of:

7 (1) an amount determined in accordance with the following schedule:

8 Vermont net income of the corporation for	Tax
9 the taxable year allocated or apportioned to	
10 Vermont under section 5833 of this title	
11 \$0-10,000.00	6.00%
12 10,001.00-25,000.00	\$600.00 plus 7.0% of the
13	excess over \$10,000.00
14 25,001.00 and over	\$1,650.00 plus 8.5% <u>10%</u>
15	of the excess over 25,000.00

16 or

17 (2)(A) \$75.00 for small farm corporations. “Small farm corporation”
18 means any corporation organized for the purpose of farming, which during the
19 taxable year is owned solely by active participants in that farm business and
20 receives less than \$100,000.00 Vermont gross receipts from that farm
21 operation, exclusive of any income from forest crops; or

1 * * *

2 Sec. 5. 9 V.S.A. § 5302 is amended to read:

3 § 5302. NOTICE FILING

4 * * *

5 (e) At the time of the filing of the information prescribed in subsection (a),
6 (b), (c), or (d) of this section, except investment companies subject to 15
7 U.S.C. § 80a-1 et seq., the issuer shall pay to the Commissioner a fee of
8 ~~\$600.00~~ \$740.00. The fee is nonrefundable.

9 (f) Investment companies subject to 15 U.S.C. § 80a-1 et seq. shall pay to
10 the Commissioner an initial notice filing fee of ~~\$2,000.00~~ \$2,250.00 and an
11 annual renewal fee of ~~\$1,650.00~~ \$1,900.00 for each portfolio or class of
12 investment company securities for which a notice filing is submitted.

13 * * *

14 Sec. 6. ACCESS TO JUSTICE; POSITIONS; APPROPRIATIONS

15 (a) Judiciary.

16 (1) The following classified limited service positions are established in
17 the Judiciary in fiscal year 2025:

18 (A) 10 Judicial Assistants;

19 (B) two IT Help Desk Analysts;

20 (C) two Centralized Service Analysts;

21 (D) one Database Administrator;

1 (E) 11 Judicial Officers II; and

2 (F) one Security Supervisor.

3 (2)(A) The sum of \$2,261,500.00 is appropriated from the General Fund
4 to the Judiciary in fiscal year 2025 to provide a partial year's funding for the
5 positions established in subdivision (1) of this subsection (a), for contracts for
6 language access services and contracts with sheriff's deputies, and for the
7 Court Technology Fund.

8 (B) It is the intent of the General Assembly to appropriate an
9 annualized amount to the Judiciary in fiscal year 2026 for the positions,
10 contracts for language access services, contracts with sheriff's deputies, and
11 the Court Technology Fund. The Judiciary shall include the annualized
12 amounts necessary to support these expenditures in its fiscal year 2026 budget
13 presentation.

14 (b) Department of State's Attorneys and Sheriffs.

15 (1)(A) The following exempt limited service positions are established in
16 the Department of State's Attorneys and Sheriffs in fiscal year 2025:

17 (i) 10 Deputy State's Attorneys; and

18 (ii) one Deputy State's Attorney – Pre-Charge Diversion.

19 (B) The following classified limited service positions are established
20 in the Department of State's Attorneys and Sheriffs in fiscal year 2025:

21 (i) 10 Victim Advocates; and

1 (ii) 10 Administrative Staff.

2 (2)(A) The sum of \$1,701,000.00 is appropriated from the General Fund
3 to the Department of State's Attorneys and Sheriffs in fiscal year 2025 to
4 provide a partial year's funding for the positions created in subdivision (1) of
5 this subsection (b).

6 (B) It is the intent of the General Assembly to appropriate an
7 annualized amount to the Department of State's Attorneys and Sheriffs in
8 fiscal year 2026 for the positions established in subdivision (1) of this
9 subsection (b). The Department of State's Attorneys and Sheriffs shall include
10 the annualized amounts necessary to support these expenditures in its fiscal
11 year 2026 budget presentation.

12 (c) Office of the Defender General.

13 (1) One exempt limited service position, Bennington County Juvenile
14 Attorney, is established in the Office of the Defender General in fiscal year
15 2025.

16 (2)(A) The sum of \$1,344,700.00 is appropriated from the General Fund
17 to the Office of the Defender General in fiscal year 2025 to provide a partial
18 year's funding for:

19 (i) the position established in subdivision (1) of this
20 subsection (c);

21 (ii) the contract for services for Orleans County;

- 1 (iii) additional assigned counsel contracts;
2 (iv) additional serious felony units;
3 (v) the approved Data Manager position;
4 (vi) in-person training for Office staff and contractors; and
5 (vii) the Office's case management system.

6 (B) It is the intent of the General Assembly to appropriate an
7 annualized amount to the Office of the Defender General in fiscal year 2026
8 for the purposes set forth in subdivision (A) of this subdivision (2). The Office
9 of the Defender General shall include the annualized amounts necessary to
10 support these expenditures in its fiscal year 2026 budget presentation.

11 (d) Department of Corrections.

12 (1)(A) Six classified limited service positions are established in the
13 Department of Corrections in fiscal year 2025 to assist with remote hearings.

14 (B) The sum of \$300,000.00 is appropriated from the General Fund
15 to the Department of Corrections in fiscal year 2025 to provide a partial year's
16 funding for the positions established in subdivision (A) of this subdivision (1).
17 The Department of Corrections shall include the annualized amounts necessary
18 to support these expenditures in its fiscal year 2026 budget presentation.

19 (2) The sum of \$750,000.00 is appropriated from the General Fund to the
20 Department of Corrections for grants to the community justice centers for
21 Justice Reinvestment II. The Department shall include this amount in the base

1 funding for community justice center grants in the Justice Reinvestment II
2 component of its fiscal year 2026 budget proposal.

3 (e) Office of the Attorney General/Court Diversion.

4 (1) One exempt limited service position – Pre-Charge Diversion is
5 established in the Office of the Attorney General in fiscal year 2025.

6 (2)(A) The sum of \$397,400.00 is appropriated from the General Fund
7 to the Office of the Attorney General in fiscal year 2025 to provide a partial
8 year’s funding for:

9 (i) the position established in subdivision (1) of this subsection

10 (e);

11 (ii) grants to community justice centers to expand their workforce
12 by 3.5 full-time equivalent positions to help address caseload pressures; and

13 (iii) additional resources to the Court Diversion Program.

14 (B) The Office of the Attorney General shall include the annualized
15 amounts necessary to support the expenditures described in this subsection (e)
16 in its fiscal year 2026 budget presentation.

17 (f) Center for Crime Victim Services.

18 (1) One classified Grants Administrator position is established in the
19 Center for Crime Victim Services in fiscal year 2025.

20 (2) The sum of \$42,700.00 is appropriated from the General Fund to the
21 Center for Crime Victim Services in fiscal year 2025 to provide a partial year’s

1 funding for the position established in subdivision (1) of this subsection. The
2 Center for Crime Victim Services shall include the annualized amount
3 necessary to support this expenditure in its fiscal year 2026 budget
4 presentation.

5 (g) Vermont Access to Justice Coalition. In fiscal year 2025, the sum of
6 \$262,500.00 is appropriated from the General Fund to the Agency of
7 Administration for a partial year's grant to the Vermont Access to Justice
8 Coalition to provide legal services to Vermonters with low incomes. The
9 Agency shall include the annualized amount necessary to support this
10 expenditure in its fiscal year 2026 budget presentation.

11 (h) One-time funding.

12 (1) The sum of \$150,000.00 is appropriated from the General Fund to
13 the Office of the Defender General in fiscal year 2025 to restore funding for
14 the Public Defense Special Fund.

15 (2) The sum of \$300,000.00 is appropriate from the General Fund to the
16 Center for Crime Victim Services in fiscal year 2025 to cover the deficit in the
17 Domestic and Sexual Violence Special Fund.

18 (i) Annually, as part of their budget presentations, the agencies that
19 received new positions pursuant to this section shall report on the status of
20 their case backlogs and caseload pressures, as applicable, and on any need to

1 convert one or more of the limited service positions established in this section
2 to permanent positions.

3 (j) It is the intent of the General Assembly to use a portion of the revenues
4 generated through the amended taxes and fees in Secs. 3–5 of this act to fund
5 the appropriations set forth in this section.

6 Sec. 7. EFFECTIVE DATES

7 This act shall take effect on July 1, 2024, except that:

8 (1) this section shall take effect on passage;

9 (2) notwithstanding 1 V.S.A. § 214, Sec. 2, 13 V.S.A. § 7282, shall take
10 effect on passage and shall apply retroactively to July 1, 2023; and

11 (3) Secs. 3 (add-back of corporate income tax deductions) and 4
12 (corporate income tax brackets) shall take effect on January 1, 2025 and apply
13 to taxable years beginning on and after January 1, 2025.