

Journal of the House

Thursday, March 28, 2024

At one o'clock in the afternoon, the Speaker called the House to order.

Devotional Exercises

Devotional exercises were conducted by Michael T. Brown, II, Board member, Alzheimer's Association of Vermont, Springfield.

Committee Bill Introduced

H. 884

By the Committee on Government Operations and Military Affairs,
House bill, entitled

An act relating to the modernization of governance for the St. Albans Cemetery Association

Was read the first time and, pursuant to House Rule 48, placed on the Notice Calendar.

Senate Bills Referred

Senate bills of the following titles were severally taken up, read the first time, and referred to committee as follows:

S. 58

Senate bill, entitled

An act relating to public safety

To the Committee on Judiciary.

S. 184

Senate bill, entitled

An act relating to the temporary use of automated traffic law enforcement (ATLE) systems

To the Committee on Transportation.

S. 258

Senate bill, entitled

An act relating to the management of fish and wildlife

To the Committee on Environment and Energy.

Bill Referred to Committee on Ways and Means

H. 869

House bill, entitled

An act relating to approval of the merger of Brandon Fire District No. 1 and Brandon Fire District No. 2

Appearing on the Notice Calendar, and pursuant to House Rule 35(a), materially affecting the revenue of one or more municipalities, was referred to the Committee on Ways and Means.

Ceremonial Reading

H.C.R. 183

House concurrent resolution designating March 28, 2024 as Alzheimer's Awareness Day at the State House

Offered by: Representative Noyes of Wolcott

Offered by: Senator Brock

Whereas, Alzheimer's disease is a degenerative brain disease, the most common form of dementia, and nationally affects 6.9 million Americans aged 65 and older, and

Whereas, the national cost of caring for those with Alzheimer's or other dementias is projected to be \$360 billion in 2024, and

Whereas, Vermont's per capita Medicare spending on people with dementia is \$23,329, and

Whereas, Vermont's Alzheimer's disease mortality rate is the third highest in the nation, and

Whereas, the older population is the State's fastest growing demographic, and approximately one in nine persons 65 years of age and older has Alzheimer's, and

Whereas, 19,000 Vermonters provide an estimated 28 million hours of unpaid Alzheimer's care valued at \$615 million, and

Whereas, caregiving for individuals living with Alzheimer's or other dementias takes an enormous toll, and dementia caregivers suffer more stress, depression, and health problems than caregivers for other illnesses, and

Whereas, the total lifetime cost of care for someone with Alzheimer's or other dementias is estimated at several hundred thousand dollars, and family caregivers assume a large percentage of these costs, and

Whereas, advocates are visiting the State House today to raise awareness of the challenges associated with navigating Alzheimer's or other forms of dementia, now therefore be it

Resolved by the Senate and House of Representatives:

That the General Assembly designates March 28, 2024 as Alzheimer's Awareness Day at the State House, and be it further

Resolved: That the Secretary of State be directed to send a copy of this resolution to the Vermont Chapter of the Alzheimer's Association.

Having been adopted in concurrence on Friday, March 22, 2024 in accord with Joint Rule 16b, was read.

**Committee Bill; Second Reading; Amendment Offered;
Bill Amended; Third Reading Ordered**

H. 883

Rep. Lanpher of Vergennes spoke for the Committee on Appropriations.

House bill, entitled

An act relating to making appropriations for the support of government

Rep. Long of Newfane presiding.

Speaker presiding.

Rep. Kornheiser of Brattleboro, for the Committee on Ways and Means, recommended the bill ought to pass.

The bill, having appeared on the Notice Calendar, was taken up and read the second time.

Pending the question, Shall the bill be read a third time?, **Reps. Casey of Montpelier, Williams of Barre City, McCann of Montpelier, and Anthony of Barre City** moved that the bill be amended by adding a new section to be Sec. E.801 to read as follows:

Sec. E.801 10 V.S.A. chapter 20A is added to read:

CHAPTER 20A. FLOOD RECOVERY ASSISTANCE PROGRAM

§ 461. FLOOD RECOVERY ASSISTANCE PROGRAM

(a) The Agency of Commerce and Community Development shall establish the Flood Recovery Assistance Program (FRAP) to provide financial assistance in the form of grants to nonprofit and for-profit businesses in the State that suffered losses due to the 2023 floods. Grants under the program shall be available for all of the following when related to losses due to the 2023 flooding:

- (1) physical or structural damages from flooding;
- (2) lost revenue of businesses;
- (3) lost wages of employees of businesses;
- (4) lost inventory and new supplies;
- (5) damaged equipment; and
- (6) other administrative or operating expenses.

(b) The Agency shall develop criteria for grant awards under this section, including priority eligibility for businesses owned by Persons of Color, Indigenous Peoples, and new Americans. U.S. citizenship shall not be a requirement for eligibility under the program.

(c) The duty to implement this chapter is contingent upon the Agency's receipt of funds.

Pending the question, Shall the bill be amended as offered by Rep. Casey of Montpelier and others?, **Rep. Priestley of Bradford** demanded the Yeas and Nays, which demand was sustained by the Constitutional number. The Clerk proceeded to call the roll and the question, Shall the bill be amended as offered by Rep. Casey of Montpelier and others?, was decided in the negative. Yeas, 44. Nays, 97.

Those who voted in the affirmative are:

Anthony of Barre City	Farlice-Rubio of Barnet	Nicoll of Ludlow
Beck of St. Johnsbury	Galfetti of Barre Town	O'Brien of Tunbridge
Bos-Lun of Westminster	Gregoire of Fairfield	Patt of Worcester
Boyden of Cambridge	Hango of Berkshire	Pearl of Danville
Brownell of Pownal	Headrick of Burlington	Priestley of Bradford
Burke of Brattleboro	Hooper of Randolph	Roberts of Halifax
Burrows of West Windsor	LaBounty of Lyndon	Sibilia of Dover
Buss of Woodstock	LaMont of Morristown	Sims of Craftsbury
Carroll of Bennington	Leavitt of Grand Isle	Small of Winooski
Casey of Montpelier	Mattos of Milton	Smith of Derby

Chapin of East Montpelier	McCann of Montpelier	Taylor of Milton
Chase of Chester	McFaun of Barre Town	Templeman of Brownington
Cina of Burlington *	Minier of South Burlington	Walker of Swanton
Cole of Hartford	Morgan of Milton	Williams of Barre City *
Donahue of Northfield *	Morris of Springfield	

Those who voted in the negative are:

Andrews of Westford *	Dolan of Waitsfield *	McGill of Bridport
Arrison of Weathersfield	Durfee of Shaftsbury	Mihaly of Calais
Arsenault of Williston	Emmons of Springfield	Morrissey of Bennington
Austin of Colchester	Garofano of Essex	Mrowicki of Putney
Bartholomew of Hartland	Goldman of Rockingham	Notte of Rutland City
Bartley of Fairfax	Goslant of Northfield	Noyes of Wolcott
Berbeco of Winooski	Graham of Williamstown	Nugent of South Burlington
Birong of Vergennes	Graning of Jericho	Ode of Burlington
Black of Essex	Harrison of Chittenden	Oliver of Sheldon
Bluemle of Burlington	Higley of Lowell	Page of Newport City
Bongartz of Manchester	Holcombe of Norwich	Pajala of Londonderry
Brady of Williston	Hooper of Burlington	Parsons of Newbury *
Branagan of Georgia	Houghton of Essex Junction	Peterson of Clarendon
Brennan of Colchester	Howard of Rutland City	Pouech of Hinesburg
Brown of Richmond	Hyman of South Burlington	Quimby of Lyndon
Brumsted of Shelburne	James of Manchester	Rachelson of Burlington
Burditt of West Rutland	Jerome of Brandon	Rice of Dorset
Campbell of St. Johnsbury	Kornheiser of Brattleboro	Satcowitz of Randolph
Canfield of Fair Haven	Krasnow of South Burlington	Scheu of Middlebury *
Chase of Colchester	Labor of Morgan	Shaw of Pittsford
Chesnut-Tangerman of Middletown Springs *	Lalley of Shelburne	Sheldon of Middlebury
Christie of Hartford	LaLonde of South Burlington	Squirrell of Underhill
Clifford of Rutland City	Lanpher of Vergennes	Stebbins of Burlington *
Coffey of Guilford	Laroche of Franklin	Stevens of Waterbury *
Conlon of Cornwall	Lipsky of Stowe	Taylor of Colchester
Corcoran of Bennington	Long of Newfane	Toleno of Brattleboro
Cordes of Lincoln *	Maguire of Rutland City	Toof of St. Albans Town
Demar of Enosburgh	Marcotte of Coventry *	Torre of Moretown
Demrow of Corinth	Masland of Thetford	Troiano of Stannard
Dickinson of St. Albans Town	McCarthy of St. Albans City	Waters Evans of Charlotte
Dodge of Essex *	McCoy of Poultney	White of Bethel
Dolan of Essex Junction		Whitman of Bennington
		Williams of Granby
		Wood of Waterbury *

Those members absent with leave of the House and not voting are:

Andriano of Orwell	Logan of Burlington	Sammis of Castleton
Carpenter of Hyde Park	Mulvaney-Stanak of Burlington	Stone of Burlington
Elder of Starksboro		Surprenant of Barnard

Rep. Andrews of Westford explained her vote as follows:

“Madam Speaker:

I vote no with regret and apologies to my colleagues from flood ravaged communities, and with my commitment to work with them to create a process and a funding mechanism for now and for future disasters that we all know will happen.”

Rep. Chesnut-Tangerman of Middletown Springs explained his vote as follows:

“Madam Speaker:

I am very sympathetic to the pain at the heart of the amendment. The appeal is powerful. But when we act on the fly, we make mistakes. When we don’t take the time or testimony to understand the full impact of our actions we act rashly and set bad precedent.”

Rep. Cina of Burlington explained his vote as follows:

“Madam Speaker:

According to climate scientists, the flood disasters of 2023 are just the beginning of the great environmental devastation yet to come. I vote yes because the government must be better prepared to serve the people both in the current recovery and in the future times of greatest need.”

Rep. Cordes of Lincoln explained her vote as follows:

“Madam Speaker:

Having felt the pain of my constituents because of failures of part of State government, I don’t want to set up a similar situation with another agency; that is why I voted no.”

Rep. Dodge of Essex explained her vote as follows:

“Madam Speaker:

After spending the summer gathering and distributing supplies and donations, it is difficult to vote no. I am committed to helping our friends and neighbors in flooded regions through the process.”

Rep. Dolan of Waitsfield explained her vote as follows:

“Madam Speaker:

While I voted no to the amendment, the need to equitably help our communities, businesses, and people now, and to become more resilient to the devastation from flooding is real. We need everyone at the table to drive down risks, costs, and impacts associated with tomorrow’s floods.”

Rep. Donahue of Northfield explained her vote as follows:

“Madam Speaker:

This is exactly the correct process for bringing an issue before the body when it was unable to be heard elsewhere. I vote yes in support of the process.”

Rep. Marcotte of Coventry explained his vote as follows:

“Madam Speaker:

I vote no. I have been clear that without money to fund this proposal, we are giving our struggling businesses false hope that we will provide them with more help.”

Rep. Parsons of Newbury explained his vote as follows:

“Madam Speaker:

I wish I could have voted yes today – I truly do. Unfortunately, this amendment requires that grant awards be prioritized by skin color. This country has been down that road before. It was wrong then, and it is wrong now.”

Rep. Scheu of Middlebury explained her vote as follows:

“Madam Speaker:

While I believe we can all empathize and agree that the floods of this past year were extremely painful for many, this needs to be part of a larger conversation so that any program that’s created is the best one it can be. This will not be the only climate event.”

Rep. Stebbins of Burlington explained her vote as follows:

“Madam Speaker:

I vote no, not because this isn’t needed, but because statute needs vetting. That is our collective duty. However, we have four more weeks. We must heed this cry for help. We must do more, and with better process.”

Rep. Stevens of Waterbury explained his vote as follows:

“Madam Speaker:

As a representative of a community damaged by the flooding in July and in December, I must regretfully vote no. The intent of this amendment is important, and with a full hearing would be an important addition to our governmental responses to the effects of climate change. I vote no on process, not on the need and intent to get it right.”

Rep. Williams of Barre City explained his vote as follows:

“Madam Speaker:

I vote yes. With sincere gratitude and love to my colleagues, your sympathy and compassion sustain and inspire me. What sustains Barre?”

Rep. Wood of Waterbury explained her vote as follows:

“Madam Speaker:

Representing communities that have been through similar devastation, I reluctantly vote no, and I hope we can find an avenue to address this need.”

Pending the question, Shall the bill be read a third time?, **Rep. Lanpher of Vergennes** moved to amend the bill as follows:

First: In Sec. B.1102, unobligated General Fund contingent appropriations, in subsection (a), prior to the words “be appropriated”, by inserting the words “carry forward and”

Second: In Sec. D.100, allocations; property transfer tax, in subdivision (a)(2)(A), in the first sentence, by striking out “(10 V.S.A. § 314)” and inserting in lieu thereof “pursuant to 10 V.S.A. § 314” and, in the second and fourth sentences, following “Vermont Housing”, by inserting the word “and”

Third: In Sec. D.103, reserves, in subdivision (a)(1)(A), by striking out “\$14,800,138.75” and inserting in lieu thereof “\$15,195,975”

Fourth: By striking out Sec. E.234, amending 30 V.S.A. § 248c(d), in its entirety and inserting in lieu thereof the following:

Sec. E.234 [Deleted.]

Fifth: By adding a new section to be Sec. E.306.4 to read as follows:

Sec. E.306.4 PSYCHIATRIC RESIDENTIAL TREATMENT FACILITY;

LICENSURE

Notwithstanding any provision of law to the contrary, no funds appropriated to the Department of Vermont Health Access in this act shall be expended for operation of a psychiatric residential treatment facility until the facility has been licensed by the State; provided, however, that the Department may expend funds on goods and services, such as purchasing supplies and hiring and training staff, that are necessary to prepare the facility to be operational upon licensure.

Sixth: By striking out Sec. E.311, amending 18 V.S.A. § 5017, in its entirety and inserting in lieu thereof the following:

Sec. E.311 [Deleted.]

Seventh: In Sec. E.312, health – public health, in subdivision (a)(4), in the first sentence, following “the amount of”, by striking out “\$100,000” and inserting in lieu thereof “\$400,000”

Eighth: By striking out Sec. E.313, appropriation; substance misuse prevention, in its entirety and inserting in lieu thereof a new Sec. E.313 to read as follows:

Sec. E.313 APPROPRIATION; SUBSTANCE MISUSE PREVENTION

(a) In fiscal year 2025, the \$795,000 Opioid Abatement Special Fund and \$1,410,000 General Fund appropriated to the Department of Health in Secs. B.1100(d)(4) and B.313 of this act shall be for substance misuse prevention. The total \$2,205,000 appropriation shall be granted to Vermont Prevention Lead Organizations to implement evidence-based and trauma-informed substance misuse prevention strategies statewide. The Department shall require, as part of the grant agreement with the Vermont Prevention Lead Organizations, that information on the use of the funds, including the specific activities supported by the funds, a description of the number of people served, and information on the outcomes achieved by this investment, be provided to the Department in an agreed-upon time frame. The Department shall report this information annually, on or before January 10, to the House and Senate Committees on Appropriations, the House Committee on Human Services, and the Senate Committee on Health and Welfare.

Ninth: By striking out Sec. E.605, Vermont Student Assistance Corporation, in its entirety and inserting in lieu thereof a new Sec. E.605 to read as follows:

Sec. E.605 VERMONT STUDENT ASSISTANCE CORPORATION

(a) Of the funds appropriated to the Vermont Student Assistance Corporation in Sec. B.605 of this act:

(1) \$25,000 shall be deposited into the Trust Fund established in 16 V.S.A. § 2845;

(2) not more than \$300,000 may be used by the Vermont Student Assistance Corporation for a student aspirational initiative to serve one or more high schools; and

(3) not less than \$1,000,000 shall be used to continue the Vermont Trades Scholarship Program established in 2022 Act and Resolves No. 183, Sec. 14.

(b) Of the funds appropriated to the Vermont Student Assistance Corporation in Sec. B.605 of this act that are remaining after accounting for the expenditures set forth in subsection (a) of this section, not less than 93 percent shall be used for direct student aid.

(c) After accounting for the expenditures set forth in subsection (a) of this section, up to seven percent of the funds appropriated to the Vermont Student Assistance Corporation in Sec. B.605 of this act or otherwise currently or previously appropriated to the Vermont Student Assistance Corporation or provided to the Vermont Student Assistance Corporation by an agency or department of the State for the administration of a program or initiative, may be used by the Vermont Student Assistance Corporation for its costs of administration. The Vermont Student Assistance Corporation may recoup its reasonable costs of collecting the forgivable loans in repayment. Funds shall not be used for indirect costs. To the extent that any of these funds are federal funds, allocation for expenses associated with administering the funds shall be consistent with federal grant requirements.

Tenth: By striking out Sec. F.100, effective dates, in its entirety and inserting in lieu thereof a new Sec. F.100 to read as follows:

Sec. F.100 EFFECTIVE DATES

(a) This section and Secs. C.100, C.101, C.103, C.104, C.105, C.106, C.107, C.111, C.112, C.113, C.114, C.115, and B.1102 shall take effect on passage.

(b) Notwithstanding 1 V.S.A. § 214:

(1) Sec. C.102 shall take effect retroactively on March 1, 2024;

(2) Secs. C.108, C.109, and C.110 shall take effect retroactively on July 1, 2023; and

(3) Sec. E.910 shall take effect retroactively on January 1, 2024.

(c) Sec. E.318.2 shall take effect on July 1, 2025.

(d) All remaining sections shall take effect on July 1, 2024.

Which was agreed to.

Pending the question, Shall the bill be read a third time?, **Rep. Lanpher of Vergennes** demanded the Yeas and Nays, which demand was sustained by the Constitutional number. The Clerk proceeded to call the roll and the question, Shall the bill be read a third time?, was decided in the affirmative. Yeas, 104. Nays, 39.

Those who voted in the affirmative are:

Andrews of Westford	Demrow of Corinth	Nicoll of Ludlow
Andriano of Orwell	Dodge of Essex	Notte of Rutland City
Anthony of Barre City	Dolan of Essex Junction	Noyes of Wolcott
Arrison of Weathersfield	Dolan of Waitsfield	Nugent of South Burlington
Arsenault of Williston	Durfee of Shaftsbury	O'Brien of Tunbridge
Austin of Colchester	Emmons of Springfield	Ode of Burlington *
Bartholomew of Hartland	Farlice-Rubio of Barnet	Pajala of Londonderry
Berbeco of Winooski	Garofano of Essex	Patt of Worcester
Birong of Vergennes	Goldman of Rockingham	Pearl of Danville
Black of Essex	Graning of Jericho	Pouech of Hinesburg
Bluemle of Burlington	Headrick of Burlington	Priestley of Bradford
Bongartz of Manchester	Holcombe of Norwich	Rachelson of Burlington
Bos-Lun of Westminster	Hooper of Burlington	Rice of Dorset
Boyden of Cambridge	Houghton of Essex Junction	Roberts of Halifax
Brady of Williston	Howard of Rutland City	Satcowitz of Randolph
Brown of Richmond	Hyman of South Burlington	Scheu of Middlebury
Brownell of Pownal	James of Manchester	Sheldon of Middlebury
Brumsted of Shelburne	Jerome of Brandon	Sibilia of Dover
Burke of Brattleboro	Kornheiser of Brattleboro	Sims of Craftsbury
Burrows of West Windsor	Krasnow of South Burlington	Small of Winooski *
Buss of Woodstock	LaBounty of Lyndon	Squirrell of Underhill
Campbell of St. Johnsbury	Lalley of Shelburne	Stebbins of Burlington
Carpenter of Hyde Park	LaLonde of South Burlington	Stevens of Waterbury
Carroll of Bennington	Lanpher of Vergennes	Stone of Burlington
Casey of Montpelier	Leavitt of Grand Isle	Taylor of Colchester
Chapin of East Montpelier	Long of Newfane	Templeman of Brownington*
Chase of Chester	Masland of Thetford	Toleno of Brattleboro
Chase of Colchester	McCann of Montpelier	Torre of Moretown
Chesnut-Tangerman of Middletown Springs	McCarthy of St. Albans City	Troiano of Stannard
Christie of Hartford	McGill of Bridport	Waters Evans of Charlotte
Cina of Burlington	Mihaly of Calais	White of Bethel
Coffey of Guilford	Minier of South Burlington	Whitman of Bennington
Cole of Hartford	Morris of Springfield	Williams of Barre City
Conlon of Cornwall	Mrowicki of Putney	Wood of Waterbury

Those who voted in the negative are:

Bartley of Fairfax	Gregoire of Fairfield	Morrissey of Bennington
Beck of St. Johnsbury	Hango of Berkshire	Oliver of Sheldon
Branagan of Georgia	Harrison of Chittenden	Page of Newport City
Brennan of Colchester	Higley of Lowell	Parsons of Newbury
Burditt of West Rutland	Hooper of Randolph	Peterson of Clarendon
Canfield of Fair Haven	Labor of Morgan	Quimby of Lyndon
Clifford of Rutland City	Laroche of Franklin	Shaw of Pittsford
Demar of Enosburgh	Lipsky of Stowe	Smith of Derby
Dickinson of St. Albans Town	Maguire of Rutland City	Taylor of Milton
	Marcotte of Coventry	Toof of St. Albans Town

Donahue of Northfield	Mattos of Milton	Walker of Swanton
Galfetti of Barre Town	McCoy of Poultney	Williams of Granby
Goslant of Northfield	McFaun of Barre Town	
Graham of Williamstown	Morgan of Milton	

Those members absent with leave of the House and not voting are:

Elder of Starksboro	Mulvaney-Stanak of	Surprenant of Barnard
LaMont of Morristown	Burlington	
Logan of Burlington	Sammis of Castleton	

Rep. Ode of Burlington explained her vote as follows:

“Madam Speaker:

I vote yes. As the Chair of the House Appropriations Committee explained in her floor report, ‘This budget so closely remains within the Governor’s Recommend budget that, after accounting for the \$12 million pension plus payment, the difference in General Funds is within a 0.2 percent (not even one half of one percent) difference.’ In dollars, that’s no more than a \$3.3 million difference between the House budget and the Governor’s Recommend.”

Rep. Small of Winooski explained her vote as follows:

“Madam Speaker:

I support the budget before us with hesitation and concern. We cannot say that we prioritize equity without providing adequate process. We cannot say that we prioritize those most vulnerable and hope the funding arrives later. What we say matters, but what we fund matters more.”

Rep. Templeman of Brownington explained his vote as follows:

“Madam Speaker:

I voted yes on this budget because it includes \$450,000 for The Northeast Organic Farming Association of Vermont, which supports both farmers and those living with food insecurity.”

Message from the Senate No. 38

A message was received from the Senate by Ms. Gradel, its Assistant Secretary, as follows:

Madam Speaker:

I am directed to inform the House that:

The Senate has on its part passed Senate bills of the following titles:

S. 98. An act relating to Green Mountain Care Board authority over prescription drug costs.

S. 114. An act relating to removal of criminal penalties for possessing, dispensing, or selling psilocybin and establishment of the Psychedelic Therapy Advisory Working Group.

S. 120. An act relating to postsecondary schools and sexual misconduct protections.

S. 192. An act relating to forensic facility admissions criteria and processes.

S. 204. An act relating to reading assessment and intervention.

S. 220. An act relating to Vermont's public libraries.

S. 254. An act relating to including rechargeable batteries and battery-containing products under the State battery stewardship program.

In the passage of which the concurrence of the House is requested.

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

H. 554. An act relating to approval of the adoption of the charter of the Town of South Hero.

And has passed the same in concurrence.

Second Reading; Consideration Interrupted; Amendment Offered and Withdrawn; Bill Amended; Third Reading Ordered

H. 829

Rep. Stevens of Waterbury, for the Committee on General and Housing, to which had been referred House bill, entitled

An act relating to creating permanent upstream eviction protections and enhancing housing stability

Reported in favor of its passage when amended by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Housing Programs * * *

Sec. 1. 10 V.S.A. § 322 is amended to read:

§ 322. ALLOCATION SYSTEM

(a) In determining the allocation of funds available for the purposes of this chapter, the Board shall give priority to projects that combine the dual goals of creating affordable housing and conserving and protecting Vermont's

agricultural land, historic properties, important natural areas or recreation lands and also shall consider, but not be limited to, the following factors:

(1) the need to maintain balance between the dual goals in allocating resources;

(2) the need for a timely response to unpredictable circumstances or special opportunities to serve the purposes of this chapter;

(3) the level of funding or other participation by private or public sources in the activity being considered for funding by the Board;

(4) what resources will be required in the future to sustain the project;

(5) the need to pursue the goals of this chapter without displacing lower income Vermonters;

(6) the long-term effect of a proposed activity and, with respect to affordable housing, the likelihood that the activity will prevent the loss of subsidized housing units and will be of perpetual duration;

(7) geographic distribution of funds; and

(8) the need to timely address Vermont's housing crisis.

(b) The Board's allocation system shall include a method, defined by rule, that evaluates the need for, impact, and quality of activities proposed by applicants.

Sec. 2. 10 V.S.A. § 699 is amended to read:

§ 699. VERMONT RENTAL HOUSING IMPROVEMENT PROGRAM

(a) Creation of Program.

(1) The Department of Housing and Community Development shall design and implement the Vermont Rental Housing Improvement Program, through which the Department shall award funding to statewide or regional nonprofit housing organizations, or both, to provide competitive grants and forgivable loans to private landlords for the rehabilitation, including weatherization and accessibility improvements, of eligible rental housing units.

(2) The Department shall develop statewide standards for the Program, including factors that partner organizations shall use to evaluate applications and award grants and forgivable loans.

(3) A landlord shall not offer a unit created through the Program as a short-term rental, as defined in 18 V.S.A. § 4301, for the period a grant or loan agreement is in effect.

(4) The Department may utilize a reasonable percentage of appropriations made to the Department for the Program to administer the Program.

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

(b) Eligible rental housing units. The following units are eligible for a grant or forgivable loan through the Program:

(1) Non-code compliant.

(A) The unit is an existing unit, whether or not occupied, that does not comply with the requirements of applicable building, housing, or health laws.

(B) If the unit is occupied, the grant or forgivable loan agreement shall include terms:

* * *

(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.

(B) In determining the amount of a grant or loan, a housing organization shall consider the number of bedrooms in the unit, and whether the unit is being rehabilitated or newly created, whether the project includes accessibility improvements, and whether the unit is being converted from nonresidential to residential purposes.

(2) A landlord shall contribute matching funds or in-kind services that equal or exceed 20 percent of the value of the grant or loan.

(3) A project may include a weatherization component.

(4) A project shall comply with applicable building, housing, and health laws.

(5) The terms and conditions of a grant or loan agreement apply to the original recipient and to a successor in interest for the period the grant or loan agreement is in effect.

(6) The identity of a recipient, and the amount of a grant or forgivable loan, the year in which the grant or forgivable loan was extended, and the year in which any affordability covenant ends are public records that shall be available for public copying and inspection and the Department shall publish this information at least quarterly on its website.

(7) A project for rehabilitation or creation of an accessible unit may apply funds to the creation of a parking spot for individuals with disabilities.

(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 organizations 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; or

(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 ~~exiting homelessness~~ under subdivision (2)(A) of this subsection (e) 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 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.

(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 ~~grant program~~ 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:

* * *

Sec. 3. VERMONT RENTAL HOUSING IMPROVEMENT

APPROPRIATION

The sum of \$6,000,000.00 is appropriated from the General Fund to the Department of Housing and Community Development in fiscal year 2025 for the Vermont Housing Improvement Program established in 10 V.S.A. § 699.

Sec. 4. 2023 Acts and Resolves No. 47, Sec. 36 is amended to read:

Sec. 36. MIDDLE-INCOME HOMEOWNERSHIP DEVELOPMENT PROGRAM

* * *

(d) The total amount of subsidies for a project shall not exceed 35 percent of eligible development costs, as determined by the Agency, ~~which the at the time of approval of the project, unless the Agency later determines that the project will not result in affordable owner-occupied housing for income-eligible homebuyers without additional subsidy, in which case the Agency may, at its discretion, reasonably exceed this limitation and only to the extent required to achieve affordable owner-occupied housing. The Agency may shall~~ allocate subsidies consistent with the following:

(1) Developer subsidy. The Agency may provide a direct subsidy to the developer, which shall not exceed the difference between the cost of development and the market value of the home as completed.

(2) Affordability subsidy. Of any remaining amounts available for the project after the developer subsidy, the Agency may provide a subsidy for the benefit of the homebuyer to reduce the cost of purchasing the home, provided that:

(A) the Agency includes conditions in the subsidy, agreement or uses another legal mechanism, to ensure that, to the extent the home value has risen, the amount of the subsidy upon sale of the home, to the extent proceeds are available, the amount of the affordability subsidy either:

(i) remains with the home to offset the cost to future homebuyers;
or

(ii) is recaptured by the Agency upon sale of the home for use in a similar program to support affordable homeownership development; or

(B) the subsidy is subject to a housing subsidy covenant, as defined in 27 V.S.A. § 610, that preserves the affordability of the home for a period of 99 years or longer.

(3) The Agency shall allocate not less than 33 percent of the funds available through the Program to projects that include a housing subsidy covenant consistent with subdivision (2)(B) of this subsection.

* * *

(f)(1) When implementing the Program, the Agency shall consult stakeholders and experts in the field.

(2) The Program shall include:

(A) a streamlined and appropriately scaled application process;

(B) an outreach and education plan, including specific tactics to reach and support eligible applicants, especially those from underserved regions or sectors;

(C) an equitable system for distributing investments statewide on the basis of need according to a system of priorities that includes consideration of:

(i) geographic distribution;

(ii) community size;

(iii) community economic need; and

(iv) whether an application has already received an investment or is from an applicant in a community that has already received Program funding.

~~(3) The Agency shall use its best efforts to ensure:~~

~~(A) that investments awarded are targeted to the geographic communities or regions with the most pressing economic and employment needs; and~~

~~(B) that the allocation of investments provides equitable access to the benefits to all eligible geographical areas.~~

* * *

Sec. 5. REPEAL

2023 Acts and Resolves No. 47, Sec. 37 (middle-income homeownership; implementation) is repealed.

Sec. 6. APPROPRIATION; MIDDLE-INCOME HOMEOWNERSHIP
DEVELOPMENT PROGRAM

The sum of \$25,000,000.00 is appropriated from the General Fund to the Department of Housing and Community Development to grant to the Vermont Housing Finance Agency in fiscal year 2025 for the Middle-Income Homeownership Development Program established by 2022 Acts and Resolves No. 182, Sec. 11, and amended from time to time.

Sec. 7. APPROPRIATION; VERMONT HOUSING CONSERVATION
BOARD; PERPETUALLY AFFORDABLE HOUSING

The sum of \$110,000,000.00 is appropriated from the General Fund to the Vermont Housing Conservation Board in fiscal year 2025 for the following purposes:

(1) to provide support and enhance capacity for the production and preservation of affordable rental housing and homeownership units, including support for manufactured home communities, permanent homes for those experiencing homelessness, recovery residences, and housing available to farm workers, and refugees, or individuals with disabilities who are eligible to receive Medicaid-funded home and community based services;

(2) to fund the construction and preservation of emergency shelter for households experiencing homelessness; and

(3) to fund permanent supportive housing.

Sec. 8. APPROPRIATION; FIRST GENERATION HOMEBUYER
PROGRAM

The sum of \$1,000,000.00 is appropriated from the General Fund to the Department of Housing and Community Development in fiscal year 2025 for a grant to the Vermont Housing Finance Agency for the First-Generation Homebuyer Program established by 2022 Acts and Resolves No. 182, Sec. 2, and amended from time to time.

* * * Eviction Prevention Initiatives * * *

Sec. 9. APPROPRIATION; RENTAL HOUSING STABILIZATION
SERVICES

The sum of \$400,000.00 is appropriated from the General Fund to the Office of Economic Opportunity within the Department for Children and Families in fiscal year 2025 for a grant to the Champlain Valley Office of Economic Opportunity for the Rental Housing Stabilization Services Program established by 2023 Acts and Resolves No. 47, Sec. 43.

Sec. 10. APPROPRIATION; TENANT REPRESENTATION PILOT
PROGRAM

The sum of \$1,025,000.00 is appropriated from the General Fund to the Agency of Human Services in fiscal year 2025 for a grant to Vermont Legal Aid for the Tenant Representation Pilot Program established by 2023 Acts and Resolves No. 47, Sec. 44.

Sec. 11. APPROPRIATION; RENT ARREARS ASSISTANCE FUND

The sum of \$2,500,000.00 is appropriated from the General Fund to the Vermont State Housing Authority in fiscal year 2025 for the Rent Arrears Assistance Fund established by 2023 Acts and Resolves No. 47, Sec. 45.

Sec. 12. RESIDENT SERVICES PROGRAM; APPROPRIATION

(a) The sum of \$6,000,000.00 is appropriated from the General Fund to the Agency of Human Services in fiscal year 2025 for a grant to the Vermont Housing and Conservation Board for the Resident Services Program established by this section. The Agency shall work in coordination with the Board to develop the Resident Services Program for the purpose of distributing funds to eligible affordable housing organizations to respond to timely and urgent resident needs and aid with housing retention.

(b) For purposes of this section, an “eligible affordable housing organization” is a Vermont-based nonprofit or public housing organization that makes available at least 15 percent of its affordable housing portfolio to homeless families and individuals, including those with special needs who require service support and rental assistance to secure and maintain their housing, consistent with the goal of Executive Order No. 03-16 (Publicly Funded Housing for the Homeless).

Sec. 13. RENT PAYMENT REPORTING REPORT

(a) To facilitate the development of a pilot program for housing providers to report tenant rent payments for inclusion in consumer credit reports, the Office of the State Treasurer shall study:

(1) any entities currently facilitating landlord credit reporting;

(2) the number of landlords in Vermont utilizing rent payment software, related software expenses, and the need for or benefit of utilizing software for positive pay reporting;

(3) the impacts on tenants from rent payment reporting programs, including, if feasible, data gathered from the Champlain Housing Trust's program;

(4) any logistical steps the State must take to facilitate the program and any associated administrative costs; and

(5) any other issues the Treasurer deems appropriate for facilitating the development of the pilot program.

(b) On or before December 15, 2024, the Treasurer shall submit a report to the Senate Committee on Economic Development, Housing and General Affairs and the House Committee on General and Housing with its findings and recommendations, which may be in the form of proposed legislation.

* * * Manufactured Homes * * *

Sec. 14. 2022 Acts and Resolves No. 182, Sec. 3, as amended by 2023 Acts and Resolves No. 3, Sec. 75 and 2023 Acts and Resolves No. 78, Sec. C.119, is further amended to read:

Sec. 3. MANUFACTURED HOME IMPROVEMENT AND
REPLACEMENT REPAIR PROGRAM

(a) Of the amounts available from the American Rescue Plan Act (ARPA) recovery funds, \$4,000,000 is appropriated to the Department of Housing and Community Development for the purposes specified Amounts appropriated to the Department of Housing and Community Development for the Manufactured Home Improvement and Repair Program shall be used for one or more of the following purposes:

* * *

(b) The Department administers the Manufactured Home Improvement and Repair Program and may utilize a reasonable percentage of appropriations made to the Department for the Program to administer the Program.

(c) The Department may cooperate with and subgrant funds to State agencies and political subdivisions and public and private organizations in order to carry out the purposes of subsection (a) of this section.

Sec. 15. MANUFACTURED HOME IMPROVEMENT AND REPAIR

PROGRAM APPROPRIATIONS; INFRASTRUCTURE; MOBILE HOME REPAIR

The sum of \$2,000,000.00 is appropriated from the General Fund to the Department of Housing and Community Development in fiscal year 2025 for the following purposes:

(1) to improve mobile home park infrastructure under the Manufactured Home Improvement and Repair Program established by 2022 Acts and Resolves No. 182, Sec. 3, and amended from time to time; and

(2) to expand the Home Repair Awards program under the Manufactured Home Improvement and Repair Program established by 2022 Acts and Resolves No. 182, Sec. 3, and amended from time to time.

Sec. 16. MOBILE HOME TECHNICAL ASSISTANCE APPROPRIATION

(a) The sum of \$700,000.00 is appropriated from the General Fund to the Department of Housing and Community Development for a subgrant to the Champlain Valley Office of Economic Opportunity in fiscal year 2025 to fund the Mobile Home Park Technical Assistance Services Team, including administration and direct project administration costs, such as advertising, background check fees, office supplies, postage, staff mileage liability insurance, training, service contracts, rent, utilities, telephone, space maintenance, and staffing.

(b) The sum of \$300,000.00 is appropriated from the General Fund to the Department of Housing and Community Development for a subgrant to the Champlain Valley Office of Economic Opportunity in fiscal year 2025 to fund individual resident emergency grants accessible to all income-eligible mobile homeowners statewide to prevent loss of housing, remediate unsafe housing, enhance housing safety, health, and habitability issues, and provide relief from the impacts of natural disaster.

* * * Reporting * * *

Sec. 17. EMERGENCY HOUSING TRANSITION; AGENCY OF HUMAN SERVICES; JOINT FISCAL COMMITTEE OVERSIGHT; REPORTS

(a) As used in this act, “alternative housing placements” may include shelter beds and pods; placements with family or friends; permanent housing solutions, including tiny homes, manufactured homes, and apartments; residential treatment beds for physical health, long-term care, substance use, or mental health; nursing home beds; and recovery homes.

(b) On or before the last day of each month from July 2024 through March 2025, the Agency of Human Services, or other relevant agency or department, shall report to the House Committees on Human Services and on General and Housing, the Senate Committee on Health and Welfare, and the Joint Fiscal Committee on its progress in assisting households housed in hotels and motels with transitioning from the pandemic-era General Assistance Emergency Housing Program to alternative housing placements and on the creation of new, alternative housing solutions. Each update shall include:

(1) the number of households remaining in hotels and motels that have not yet been transitioned to an alternative housing placement by household size, by eligibility category, and by each Agency of Human Services district;

(2) the number of actual alternative housing placements made during the previous reporting period compared with the targeted number of placements for that period;

(3) of the households successfully transitioned to an alternative housing placement during the previous month, the number of households whose screening indicated a potential need for services from each department within the Agency;

(4) the number of beds available for emergency housing in each Agency of Human Services district in the State, with separate reporting on the number of beds available in nursing homes and residential care homes for individuals whose screening indicates they could meet the clinical criteria for those settings and the number of emergency beds available for individuals whose screening indicates they do not meet the clinical criteria, including low-barrier shelters, beds for youth, and beds for individuals who have experienced domestic violence;

(5) of the households that were housed in a hotel or motel for four months or longer and transitioned out during the previous month, the number

that have had all or a portion of their security deposits returned to them since leaving the hotel or motel or are awaiting the return of these funds;

(6) of the households that were housed in a hotel or motel for less than four months and transitioned out during the previous month, the amount of security deposit funds refunded to the State by the hotels and motels during that month;

(7) the number of households that have been successfully transitioned to an alternative housing placement since the previous report, the types of housing settings in which they have been placed, and the supportive services they are receiving in conjunction with their housing;

(8) the outlook for transitioning additional households to alternative housing placements in the coming months, including an estimate of the number of households likely to be placed per month;

(9) a projected timeline for transitioning the remaining households to alternative housing placements;

(10) the average negotiated rate for rooms that the Agency paid to the hotels and motels providing the temporary, continued hotel or motel housing during the previous month;

(11) the status of responding to and implementing the letters of interest from community partners and municipalities for housing and supportive services;

(12) the status of contracts for housing and supportive services resulting from the Agency's requests for proposals (RFPs);

(13) the status of grants awarded through the Housing Opportunity Grant Program and how those grants relate to the Agency's efforts to assist households with transitioning out of the pandemic-era General Assistance Emergency Housing Program;

(14) once the Adverse Weather Conditions Policy takes effect again in the fall of 2024, how the Agency plans to distinguish the households that become eligible for the General Assistance Emergency Housing Program under that Policy from the households that the Agency is assisting with transitioning out of the pandemic-era General Assistance Emergency Housing Program;

(15) the total amount of funds expended to date on housing placements and supportive services for households transitioning out of the pandemic-era General Assistance Emergency Housing Program; and

(16) beginning with the September 2024 reporting period, 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.

(c) On or before the last day of each month from July 2024 through March 2025, the Vermont Housing and Conservation Board shall report to the House Committees on Human Services and on General and Housing; the Senate Committees on Health and Welfare and on Economic Development, Housing and General Affairs; and the Joint Fiscal Committee on:

(1) the status of the Board's initiatives to make additional housing units available and how those initiatives support the Agency of Human Services' efforts to assist households with transitioning out of the pandemic-era General Assistance Emergency Housing Program; and

(2) the status of the Board's efforts to expand emergency shelter capacity, including the number of new beds available since the previous report, the number of additional beds planned, and when the additional planned beds are likely to become available.

(d) The Agency may hire temporary employees or contract with community-based organizations, or both, as needed to support the Agency in assisting households housed in hotels and motels with transitioning from the pandemic-era General Assistance Emergency Housing Program to alternative housing placements; to support the creation of new, alternative housing solutions; and to collect and report on the information required by subsection (b) of this section.

(e) On or before April 1, 2025, the Agency shall report to the House Committees on Appropriations, on Human Services, and on Housing and General Affairs; the Senate Committees on Appropriations, on Health and Welfare, and on Economic Development, Housing and General Affairs; and the Joint Fiscal Committee the number of households, if any, that were not successfully transitioned out of the pandemic-era General Assistance Emergency Housing Program into alternative housing placements and the reason why each such household was not successfully placed.

* * * Effective Date * * *

Sec. 18. EFFECTIVE DATE

This act shall take effect on July 1, 2024.

Rep. Wood of Waterbury, for the Committee on Human Services, recommended that the report of the Committee on General and Housing be amended as follows:

First: In Sec. 1, 10 V.S.A. § 322, in subdivision (a)(8), following “Vermont’s”, by inserting “affordable”

Second: In Sec. 2, 10 V.S.A. § 699, in subdivision (a)(4), following “reasonable percentage”, by inserting “, up to a cap of five percent.”

Third: In Sec. 2, 10 V.S.A. § 699, in subdivision (a)(5), by striking out “political” and inserting in lieu thereof “governmental”

Fourth: In Sec. 2, 10 V.S.A. § 699, in subdivision (e)(2)(A)(i), following “exiting homelessness”, by inserting “, 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”

Fifth: In Sec. 2, 10 V.S.A. § 699, by striking out subsection (f) in its entirety and inserting in lieu thereof a new subsection (f) to read as follows:

(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.

(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.

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

Sixth: In Sec. 12, resident services program; appropriation, by striking out subsection (b) in its entirety and inserting in lieu thereof a new subsection (b) to read as follows:

(b) For purposes of this section, an "eligible affordable housing organization" is a Vermont-based nonprofit or public housing organization that makes available at least 15 percent of its affordable housing portfolio to, or a Vermont-based nonprofit that provides substantial services to, families and individuals experiencing homelessness, including those who require service support or rental assistance to secure and maintain their housing, consistent with the goal of Executive Order No. 03-16 (Publicly Funded Housing for the Homeless).

Seventh: In Sec. 14, manufactured home improvement and repair program, in subsection 3(b), following "reasonable percentage", by inserting ", up to a cap of five percent,"

Eighth: In Sec. 14, manufactured home improvement and repair program, in subsection 3(c), by striking out "political" and inserting in lieu thereof "governmental"

Ninth: By striking out Sec. 17, emergency housing transition; agency of human services; joint fiscal committee oversight; reports, and its reader assistance heading in their entirety and inserting in lieu thereof a reader assistance heading and a new section to be Sec. 17 to read as follows:

* * * Municipal Property Tax Exemption * * *

Sec. 17. 32 V.S.A. § 3847 is amended to read:

§ 3847. NEIGHBORHOOD HOUSING IMPROVEMENT PROGRAMS

At an annual or special meeting, a municipality may vote to exempt in whole or in part, for a period not exceeding five years, the municipal property tax on the value of improvements made to principal or temporary dwelling units with funds provided in whole or in part by a nonprofit, neighborhood, or municipal housing improvement program that limits eligibility to residents with incomes below the median income of the State. Such programs include neighborhood housing services, Community Loan Funds, community land trusts, neighborhood planning associations, and municipal housing improvement programs.

Rep. Kornheiser of Brattleboro, for the Committee on Ways and Means, recommended that the bill ought to pass when amended as recommended by the Committee on General and Housing, when further amended as recommended by the Committee on Human Services, and when further amended as follows:

First: By redesignating Sec. 1, 10 V.S.A. § 322, as Sec. 1a and adding a new Sec. 1 to read as follows:

Sec. 1. LEGISLATIVE INTENT; HOUSING INVESTMENT

(a) Legislative intent. It is the intent of the General Assembly that, as funds are available, approximately \$900,000,000.00 will be appropriated from the General Fund over fiscal years 2026 through 2034 to fund programs that advance a long-term solution to Vermont's housing shortage. These funds will support programs that reach a broad spectrum of Vermont residents, including low-income and middle-income Vermonters, families and individuals experiencing homelessness, individuals with disabilities, older Vermonters, individuals in recovery, farmworkers, individuals facing eviction, and Vermonters living in substandard housing. Through sustained funding and annual investments, the General Assembly intends to implement this comprehensive and strategic housing plan that yields permanent affordable housing for Vermonters and for communities in all 14 counties.

(b) Programs. Funds appropriated consistent with subsection (a) of this section shall include:

(1) the Vermont Housing and Conservation Board's programs:

(A) to provide support and enhance capacity for the production and preservation of affordable rental housing and homeownership units, including support for manufactured home communities, permanent homes for those

experiencing homelessness, recovery residences, and housing available to farm workers, refugees, or individuals with disabilities who are eligible to receive Medicaid-funded home and community based services;

(B) to fund the construction and preservation of emergency shelter for households experiencing homelessness; and

(C) to fund permanent supportive housing;

(2) the Vermont Housing Improvement Program;

(3) the Land Access and Opportunity Board;

(4) the State Refugee Office;

(5) the Resident Services Program;

(6) the Middle-Income Homeownership Development Program;

(7) the Manufactured Home Improvement and Repair Program;

(8) the Office of Economic Opportunity; and

(9) eviction prevention initiatives.

(c) Additional funding. In addition to the appropriations in subsection (a) of this section, it is the intent of the General Assembly to support funding for temporary emergency housing until such time as is no longer necessary.

Second: By striking out Sec. 3, Vermont rental housing improvement appropriation, in its entirety and inserting in lieu thereof a new Sec. 3 to read as follows:

Sec. 3. APPROPRIATION; VERMONT RENTAL HOUSING
IMPROVEMENT PROGRAM

The sum of \$1,000,000.00 is appropriated from the General Fund to the Department of Housing and Community Development in fiscal year 2025 for the Vermont Rental Housing Improvement Program established in 10 V.S.A. § 699.

Third: By striking out Secs. 6–8 in their entirety and inserting in lieu thereof new Secs. 6–8 to read as follows:

Sec. 6. APPROPRIATION; LAND ACCESS AND OPPORTUNITY BOARD

The sum of \$1,000,000.00 is appropriated from the General Fund to the Vermont Housing and Conservation Board in fiscal year 2025 to administer and support the Land Access and Opportunity Board.

Sec. 7. APPROPRIATION; VERMONT HOUSING AND CONSERVATION
BOARD; PERPETUALLY AFFORDABLE HOUSING

The sum of \$7,300,000.00 is appropriated from the General Fund to the Vermont Housing and Conservation Board in fiscal year 2025 for the following purposes:

(1) to provide support and enhance capacity for the production and preservation of affordable rental housing and homeownership units, including support for manufactured home communities, permanent homes for those experiencing homelessness, recovery residences, and housing available to farm workers, refugees, or individuals with disabilities who are eligible to receive Medicaid-funded home and community based services;

(2) to fund the construction and preservation of emergency shelter for households experiencing homelessness; and

(3) to fund permanent supportive housing.

Sec. 8. APPROPRIATION; STATE REFUGEE OFFICE; REFUGEE
HOUSING

The sum of \$900,000.00 is appropriated from the General Fund to the Agency of Human Services' State Refugee Office for grants to support transitional housing for refugees.

Fourth: In Sec. 12, resident services program; appropriation, in subsection (a), by striking out “\$6,000,000.00” and inserting in lieu thereof “\$700,000.00”

Fifth: By striking out Secs. 15, manufactured home improvement and repair program appropriations; infrastructure; mobile home repair, and 16, mobile home technical assistance appropriation, in their entirety and inserting in lieu thereof new Secs. 15 and 16 to read as follows:

Sec. 15. APPROPRIATION; OFFICE OF ECONOMIC OPPORTUNITY;
INDIVIDUALS EXPERIENCING HOMELESSNESS

The sum of \$2,700,000.00 is appropriated from the General Fund to the Department for Children and Families' Office of Economic Opportunity in fiscal year 2025 for grants, whether alone or in conjunction with federal Emergency Solutions Grants, consistent with the HUD-recognized Continuum of Care Program to community agencies to assist individuals experiencing homelessness by preserving existing services, increasing services, or increasing resources available statewide.

Sec. 16. [Deleted.]

Sixth: By striking out Sec. 18, effective date, and its reader assistance heading in their entirety and adding in lieu thereof a reader assistance heading and eight new sections to be Secs. 18–25 to read as follows:

* * * Property Transfer Tax * * *

Sec. 18. 32 V.S.A. § 9602 is amended to read:

§ 9602. TAX ON TRANSFER OF TITLE TO PROPERTY

(a) A tax is hereby imposed upon the transfer by deed of title to property located in this State, or a transfer or acquisition of a controlling interest in any person with title to property in this State. The amount of the tax equals ~~one and one-quarter~~ 1.25 percent of the value of the property transferred up to \$600,000.00 of value and 3.25 percent of the value of the property transferred in excess of \$600,000.00, or \$1.00, whichever is greater, except as follows:

(1) With respect to the transfer of property to be used for the principal residence of the transferee, the tax shall be imposed at the rate of ~~five-tenths of one~~ 0.5 percent of the first ~~\$100,000.00~~ \$200,000.00 in value of the property transferred and at the rate of ~~one and one-quarter~~ 1.25 percent of the value of the property transferred in excess of ~~\$100,000.00~~ \$200,000.00; except that no tax shall be imposed on the first ~~\$110,000.00~~ \$250,000.00 in value of the property transferred if the purchaser obtains a purchase money mortgage funded in part with a homeland grant through the Vermont Housing and Conservation Trust Fund or that the Vermont Housing and Finance Agency or U.S. Department of Agriculture and Rural Development has committed to make or purchase; and tax at the rate of ~~one and one-quarter~~ 1.25 percent shall be imposed on the value of that property in excess of ~~\$110,000.00~~ \$250,000.00. In all cases, the tax shall be imposed at the rate of 3.25 percent of the value of the property transferred in excess of \$600,000.00.

(2) [Repealed.]

(3) With respect to the transfer to a housing cooperative organized under 11 V.S.A. chapter 7 and whose sole purpose is to provide principal residences for all of its members or shareholders, or to an affordable housing cooperative under 11 V.S.A. chapter 14, of property to be used as the principal residence of a member or shareholder, the tax shall be imposed in the amount of ~~five-tenths of one~~ 0.5 percent of the first ~~\$100,000.00~~ \$200,000.00 in value of the residence transferred and at the rate of ~~one and one-quarter~~ 1.25 percent of the value of the residence transferred in excess of ~~\$100,000.00~~ \$200,000.00; provided that the homesite leased by the cooperative is used exclusively as the principal residence of a member or shareholder. If the transferee ceases to be an eligible cooperative at any time during the six years following the date of

transfer, the transferee shall then become obligated to pay any reduction in property transfer tax provided under this subdivision, and the obligation to pay the additional tax shall also run with the land. In all cases, the tax shall be imposed at the rate of 3.25 percent of the value of the property transferred in excess of \$600,000.00.

(b) Each year on August 1, the Commissioner shall adjust the values taxed at a lower rate under subdivisions (a)(1) and (3) of this section according to the percent change in the Bureau of Labor Statistics Consumer Price Index for All Urban Consumers (CPI-U) by determining the increase or decrease, to the nearest 0.1 percent, for the month ending on June 30 in the calendar year one year prior to the first day of the current fiscal year compared to the CPI-U for the month ending on June 30 in the calendar year two years prior. The Commissioner shall update the return required under section 9610 of this title according to this adjustment.

Sec. 19. 32 V.S.A. § 9602a is amended to read:

§ 9602a. CLEAN WATER SURCHARGE

There shall be a surcharge of 0.2 percent on the value of property subject to the property transfer tax under section 9602 of this title, except that there shall be no surcharge on the first ~~\$100,000.00~~ \$200,000.00 in value of property to be used for the principal residence of the transferee or the first ~~\$200,000.00~~ \$250,000.00 in value of property transferred if the purchaser obtains a purchase money mortgage funded in part with a homeland grant through the Vermont Housing and Conservation Trust Fund or that the Vermont Housing and Finance Agency or U.S. Department of Agriculture and Rural Development has committed to make or purchase. The surcharge shall be in addition to any tax assessed under section 9602 of this title. The surcharge assessed under this section shall be paid, collected, and enforced under this chapter in the same manner as the tax assessed under section 9602 of this title. The Commissioner shall deposit the surcharge collected under this section in the Clean Water Fund under 10 V.S.A. § 1388, except for the first \$1,000,000.00 of revenue generated by the surcharge, which shall be deposited in the Vermont Housing and Conservation Trust Fund created in 10 V.S.A. § 312.

Sec. 20. 32 V.S.A. § 9602a is amended to read:

§ 9602a. CLEAN WATER SURCHARGE

There shall be a surcharge of 0.04 percent on the value of property subject to the property transfer tax under section 9602 of this title, except that there shall be no surcharge on the first ~~\$100,000.00~~ \$200,000.00 in value of property to be used for the principal residence of the transferee or the first

~~\$200,000.00~~ \$250,000.00 in value of property transferred if the purchaser obtains a purchase money mortgage funded in part with a homeland grant through the Vermont Housing and Conservation Trust Fund or that the Vermont Housing and Finance Agency or U.S. Department of Agriculture and Rural Development has committed to make or purchase. The surcharge shall be in addition to any tax assessed under section 9602 of this title. The surcharge assessed under this section shall be paid, collected, and enforced under this chapter in the same manner as the tax assessed under section 9602 of this title. The Commissioner shall deposit the surcharge collected under this section in the Vermont Housing and Conservation Trust Fund created in 10 V.S.A. § 312.

Sec. 21. 32 V.S.A. § 9610 is amended to read:

§ 9610. REMITTANCE OF RETURN AND TAX; INSPECTION OF
RETURNS; TRANSFER OF REVENUE

(a) Not later than 30 days after the receipt of any property transfer return, a town clerk shall file the return in the office of the town clerk and electronically forward a copy of the acknowledged return to the Commissioner; provided, however, that with respect to a return filed in paper format with the town, the Commissioner shall have the discretion to allow the town to forward a paper copy of that return to the Department.

(b) The copies of property transfer returns in the custody of the town clerk may be inspected by any member of the public.

(c)(1) ~~Prior to distributions the distribution~~ of property transfer tax revenues under ~~10 V.S.A. § 312, 24 V.S.A. § 4306(a), and subdivision 435(b)(10)~~ of this title, two percent of the revenues received from the property transfer tax shall be deposited in a special fund in the Department of Taxes for Property Valuation and Review administration costs.

(2) After the distribution under subdivision (c)(1) of this section and prior to the distribution under subdivision 435(b)(10) of this title, \$27,244,000.00 of the revenue received from the property transfer tax shall be deposited in the Vermont Housing and Conservation Trust Fund created in 10 V.S.A. § 312 and \$9,262,960.00 shall then be deposited in the Municipal and Regional Planning Fund created in 24 V.S.A. § 4305. Prior to a transfer under this subdivision, the Commissioner shall adjust the amount transferred according to the the year-over-year percentage change in total General Fund appropriations in the two most recently closed fiscal years, provided that if the year-over-year change is zero or negative, the amount transferred shall instead be equal to the transfer in the previous fiscal year.

(d)(1) Prior to any distribution of property transfer tax revenue under ~~10 V.S.A. § 312, 24 V.S.A. § 4306(a)~~, subdivision 435(b)(10) of this title, and subsection (c) of this section, \$2,500,000.00 of the revenue received from the property transfer tax shall be transferred to the Vermont Housing Finance Agency to pay the principal of and interest due on the bonds, notes, and other obligations authorized to be issued by the Agency pursuant to 10 V.S.A. § 621(22), the proceeds of which the Vermont Housing and Conservation Board shall use to create affordable housing pursuant to 10 V.S.A. § 314.

(2) As long as the bonds, notes, and other obligations incurred pursuant to subdivision (1) of this subsection remain outstanding, the rate of tax imposed pursuant to section 9602 of this title shall not be reduced below a rate estimated, at the time of any reduction, to generate annual revenues of at least \$12,000,000.00.

Sec. 22. 10 V.S.A. § 312 is amended to read:

§ 312. CREATION OF VERMONT HOUSING AND CONSERVATION
TRUST FUND

There is created a special fund in the State Treasury to be known as the "Vermont Housing and Conservation Trust Fund." The Fund shall be administered by the Board and expenditures therefrom shall only be made to implement and effectuate the policies and purposes of this chapter. The Fund shall be ~~comprised~~ composed of ~~50 percent of~~ the revenue deposited from the property transfer tax under 32 V.S.A. ~~chapter 231 § 9610(c)(2)~~ and any monies from time to time appropriated to the Fund by the General Assembly or received from any other source, private or public, approved by the Board. Unexpended balances and any earnings shall remain in the Fund for use in accord with the purposes of this chapter.

Sec. 23. 24 V.S.A. § 4306(a) is amended to read:

(a)(1) The Municipal and Regional Planning Fund for the purpose of assisting municipal and regional planning commissions to carry out the intent of this chapter is hereby created in the State Treasury.

(2) The Fund shall be composed of ~~17 percent of~~ the revenue deposited from the property transfer tax under 32 V.S.A. ~~chapter 231 § 9610(c)(2)~~ and any monies from time to time appropriated to the Fund by the General Assembly or received from any other source, private or public. All balances at the end of any fiscal year shall be carried forward and remain in the Fund. Interest earned by the Fund shall be deposited in the Fund.

(3) Of the revenues in the Fund, each year:

(A) 10 percent shall be disbursed to the Vermont Center for Geographic Information;

(B) 70 percent shall be disbursed to the Secretary of Commerce and Community Development for performance contracts with regional planning commissions to provide regional planning services pursuant to section 4341a of this title; and

(C) 20 percent shall be disbursed to municipalities.

Sec. 24. 32 V.S.A. § 435(b) is amended to read:

(b) The General Fund shall be composed of revenues from the following sources:

(1) alcoholic beverage tax levied pursuant to 7 V.S.A. chapter 15;

(2) [Repealed.]

(3) [Repealed.]

(4) corporate income and franchise taxes levied pursuant to chapter 151 of this title;

(5) individual income taxes levied pursuant to chapter 151 of this title;

(6) all corporation taxes levied pursuant to chapter 211 of this title;

(7) 69 percent of the meals and rooms taxes levied pursuant to chapter 225 of this title;

(8) [Repealed.]

(9) [Repealed.]

(10) ~~33 percent~~ of the revenue from the property transfer taxes levied pursuant to chapter 231 of this title and the revenue from the gains taxes levied each year pursuant to chapter 236 of this title; and

(11) [Repealed.]

(12) all other revenues accruing to the State not otherwise required by law to be deposited in any other designated fund or used for any other designated purpose.

Sec. 25. 32 V.S.A. § 9603 is amended to read:

§ 9603. EXEMPTIONS

The following transfers are exempt from the tax imposed by this chapter:

* * *

(27)(A) Transfers of abandoned dwellings that the transferee certifies will be rehabilitated for occupancy as principal residences and not as short-term rentals as defined under 18 V.S.A. § 4301(a)(14), provided the rehabilitation is completed and occupied not later than three years after the date of the transfer. If three years after the date of transfer the rehabilitation has not been completed and occupied, then the tax imposed by this chapter shall become due.

(B) As used in this subdivision (27):

(i) “Abandoned” means real estate owned by a municipality and acquired through condemnation or a tax sale, provided the real estate has substandard structural or housing conditions, including unsanitary and unsafe dwellings and deterioration sufficient to constitute a threat to human health, safety, and public welfare.

(ii) “Completed” means rehabilitation of a dwelling to be fit for occupancy as a principal residence.

(iii) “Principal residence” means a dwelling occupied by a resident individual as the individual’s domicile during the taxable year and for a property owner, owned, or for a renter, rented under a rental agreement other than a short-term rental as defined under 18 V.S.A. § 4301(a)(14).

(iv) “Rehabilitation” means extensive repair, reconstruction, or renovation of an existing dwelling beyond normal and ordinary maintenance, painting, repairs, or replacements, with or without demolition, new construction, or enlargement.

Seventh: By adding a reader assistance heading and new Sec. 26 to read as follows:

* * * Personal Income Tax * * *

Sec. 26. 32 V.S.A. § 5822 is amended to read:

§ 5822. TAX ON INCOME OF INDIVIDUALS, ESTATES, AND TRUSTS

(a) A tax is imposed for each taxable year upon the taxable income earned or received in that year by every individual, estate, and trust, subject to income taxation under the laws of the United States, in an amount determined by the following tables, and adjusted as required under this section:

(1) Married individuals filing joint returns and surviving spouses:

If taxable income is:	The tax is:
Not over \$64,600.00 <u>\$79,950.00</u>	3.35% of taxable income
Over \$64,600.00 <u>\$79,950.00</u> but	\$2,164.00 <u>\$2,678.00</u> plus 6.6% of

<p>not over \$156,150.00 <u>\$193,350.00</u></p> <p>Over \$156,150.00 <u>\$193,350.00</u> but not over \$237,950.00 <u>\$294,650.00</u></p> <p>Over \$237,950.00 <u>\$294,650.00</u> but <u>not over \$500,000.00</u></p> <p><u>Over \$500,000.00</u></p>	<p>the amount of taxable income over \$64,600.00 <u>\$79,950.00</u></p> <p>\$8,206.00 <u>\$10,162.00</u> plus 7.6% of the amount of taxable income over \$156,150.00 <u>\$193,350.00</u></p> <p>\$14,423.00 <u>\$17,861.00</u> plus 8.75% of the amount of taxable income over \$237,950.00 <u>\$294,650.00</u></p> <p><u>\$35,829.00</u> plus 11.75% of the <u>amount over \$500,000.00</u></p>
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(2) Heads of households:

<p>If taxable income is:</p> <p>Not over \$51,850.00 <u>\$64,150.00</u></p> <p>Over \$51,850.00 <u>\$64,150.00</u> but not over \$133,850.00 <u>\$165,700.00</u></p> <p>Over \$133,850.00 <u>\$165,700.00</u> but not over \$216,700.00 <u>\$268,350.00</u></p> <p>Over \$216,700.00 <u>\$268,350.00</u> but not over \$455,350.00</p> <p><u>Over \$455,350.00</u></p>	<p>The tax is:</p> <p>3.35% of taxable income</p> <p>\$1,737.00 <u>\$2,149.00</u> plus 6.6% of the amount of taxable income over \$51,850.00 <u>\$64,150.00</u></p> <p>\$7,149.00 <u>\$8,851.00</u> plus 7.60% of the amount of taxable income over \$133,850.00 <u>\$165,700.00</u></p> <p>\$13,446.00 <u>\$16,652.00</u> plus 8.75% of the amount of taxable income over \$216,700.00 <u>\$268,350.00</u></p> <p><u>\$33,015.00</u> plus 11.75% of the <u>amount of taxable income over</u> <u>\$455,350.00</u></p>
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(3) Unmarried individuals (other than surviving spouse or head of household):

If taxable income is: The tax is:

Not over \$38,700.00 <u>\$47,900.00</u>	3.35% of taxable income
Over \$38,700.00 <u>\$47,900.00</u> but not over \$93,700.00 <u>\$116,000.00</u>	\$1,296.00 <u>\$1,605.00</u> plus 6.6% of the amount of taxable income over \$38,700.00 <u>\$47,900.00</u>
Over \$93,700.00 <u>\$116,000.00</u> but not over \$195,450.00 <u>\$242,000.00</u>	\$4,926.00 <u>\$6,100.00</u> plus 7.6% of the amount of taxable income over \$93,700.00 <u>\$116,000.00</u>
Over \$195,450.00 <u>\$242,000.00</u> but not over \$410,650.00	\$12,659.00 <u>\$15,676.00</u> plus 8.75% of the amount of taxable income over \$195,450.00 <u>\$242,000.00</u>
Over \$410,650.00	\$30,433.00 plus 11.75% of the <u>amount of taxable income over</u> <u>\$410,650.00</u>

(4) Married individuals filing separate returns:

If taxable income is:	The tax is:
Not over \$32,300.00 <u>\$39,975.00</u>	3.35% of taxable income
Over \$32,300.00 <u>\$39,975.00</u> but not over \$78,075.00 <u>\$96,675.00</u>	\$1,082.00 <u>\$1,339.00</u> plus 6.6% of the amount of taxable income over \$32,300.00 <u>\$39,975.00</u>
Over \$78,075.00 <u>\$96,675.00</u> but not over \$118,975.00 <u>\$147,325.00</u>	\$4,103.00 <u>\$5,081.00</u> plus 7.6% of the amount of taxable income over \$78,075.00 <u>\$96,675.00</u>
Over \$118,975.00 <u>\$147,325.00</u> but not over \$250,000.00	\$7,212.00 <u>\$8,930.00</u> plus 8.75% of the amount of taxable income over \$118,975.00 <u>\$147,325.00</u>
Over \$250,000.00	\$17,914.00 plus 11.75% of the <u>amount of taxable income over</u> <u>\$250,000.00</u>

(5) Estates and trusts:

If taxable income is:	The tax is:
\$2,600.00 <u>\$3,200.00</u> or less	3.35% of taxable income
Over \$2,600.00 <u>\$3,200.00</u> but not over \$6,100.00 <u>\$7,500.00</u>	\$87.00 <u>\$107.00</u> plus 6.6% of the amount of taxable income over \$2,600.00 <u>\$3,200.00</u>
Over \$6,100.00 <u>\$7,500.00</u> but not over \$9,350.00 <u>\$11,550.00</u>	\$318.00 <u>\$391.00</u> plus 7.6% of the amount of taxable income over \$6,100.00 <u>\$7,500.00</u>
Over \$9,350.00 <u>\$11,550.00</u>	\$565.00 <u>\$699.00</u> plus 8.75% of the amount of taxable income over \$9,350.00 <u>\$11,550.00</u>

(6) If the federal adjusted gross income of the taxpayer exceeds \$150,000.00, then the tax calculated under this subsection shall be the greater of the tax calculated under subdivisions (1)–(5) of this subsection or three percent of the taxpayer’s federal adjusted gross income.

(b) As used in this section:

(1) “Married individuals,” “surviving spouse,” “head of household,” “unmarried individual,” “estate,” and “trust” have the same meaning as under the Internal Revenue Code.

(2) The amounts of taxable income shown in the tables in this section shall be adjusted annually for inflation by the Commissioner of Taxes using the Consumer Price Index adjustment percentage, in the manner prescribed for inflation adjustment of federal income tax tables for the taxable year by the Commissioner of Internal Revenue, beginning with taxable year ~~2003~~ 2025; provided, however, notwithstanding 26 U.S.C. § 1(f)(3), that as used in this subdivision, “consumer price index” means the last Consumer Price Index for All Urban Consumers published by the U.S. Department of Labor.

* * *

Eighth: By adding a reader assistance heading and a new section to be Sec. 27 to read as follows:

* * * Effective Dates * * *

Sec. 27. EFFECTIVE DATES

This section and all other sections shall take effect on passage, except:

(1) Sec. 26 (personal income tax brackets) shall take effect on January 1, 2025 and shall apply to taxable years beginning on and after January 1, 2025.

(2) Sec. 20 (clean water surcharge) shall take effect on July 1, 2027.

and that after passage the title of the bill be amended to read: “An act relating to long-term housing solutions”

Rep. Bluemle of Burlington, for the Committee on Appropriations, recommended the bill ought to pass when amended as recommended by the Committee on General and Housing, when further amended as recommended by the Committee on Human Services, and when further amended as recommended by the Committee on Way and Means.

The bill, having appeared on the Notice Calendar, was taken up, and read the second time.

At six o'clock and twenty-four minutes in the evening, the Speaker declared a recess until the fall of the gavel.

At seven o'clock and twenty-one minutes in the evening, the Speaker called the House to order.

Thereafter, the question, Shall the report of the Committee on General and Housing be amended as recommended by the Committee on Human Services?, was agreed to.

Pending the question, Shall the report of the Committee on General and Housing, as amended, be further amended as recommended by the Committee on Ways and Means?, **Rep. Kornheiser of Brattleboro** moved to amend the report of the Committee on Ways and Means, as follows:

First: In Sec. 18, 32 V.S.A. § 9602, in subsection (a), by striking out “up to \$600,000.00 of value and 3.25 percent of the value of the property transferred in excess of \$600,000.00” and inserting in lieu thereof “up to \$750,000.00 of value and 3.65 percent of the value of the property transferred in excess of \$750,000.00” and, in subdivision (a)(1), by striking out “In all cases, the tax shall be imposed at the rate of 3.25 percent of the value of the property transferred in excess of \$600,000.00” and inserting in lieu thereof “In all cases, the tax shall be imposed at the rate of 3.65 percent of the value of the property transferred in excess of \$750,000.00” and, in subdivision (a)(3), by striking

out “In all cases, the tax shall be imposed at the rate of 3.25 percent of the value of the property transferred in excess of \$600,000.00” and inserting in lieu thereof “In all cases, the tax shall be imposed at the rate of 3.65 percent of the value of the property transferred in excess of \$750,000.00”

Second: In Sec. 19, 32 V.S.A. § 9602a, by striking out “0.2” and inserting in lieu thereof “0.2 0.22”

Third: By striking out Secs. 21–24 in their entirety and inserting in lieu thereof new Secs. 21–24a to read as follows:

Sec. 21. 32 V.S.A. § 9610(c) is amended to read:

(c) Prior to distributions of property transfer tax revenues under 10 V.S.A. § 312, 24 V.S.A. § 4306(a), and subdivision 435(b)(10) of this title, ~~two~~ 1.5 percent of the revenues received from the property transfer tax shall be deposited in a special fund in the Department of Taxes for Property Valuation and Review administration costs.

Sec. 22. [Deleted.]

Sec. 23. 24 V.S.A. § 4306(a) is amended to read:

(a)(1) The Municipal and Regional Planning Fund for the purpose of assisting municipal and regional planning commissions to carry out the intent of this chapter is hereby created in the State Treasury.

(2) The Fund shall be composed of ~~17~~ 13 percent of the revenue deposited from the property transfer tax under 32 V.S.A. chapter 231 and any monies from time to time appropriated to the Fund by the General Assembly or received from any other source, private or public. All balances at the end of any fiscal year shall be carried forward and remain in the Fund. Interest earned by the Fund shall be deposited in the Fund.

* * *

Sec. 24. 32 V.S.A. § 435(b) is amended to read:

(b) The General Fund shall be composed of revenues from the following sources:

- (1) alcoholic beverage tax levied pursuant to 7 V.S.A. chapter 15;
- (2) [Repealed.]
- (3) [Repealed.]
- (4) corporate income and franchise taxes levied pursuant to chapter 151 of this title;
- (5) individual income taxes levied pursuant to chapter 151 of this title;

- (6) all corporation taxes levied pursuant to chapter 211 of this title;
- (7) 69 percent of the meals and rooms taxes levied pursuant to chapter 225 of this title;
- (8) [Repealed.]
- (9) [Repealed.]
- (10) ~~33~~ 37 percent of the revenue from the property transfer taxes levied pursuant to chapter 231 of this title and the revenue from the gains taxes levied each year pursuant to chapter 236 of this title; and
- (11) [Repealed.]
- (12) all other revenues accruing to the State not otherwise required by law to be deposited in any other designated fund or used for any other designated purpose.

Sec. 24a. ALLOCATIONS; PROPERTY TRANSFER TAX; FISCAL

YEAR 2025

This section contains the following amounts allocated to special funds that receive revenue from the property transfer tax. These allocations shall not exceed available revenues.

(1) The sum of \$575,662.00 is allocated from the Current Use Administration Special Fund to the Department of Taxes for administration of the Use Tax Reimbursement Program. Notwithstanding 32 V.S.A. § 9610(c), amounts in excess of \$575,662.00 from the property transfer tax deposited into the Current Use Administration Special Fund shall be transferred into the General Fund.

(2)(A) Notwithstanding 10 V.S.A. § 312, amounts in excess of \$22,106,740.00 from the property transfer tax and surcharge established by 32 V.S.A. § 9602a deposited into the Vermont Housing and Conservation Trust Fund shall be transferred into the General Fund.

(B) The dedication of \$2,500,000.00 in revenue from the property transfer tax pursuant to 32 V.S.A. § 9610(d) for the debt payments on the affordable housing bond, pursuant to 10 V.S.A. § 314, shall be offset by the reduction of \$1,500,000.00 in the appropriation to the Vermont Housing and Conservation Board and \$1,000,000.00 from the surcharge established by 32 V.S.A. § 9602a. The fiscal year 2025 appropriation of \$22,106,740.00 to the Vermont Housing and Conservation Board reflects the \$1,500,000.00 reduction. The affordable housing bond and related property transfer tax and surcharge provisions are repealed after the life of the bond on July 1, 2039.

Once the bond is retired, the \$1,500,000.00 reduction in the appropriation to the Vermont Housing and Conservation Board shall be restored.

(3) Notwithstanding 24 V.S.A. § 4306(a), amounts in excess of \$7,772,373.00 from the property transfer tax deposited into the Municipal and Regional Planning Fund shall be transferred into the General Fund. The \$7,772,373.00 shall be allocated as follows:

(A) \$6,404,540.00 for disbursement to regional planning commissions in a manner consistent with 24 V.S.A. § 4306(b);

(B) \$931,773.00 for disbursement to municipalities in a manner consistent with 24 V.S.A. § 4306(b); and

(C) \$436,060.00 to the Agency of Digital Services for the Vermont Center for Geographic Information.

Fourth: In Sec. 25, 32 V.S.A. § 9603, by adding a subdivision (28) to read as follows:

(28) Transfers of a new mobile home, as that term is defined in 10 V.S.A. § 6201(1), that bears a label evidencing greater energy efficiency provided under the ENERGY STAR Program established in 42 U.S.C. § 6294a.

Fifth: In Sec. 27, effective dates, by adding two new subdivisions to be subdivisions (3) and (4) to read as follows:

(3) Sec. 18 shall take effect on passage, except the inflation adjustment in subsection 32 V.S.A. § 9602(b) shall apply on and after August 1, 2025.

(4) Sec. 24a (property transfer tax appropriations) shall take effect on July 1, 2024.

Which was agreed to.

Pending the question, Shall the report of the Committee on General and Housing, as amended, be further amended as recommended by the Committee on Ways and Means, as amended?, **Rep. Pearl of Danville** moved to further amend the report of the Committee on Ways and Means, as amended, in Sec. 25, 32 V.S.A. § 9603, by adding a subdivision (28) to read as follows:

(28) Transfers of property that will be enrolled in the Use Value Appraisal Program pursuant to chapter 124 of this title within one year of the transfer, provided that at least 50 percent of the acreage of the parcel is enrolled and some portion is enrolled as agricultural land, as defined in subdivision 3752(1) of this title. A Current Use Program application filed with the Division of Property Valuation and Review and pending a decision shall qualify as enrollment under this subdivision. A transferee shall pay the

tax imposed under this chapter on the value of the property transferred if, within three years after the date of transfer, the property is not enrolled in the Use Value Appraisal Program.

Thereupon, **Rep. Pearl of Danville** asked and was granted leave of the House to withdraw his amendment.

Pending the question, Shall the report of the Committee on General and Housing, as amended, be further amended as recommended by the Committee on Ways and Means, as amended?, **Rep. McCoy of Poultney** demanded the Yeas and Nays, which demand was sustained by the Constitutional number. The Clerk proceeded to call the roll and the question, Shall the report of the Committee on General and Housing, as amended, be further amended as recommended by the Committee on Ways and Means, as amended?, was decided in the affirmative. Yeas, 92. Nays, 43.

Those who voted in the affirmative are:

Andrews of Westford	Dolan of Waitsfield	Morris of Springfield
Anthony of Barre City	Durfee of Shaftsbury	Mrowicki of Putney
Arsenault of Williston	Emmons of Springfield	Nicoll of Ludlow
Austin of Colchester	Farlice-Rubio of Barnet	Notte of Rutland City
Bartholomew of Hartland	Garofano of Essex	Noyes of Wolcott
Berbeco of Winooski	Goldman of Rockingham	Nugent of South Burlington
Black of Essex	Graning of Jericho	Ode of Burlington
Bluemle of Burlington	Headrick of Burlington	Pajala of Londonderry
Bongartz of Manchester	Holcombe of Norwich	Patt of Worcester
Bos-Lun of Westminster	Hooper of Burlington	Pouech of Hinesburg
Brady of Williston	Houghton of Essex Junction	Priestley of Bradford
Brown of Richmond	Howard of Rutland City	Rachelson of Burlington
Burke of Brattleboro	James of Manchester	Rice of Dorset
Burrows of West Windsor	Jerome of Brandon	Satcowitz of Randolph
Buss of Woodstock	Kornheiser of Brattleboro	Scheu of Middlebury
Campbell of St. Johnsbury	Krasnow of South Burlington	Sheldon of Middlebury
Carpenter of Hyde Park	LaBounty of Lyndon	Sibilia of Dover
Carroll of Bennington	Lalley of Shelburne	Sims of Craftsbury
Casey of Montpelier	LaLonde of South Burlington	Small of Winooski
Chase of Chester	LaMont of Morristown	Squirrell of Underhill
Chase of Colchester	Lanpher of Vergennes	Stebbins of Burlington
Chesnut-Tangerman of Middletown Springs	Leavitt of Grand Isle	Stevens of Waterbury
Christie of Hartford	Long of Newfane	Stone of Burlington
Cina of Burlington	Masland of Thetford	Taylor of Colchester
Coffey of Guilford	McCann of Montpelier	Toleno of Brattleboro
Cole of Hartford	McCarthy of St. Albans City	Torre of Moretown
Conlon of Cornwall	McGill of Bridport	Troiano of Stannard
Cordes of Lincoln	Mihaly of Calais	Waters Evans of Charlotte
Demrow of Corinth	Minier of South Burlington	White of Bethel
Dodge of Essex		Whitman of Bennington
Dolan of Essex Junction		Williams of Barre City
		Wood of Waterbury

Those who voted in the negative are:

Arrison of Weathersfield	Donahue of Northfield	McFaun of Barre Town
Bartley of Fairfax	Galfetti of Barre Town	Morgan of Milton
Beck of St. Johnsbury	Goslant of Northfield	Morrissey of Bennington
Birong of Vergennes	Gregoire of Fairfield	Oliver of Sheldon
Boyden of Cambridge	Hango of Berkshire	Parsons of Newbury
Branagan of Georgia	Harrison of Chittenden	Pearl of Danville
Brennan of Colchester	Higley of Lowell	Peterson of Clarendon
Brumsted of Shelburne	Hooper of Randolph	Quimby of Lyndon
Burditt of West Rutland	Hyman of South Burlington	Roberts of Halifax
Canfield of Fair Haven	Labor of Morgan	Shaw of Pittsford
Clifford of Rutland City	Laroche of Franklin	Taylor of Milton
Corcoran of Bennington	Lipsky of Stowe	Toof of St. Albans Town
Demar of Enosburgh	Maguire of Rutland City	Walker of Swanton
Dickinson of St. Albans Town	Mattos of Milton	Williams of Granby
	McCoy of Poultney	

Those members absent with leave of the House and not voting are:

Andriano of Orwell	Logan of Burlington	Page of Newport City
Brownell of Pownal	Marcotte of Coventry	Sammis of Castleton
Chapin of East Montpelier	Mulvaney-Stanak of Burlington	Smith of Derby
Elder of Starksboro	O'Brien of Tunbridge	Surprenant of Barnard
Graham of Williamstown		Templeman of Brownington

Thereafter, the bill was amended as recommended by the Committee on General and Housing, as amended, and third reading ordered.

**Committee Bill; Second Reading; Bill Amended;
Third Reading Ordered**

H. 879

Rep. Wood of Waterbury spoke for the Committee on Human Services.

House bill, entitled

An act relating to the Emergency Temporary Shelter Program

Rep. Long of Newfane presiding.

Speaker presiding.

Rep. Holcombe of Norwich, for the Committee on Appropriations, recommended the bill ought to pass.

The bill, having appeared on the Notice Calendar, was taken up, and read the second time.

Pending the question, Shall the bill be read a third time?, **Rep. Wood of Waterbury** moved to amend the bill as follows:

First: In Sec. 2, 33 V.S.A. chapter 22, section 2209, in subsection (e), by striking out “not otherwise compensated for their participation”

Second: In Sec. 4, 18 V.S.A. chapter 22, in section 2208, by striking out the section heading and inserting in lieu thereof “WINTER SHELTER” and in the first sentence by striking out “during adverse weather conditions”

Third: In Sec. 5, Emergency Temporary Shelter Program Task Force, in subdivision (g)(2), by striking out “not otherwise compensated for their participation”

Which was agreed to. Thereafter, third reading was ordered.

Second Reading; Bill Amended; Third Reading Ordered

H. 657

Rep. Sims of Craftsbury, for the Committee on Ways and Means, to which had been referred House bill, entitled

An act relating to the modernization of Vermont’s communications taxes and fees

Reported in favor of its passage when amended by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * VUSF; Per-Line Contribution Method; Vermont 988 * * *

Sec. 1. 30 V.S.A. § 7501 is amended to read:

§ 7501. PURPOSE; DEFINITIONS

(a) It is the purpose of this chapter to create a financial structure that will allow every Vermont household to obtain basic telecommunications service at an affordable price; and to finance that structure with a ~~proportional~~ charge on all telecommunications transactions that interact with the public switched network.

(b) As used in this chapter:

* * *

(8) “Telecommunications service” means the transmission of any real-time, interactive electromagnetic communications that passes through the public switched network. The term includes transmission of voice, image, data, and any other information, by means of wire, electric conductor cable, optic fiber, microwave, radio wave, or any combinations of such media, and the leasing of any such service.

(A) Telecommunications service includes:

- (i) local telephone service, including any facility or service provided in connection with such local telephone service;
- (ii) toll telephone service;
- (iii) directory assistance;
- (iv) ~~two-way cable television service~~ interconnected VoIP service, as defined in 47 C.F.R. § 9.3, as may be amended; and
- (v) ~~mobile telephone or telecommunication service, both analog and digital~~ mobile telecommunications service, as defined in 4 U.S.C. § 124(7).

* * *

Sec. 2. 30 V.S.A. § 7521 is amended to read:

§ 7521. CHARGE IMPOSED; WHOLESAL EXEMPTION

(a) A Universal Service Charge is imposed on all retail telecommunications service provided to a Vermont address. Where the location of a service and the location receiving the bill differ, the location of the service shall be used to determine whether the Charge applies. The Charge is imposed on the person purchasing the service, but shall be collected by the telecommunications service provider. ~~Each~~ As applicable, each telecommunications service provider shall include in its tariffs filed at the Public Utility Commission a description of its billing procedures for the Universal Service Charge.

* * *

(c) In the case of mobile telecommunications service, the Universal Service Charge is imposed when the customer's place of primary use is in Vermont. ~~The~~ As used in this subsection, the terms "customer," and "place of primary use," and "mobile telecommunications service" have the meanings given in 4 U.S.C. § 124. All provisions of 32 V.S.A. § 9782 shall apply to the imposition of the Universal Service Charge under this section.

(d) ~~[Repealed.]~~ In the case of interconnected VoIP service, the Universal Service Charge is imposed when the customer's place of primary use is in Vermont. As used in this subsection, the term "place of primary use" means the street address where the customer's use of interconnected VoIP service primarily occurs or a reasonable proxy as determined by the interconnected VoIP service provider, such as the customer's registered location for 911 purposes.

* * *

Sec. 3. 30 V.S.A. § 7523 is amended to read:

§ 7523. RATE OF CHARGE

~~(a)(1) Beginning on July 1, 2014, the~~ Except as provided in subsection 7521(e) of this chapter, which pertains to prepaid wireless telecommunications service, and in subdivision (4) of this subsection, the monthly rate of charge shall be two percent of retail telecommunications service \$0.72 for each retail access line in service.

(2) The number of access lines a telecommunications service provider provides a customer shall be deemed equal to the number of inbound or outbound, whichever is greater, two-way communications by any technology that the customer can maintain at the same time as provisioned by the provider's service.

(3) As used in this section, "access line" means a wire or wireless connection that provides voice telecommunications service to or from any device used by a customer, regardless of technology, that is associated with a 10-digit NPA-NXX number or other unique identifier and with a service location or place of primary use in Vermont and that is capable of accessing the 911 system.

(4) A customer enrolled in the federal Lifeline program or the Vermont Lifeline program, or both, is exempt from the Charge established by this chapter.

~~(b) Beginning on July 1, 2019, the rate of charge established under subsection (a) of this section shall be increased by four-tenths of one percent of retail telecommunications service, and the monies collected from this increase~~ From the monies collected by the Universal Service Charge under this chapter, 17 percent shall be transferred to the Vermont Community Broadband Fund established under section 8083 of this title, and up to \$120,000.00 shall be used to fund a Rural Broadband Technical Assistance Specialist whose duties shall include providing outreach, technical assistance, and other support services to communications union districts established pursuant to chapter 82 of this title and other units of government, nonprofit organizations, cooperatives, and for-profit businesses for the purpose of expanding broadband service to unserved and underserved locations. Support services also may include providing business model templates for various approaches, including formation of or partnership with a cooperative, a communications union district, a rural economic development infrastructure district, an electric utility, or a new or existing ~~Internet~~ internet service provider as operator of the network.

(c) Universal Service Charges imposed and collected by the fiscal agent under this subchapter shall not be transferred to any other fund or used to support the cost of any activity other than in the manner authorized by this section and section 7511 of this title.

Sec. 4. 30 V.S.A. § 7521(e)(1) is amended to read:

(e)(1) Notwithstanding any other provision of law to the contrary, ~~beginning on January 1, 2020, the~~ a Universal Service Charge of 2.4 percent shall be imposed on all retail sales of prepaid wireless telecommunications service subject to the sales and use tax imposed under 32 V.S.A. chapter 233. The charges shall be collected by sellers or marketplace facilitators collecting sales tax pursuant to 32 V.S.A. § 9713 and remitted to the Department of Taxes in the manner provided under 32 V.S.A. chapter 233. Upon receipt of the charges, the Department of Taxes shall have 30 days to remit the funds to the fiscal agent selected under section 7503 of this chapter. The Commissioner of Taxes shall establish registration and payment procedures applicable to the Universal Service Charge imposed under this subsection consistent with the registration and payment procedures that apply to the sales tax imposed on such services and also consistent with the administrative provisions of 32 V.S.A. chapter 151, including any enforcement or collection action available for taxes owed pursuant to that chapter.

Sec. 5. 30 V.S.A. § 7511 is amended to read:

§ 7511. DISTRIBUTION GENERALLY

(a)~~(1)~~ As directed by the Commissioner of Public Service, funds collected by the fiscal agent, and interest accruing thereon, shall be distributed as follows:

~~(A)(1)~~ to pay costs payable to the fiscal agent under its contract with the Commissioner;

~~(B)(2)~~ to support the Vermont telecommunications relay service in the manner provided by section 7512 of this title;

~~(C)(3)~~ to support the Vermont Lifeline program in the manner provided by section 7513 of this title;

~~(D)(4)~~ to support Enhanced 911 services in the manner provided by section 7514 of this title; ~~and~~

~~(E)(5)~~ to support the Vermont 988 Suicide and Crisis Lifeline centers in the manner provided in section 7513a of this title; and

~~(6)~~ to support the Connectivity Fund established in section 7516 of this title; ~~and.~~

~~(2) for fiscal year 2016 only, any personnel or administrative costs associated with the Connectivity Initiative shall come from the Connectivity Fund, as determined by the Commissioner in consultation with the Connectivity Board.~~

(b) If insufficient funds exist to support all of the purposes contained in subsection (a) of this section, the Commissioner shall allocate the available funds, giving priority in the order listed in subsection (a).

Sec. 6. 30 V.S.A. § 7513a is added to read:

§ 7513a. VERMONT 988 SUICIDE AND CRISIS LIFELINE

The fiscal agent shall make distributions to the Commissioner of Mental Health to fund the operational and capital costs of the Vermont 988 Suicide and Crisis Lifeline centers, within annual limits approved in advance by the General Assembly.

* * * Communications Property; Real Estate; Fair Market Value * * *

Sec. 7. TELEPHONE TAX; REPEAL; TRANSITION

(a) 32 V.S.A. § 8521 (telephone personal property tax) is repealed on July 1, 2025. The final monthly installment payment of the telephone personal property tax under 32 V.S.A. § 8521 levied on the net book value of the taxpayer's personal property as of December 31, 2024 shall be due on or before July 25, 2025.

(b) 32 V.S.A. § 8522 (alternative telephone gross revenues tax) is repealed on January 1, 2026. The final quarterly payment of the alternative tax under 32 V.S.A. § 8522 shall be due on or before January 25, 2026.

(c) Any taxpayer who paid the alternative tax imposed by 32 V.S.A. § 8522 prior to the repeal of the tax on January 1, 2026 shall become subject to the income tax imposed under 32 V.S.A. chapter 151 beginning with the taxpayer's first income tax year starting on or after January 1, 2025. No alternative tax under 32 V.S.A. § 8522 shall be due for any period included in the taxpayer's income tax filing for tax years starting on or after January 1, 2025.

(d) In fiscal year 2025, the Division of Property Valuation and Review of the Department of Taxes and all communications service providers with taxable communications property in Vermont shall be subject to the inventory and valuation provisions prescribed in 32 V.S.A. § 4452, as applicable.

Sec. 8. 32 V.S.A. § 3803(2) is amended to read:

(2) real and personal estate, except land and buildings, used in ~~carrying on telephone business or in~~ operating a transportation company in this State; and

Sec. 9. 32 V.S.A. § 5401(10) is amended to read:

(10) “Nonhomestead property” means all property except:

* * *

(B) Property that is subject to the tax on railroads imposed by chapter 211, subchapter 2 of this title ~~or the tax on telephone companies imposed by chapter 211, subchapter 6 of this title.~~

* * *

(D) Personal property, machinery, inventory and equipment, ski lifts, and snow-making equipment for a ski area; provided, however, this subdivision (10) shall not exclude from the definition of “nonhomestead property” the following real or personal property:

(i) utility cables and lines, poles, and fixtures ~~(except those taxed under chapter 211, subchapter 6 of this title)~~, provided that utility cables, lines, poles, and fixtures located on homestead property and owned by the person claiming the homestead shall be taxed as homestead property; and

* * *

Sec. 10. 32 V.S.A. § 3602b is added to read:

§ 3602b. COMMUNICATIONS PROPERTY

(a) All communications property shall be set in the grand list as real estate.

(b) Communications property owned by a nonmunicipal communications service provider shall be taxed at appraisal value as defined in section 3481 of this title.

(c) As used in this section, “communications property” means tangible personal property used to enable the real-time, two-way, electromagnetic transmission of information, such as audio, video, and data, that is so fitted and attached as to be part of a local, state, national, or international communications network, as well as facilities that are part of a cable television system as defined in 30 V.S.A. § 501(2). The term includes wires, cables, conduit, pipes, antennas, poles, wireless towers, machinery, distribution hubs, splitters, switching equipment, routers, servers, power equipment, and any other network equipment.

(d)(1) On or before May 1 of each year, the Division of Property Valuation and Review of the Department of Taxes shall provide the listers in each municipality with the valuation of all taxable communications property of any communications service provider situated therein as reported by such provider to the Division.

(2) On or before March 31 of each year, each communications service provider shall submit to the Division a sworn inventory of all its taxable communications property in a form that identifies the valuation of its property in each municipality.

(3) The Division shall prescribe the form of the inventory required under subdivision (2) of this subsection and the officer or officers who shall submit the sworn inventory.

(4) The valuations provided to the listers pursuant to this section shall be used by the listers in determining and fixing the valuations of communications property for the purposes of property taxation.

Sec. 11. 32 V.S.A. § 3618(c)(1) is amended to read:

(1) “Business personal property” means tangible personal property of a depreciable nature used or held for use in any trade, business, professional practice, transaction, activity, or occupation conducted for profit, including all furniture and fixtures, apparatus, tools, implements, books, machines, boats, construction devices, and all personal property used or intended to be used for the production, processing, fabrication, assembling, handling, or transportation of anything of value, or for the production, transmission, control, or disposition of power, energy, heat, light, water, or waste. “Business personal property” does not include inventory, or goods and chattels so affixed to real property as to have become part thereof, and that are therefore not severable or removable without material injury to the real property, nor does it include poles, lines, and fixtures that are taxable under sections 3620 and 3659 of this title, nor does it include communications property taxable under section 3602b of this title.

Sec. 12. 32 V.S.A. § 3659 is amended to read:

§ 3659. MUNICIPAL LANDS

Land and buildings of a municipal corporation, whether acquired by purchase or condemnation and situated outside its territorial limits shall be taxed by the municipality in which such land is situated. Said land shall be set to such municipal corporation in the grand list of the town or city in which such real estate is located at the value fixed in the appraisal next preceding the date of acquisition of such property and taxed on such valuation. The value fixed on such property at each appraisal thereafter shall be the same per acre as

the value fixed on similar property in the town or city. Improvements made subsequent to the acquisition of the land shall not be taxed; except that an additional tax not to exceed 75 percent of the appraisal of the land may be levied in lieu of a personal property tax. Electric utility poles, lines, and pole fixtures owned by a municipal utility lying beyond its boundaries shall be taxed at appraisal value as defined in section 3481 of this title. Communications property, as defined in section 3602b of this title, owned by a municipality lying beyond its boundaries shall be taxed at appraisal value as defined in section 3481 of this title.

Sec. 13. FISCAL YEAR 2025; ONE-TIME APPROPRIATION;

VALUATION MODEL

In fiscal year 2025, \$150,000.00 shall be appropriated from the General Fund to the Division of Property Valuation and Review of the Department of Taxes to fund the creation of a property valuation model for communications property.

* * * State Highway ROW; Leases; Licenses; Communications Providers and Property * * *

Sec. 14. 19 V.S.A. § 26a is amended to read:

§ 26a. DETERMINATION OF RENT TO BE CHARGED FOR LEASING
OR LICENSING STATE-OWNED PROPERTY UNDER THE
AGENCY'S JURISDICTION

(a) Except as otherwise provided by subsection (b) of this section, or as otherwise provided by law, leases or licenses negotiated by the Agency under 5 V.S.A. §§ 204 and 3405 and section 26 and subsection 1703(d) of this title ordinarily shall require the payment of fair market value rent, as determined by the prevailing area market prices for comparable space or property. However, the Agency may lease or license State-owned property under its jurisdiction for less than fair market value when the Agency determines that the proposed occupancy or use serves a public purpose or that there exist other relevant factors, such as a prior course of dealing between the parties, that justify setting rent at less than fair market value.

(b)(1) Unless Notwithstanding any other provision of law to the contrary and unless otherwise required by federal law, beginning on or before October 1, 2024, the Agency shall annually assess, collect, and deposit in the Transportation Fund a reasonable charge ~~or payment~~ with respect to leases or licenses for access to or use of State-owned rights-of-way by ~~providers of broadband or wireless communications facilities or services~~ communications service providers for communications property as defined in 32 V.S.A.

~~§ 3602b. The Agency may waive such charge or payment in whole or in part if the provider offers to provide comparable value to the State so as to meet the public good as determined by the Agency and the Department of Public Service. For the purposes of this section, the term “comparable value to the State” shall be construed broadly to further the State’s interest in ubiquitous broadband and wireless service availability at reasonable cost. Any waiver of charges or payments for comparable value to the State granted by the Agency may not exceed five years. Thereafter, the Agency may extend any waiver granted for an additional period not to exceed five years if the Agency makes affirmative written findings demonstrating that the State has received and will continue to receive value that is comparable to the value to the provider of the waiver, or it may revise the terms of the waiver in order to do so.~~

~~(2) As used in this subsection, “reasonable charge” means:~~

~~(A) \$270.00 for each wireless communications facility.~~

~~(B) A per-linear-foot fee for digital subscriber line, coaxial cable, and fiber optic line, as follows:~~

~~(i) \$0.02 in a county that has a population of fewer than 25,000;~~

~~(ii) \$0.07 in a county that has a population of at least 25,000 but fewer than 100,000; and~~

~~(iii) \$0.13 in a county that has a population of at least 100,000.~~

~~(3) The charge required by this subsection shall not apply to communications property owned by:~~

~~(A) a communications union district;~~

~~(B) a small communications carrier as defined in 30 V.S.A. § 8082(10);~~

~~(C) an internet service provider that qualifies as an “eligible provider” under 30 V.S.A. § 8082(4), provided the lease or license for access to or use of State-owned rights-of-way is part of a “universal service plan” as defined in 30 V.S.A. § 8082(12), as certified by the Vermont Community Broadband Board; or~~

~~(D) a cable television service provider, provided the property is part of a cable television system subject to a certificate of public good issued by the Public Utility Commission under 30 V.S.A. chapter 13.~~

~~(4) The Secretary may adjust the fees prescribed in this section to account for inflationary changes as measured by the Consumer Price Index.~~

(5) The Secretary may propose for approval by the General Assembly standards and procedures for waiving the fees required by this subsection.

(c) Nothing in this section shall authorize the Agency to impose a charge or payment for the use of a highway right-of-way that is not otherwise authorized or required by State or federal law.

~~(d) Nothing in this section shall be construed to impair any contractual rights existing on June 9, 2007.~~ The State shall have no authority under this section to waive any sums due to a railroad. The State shall also not offer any grants or waivers of charges for any new broadband installations in segments of rail corridor where an operating railroad has installed or allowed installation of fiber optic facilities prior to June 9, 2007 unless the State offers equivalent terms and conditions to the owner or owners of existing fiber optic facilities.

(e) Beginning on or before January 1, 2025, and annually thereafter, the holder of a lease or license pursuant to subsection (b) of this section shall provide a detailed inventory of all property in the State right-of-way pursuant to such lease or license. The inventory shall include the regulatory status of the lease or license holder, categorization of all communications property by type and by its location in the right-of-way, and a description of the service or services enabled by such property, as applicable.

(f) Notwithstanding 2 V.S.A. § 20(d), beginning on January 1, 2026 and annually thereafter, the Agency shall submit a written report to the General Assembly itemizing all charges and payments collected under this section, as well as an aggregated statewide inventory of the communications property described in subsection (e) of this section. The statewide inventory shall be shared with the Commissioner of Taxes, the Commissioner of Public Service, and the Secretary of Administration.

Sec. 16. AGENCY OF TRANSPORTATION; POSITIONS;

APPROPRIATION

(a) The following new, classified positions are authorized in the Agency of Transportation:

- (1) one temporary full-time position; and
- (2) one permanent full-time position.

(b) There is appropriated to the Agency of Transportation from the General fund in fiscal year 2025 the sum of \$250,000.00

* * * Effective Dates * * *

Sec. 17. EFFECTIVE DATES

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

(1) Secs. 1–6 (VUSF contribution method; 988 funding) shall take effect on July 1, 2025;

(2) this section, Sec. 7 (property tax transition) Sec. 13 (PVR appropriation), Sec. 16 (new transportation positions) shall take effect on passage; and

(3) Secs. 8–12 (communications property tax) shall take effect on July 1, 2025 and shall apply to grand lists lodged on or after April 1, 2025.

Rep. Torre of Moretown, for the Committee on Environment and Energy, recommended that the report of the Committee on Ways and Means be amended by striking out Secs. 14–17 in their entirety and by inserting in lieu thereof a reader assistance heading and a new Sec. 14 to read as follows:

* * * Effective Dates * * *

Sec. 14. EFFECTIVE DATES

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

(1) Secs. 1–6 (VUSF contribution method; 988 funding) shall take effect on July 1, 2025;

(2) this section, Sec. 7 (property tax transition) and Sec. 13 (PVR appropriation) shall take effect on passage; and

(3) Secs. 8–12 (communications property tax) shall take effect on July 1, 2025 and shall apply to grand lists lodged on or after April 1, 2025.

Rep. Scheu of Middlebury, for the Committee on Appropriations, recommended that the bill ought to pass when amended as recommended by the Committee on Ways and Means and when further amended as recommended by the Committee on Environment and Energy, and when further amended by striking out Sec. 13 and by inserting in lieu thereof a new Sec. 13 to read as follows:

Sec. 13. ONE-TIME APPROPRIATION FROM THE PILOT SPECIAL
FUND; VALUATION MODEL

Notwithstanding 32 V.S.A. § 3709(a), the sum of \$150,000.00 is appropriated from the PILOT Special Fund to the Division of Property Valuation and Review of the Department of Taxes in fiscal year 2025 for the purpose of creating a property valuation model for communications property.

The bill, having appeared on the Notice Calendar, was taken up, read the second time, and the report of the Committee on Ways and Means was amended as recommended by the Committee on Environment and Energy and thereafter by the Committee on Appropriations.

Pending the question, Shall the bill be amended as recommended by the Committee on Ways and Means, as amended?, **Reps. Stebbins of Burlington, Bongartz of Manchester, Clifford of Rutland City, Logan of Burlington, Morris of Springfield, Patt of Worcester, Satcowitz of Randolph, Sheldon of Middlebury, Sibia of Dover, Smith of Derby, and Torre of Moretown** moved that the report of the Committee on Ways and Means, as amended, be further amended by inserting a reader assistance heading and a new section to be Sec. 13a to read as follows:

* * * State Highway ROW; Leases and Licenses; Communications

Property * * *

Sec. 13a. 19 V.S.A. § 26a is amended to read:

§ 26a. DETERMINATION OF RENT TO BE CHARGED FOR LEASING
OR LICENSING STATE-OWNED PROPERTY UNDER THE
AGENCY'S JURISDICTION

(a) Except as otherwise provided by subsection (b) of this section, or as otherwise provided by law, leases or licenses negotiated by the Agency under 5 V.S.A. §§ 204 and 3405 and section 26 and subsection 1703(d) of this title ordinarily shall require the payment of fair market value rent, as determined by the prevailing area market prices for comparable space or property. However, the Agency may lease or license State-owned property under its jurisdiction for less than fair market value when the Agency determines that the proposed occupancy or use serves a public purpose or that there exist other relevant factors, such as a prior course of dealing between the parties, that justify setting rent at less than fair market value.

(b)(1) Unless Notwithstanding any other provision of law to the contrary and unless otherwise required by federal law, beginning on or before July 1, 2025, the Agency shall annually assess, collect, and deposit in the Transportation Fund a reasonable charge or payment with respect to leases or licenses for access to or use of State-owned rights-of-way by providers of broadband or wireless communications facilities or services communications service providers for communications property as defined in 32 V.S.A. § 3602b. The Agency may waive such charge or payment in whole or in part if the provider offers to provide comparable value to the State so as to meet the public good as determined by the Agency and the Department of Public

~~Service. For the purposes of this section, the term “comparable value to the State” shall be construed broadly to further the State’s interest in ubiquitous broadband and wireless service availability at reasonable cost. Any waiver of charges or payments for comparable value to the State granted by the Agency may not exceed five years. Thereafter, the Agency may extend any waiver granted for an additional period not to exceed five years if the Agency makes affirmative written findings demonstrating that the State has received and will continue to receive value that is comparable to the value to the provider of the waiver, or it may revise the terms of the waiver in order to do so.~~

(2) As used in this subsection, “reasonable charge” means:

(A) \$270.00 for each small wireless facility, as defined in 47 C.F.R. § 1.6002(1), as may be amended.

(B) A per-linear-foot fee for digital subscriber line, coaxial cable, and fiber optic cable, as follows:

(i) \$0.02 in a county that has a population of fewer than 25,000;

(ii) \$0.07 in a county that has a population of at least 25,000 but fewer than 100,000; and

(iii) \$0.13 in a county that has a population of at least 100,000.

(C) All other communications property shall be subject to a fair, reasonable, and nondiscriminatory fee schedule established by the Secretary of Transportation.

(3) The charge required by this subsection shall not apply to communications property owned by:

(A) a communications union district;

(B) a small communications carrier as defined in 30 V.S.A. § 8082(10);

(C) an internet service provider that qualifies as an eligible provider under 30 V.S.A. § 8082(4), provided the lease or license for access to or use of State-owned rights-of-way is part of a universal service plan as defined in 30 V.S.A. § 8082(12), as certified by the Vermont Community Broadband Board;

(D) a cable television service provider, provided the property is part of a cable television system subject to a certificate of public good issued by the Public Utility Commission under 30 V.S.A. chapter 13; or

(E) an electric transmission or distribution utility.

(4) The Secretary may adjust the fees prescribed in this section to account for inflationary changes as measured by the Consumer Price Index.

(5) The Secretary may propose for approval by the General Assembly standards and procedures for waiving the fees required by this subsection.

(c) Nothing in this section shall authorize the Agency to impose a charge or payment for the use of a highway right-of-way that is not otherwise authorized or required by State or federal law.

~~(d) Nothing in this section shall be construed to impair any contractual rights existing on June 9, 2007.~~ The State shall have no authority under this section to waive any sums due to a railroad. The State shall also not offer any grants or waivers of charges for any new broadband installations in segments of rail corridor where an operating railroad has installed or allowed installation of fiber optic facilities prior to June 9, 2007 unless the State offers equivalent terms and conditions to the owner or owners of existing fiber optic facilities.

(e) Beginning on or before January 1, 2025 and annually thereafter, each communications provider subject to subsection (b) of this section shall provide to the Secretary of Transportation a detailed inventory of all property in the State-owned rights-of-way. The inventory shall be submitted in a form and manner prescribed by the Secretary of Transportation consistent with the purpose of this section. The Secretary shall conduct routine audits to determine the accuracy of the information submitted pursuant to this subsection.

(f) The inventories required by subsection (e) of this section are exempt from public inspection and copying under the Public Records Act and shall be kept confidential. However, they may be shared with other State agencies, boards, or departments, such as the Department of Taxes, the Agency of Digital Services, the Department of Public Service, the Public Utility Commission, the Department of Public Safety, and the Vermont State Auditor for regulatory purposes. Likewise, such other agencies, boards, and departments of State government shall assist and cooperate with the Secretary of Transportation and shall make available information and data as needed to assist the Secretary in carrying out the Secretary's duties. The Secretary of Administration shall establish protocols and agreements for interagency cooperation and assistance pursuant to this subsection. Nothing in this subsection shall be construed to waive any privilege or protection otherwise afforded data and information under an exemption to the Public Records Act or under any other State or federal law due solely to the fact that the information or data is shared pursuant to this subsection.

(g) Notwithstanding 2 V.S.A. § 20(d), beginning on January 1, 2026 and annually thereafter, the Secretary shall submit a written report to the General Assembly itemizing all charges and payments collected under this section, as

well as an aggregated statewide inventory of the communications property described in subsection (e) of this section.

Which was agreed to. Thereafter, the bill was amended as recommended by the Committee on Ways and Means, as amended, and third reading ordered.

**Committee Bill; Second Reading; Bill Amended;
Third Reading Ordered**

H. 871

Rep. Conlon of Cornwall spoke for the Committee on Education.

House bill, entitled

An act relating to the development of an updated State aid to school construction program

Rep. Beck of St. Johnsbury, for the Committee on Ways and Means, reported in favor of its passage.

Rep. Mihaly of Calais, for the Committee on Appropriations, recommended that the bill ought to pass when amended in Sec. 5, appropriation; State Aid for School Construction Working Group, following “subsection (c) of this act”, by inserting “ and per diem compensation and reimbursement of expenses pursuant to Sec. 4, subsection (g) of this act”

The bill, having appeared on the Notice Calendar, was taken up, read the second time, and the report of the Committee on Appropriations agreed to.

Pending the question, Shall the bill be read a third time?, **Reps. Sims of Craftsbury, Beck of St. Johnsbury, and Small of Winooski** moved that the bill be amended in Sec. 4, State Aid for School Construction Working Group; report, in subdivision (c)(1), by adding a new subdivision to be subdivision (N) to read as follows:

(N) Population considerations. The Working Group shall consider and make recommendations as to whether, and if so, how, the unique needs of different populations shall be taken into account in developing a statewide school construction aid program, including the following populations:

(i) elementary students;

(ii) high school students;

(iii) supervisory unions with low population density, as defined by 16 V.S.A. § 4010(b)(2); and

(iv) any other population the Working Group deems relevant to its work and recommendations.

Which was agreed to. Thereafter, third reading was ordered.

Action on Bill Postponed

H.874

House bill, entitled

An act relating to miscellaneous changes in education laws

Was taken up and, pending second reading of the bill, on motion of **Rep. Brady of Williston**, action on the bill was postponed until April 2, 2024.

Action on Bill Postponed

H. 875

House bill, entitled

An act relating to the State Ethics Commission and the State Code of Ethics

Was taken up and, pending second reading of the bill, on motion of **Rep. Waters Evans of Charlotte**, action on the bill was postponed until March 29, 2024.

Action on Bill Postponed

S. 278

Senate bill, entitled

An act relating to prohibiting a comparative negligence defense in an action for a negligence claim relating to a sexual act or sexual conduct

Was taken up and, pending second reading of the bill, on motion of **Rep. LaLonde of South Burlington**, action on the bill was postponed until March 29, 2024.

Action on Bill Postponed

H. 876

House bill, entitled

An act relating to miscellaneous amendments to the corrections laws

Was taken up and, pending second reading of the bill, on motion of **Rep. Emmons of Springfield**, action on the bill was postponed until March 29, 2024.

Third Reading; Bill Passed**H. 687**

House bill, entitled

An act relating to community resilience and biodiversity protection through land use

Was taken up, read the third time, and passed.

Remarks Journalized

On motion of **Rep. Headrick of Burlington**, the following remarks by **Rep. Maguire of Rutland City** were ordered printed in the Journal:

“Madam Speaker:

I would like to ask this body in helping me welcome, at 9:45 this morning, the birth of my granddaughter, Amelia Blake Maguire. Thank you.”

Adjournment

At eleven o'clock in the evening, on motion of **Rep. McCoy of Poultney**, the House adjourned until tomorrow at nine o'clock and thirty minutes in the forenoon.