

1 H.809

2 Introduced by Representatives Cina of Burlington, Logan of Burlington, and

3 Tomlinson of Winooski

4 Referred to Committee on

5 Date:

6 Subject: Education; education finance; foundation formula; education

7 transformation; tuition eligibility; approved independent schools;

8 State Board of Education; regional assessment districts; property tax

9 classifications; School Construction Aid Special Fund

10 Statement of purpose of bill as introduced: This bill proposes to repeal 2025

11 Acts and Resolves No. 73 except changes made to the tuition eligibility criteria

12 for approved independent schools in 16 V.S.A. § 828; the State Board of

13 Education appointment authority changes in 16 V.S.A. §§ 161 and 162; the

14 creation of regional assessment districts; and miscellaneous tax provisions.

15 The bill would create a new property tax classification and an increased rate

16 for residential properties used as second homes and short-term rentals and

17 further creates a new property classification for nonhomestead seasonal

18 residential properties that are taxed like nonhomestead nonresidential

19 properties. It would also create a summer study committee to study and make

20 recommendations regarding class sizes.

1 An act relating to the repeal of 2025 Acts and Resolves No. 73

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

3 * * * Intent * * *

4 Sec. 1. INTENT

5 With the repeal of portions of 2025 Acts and Resolves No. 73, it is the
6 intent of the General Assembly to transform Vermont's education governance
7 system by:

12 (2) leveraging the economies of scale and efficiencies that may be
13 provided through the use of boards of cooperative education services (BOCES)
14 by creating five to 10 BOCEs that provide membership for each supervisory
15 union in Vermont; and

16 (3) adding the construction of regional high schools to the list of high-
17 priority funding areas in the State Aid for School Construction Program
18 operated pursuant to 16 V.S.A. chapter 123.

19 * * * Act 73 Repeals * * *

20 Sec. 2. ACT 73 REPEALS

1 The following sections of 2025 Acts and Resolves No. 73 are repealed on
2 passage:
3 (1) Sec. 1 (findings; intent; plan);
4 (2) Sec. 2 (Commission on the Future of Public Education);
5 (3) Sec. 3 (School District Redistricting Task Force);
6 (4) Sec. 4 (School District Voting Ward Working Group);
7 (5) Sec. 5 (scale; intent);
8 (6) Sec. 6 (prospective amendment to 16 V.S.A. § 165; class size
9 minimums);
10 (7) Sec. 7 (failure to comply with class size minimums);
11 (8) Sec. 8 (SBE rules; report);
12 (9) Sec. 9 (AOE report; school calendar; graduation requirements);
13 (10) Sec. 10 (SBE rule review; appropriation);
14 (11) Sec. 23 (state-level governance; intent);
15 (12) Sec. 27 (prospective amendments to 16 V.S.A. § 823);
16 (13) Sec. 28 (prospective tuition repeals);
17 (14) Sec. 28a (State Board of Education tuition fee rules);
18 (15) Sec. 29 (special education report);
19 (16) Sec. 30 (AOE special education strategic plan);
20 (17) Sec. 31 (AOE position);
21 (18) Sec. 32 (AOE transformation support);

- (19) Sec. 33 (AOE positions);
- (20) Secs. 34–43 (transition to cost-factor foundation formula);
- (21) Sec. 44 (transportation reimbursement guidelines);
- (22) Sec. 45 (inflationary measures; prekindergarten; reports);
- (23) Sec. 45a (foundation formula report);
- (24) Sec. 45b (educational opportunity payment transition);
- (25) Secs. 46, 47, 49, and 50 (statewide education tax; supplemental district spending tax);
- (26) Sec. 46a (supplemental district spending tax; cap; transition);
- (27) Sec. 48 (prospective amendments to December 1 letter);
- (28) Sec. 48a (tax rate transition);
- (29) Secs. 51, 52, and 54–56 (property tax credit repeal; creation of homestead exemption);
- (30) Sec. 53 (homestead exemption report);
- (31) Sec. 57 (Education Fund Advisory Committee; review of foundation formula);
- (32) Secs. 60 and 61 (property tax classifications);
- (33) Sec. 61a (tax classifications transition);
- (34) Sec. 61b (property tax classifications implementation report);
- (35) Sec. 61c (tax classifications intent); and
- (36) Sec. 61d (prospective repeal).

1 Sec. 3. 2025 Acts and Resolves No. 73, Sec. 70 is amended to read:

2 Sec. 70. EFFECTIVE DATES

3 (a) This section and the following sections shall take effect on passage:

4 (1) ~~Sec. 1 (findings; intent; plan);~~ [Deleted.]

5 (2) ~~Sec. 2 (Commission on the Future of Public Education);~~ [Deleted.]

6 (3) ~~Sec. 3 (School District Redistricting Task Force);~~ [Deleted.]

7 (4) ~~Sec. 4 (School District Voting Ward Working Group);~~ [Deleted.]

8 (5) ~~Sec. 28a (State Board of Education tuition fee rules);~~ [Deleted.]

9 (6) ~~Sec. 32 (Agency of Education transformation support);~~ [Deleted.]

10 (7) ~~Sec. 33 (Agency of Education positions);~~ [Deleted.]

11 (8) ~~Sec. 44 (transportation reimbursement guidelines);~~ [Deleted.]

12 (9) ~~Sec. 45 (inflationary measures; prekindergarten; reports);~~ [Deleted.]

13 (10) ~~Sec. 45a (foundation formula report);~~ [Deleted.]

14 (11) Sec. 45c (Education Fund Advisory Committee; delay);

15 (12) ~~Sec. 53 (homestead exemption report);~~ [Deleted.]

16 (13) ~~Sec. 61b (property tax classifications implementation report);~~

17 [Deleted.]

18 (14) ~~Sec. 61c (tax classifications intent);~~ [Deleted.]

19 (15) ~~Sec. 61d (prospective repeal);~~ [Deleted.]

20 (16) Sec. 63 (regional assessment district transition; progress report);

21 (17) Sec. 64 (RAD stakeholder working group);

1 (16) Sec. 67 (PVR hearing officer pay).

2 (c) The following sections shall take effect on July 1, 2026:

3 (1) ~~Sec. 6 (class size minimums); [Deleted.]~~

4 (2) Sec. 7 (failure to comply with class size minimums); [Deleted.]

5 (3) Sec. 12 (school construction policy);

6 (4) Sec. 13 (16 V.S.A. § 3442);

7 (5) Sec. 16 (16 V.S.A. § 3444);

8 (6) Sec. 17 (16 V.S.A. § 3445);

9 (7) Sec. 18 (16 V.S.A. § 3446);

10 (8) Sec. 19 (transfer of rulemaking authority); and

11 (9) Sec. 20 (repeals).

12 (d) Sec. 48 (December 1 letter) shall take effect on July 1, 2027. [Deleted.]

13 (e) ~~Sec. 61a shall take effect on January 1, 2027, provided that the General~~
14 ~~Assembly has enacted new school district boundaries between the enactment~~
15 ~~of this act and January 1, 2027. [Deleted.]~~

16 (f) The following sections shall take effect on July 1, 2028, provided that
17 the new school districts contemplated by this act have assumed responsibility
18 for the education of all resident students and that the expert tasked with
19 developing a cost factor foundation formula has provided to the General
20 Assembly the report pursuant to Sec. 45a to provide the General Assembly an
21 opportunity to enact legislation in consideration of the report:

3 * * * Tuition to Approved Schools * * *

4 Sec. 4. 16 V.S.A. § 828 is amended to read:

5 § 828. TUITION TO APPROVED SCHOOLS; AGE; APPEAL

6 (a) A school district shall not pay the tuition of a student except to:

7 (1) a public school located in Vermont;

8 (2) an approved independent school that

9 (A) is located in Vermont;

10 (B) is approved under section 166 of this title on or before July 1,
11 2025;

12 (C) is located within either:

15 (ii) a supervisory union with one or more member school districts
16 that does not operate a public school for some or all grades as of July 1, 2024;

17 and

18 (D) had at least 25 51 percent of its student enrollment composed of
19 students attending on a district-funded tuition basis pursuant to chapter 21 of
20 this title during the 2023–2024 school year; **and**

1 (E) complies with the minimum class size requirements contained in
2 subdivision 165(a)(9) of this title and State Board rule; provided, however, that
3 if a school is unable to comply with the class size minimum standards due to
4 geographic isolation or a school has developed an implementation plan to meet
5 the class size minimum requirements, the school may ask the State Board to
6 grant it a waiver from this subdivision (E), which decision shall be final;
7 [Repealed.]

8 * * *

10 Sec. 5. 32 V.S.A. § 4152a is added to read:

11 § 4152a. PROPERTY TAX CLASSIFICATIONS

12 (a) The grand list of a town shall include one or more tax classifications for
13 each parcel of real estate. A parcel shall be classified using one of the general
14 classes of real estate listed under subsection (b) of this section and based on the
15 considerations set forth in this section and guidance provided by the Division
16 of Property Valuation and Review. The listers and assessors shall annually
17 update the grand list to include a tax classification not later than June 1 of
18 every year, using information submitted to the Department of Taxes pursuant
19 to this section. The tax classification may be updated after June 1 when a
20 taxpayer files a, or corrects an erroneously filed, homestead declaration after
21 June 1.

1 (b) A parcel shall be assigned one or more of the following general classes:

2 (1) homestead;

3 (2) nonhomestead nonresidential;

4 (3) nonhomestead residential; and

5 (4) nonhomestead seasonal.

6 (c) As used in this section:

7 (1) “Homestead” means a parcel, or portion of a parcel, declared as a
8 homestead on or before October 15 in accordance with section 5410 of this
9 title for the current year.

10 (2) “Nonhomestead nonresidential” means a parcel, or portion of a
11 parcel, that does not qualify as “homestead” or “nonhomestead residential”
12 under this section.

13 (3) “Nonhomestead residential” means a parcel, or portion of a parcel,
14 for which a homestead was not declared in accordance with section 5410 of
15 this title for the current year and that has a residential property, as defined by
16 the Commissioner by rule.

17 (4) “Nonhomestead seasonal” means a parcel, or portion of a parcel, that
18 would qualify as “nonhomestead residential,” except the parcel has no
19 residential property fit for habitation on a year-round basis. The
20 Commissioner shall adopt rules further defining residential property fit for
21 habitation on a year-round basis.

1 (d) A parcel with two or more portions qualifying for different tax
2 classifications under this section shall be classified proportionally based on the
3 percentage of floor space used.

4 (1) In the case of a homestead with 25 percent or less of floor space used
5 for a business purpose, the parcel shall be classified as a homestead pursuant to
6 subdivision 5401(7)(F) of this title.

7 (2) If a portion of floor space is used for more than one purpose, the use
8 for which the floor space is most often used shall be considered the primary
9 use, and the floor space shall be dedicated to that use for purposes of tax
10 classification.

11 (e) The Commissioner shall amend existing forms, and publish new forms,
12 as needed to gather the necessary attestations and declarations required under
13 this section.

14 (f) Nothing in this section shall be construed to alter the tax treatment or
15 enrollment eligibility of property as it relates to use value appraisal under
16 chapter 124 of this title.

17 (g) Persons aggrieved by a decision to classify property for taxation
18 purposes under this section may appeal in the manner provided for property
19 valuation appeals under this title.

1 Sec. 6. 32 V.S.A. § 4152 is amended to read:

2 § 4152. CONTENTS

3 (a) When completed, the grand list of a town shall be in such form as the
4 Director prescribes and shall contain such information as the Director
5 prescribes, including:

6 (1) In alphabetical order, the name of each real property owner and each
7 owner of taxable personal property.

8 (2) The last known mailing address of all such owners.

9 (3) A brief description of each parcel of taxable real estate in the town,
10 including a classification assigned pursuant to section 4152a of this title.

11 “Parcel” As used in this subdivision, “parcel” means a separate and sellable lot
12 or piece of real estate. Parcels may be combined to represent all contiguous
13 land in the same ownership, together with all improvements thereon.

14 * * *

15 Sec. 7. 32 V.S.A. § 5402 is amended to read:

16 § 5402. EDUCATION PROPERTY TAX LIABILITY

17 (a) A statewide education tax is imposed on all nonhomestead and
18 homestead property at the following rates:

19 (1) The tax rate for nonhomestead nonresidential and nonhomestead
20 seasonal property shall be \$1.59 per \$100.00 divided by the statewide
21 adjustment.

16 * * *
17 Sec. 8-32 V.S.A. § 5402b is amended to read:

18 § 5402b. STATEWIDE EDUCATION TAX YIELDS:

19 RECOMMENDATION OF THE COMMISSIONER

20 (a) Annually, not later than December 1, the Commissioner

21 consultation with the Secretary of Education, the Secretary of Administration,

1 and the Joint Fiscal Office, shall calculate and recommend a property dollar
2 equivalent yield, an income dollar equivalent yield, and a nonhomestead
3 property tax rate for the following fiscal year. In making these calculations,
4 the Commissioner shall assume:

5 * * *

6 (4) the percentage change in the average education tax bill applied to
7 nonhomestead nonresidential property and, the percentage change in the
8 average education tax bill applied to nonhomestead seasonal property, the
9 percentage change in the average education tax bill applied to nonhomestead
10 residential property, the percentage change in the average education tax bill of
11 homestead property, and the percentage change in the average education tax
12 bill for taxpayers who claim a credit under subsection 6066(a) of this title are
13 equal;

14 * * *

15 Sec. 9. PROPERTY TAX CLASSIFICATIONS; TRANSITION; DATA
16 COLLECTION

17 (a) For calendar year 2027, the Commissioner of Taxes shall amend and
18 create forms so that taxpayers report information on the use of their property
19 for such property to be classified as homestead, nonhomestead residential,
20 nonhomestead nonresidential, or nonhomestead seasonal, or a proportional
21 classification of those uses. The information collected, and classifications

determined, shall align with the definitions and requirements of Sec. 1 of this act. The Commissioner shall use the information to determine and assign a tax classification for every grand list parcel and, on or before October 1, 2027, the Commissioner shall provide that information to the Joint Fiscal Office.

10 * * * Study Committee on Ideal Class Size Ranges * * *

11 Sec. 10. STUDY COMMITTEE ON IDEAL CLASS SIZE RANGES;

12 REPORT

13 (a) Creation. There is created the Study Committee on Ideal Class Size
14 Ranges to examine and recommend evidence-based class size ranges for
15 Vermont public schools. The Committee shall study and make
16 recommendations regarding optimal class size ranges by grade level and
17 instructional context in order to:

18 (1) improve student academic outcomes and well-being;
19 (2) support effective instruction, including for students with disabilities,
20 multilingual learners, and students experiencing poverty;

- 1 (3) account for Vermont's rural school context and varying school sizes;
- 2 (4) consider fiscal sustainability and workforce availability; and
- 3 (5) promote equity and consistency while preserving appropriate local
- 4 flexibility.

5 (b) Membership. The Committee shall consist of nine members who, to the
6 extent practicable, reflect Vermont's geographic diversity and include
7 representation from rural and small schools and who shall be appointed as
8 follows:

16 (4) one member of the House of Representatives, appointed by the
17 Speaker of the House, who shall be a member of the House Committee on
18 Education;

19 (5) one member of the Senate, appointed by the Committee on
20 Committees, who shall be a member of the Senate Committee on Education;
21 and

1 (6) one representative of the Agency of Education, appointed by the
2 Secretary of Education.

3 (c) Powers and Duties. The Committee shall:

4 (1) review current research on class size and student outcomes,

5 including differentiated impacts by grade level and student population;

6 (2) analyze current class size practices across Vermont supervisory
7 unions and school districts;

8 (3) consider alternative staffing models, including team teaching and
9 instructional aides;

10 (4) evaluate the fiscal and workforce implications of various class size
11 ranges;

12 (5) identify circumstances in which deviations from recommended
13 ranges may be appropriate; and

14 (6) develop recommended class size ranges by grade band and
15 instructional setting.

16 (d) Assistance. The Committee shall have the administrative, technical,
17 and legal assistance of the Agency of Education.

18 (e) Report. On or before January 15, 2027, the Committee shall submit a
19 written report to the House and Senate Committees on Education with
20 recommended class size ranges by grade band and instructional context. The

1 report shall include the evidence and research the Committee relied upon in
2 making its final recommendations.

3 (f) Meetings.

4 (1) The member appointed by the Secretary of Education shall call the
5 first meeting of the Committee to occur on or before August 15, 2026.

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

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

9 (4) The Committee shall cease to exist on January 31, 2027.

10 (g) Compensation and reimbursement.

11 (1) For attendance at meetings during adjournment of the General
12 Assembly, a legislative member of the Committee serving in the member's
13 capacity as a legislator shall be entitled to per diem compensation and
14 reimbursement of expenses pursuant to 2 V.S.A. § 23 for not more than six
15 meetings. These payments shall be made from monies appropriated to the
16 General Assembly.

17 (2) Other members of the Committee shall be entitled to per diem
18 compensation and reimbursement of expenses as permitted under 32 V.S.A.
19 § 1010 for not more than six meetings. These payments shall be made from
20 monies appropriated to the Agency of Education.

1 (h) Appropriation. The sum of \$3,000.00 is appropriated to the Agency of
2 Education from the General Fund in fiscal year 2027 for per diem
3 compensation and reimbursement of expenses for members of the Committee.

4 * * * Effective Dates * * *

5 Sec. 11. EFFECTIVE DATES

6 (a) This section, Secs. 1–4 (intent; Act 73 repeals and updates), Sec. 9
7 (transition provisions), and Sec. 10 (Study Committee on Ideal Class Size
8 Ranges) shall take effect on passage.

9 (b) Secs. 5–8 (new property tax classifications and rates) shall take effect
10 on January 1, 2028.