House Calendar

Wednesday, May 6, 2026

121st DAY OF THE ADJOURNED SESSION

House Convenes at 1:00 P.M.

TABLE OF CONTENTS

NOTICE CALENDAR

Favorable with Amendment

Favorable

Senate Proposal of Amendment

Constitutional Proposal

ORDERS OF THE DAY

ACTION CALENDAR

Third Reading

S. 202

An act relating to portable solar energy generation devices

S. 223

An act relating to water quality of the waters of Vermont

Amendment to be offered by Rep. Hoyt of Hartford to S. 223

That the House proposal of amendment be amended in Sec. 1, Water Quality, Lake Classification, and Antidegradation Study Group; report, in subsection (c), by striking out subdivision (2) in its entirety and inserting in lieu thereof the following:

(2) Assess the State's obligations under the federal Clean Water Act, 33 U.S.C. §§ 1251–1388, as enacted as of January 1, 2026, with respect to the adoption of an antidegradation rule to implement the State's antidegradation policy under the Vermont Water Quality Standards, including:

(A) an evaluation of State and federal statutory and regulatory requirements;

(B) the identification of any legal, administrative, policy, or practical barriers to full compliance; and

(C) how to address emerging chemicals of concern that lack water quality standards as part of the antidegradation policy.

S. 232

An act relating to public libraries and the Department of Libraries

Favorable with Amendment

S. 325

An act relating to regional planning and Act 250 Tier jurisdiction

Rep. Sheldon of Middlebury, for the Committee on Environment, recommends that the House propose to the Senate that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Act 181 Repeals * * *

Sec. 1. 2024 Acts and Resolves No. 181, Sec. 19 (road jurisdiction) is amended to read:

Sec. 19. [Deleted.]

Sec. 2. 2024 Acts and Resolves No. 181, Sec. 21 (Tiers 2 and 3) is amended to read:

Sec. 21. [Deleted.]

Sec. 3. 2024 Acts and Resolves No. 181, Sec. 114 is amended to read:

Sec. 114. EFFECTIVE DATES

This act shall take effect on passage, except that:

(1) Secs. 12 (10 V.S.A. § 6001)~~,~~ and 13 (10 V.S.A. § 6086(a)(8))~~, and 21 (10 V.S.A. § 6001)~~ shall take effect on ~~December 31, 2026~~ January 1, 2028;

(2) ~~Sec. 19 (10 V.S.A. § 6001(3)(A)(xii)) shall take effect on July 1, 2026;~~ [Deleted.]

* * *

Sec. 4. REPEAL

2024 Acts and Resolves No. 181, Sec. 22 (Tier 3 rulemaking) is repealed.

Sec. 5. REPEAL

2024 Acts and Resolves No, 181, Sec. 34 (Tier 2 area report) is repealed.

* * * Act 250 * * *

Sec. 6. 10 V.S.A. § 6081 is amended to read:

§ 6081. PERMITS REQUIRED; EXEMPTIONS

* * *

(z)(1) Notwithstanding any other provision of this chapter to the contrary, no permit or permit amendment is required for any subdivision, development, or change to an existing project that is located entirely within a Tier 1A area ~~under~~ as established in section 6034 of this chapter.

(2) Notwithstanding any other provision of this chapter to the contrary, no permit or permit amendment is required within a Tier 1B area approved by the Board under section 6033 of this chapter for 50 units or fewer of housing on a tract or tracts of land involving 10 acres or less or for mixed-use

development with 50 units or fewer of housing on a tract or tracts of land involving 10 acres or less.

(3) Upon receiving notice and a copy of the permit issued by an appropriate municipal panel pursuant to 24 V.S.A. § 4460(g), a previously issued permit for a development or subdivision located in a Tier 1A area shall remain attached to the property. However, neither the Board nor the Agency of Natural Resources shall enforce the permit or assert amendment jurisdiction on the tract or tracts of land unless the designation is revoked or the municipality has not taken any reasonable action to enforce the conditions of the permit.

* * *

(dd) Interim housing exemptions.

(1) Notwithstanding any other provision of law to the contrary, until January 1, ~~2027~~ 2028, no permit or permit amendment is required for the construction of housing projects such as cooperatives, condominiums, dwellings, or mobile homes, with 75 units or fewer, constructed or maintained on a tract or tracts of land, located entirely within the areas of a designated new town center, a designated growth center, or a designated neighborhood development area served by public sewer or water services or soils that are adequate for wastewater disposal. Housing units constructed pursuant to this subdivision shall not count towards the total units constructed in other areas. This exemption shall not apply to areas within mapped river corridors and floodplains except those areas containing preexisting development in areas suitable for infill development as defined in 29-201 of the Vermont Flood Hazard Area and River Corridor Rule.

(2)(A) Notwithstanding any other provision of law to the contrary, until ~~July~~ January 1, ~~2027~~ 2028, no permit or permit amendment is required for the construction of housing projects such as cooperatives, condominiums, dwellings, or mobile homes, with 50 or fewer units~~, constructed or maintained on a tract or tracts of land of~~. To qualify, the housing project, including any land incidental to the use of the housing project such as lawns, parking lots, driveways, leach fields, and accessory buildings, shall be on 10 contiguous acres or less, located entirely within:

(i) areas of a designated village center and within one-quarter mile of its boundary with permanent zoning and subdivision bylaws and served by public sewer or water services or soils that are adequate for wastewater disposal; or

(ii) areas of a municipality that are within a census-designated urbanized area with over 50,000 residents and within one-quarter mile of a transit route.

* * *

(3) Notwithstanding any other provision of law to the contrary, until January 1, ~~2027~~ 2028, no permit or permit amendment is required for the construction of housing projects such as cooperatives, condominiums, dwellings, or mobile homes, constructed or maintained on a tract or tracts of land, located entirely within a designated downtown development district with permanent zoning and subdivision bylaws served by public sewer or water services or soils that are adequate for wastewater disposal. Housing units constructed pursuant to this subdivision shall not count towards the total units constructed in other areas. This exemption shall not apply to areas within mapped river corridors and floodplains except those areas containing preexisting development in areas suitable for infill development as defined in 29-201 of the Vermont Flood Hazard Area and River Corridor Rule.

Sec. 7. 24 V.S.A. § 4460 is amended to read:

§ 4460. APPROPRIATE MUNICIPAL PANELS

* * *

(g)(1) This subsection shall apply to a subdivision or development that:

(A) was previously permitted pursuant to 10 V.S.A. chapter 151;

(B) is located in a Tier 1A area pursuant to 10 V.S.A. § 6034; and

(C) has applied for a permit or permit amendment required by zoning regulations or bylaws adopted pursuant to this subchapter.

(2) The appropriate municipal panel reviewing a municipal permit or permit amendment pursuant to this subsection shall include conditions contained within a permit previously issued pursuant to 10 V.S.A. chapter 151, so that the conditions may be enforced as part of the municipal permit, unless the panel determines that the permit condition pertains to any of the following:

(A) the construction phase of the project that has already been constructed;

(B) compliance with another State permit that has independent jurisdiction;

(C) federal or State law that is no longer in effect or applicable;

(D) an issue that is addressed by municipal regulation and the project will meet the municipal standards; or

(E) a physical or use condition that is no longer in effect or applicable or that will no longer be in effect or applicable once the new project is approved.

(3) After issuing or amending a permit containing conditions pursuant to this subsection, the appropriate municipal panel shall provide notice and a copy of the permit to the Land Use Review Board.

(4) The appropriate municipal panel shall comply with the notice and hearing requirements provided in subdivision 4464(a)(1) of this title. In addition, notice shall be provided to those persons requiring notice under 10 V.S.A. § 6084(b) and shall explicitly reference the existing Act 250 permit.

(5) The appropriate municipal panel's decision shall be issued in accordance with subsection 4464(b) of this title and shall include specific findings with respect to its determinations pursuant to subdivision (2) of this subsection.

(6) Any final action by the appropriate municipal panel affecting a condition of a permit previously issued pursuant to 10 V.S.A. chapter 151 shall be recorded in the municipal land records.

~~(h) Within a Tier 1A area, the appropriate municipal panel shall enforce any existing permits issued under 10 V.S.A. chapter 151 that has not had its permit conditions transferred to a municipal permit pursuant to subsection (g) of this section.~~

Sec. 8. 2024 Acts and Resolves No. 181, Sec. 14 is amended to read:

Sec. 14. CRITERION 8(C) RULEMAKING

* * *

(c) The Board shall file a final proposed rule with the Secretary of State and Legislative Committee on Administrative Rules on or before June 15, ~~2026~~ 2027.

* * *

Sec. 9. PUBLIC ENGAGEMENT PLAN

(a) On or before January 15, 2027, the State Natural Resources Conservation Council shall contract with the Vermont Council on Rural Development and the Vermont Association of Conservation Districts to develop a report outlining recommendations for a public engagement plan, in

consultation with the Land Use Review Board and the Land Access and Opportunity Board. The contractors shall:

(1) ensure the engagement planning process would maintain neutrality on policy and political issues;

(2) utilize neutral facilitation for statewide, democratic public engagement;

(3) ensure alignment with the core principles for community engagement plans developed pursuant to 3 V.S.A. § 6006; and

(4) design the plan to inclusively and meaningfully engage a full range of stakeholders, including Vermont residents and landowners and historically marginalized communities.

(b) The purpose of the public engagement plan would be to gather statewide input from Vermonters to inform the General Assembly on:

(1) the risks of losing working lands, both agricultural and forestland, and critical natural resources not already well protected by current land use policy, permitting programs, or other regulatory tools, including agricultural soils, rare natural communities, forest blocks, habitat connectors of statewide significance, and headwaters; and

(2) equitable, efficient, and effective regulatory or nonregulatory tools to protect these working lands and critical natural resources.

(c) On or before January 15, 2027, the Council shall submit the report with the recommended public engagement plan to the House Committee on Environment and the Senate Committee on Natural Resources and Energy.

(d) In fiscal year 2027, $30,000.00 is appropriated from the General Fund to the State Natural Resources Conservation Council for the public engagement plan design described in this section.

Sec. 10. 2 V.S.A. chapter 32 is added to read:

CHAPTER 32. JOINT LEGISLATIVE ENVIRONMENTAL OVERSIGHT COMMITTEE

§ 1031. CREATION OF COMMITTEE

(a) Creation. There is created the Joint Legislative Environmental Oversight Committee whose membership shall be appointed each biennial session of the General Assembly. The Committee shall exercise oversight over the Land Use Review Board and Agency of Natural Resources permitting processes.

(b) Composition. The Committee shall be composed of five members: three members of the House of Representatives, who shall not all be from the same party, appointed by the Speaker of the House; and two members of the Senate, who shall not all be from the same party, appointed by the Committee on Committees.

(c) Procedure. The Committee shall elect a chair and vice chair from among its members and shall adopt rules of procedure. The Chair shall rotate biennially between the House and the Senate members. The Committee shall keep minutes of its meetings. A quorum shall consist of three members.

(d) Meetings. When the General Assembly is in session, the Committee shall meet at the call of the Chair. The Committee may meet six times per year during adjournment and may meet more often subject to approval of the Speaker of the House and the President Pro Tempore of the Senate.

(e) Compensation. For attendance at a meeting when the General Assembly is not in session, members of the Committee shall be entitled to compensation for services and reimbursement of expenses as provided under subsection 23(a) of this title.

(f) Assistance. The administrative and legal services of the Joint Fiscal Office and the Office of Legislative Counsel shall be available to the Committee.

(g) Duties. The Committee shall meet with the Land Use Review Board to ensure strong communication and coordination regarding the implementation of the statutes amended as part of 2024 Acts and Resolves No. 181, how the permitting process under 10 V.S.A. chapter 151 is working, and how the new Board structure is working. The Committee shall also meet with the Agency of Natural Resources to learn about Agency efforts to improve and better coordinate its permitting processes and to coordinate efforts for further improvements to the process for applicants and outcomes for Vermonters.

(h) Sunset. The Committee shall cease to exist on July 1, 2029.

Sec. 11. LAND USE REVIEW BOARD REPORTS

(a) The Land Use Review Board shall deliver reports that collect the data and analyze:

(1) whether and how Act 250 jurisdiction over commercial activities on farms should be revised, including accessory on-farm businesses on or before November 15, 2026;

(2) the effects of Act 250 mitigation actions on primary agricultural soils on or before July 1, 2027; and

(3) the effects of jurisdictional triggers and criterion 9(L) on the development of retail and service businesses outside village centers in addressing sprawl and strip development, and how to improve the effectiveness of criterion 9(L) on or before November 15, 2027.

(b) The Board shall engage relevant stakeholders as part of the development of this report.

(c) The report shall be submitted to the House Committees on Agriculture, Food Resiliency, and Forestry and on Environment and the Senate Committees on Agriculture and on Natural Resources and Energy.

* * * Regional Planning * * *

Sec. 12. 24 V.S.A. § 4348 is amended to read:

§ 4348. ADOPTION AND AMENDMENT OF REGIONAL PLAN

* * *

(b) ~~60~~ Sixty days prior to holding the first public hearing on a regional plan adoption, a regional planning commission shall submit a draft regional plan to the Land Use Review Board for review and comments related to conformance of the draft with sections 4302 and 4348a of this title and chapter 139 of this title and, if it is seeking an optional determination of energy compliance, to the Department of Public Service for review and comments related to conformance of the draft plan with section 4352 of this title. The Board shall coordinate with other State agencies and the Community Investment Board and respond within 60 days unless more time is granted by the regional planning commission.

(c) The regional planning commission shall hold two or more public hearings within the region after public notice on any proposed plan ~~or amendment~~. The minimum number of required public hearings may be specified within the bylaws of the regional planning commission.

(d)(1) At least 30 days prior to the first hearing, a copy of the proposed plan ~~or amendment~~, a report documenting conformance with the goals established in section 4302 of this chapter and the plan elements established in section 4348a of this chapter, and a description of any changes to the Regional Future Land Use Map with a request for general comments and for specific comments with respect to the extent to which the plan ~~or amendment~~ is consistent with the goals established in section 4302 of this title, shall be delivered physically or electronically with proof of receipt or sent by certified mail, return receipt requested, to each of the following:

* * *

(2) At least 30 days prior to the first hearing, the regional planning commission shall provide each of its member municipalities with a written description of map changes within the municipality, a municipality-wide map showing old versus new areas with labels, and information about the new Tier structure under 10 V.S.A. chapter 151, including how to obtain Tier 1A or 1B status, and the process for updating designated area boundaries. The regional planning commission shall, if it is seeking an optional determination of energy compliance, solicit feedback on its enhanced energy plan, including consistency with section 4352 of this chapter and the enhanced energy planning standards.

(e) Any of the foregoing bodies, or their representatives, may submit comments on the proposed regional plan ~~or amendment~~ to the regional planning commission, and may appear and be heard in any proceeding with respect to the adoption of the proposed plan ~~or amendment~~.

(f) The regional planning commission may make revisions to the proposed plan ~~or amendment~~ at any time not less than 30 days prior to the final public hearing held under this section. If the proposal is changed, a copy of the proposed change shall be delivered physically; electronically with proof of receipt; or by certified mail, return receipt requested, to the chair of the legislative body of each municipality within the region and to any individual or organization requesting a copy at least 30 days prior to the final hearing.

* * *

(h)(1) Within 15 days following adoption, a regional planning commission shall submit its regionally adopted regional plan to the Land Use Review Board for a determination of regional plan compliance with a report documenting conformance with the goals established in section 4302 of this chapter and the plan elements established in section 4348a of this chapter and a description of any changes to the regional plan future land use map. The regional planning commission shall also at this time, if it is seeking an optional determination of energy compliance pursuant to section 4352 of this chapter, submit the plan to the Department of Public Service for review with a description of conformance with the enhanced energy planning standards and with a summary of any comments received during the public hearings.

* * *

(j) Minor amendments to regional plan future land use map. A regional planning commission may submit a request for a minor amendment to boundaries of a future land use area for consideration by the Land Use Review Board with a letter of support from the municipality. The request may only be submitted after an affirmative vote of the municipal legislative body and the

regional planning commission board. The Land Use Review Board, after consultation with the Community Investment Board and the regional planning commissions, shall provide guidance about what constitutes a minor amendment. Minor amendments may include any change to a future land use area consisting of fewer than 10 acres. A minor amendment to a future land use area shall not require an amendment to a regional plan and shall be included in the next iteration of the regional plan. The Land Use Review Board may adopt rules to implement this section.

* * *

(n) Regional plan amendments, nonminor future land use map amendments, and Tier 1B area status requests. Regional plans may be reviewed from time to time and may be amended in the light of new developments and changed conditions affecting the region. Nonminor future land use map amendments shall be processed as part of a regional plan amendment. Tier 1B area status requests may be made separate from the regional plan approval or amendment process.

(1) Process.

(A) To amend a regional plan, which may include a nonminor future land use map amendment, a regional planning commission shall hold one public hearing. At least 15 days in advance of the hearing, the regional planning commission shall provide notice of the public hearing to the parties listed in subdivision (d)(1) of this section and the Land Use Review Board. The public hearing notice shall include a description of changes to the plan, including nonminor amendments to future land use maps, or any changes to Tier 1B area status.

(B) After adoption of the regional plan amendment, the regional planning commission shall submit a request to the Land Use Review Board for an affirmative determination of regional plan compliance for the regional plan amendment.

(C) Stand-alone requests for Tier 1B area status shall be submitted to the Land Use Review Board after the public hearing required under subdivision (A) of this subdivision (1).

(D) The Land Use Review Board shall hold a public hearing within 30 days after receiving the request for an affirmative determination of regional plan amendment compliance or approval of Tier 1B area status. The Land Use Review Board shall issue its determination within 30 days after the hearing.

(2) Expiration date. Adoption of a regional plan amendment, nonminor future land use map amendment, or Tier 1B area status request or amendment shall not change the expiration date of the regional plan.

* * *

Sec. 13. 24 V.S.A. § 4348a is amended to read:

§ 4348a. ELEMENTS OF A REGIONAL PLAN

(a) A regional plan shall be consistent with the goals established in section 4302 of this title and shall include the following:

* * *

(12) A future land use element, based upon the elements in this section, that sets forth the present and prospective location, amount, intensity, and character of such land uses in relation to the provision of necessary community facilities and services and that consists of a map delineating future land use area boundaries for the land uses in subdivisions (A)–(J) of this subdivision (12) as appropriate and any other special land use category the regional planning commission deems necessary; descriptions of intended future land uses, consistent with the smart growth principles in section 4303 of this chapter; and policies intended to support the implementation of the future land use element using the following land use categories:

(A) Downtown or village centers. These areas are the mixed-use centers bringing together community economic activity and civic assets. They include downtowns, villages, and new town centers previously designated under chapter 76A and downtowns and village centers seeking benefits under the Community Investment Program under section ~~5804~~ 5803 of this title. The downtown or village centers are the traditional ~~and~~ or historic central business and civic centers within planned growth areas, village areas, or may stand alone. Municipalities may have more than one center, including planned new or emerging centers that anchor planned growth or village areas. Village centers are not required to have public water, wastewater, zoning, or subdivision bylaws.

(B) Planned growth areas. These areas include the high-density existing settlement and future growth areas with high concentrations of population, housing, and employment in each region and town, as appropriate. They include a mix of historic and nonhistoric commercial, residential, and civic or cultural sites with active streetscapes, supported by land development regulations; public water or wastewater, or both; and multimodal transportation systems. These areas include ~~new town centers, downtowns, village centers,~~ growth centers~~,~~ and neighborhood development areas

previously designated under chapter 76A of this title. These areas should generally meet ~~the smart growth principles definition in chapter 139 of this title and~~ the following criteria:

* * *

(iii) The area is generally within walking distance from the municipality's or an adjacent municipality's downtown~~,~~ or village center~~, new town center, or growth center~~.

* * *

(vi) The area provides ~~for~~ opportunity for development, infill development, and redevelopment that is needed to meet the regional and municipal housing targets that ~~meets~~ meet the present and future needs of a diversity of social and income groups in the community.

(vii) The area is served by planned or existing transportation infrastructure that conforms with ~~"~~complete streets~~"~~ principles as described under 19 V.S.A. chapter 24 and establishes pedestrian access directly to the downtown~~,~~ or village center~~, or new town center~~. Planned transportation infrastructure includes those investments included in the municipality's capital improvement program pursuant to section 4430 of this title.

(C) Village areas. These areas include the traditional settlement area or a proposed new settlement area, typically composed of a cohesive mix of residential, civic, religious, commercial, ~~and~~ or mixed-use buildings, arranged along a main street and intersecting streets that are within walking distance for residents who live within and surrounding the ~~core~~ downtown center or village center. ~~These areas include existing village center designations and similar areas statewide, but this area is larger than the village center designation.~~ Village areas shall meet the following criteria:

* * *

(iv) The municipality has either ~~municipal~~ public water or wastewater. If no public wastewater is available, the area must have soils that are adequate for wastewater disposal.

(v) The area has some opportunity for infill development or new development areas where the village can grow, support the development of housing to meet the regional and municipal housing targets, and be flood resilient.

* * *

(J) Rural; conservation. These are areas of significant natural resources, identified by regional planning commissions or municipalities based

upon existing Agency of Natural Resources mapping that require special consideration for aquifer protection; for wetland protection; for the maintenance of forest blocks, wildlife habitat, and habitat connectors; or for other conservation purposes. ~~The mapping of these areas and accompanying policies are intended to help meet requirements of 10 V.S.A. chapter 89. Any portion of this area that is approved by the LURB as having Tier 3 area status shall be identified on the future land use map as an overlay upon approval.~~

* * *

(d) With the exception of preexisting, nonconforming designations approved prior to the establishment of the State Community Investment program, the areas eligible for designation benefits under that program upon the Land Use Review Board's approval of the regional plan future land use map for designation as a downtown center or village center shall not include development that is disconnected from a downtown or village center and that lacks an existing or planned pedestrian connection to the center via a complete street.

* * *

Sec. 14. 24 V.S.A. § 4303 is amended to read:

§ 4303. DEFINITIONS

~~The following definitions shall apply throughout~~ As used in this chapter ~~unless the context otherwise requires~~:

* * *

(43) "Smart growth principles" means growth that:

(A) maintains the historic development pattern of compact village and urban centers separated by rural countryside;

(B) develops compact mixed-use centers at a scale appropriate for the community and the region;

(C) enables choice in modes of transportation;

(D) protects the State's important environmental, natural, and historic features, including natural areas, water quality, scenic resources, and historic sites and districts;

(E) serves to strengthen agricultural and forest industries and minimizes conflicts of development with these industries;

(F) balances growth with the availability of economic and efficient public utilities and services;

(G) supports a diversity of viable businesses in downtowns and villages;

(H) provides for housing that meets the needs of a diversity of social and income groups in each community; and

(I) reflects a settlement pattern that, at full build-out, is not characterized by:

(i) scattered development located outside compact urban and village centers that is excessively land consumptive;

(ii) development that limits transportation options, especially for pedestrians;

(iii) the fragmentation of farmland and forestland;

(iv) development that is not serviced by municipal infrastructure or that requires the extension of municipal infrastructure across undeveloped lands in a manner that would extend service to lands located outside compact village and urban centers; and

(v) linear development along well-traveled roads and highways that lacks depth, as measured from the highway.

Sec. 15. REGIONAL AND MUNICIPAL PLAN EXTENSIONS

Any regional or municipal plan due to expire in 2026 or 2027 shall have its expiration date extended until December 31, 2027.

Sec. 16. REPEAL

24 V.S.A. § 4476 (formal review of regional planning commission decisions) is repealed.

* * * State Community Investment Program * * *

Sec. 17. 24 V.S.A. § 5801 is amended to read:

§ 5801. DEFINITIONS

As used in this chapter:

* * *

(8) "Planned growth area" means an area on the regional plan future land use maps ~~required under section 4348a of this title, which may encompass a downtown center or village center on the regional future land use map and may be designated as a center or neighborhood, or both~~ meeting the requirements of subdivision 4348a(a)(12)(B) of this title and that may be designated as a neighborhood.

* * *

(10) "Sprawl repair" means the redevelopment of lands with buildings, traffic and circulation, parking, or other land coverage in a pattern that is consistent with smart growth principles as defined in section 4303 of this title.

* * *

(12) "~~State~~ Designated Downtown ~~and~~ Center or Village Center" or "designated center" means a ~~contiguous~~ downtown or village ~~a portion of which is listed or eligible for listing in the national register of historic places area~~ center approved as part of the LURB review of regional plan future land use maps~~, which may include an approved preexisting designated designated downtown, village center, or designated new town center established prior to the approval of the regional plan future land use maps~~.

(13) "~~State designated~~ Designated neighborhood" or "neighborhood" means a ~~contiguous geographic~~ village area or planned growth area approved as part of the ~~Land Use Review Board~~ LURB review of regional plan future land use maps that is ~~compact and adjacent and~~ contiguous to a center.

* * *

(15) "Village area" means an area on the regional plan future land use maps ~~adopted pursuant to section 4348a of this title, which may encompass a village center on the regional future land use map~~ meeting the requirements of subdivision 4348a(a)(12)(C) of this title and that may be designated as a neighborhood.

Sec. 18. 24 V.S.A. § 5803 is amended to read:

§ 5803. DESIGNATION OF DOWNTOWN AND VILLAGE CENTERS

(a) Designation established. A regional planning commission may apply to the LURB for approval and designation of all downtown and village centers by submitting the regional plan future land use map adopted by the regional planning commission. ~~The regional plan future land use map shall identify downtown centers and village centers as the downtown and village areas eligible for designation as centers.~~ The Department and State Board shall provide comments to the LURB and the regional planning commission on areas eligible for center designation as provided ~~under~~ in section 4348 of this ~~chapter~~ title.

* * *

(c) ~~Exclusions. With the exception for preexisting, nonconforming designations approved prior to the establishment of the program under this chapter or areas included in the municipal plan for the purposes of relocating a~~

~~municipality's center for flood resiliency purposes, the areas eligible for designation benefits upon the LURB's approval of the regional plan future land use map for designation as a Center shall not include development that is disconnected from a Center and that lacks a pedestrian connection to the Center via a complete street.~~ [Repealed.]

* * *

Sec. 19. 32 V.S.A. § 5930bb is amended to read:

§ 5930bb. ELIGIBILITY AND ADMINISTRATION

* * *

(c) Application shall be made in accordance with the guidelines set by the State Board. The guidelines shall clearly indicate that only applications located in Step 2 and Step 3 State-designated centers or Step 1 centers where a portion of the designated center is listed or eligible for listing in the national register of historic places shall be considered.

* * *

Sec. 20. 24 V.S.A. § 5808 is added to read:

§ 5808. ANNUAL REPORT

On or before January 15 of each year, the Vermont Community Investment Board shall submit a written report to the House Committees on Environment and on General and Housing and the Senate Committees on Natural Resources and Energy and on Economic Development, Housing and General Affairs. The report shall include, at a minimum:

(1) a summary of the Community Investment Program's activities during the preceding fiscal year, including designations, Steps, or other actions taken by the Board that confer eligibility for or priority access to State funding, tax credits, and other Program benefits;

(2) an analysis of the types of municipalities benefiting from the Program by:

(A) county;

(B) population size;

(C) future land use category or categories;

(D) State designation status; and

(E) whether the municipality contains areas eligible for Act 250 exemption through 2024 Acts and Resolves No. 181; and

(3) any legislative, regulatory, or programmatic changes recommended by the Board to improve the effectiveness, accessibility, and geographic equity of the Community Investment Program.

Sec. 21. MUNICIPAL APPEALS AND DISCRETIONARY REVIEW OF HOUSING; REPORT

(a) On or before January 15, 2027, the Department of Housing and Community Development, after consultation with the Vermont League of Cities and Towns, Let's Build Homes, the Vermont Natural Resources Council, the Vermont Planners Association, the Land Access and Opportunity Board, the Vermont Association of Planning and Development Agencies, the Vermont Bar Association, the Vermont Realtors Association, Vermonters for a Clean Environment, and the Secretary of Natural Resources or designee shall report on the following:

(1) mechanisms for limiting appeals of municipal permits while allowing municipalities to address legitimate concerns with projects, including:

(A) the most commonly raised issues on appeal; and

(B) an evaluation of statutory or procedural tools to limit duplicative or frivolous appeals and recommend legislative action needed, if any;

(2) impacts of discretionary review on residential development,

(3) the potential value of the federal Right to Build Zone legislation and steps the State can take to maximize that value;

(4) assistance the State can offer municipalities seeking to limit discretionary review, including incentives, planning, and whether the State should develop objective standards, including model codes;

(5) data on housing that has been built in the areas exempt from Act 250 jurisdiction under the 10 V.S.A. § 6081(dd) including how many units, the price, and where; and

(6) a status update on the 802 Homes pilot program.

(b) The report shall be submitted to the House Committees on Environment and on General and Housing and the Senate Committees on Economic Development, Housing and General Affairs and on Natural Resources and Energy.

* * * Environmental Justice * * *

Sec. 22. 3 V.S.A. chapter 72 is amended to read:

CHAPTER 72. ENVIRONMENTAL JUSTICE

* * *

§ 6004. IMPLEMENTATION OF STATE POLICY

* * *

(i)(1) Beginning on January 15, ~~2028~~ 2029, and annually thereafter, the covered agencies shall either integrate the following information into existing annual spending reports or issue annual spending reports that include:

* * *

§ 6005. RULEMAKING

(a) On or before ~~July 1, 2027~~ January 1, 2029, the Agency of Natural Resources, in consultation with the Environmental Justice Advisory Council and the Interagency Environmental Justice Committee, shall adopt rules to:

* * *

(b) On or before July 1, ~~2028~~ 2030, and as appropriate thereafter, the covered agencies, in consultation with the Environmental Justice Advisory Council, shall adopt or amend policies and procedures, plans, guidance, and rules, where applicable, to implement this chapter.

* * *

§ 6007. ENVIRONMENTAL JUSTICE MAPPING TOOL

* * *

(c) On or before January 1, ~~2027~~ 2028, the mapping tool shall be available for use by the public as well as by the State government.

* * * Effective Date * * *

Sec. 23. EFFECTIVE DATE

This act shall take effect on July 1, 2026.

(Committee vote: 11-0-0)

Rep. Canfield of Fair Haven, for the Committee on Ways and Means, recommends that the bill ought to pass in concurrence with proposal of amendment as recommended by the Committee on Environment.

(Committee Vote: 10-0-1)

Rep. Squirrell of Underhill, for the Committee on Appropriations, recommends that the bill ought to pass in concurrence with proposal of amendment as recommended by the Committee on Environment.

(Committee Vote: 10-0-1)

Amendment to be offered by Rep. Burditt of West Rutland to S. 325

That the report of the Committee on Environment be amended by adding a new section to be Sec. 6a to read as follows:

Sec. 6a. 10 V.S.A. § 6034 is amended to read:

§ 6034. TIER 1A AREA STATUS

* * *

(b) Tier 1A area status requirements.

(1) To obtain a Tier 1A area status under this section, a municipality shall demonstrate to the Board that it has each of the following:

* * *

(I) Municipal staff, regional planning commission staff, or other contracted capacity adequate to support coordinated comprehensive and capital planning, development review, and zoning administration in the Tier 1A area.

* * *

Amendment to be offered by Rep. Burtt of Cabot to S. 325

That the report of the Committee on Environment be amended in Sec. 14, 24 V.S.A. § 4303, in subdivision (43), by striking out subdivision (E) in its entirety and inserting in lieu thereof a new subdivision (E) to read as follows:

(E) serves to strengthen agricultural and forest industries, including homesteading, small-scale agriculture and forestry, and supporting housing, while minimizing conflicts of development with these industries;

Favorable

H. 953

An act relating to approval of an amendment to the charter of the Town of Panton

Rep. Birong of Vergennes, for the Committee on Government Operations and Military Affairs, recommends that the bill ought to pass.

(Committee Vote: 10-0-1)

Senate Proposal of Amendment

H. 46

An act relating to the Rare Disease Advisory Council.

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

Sec. 1. FINDINGS

The General Assembly finds that:

(1) lack of awareness contributes to common and harmful obstacles that rare disease patients face, such as delays in diagnosis, misdiagnosis, lack of treatment options, high out-of-pocket costs, and limited access to medical specialists; and

(2) with the support of the National Organization for Rare Disorders, various patient organizations, and stakeholders in the rare disease community, rare disease advisory councils are enabling states to strategically identify and address barriers that prevent individuals living with rare disease from accessing adequate and effective treatment and care for their condition.

Sec. 2. 18 V.S.A. chapter 19 is added to read:

CHAPTER 19. RARE DISEASES

§ 981. RARE DISEASE ADVISORY COUNCIL

(a) Creation. There is created the Rare Disease Advisory Council within the Department of Health to provide guidance and recommendations to the public, General Assembly, and other government agencies and departments, as necessary, regarding the needs of individuals living with rare diseases in Vermont.

(b) Membership.

(1) The Advisory Council shall be composed of the following members:

(A) two individuals living with a rare disease, at least one of whom is an older Vermonter, appointed by the Commissioner of Health;

(B) a parent or guardian of a person living with a rare disease, appointed by the Commissioner of Health;

(C) the Commissioner of Health or designee;

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

(E) a representative of the Health Equity Advisory Commission established pursuant to section 252 of this title;

(F) an academic researcher who conducts rare disease research, appointed by the Commissioner of Health;

(G) a physician practicing in Vermont with experience treating a rare disease, appointed by the Vermont Medical Society;

(H) a nurse practicing in Vermont with experience treating a rare disease, appointed by the Vermont chapter of the American Nurses Association;

(I) a pharmacist practicing in Vermont, appointed by the Vermont Pharmacists Association;

(J) a geneticist or genetic counselor, appointed by the Commissioner of Health; and

(K) any other persons deemed necessary by the Commissioner of Health.

(2) Members of the Advisory Council shall be appointed for staggered five-year terms. Any midterm vacancy shall be filled by the appointing authority for the remainder of the unexpired term. Terms shall begin on January 1 of the year of appointment and conclude on December 31 of the last year of the member's term. Members of the Advisory Council may serve multiple terms, either consecutively or intermittently.

(3) The Advisory Council may collaborate with any other relevant stakeholders it deems appropriate, including the National Organization for Rare Disorders.

(c) Powers and duties. The Advisory Council may conduct the following activities for the benefit of individuals impacted by rare diseases in Vermont:

(1) convene public hearings and solicit comments from individuals impacted by rare diseases to assist the Advisory Council with creating a needs assessment identifying gaps in services for individuals with a rare disease in Vermont and the needs of their caregivers and providers;

(2) provide testimony and comments on pending legislation and rules that impact Vermont's rare disease community before the General Assembly and other State agencies;

(3) in consultation with experts on rare diseases, develop and provide policy recommendations that:

(A) identify conditions for the Department of Health to consider as part of appropriate screening guidance and recommendations; and

(B) support timely patient access to diagnostic services and treatment and enhance quality of services provided by rare disease specialists; and

(4) any other activities identified by a majority of the Advisory Council.

(d) Assistance. The Advisory Council shall have the administrative, technical, and legal assistance of the Department of Health. The Department shall maintain a web page on its website that contains notices of upcoming meetings, meeting minutes, public comments, and reports.

(e) Report. As needed, the Advisory Council may submit any recommendations for legislative action to the House Committees on Health Care and on Human Services and to the Senate Committee on Health and Welfare.

(f) Meetings.

(1) The Commissioner of Health or designee shall call the first meeting of the Advisory Council.

(2) Annually, the Advisory Council shall elect a member to serve as the Chair.

(3) The Advisory Council shall meet quarterly. Meetings may be held in person or remotely on an electronic platform in accordance with the Vermont Open Meeting Law set forth in 1 V.S.A. §§ 310–314.

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

(g) Compensation and reimbursement. The members of the Advisory Council not otherwise compensated for their participation shall be entitled to per diem compensation and reimbursement of expenses as permitted under 32 V.S.A. § 1010 for not more than four meetings annually.

Sec. 3. LONG COVID RESOURCES FOR PRIMARY CARE PROVIDERS AND PATIENTS

(a) On or before January 1, 2027, the Department of Health shall collaborate with the University of Vermont Medical Center, the Vermont Medical Society, and patients with lived experience of long COVID to:

(1) identify existing evidence-informed standards, best practices, and training for primary care providers regarding long COVID and distribute these resources through the Department's website and to primary care providers; and

(2) in collaboration with the Department of Disabilities, Aging, and Independent Living, identify support services or other resources for long COVID that include a range of peer and community-based programs, such as long COVID support groups through the University of Vermont Medical Center, the Vermont Center for Independent Living, or another entity, and strategies to support patients who are homebound or at risk of becoming homebound.

(b) On or before February 1, 2027, the Department of Health, in collaboration with the Department of Disabilities, Aging, and Independent Living, shall present recommendations to the House Committee on Human Services and the Senate Committee on Health and Welfare on providing long-term disability supports to individuals experiencing long COVID.

(c) As used in this section, "long COVID" means postacute sequelae of SARS-CoV-2 infection.

Sec. 4. EFFECTIVE DATE

This act shall take effect on July 1, 2026.

H. 582

An act relating to adult protective services.

The Senate proposes to the House to amend the bill in Sec. 1, 33 V.S.A. § 6902, in subdivision (36)(B), following "power of attorney", by striking out "or an advance directive"

H. 778

An act relating to dam safety.

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

Sec. 1. 20 V.S.A. § 10 is amended to read:

§ 10. REQUEST TO GOVERNOR BY MUNICIPAL AUTHORITIES

The all-hazards event provisions of this chapter shall not be brought into action unless the municipal director of emergency management, a member of the legislative body of the municipality, the city or town manager, or the mayor of a city that is within the area affected by an all-hazards event shall declare an emergency and request the Governor to find that a state of emergency exists and the Governor so finds, or unless the Governor declares a state of emergency under section 9 of this title. This section shall not be construed to prevent the Governor or the Director of Emergency Management without municipal approval from requiring the evacuation of an area subject to inundation from a dam failure when there is a dam failure or an imminent risk of failure.

Sec. 2. STATE OF VERMONT EMERGENCY OPERATIONS PLANNING PILOT PROJECT; REPORT

(a)(1) The Division of Emergency Management, in coordination with the Department of Environmental Conservation, shall conduct a pilot project

under which the Division shall develop a set of emergency operations plans (EOPs) for two State-owned dams that have been classified as high-hazard potential. One of the dams shall have a population at risk of 1,000 or more persons and the other shall have a population at risk of 100 or more but fewer than 1,000 persons.

(2) The set of EOPs for each dam shall include actions for each municipality in the inundation zone of the dam.

(b)(1) In preparing the EOPs required under subsection (a) of this section and in order to ensure the sufficiency of the EOPs to protect public lives and property, the Division shall coordinate with and collect input from the Whole Community that would be inundated if the dam were to fail. The Division also shall coordinate with any owner or operator of a hydroelectric generation facility located at a State-owned dam. As used in this section, "Whole Community" shall have the same meaning as provided in the Federal Emergency Management Administration guidance on A Whole Community Approach to Emergency Management: Principles, Themes, and Pathways for Action FDOC 104-008-1, December 2011.

(2) The Division of Emergency Management may hire a contractor, including a regional planning commission, to complete the requirements of this section, including one or both of the EOPs required under subsection (a) of this section.

(c) Each EOP required to be completed under subsection (a) of this section shall:

(1) be coordinated with each dam's emergency action plan and shall utilize each dam's emergency action plan inundation maps;

(2) identify planned evacuations and evacuation routes based on possible inundation scenarios, including how to evacuate vulnerable populations such as medically vulnerable individuals who need access to electricity or specialized medical equipment;

(3) identify where individuals shall evacuate to, such as a shelter, higher ground, or reunification location;

(4) engage managers and administrators of facilities that house vulnerable populations within the Whole Community in the plan development;

(5) plan for the use of mutual aid and State resources, and coordinate such use between municipalities downstream of the dam;

(6) address how to implement the use of pre-event communication and early warning systems to alert persons in the inundation areas, including the use of the VT-Alert system; and

(7) include any additional provisions deemed useful by the Division in developing the EOP or for inclusion in the EOP.

(d) On or before July 1, 2028, the Division of Emergency Management shall submit to the House Committee on Environment and the Senate Committee on Natural Resources and Energy the results of the pilot project required under subsection (a) of this section, including:

(1) copies of the EOPs for the two dams;

(2) a summary of the process of developing the EOPs, including whether the Division completed the EOPs with Division staff, contracted with regional planning commissions, or hired other contractors to complete the EOPs;

(3) a summary of who in the area of potential inundation for each dam that the Division or the Division contractor coordinated with in the development of the EOP;

(4) the cost of the EOPs completed under the pilot project;

(5) a summary of early warning and communications systems municipalities may use to communicate recommendations or requests for evacuation, including the best use of the State's VT-Alert system; and

(6) a scope, timeline, and budget for the Division to develop an EOP template or templates and a training on EOP development for municipalities.

(e) As part of the report required under subsection (d) of this section, the Division of Emergency Management shall, based on the results of the pilot project EOPs:

(1) recommend how EOPs should be completed for municipalities downstream of all State or federal dams in Vermont that are high-hazard potential dams and that have a population at risk of 100 or more persons, including:

(A) whether and how to prioritize completion of the EOPs for municipalities downstream of all high-hazard dams with a population at risk of 100 or more persons;

(B) whether the Division of Emergency Management can complete or contract for completion of the EOPs for municipalities downstream of all

State or federal dams with a population at risk of 100 or more persons by 2035;

(C) whether the Division of Emergency Management can complete an EOP for municipalities downstream of federal dam or whether the Division may only assist those local entities authorized to complete an EOP under federal law; and

(D) what it would cost for the Division of Emergency Management to complete the EOPs for municipalities downstream of dams with a population at risk of 100 or more persons or what it would cost for the Division to contract with a qualified consultant to complete the EOPs;

(2) recommend how EOPs should be completed for municipalities downstream of high-hazard dams with a population at risk of fewer than 100 persons;

(3) recommend organizations that may assist municipalities in accessing potential funding sources assist in the completion or compliance with an EOP;

(4) recommend how to best educate municipalities and emergency service providers about the need for and importance of EOPs for dams;

(5) recommend whether and how an EOP should identify structures that persons would reasonably be expected to occupy and how to geotag these structures for purposes of inclusion in the VT-Alert system; and

(6) recommend how often exercises should be conducted to validate the EOPs required under subsection (a) of this section and ultimately for all EOPs prepared for dams in the State.

Sec. 3. APPROPRIATIONS

(a) In addition to other funds appropriated to the Department of Public Safety for the Division of Emergency Management in fiscal year 2027, $250,000.00 is appropriated from the General Fund to the Department for completion by the Division of Emergency Management of the emergency operations plan pilot project required under Sec. 2 of this act.

(b) In addition to other funds appropriated to the Department of Environmental Conservation in fiscal year 2027, $125,000.00 is appropriated from the General Fund to the Department of Environmental Conservation for the Department's assistance in completing the emergency operations plan pilot project required under Sec. 2 of this act.

Sec. 4. EFFECTIVE DATE

This act shall take effect on passage.

Amendment to be offered by Rep. Chapin of East Montpelier to H. 778

That the House concur in the Senate proposal of amendment with further proposal of amendment in Sec. 2, State of Vermont Emergency Operations Planning Pilot Project; report, in subdivision (b)(1), in the first sentence, after "the Whole Community that would be" and before "if the dam were to fail" by striking out "inundated" and inserting in lieu thereof "affected"

H. 949

An act relating to homestead property tax yields, the nonhomestead property tax rate, and technical changes to education finance.

The Senate proposes to the House to amend the bill as follows:

First: By striking out Sec. 1, property dollar equivalent yield, income dollar equivalent yield, and nonhomestead property tax rate for fiscal year 2027, in its entirety and inserting in lieu thereof a new Sec. 1 to read as follows:

Sec. 1. PROPERTY DOLLAR EQUIVALENT YIELD, INCOME DOLLAR EQUIVALENT YIELD, AND NONHOMESTEAD PROPERTY TAX RATE FOR FISCAL YEAR 2027

For fiscal year 2027 only:

(1) Pursuant to 32 V.S.A. § 5402b(b), the property dollar equivalent yield shall be $9,395.00.

(2) Pursuant to 32 V.S.A. § 5402b(b), the income dollar equivalent yield shall be $12,942.00.

(3) Notwithstanding 32 V.S.A. § 5402(a)(1) and any other provision of law to the contrary, the nonhomestead property tax rate shall be $1.648 per $100.00 of equalized education property value.

Second: By striking out Sec. 2, Education Fund reserve; property tax rate offset, in its entirety and inserting in lieu thereof two new sections to be Secs. 2 and 2a to read as follows:

Sec. 2. 16 V.S.A. § 4001 is amended to read:

§ 4001. DEFINITIONS

As used in this chapter:

* * *

(6) "Education spending" means the amount of the school district budget, any assessment for a joint contract school, career technical center payments made on behalf of the district under subsection 1561(b) of this title,

and any amount added to pay a deficit pursuant to 24 V.S.A. § 1523(b) that is paid for by the school district, but excluding any portion of the school budget paid for from any other sources such as endowments, parental fundraising, federal funds, nongovernmental grants, or other State funds such as special education funds paid under chapter 101 of this title.

(A) [Repealed.]

(B) ~~For all bonds approved by voters prior to July 1, 2024, voter-approved~~ Voter-approved bond payments toward principal and interest shall not be included in "education spending" for purposes of calculating excess spending pursuant to 32 V.S.A. § 5401(12).

* * *

Sec. 2a. 32 V.S.A. § 5401 is amended to read:

§ 5401. DEFINITIONS

As used in this chapter:

* * *

(12) "Excess spending" means:

(A) The per pupil spending amount of the district's education spending, as defined in 16 V.S.A. § 4001(6), plus any amount required to be added from a capital construction reserve fund under 24 V.S.A. § 2804(b).

(B) In excess of ~~118~~ 112 percent of the statewide average district per pupil education spending increased by inflation, as determined by the Secretary of Education on or before November 15 of each year based on the passed budgets to date. As used in this subdivision (B), "increased by inflation" means increasing the statewide average district per pupil education spending for fiscal year 2025 by the most recent New England Economic Project cumulative price index, as of November 15, for state and local government purchases of goods and services, from fiscal year 2025 through the fiscal year for which the amount is being determined.

(C) A school district's excess spending shall be zero if any of the following conditions are met:

(i) the district's education spending is not greater than the district's educating spending for the preceding school year;

(ii) the district's per pupil education spending is not greater than the district's per pupil education spending for the preceding school year; or

(iii) the Secretary of Education, with the advice of three business managers and three superintendents selected by the Secretary, determines that the increase in the district's per pupil education spending above the excess spending threshold was for good cause or beyond the district's control, such as due to emergency capital expenditures or substantial loss of pupils or offsetting revenues.

* * *

Third: By striking out Sec. 6, effective date, in its entirety and inserting in lieu thereof five new sections to be Secs. 6–10 to read as follows:

Sec. 6. 32 V.S.A. § 6066(b) is amended to read:

(b)(1) An eligible claimant who rented the homestead shall be entitled to a credit for the taxable year in an amount not to exceed ~~$2,500.00~~ $3,250.00, to be calculated as follows:

(A) If the claimant's income is less than or equal to the extremely low-income limit, the claimant shall be entitled to a credit in the amount of ~~10~~ 12.5 percent of fair market rent.

(B) If the claimant's income is greater than the extremely low-income limit but less than or equal to the very low-income limit, the claimant shall be entitled to a percentage of the credit that is proportional to the claimant's income that is less than the very low-income limit, determined by:

(i) subtracting the claimant's income from the very low-income limit;

(ii) dividing the value under subdivision (i) of this subdivision (1)(B) by the difference between the extremely low-income limit and the very low-income limit; and

(iii) multiplying the value under subdivision (ii) of this subdivision (1)(B) by ~~10~~ 12.5 percent of fair market rent.

(C) If the claimant's income is greater than the very low-income limit, the claimant shall not be entitled to a renter credit.

(D) A claimant who is eligible for a renter credit, including pursuant to this subsection (b), and who receives a rental subsidy shall be entitled to a credit in the amount of ~~10~~ 12.5 percent of gross rent paid.

(E) A renter credit shall be prorated by the number of calendar months in the taxable year during which the claimant rented the homestead, except for a credit based on gross rent paid under subdivision (D) of this subdivision (b)(1), and by the portion of the principal dwelling used for

business purposes, if the portion used for business purposes includes more than 25 percent of the floor space of the dwelling.

(2) The Commissioner shall calculate the credit under subdivision (1) of this subsection (b) using the fair market rent corresponding to a number of bedrooms equal to the number of personal exemptions allowed under subdivision 5811(21)(C) of this title for the taxable year, provided that for claimants who resided with any person who was neither the claimant's dependent nor jointly filing spouse at any time during the taxable year, the Commissioner shall reduce the credit by 50 percent.

Sec. 7. 32 V.S.A. § 6067 is amended to read:

§ 6067. CREDIT LIMITATIONS

Only one individual per household per taxable year shall be entitled to a property tax credit under this chapter. An individual who received a homestead exemption or credit with respect to property taxes assessed by another state for the taxable year shall not be entitled to receive a credit under this chapter. No taxpayer shall receive a renter credit under subsection 6066(b) of this title in excess of ~~$2,500.00~~ $3,250.00. No taxpayer shall receive a property tax credit under subdivision 6066(a)(3) of this title greater than $2,400.00 or cumulative credit under subdivisions ~~6066(a)(1)-(2)~~ 6066(a)(1), (2), and (4) of this title greater than $5,600.00.

Sec. 8. 32 V.S.A. § 6066(b) is amended to read:

(b)(1) An eligible claimant who rented the homestead shall be entitled to a credit for the taxable year in an amount not to exceed ~~$3,250.00~~ $2,500.00, to be calculated as follows:

(A) If the claimant's income is less than or equal to the extremely low-income limit, the claimant shall be entitled to a credit in the amount of ~~12.5~~ 10 percent of fair market rent.

(B) If the claimant's income is greater than the extremely low-income limit but less than or equal to the very low-income limit, the claimant shall be entitled to a percentage of the credit that is proportional to the claimant's income that is less than the very low-income limit, determined by:

(i) subtracting the claimant's income from the very low-income limit;

(ii) dividing the value under subdivision (i) of this subdivision (1)(B) by the difference between the extremely low-income limit and the very low-income limit; and

(iii) multiplying the value under subdivision (ii) of this subdivision (1)(B) by ~~12.5~~ 10 percent of fair market rent.

(C) If the claimant's income is greater than the very low-income limit, the claimant shall not be entitled to a renter credit.

(D) A claimant who is eligible for a renter credit, including pursuant to this subsection (b), and who receives a rental subsidy shall be entitled to a credit in the amount of ~~12.5~~ 10 percent of gross rent paid.

(E) A renter credit shall be prorated by the number of calendar months in the taxable year during which the claimant rented the homestead, except for a credit based on gross rent paid under subdivision (D) of this subdivision (b)(1), and by the portion of the principal dwelling used for business purposes, if the portion used for business purposes includes more than 25 percent of the floor space of the dwelling.

(2) The Commissioner shall calculate the credit under subdivision (1) of this subsection (b) using the fair market rent corresponding to a number of bedrooms equal to the number of personal exemptions allowed under subdivision 5811(21)(C) of this title for the taxable year, provided that for claimants who resided with any person who was neither the claimant's dependent nor jointly filing spouse at any time during the taxable year, the Commissioner shall reduce the credit by 50 percent.

Sec. 9. 32 V.S.A. § 6067 is amended to read:

§ 6067. CREDIT LIMITATIONS

Only one individual per household per taxable year shall be entitled to a property tax credit under this chapter. An individual who received a homestead exemption or credit with respect to property taxes assessed by another state for the taxable year shall not be entitled to receive a credit under this chapter. No taxpayer shall receive a renter credit under subsection 6066(b) of this title in excess of ~~$3,250.00~~ $2,500.00. No taxpayer shall receive a property tax credit under subdivision 6066(a)(3) of this title greater than $2,400.00 or cumulative credit under subdivisions 6066(a)(1), (2), and (4) of this title greater than $5,600.00.

Sec. 10. EFFECTIVE DATES

(a) This section and Secs. 1 (yields), 3 (statewide adjustment correction), 4 (Barre TIF overpayment refund), and 5 (census grant inflator) shall take effect on July 1, 2026.

(b) Secs. 6 (renter credit expansion) and 7 (renter credit cap increase) shall take effect on July 1, 2026, and apply to claim year 2027.

(c) Secs. 2 (exclusion of capital indebtedness from excess spending) and 2a (excess spending threshold) shall take effect on July 1, 2027.

(d) Secs. 8 (renter credit narrowing) and 9 (renter credit cap reduction) shall take effect on July 1, 2027, and apply to claim years 2028 and after.

NOTICE CALENDAR

Favorable with Amendment

S. 208

An act relating to standards for law enforcement identification

Rep. Dolan of Essex Junction, for the Committee on Judiciary, recommends that the House propose to the Senate that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 20 V.S.A. § 2373 is added to read:

§ 2373. STATEWIDE MODEL POLICY; LAW ENFORCEMENT IDENTIFICATION STANDARDS

(a) As used in this section:

(1) "Facial covering" means any opaque mask, garment, disguise, or other item that conceals or obscures the facial identity of an individual, including a balaclava, gaiter mask, ski mask, and other similar types of facial coverings.

(2) "Law enforcement agency" has the same meaning as in section 2351a of this title.

(3) "Law enforcement officer" has the same meaning as in section 2351a of this title.

(b) On or before July 1, 2027, the Law Enforcement Advisory Board shall establish a model statewide policy governing the standards for law enforcement identification and the wearing of facial coverings applicable to law enforcement officers to ensure consistent statewide application of the standards.

(c) On or before October 1, 2027, every law enforcement agency shall adopt a policy consistent with the model statewide policy developed by the Law Enforcement Advisory Board pursuant to subsection (b) of this section. If a law enforcement agency or law enforcement officer who is not employed by a law enforcement agency fails to adopt a policy pursuant to this section,

the agency or officer shall be deemed to have adopted the model statewide policy developed by the Law Enforcement Advisory Board.

Sec. 2. EFFECTIVE DATE

This act shall take effect on passage.

(Committee vote: 6-5-0)

S. 209

An act relating to prohibiting civil arrest in sensitive locations

Rep. Goodnow of Brattleboro, for the Committee on Judiciary, recommends that the House propose to the Senate that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 12 V.S.A. § 3577 is amended to read:

§ 3577. PRIVILEGE FROM ARREST

(a) The Governor, Lieutenant Governor, State Treasurer, Secretary of State, Auditor of Accounts, Attorney General, and members of the General Assembly and officers and witnesses whose duty it is to attend thereon, in all cases except treason, felony, and breach of the peace, shall be privileged from arrest and imprisonment during their necessary attendance on and in going to and returning from the General Assembly.

(b) A party or witness in a cause pending in any court in the State or before special masters, auditors, referees, or commissioners, and a witness in a criminal cause pending in any such court, shall not be arrested, imprisoned, or detained by virtue of civil process. Any witness summoned from outside the State in a criminal cause, pending in any court within the State, shall be privileged from the service of papers of any kind whatsoever, and from arrest for any cause while going to, attending at, or returning from such court or trial of such cause.

(c)(1) Prohibition. A person shall not be subject to civil arrest while:

(A) traveling to, entering, remaining at, or returning from a:

(i) court proceeding; or

(ii) educational institution; or

(B) on the premises of a:

(i) building owned and wholly controlled by the State or a political subdivision of the State where members of the public may enter in order to conduct governmental business;

(ii) office operated by the Department of Motor Vehicles that is open to the public;

(iii) public library;

(iv) polling place;

(v) social services establishment, which includes a crisis center, domestic violence shelter, victim services center, child advocacy center, supervised visitation center, family justice center, facility that serves disabled persons, homeless shelter, substance use disorder counseling and treatment facility, and food pantry or similar establishment that distributes food or other essentials of life to persons in need;

(vi) place of worship;

(vii) facility licensed as a children's camp or that serves as a day camp; or

(viii) health care facility.

(2) Exceptions. Subdivision (1) of this subsection shall not apply to:

(A) an arrest pursuant to a judicially issued warrant or a court order;

(B) an arrest for contempt of the court where the proceeding is occurring; or

(C) an arrest to maintain order or safety in the court where the proceeding is occurring.

(3) Remedies.

(A) A person who violates this subsection (c) by knowingly and willfully executing ~~or assisting with~~ an arrest prohibited by subdivision (1) of this subsection (c) ~~shall be subject to contempt proceedings and~~:

(i) may be liable in a civil action for false imprisonment; and

(ii) shall be subject to contempt proceedings, if the arrest is pursuant to subdivision (1)(A)(i) of this subsection (c).

(B) A person who is arrested in violation of subdivision (1) of this subsection (c) may bring a civil action against the violator for damages; injunctive, equitable, or declaratory relief; punitive damages; and reasonable costs and attorney's fees.

(C) The Office of the Attorney General may bring a civil action on behalf of the State of Vermont for appropriate injunctive, equitable, or declaratory relief if there is reasonable cause to believe that a violation of subdivision (1) of this subsection (c) has occurred or will occur.

(D) No action under this subsection (c) shall be brought against the Judiciary or any of its members or employees for actions taken to maintain order or safety in the courts.

(E) This section shall not be construed to limit or infringe upon any right, privilege, or remedy available under common law or any other provision of law or rule.

(F) Notwithstanding section 3578 of this title, the protections and remedies afforded by this subsection (c) apply irrespective of when the privilege against civil arrest is invoked.

(4) ~~Definition~~ Definitions. As used in this subsection~~,~~:

(A)(i) "~~civil~~ Civil arrest" means an arrest for purposes of obtaining a person's presence or attendance at a civil proceeding, including an immigration proceeding.

(ii) "Civil arrest" does not include:

(I) temporary custody of a person pending a warrant pursuant to 18 V.S.A. § 7505(b); or

(II) holding a person for admission to a hospital for an emergency examination pursuant to 18 V.S.A. § 7504.

(B) "Children's camp" has the same meaning as in 18 V.S.A. § 4301.

(C)(i) "Educational institution" means:

(I) a public school, as that term is defined in 16 V.S.A. § 11(7);

(II) an independent school, as that term is defined in 16 V.S.A. § 11(8);

(III) a regional CTE center, as that term is defined in 16 V.S.A. § 1522(4);

(IV) an approved education program, as that term is defined in 16 V.S.A. § 11(34);

(V) a prequalified private provider, as that term is defined in 16 V.S.A. § 829(a)(3);

(VI) a postsecondary school, as that term is defined in 16 V.S.A. § 176(b)(1);

(VII) an educational program operated by a board of cooperative education services pursuant to 16 V.S.A. chapter 10;

(VIII) a tutorial program, as that term is defined in 16 V.S.A. § 11(27); and

(IX) an adult education and secondary credential program operated pursuant to 16 V.S.A. § 945.

(ii) "Educational institution" also extends to grounds operated by, activities sponsored by, transportation provided by, and programs related to educational institutions.

(D) "Health care facility" has the same meaning as in 18 V.S.A. § 9402(6).

(E) "Polling place" means a place that a municipality has designated to the Secretary of State as a polling place pursuant to 17 V.S.A. § 2502(f).

(F) "Public library" has the same meaning as in 22 V.S.A. § 101.

Sec. 2. EFFECTIVE DATE

This act shall take effect on passage.

(Committee vote: 6-5-0)

Favorable

S. 214

An act relating to the provision of prekindergarten education in geographically isolated school districts

Rep. Quimby of Lyndon, for the Committee on Education, recommends that the bill ought to pass in concurrence.

(Committee Vote: 10-0-1)

Senate Proposal of Amendment

H. 933

An act relating to miscellaneous administrative and policy changes to the tax laws

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

* * * Credit for Taxes Paid in Another State by an S Corporation * * *

Sec. 1. REPEAL

32 V.S.A. § 5916 (denial of tax credits for S corporations) is repealed.

* * * Property Transfer Tax * * *

Sec. 2. 32 V.S.A. § 9602 is amended to read:

§ 9602. TAX ON TRANSFER OF TITLE TO PROPERTY

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 1.25 percent of the value of the property transferred, or $1.00, whichever is greater, except as follows:

* * *

(4) Tax shall be imposed at the rate of 3.4 percent of the value of the property transferred with respect to transfers of residential property:

(A) ~~residential property~~ that is fit for habitation on a year-round basis;

(B) that will not be used as the principal residence of the transferee; and

(C) for which the transferee will not be required to provide a landlord certificate pursuant to section 6069 of this title.

(5) If a transfer would have been subject to the tax rate under subdivision (4) of this section but for the transferee's filing of a landlord certificate of rent for which there is no bona fide landlord-tenant relationship between the parties, the Commissioner shall assess tax at the rate under subdivision (4) of this section on the transfer. To make this determination, the Commissioner may consider whether the transferee and tenant are related parties, whether the transferee charges the tenant fair market rent, whether the transferee is an entity with a business purpose other than the avoidance of property transfer tax, and any other factor the Commissioner deems relevant.

* * * Current Use; Land Use Change Tax * * *

Sec. 3. 32 V.S.A. § 3757 is amended to read:

§ 3757. LAND USE CHANGE TAX

(a) Land that has been classified as agricultural land or managed forestland pursuant to this chapter shall be subject to a land use change tax upon the development of that land, as defined in section 3752 of this chapter. The tax shall be at the rate of 10 percent of the full fair market value of the changed land determined without regard to the use value appraisal. If changed land is a portion of a parcel, the fair market value of the changed land shall be the fair market value of the changed land as a separate parcel, divided by the common

level of appraisal. Such fair market value shall be determined as of the date the land is no longer eligible for use value appraisal. This tax shall be in addition to the annual property tax imposed upon such property. Nothing in this section shall be construed to require payment of an additional land use change tax upon the subsequent development of the same land, nor shall it be construed to require payment of a land use change tax merely because previously eligible land becomes ineligible, provided no development of the land has occurred.

(b) Any owner of eligible land who wishes to withdraw land from use value appraisal shall notify the Director, who shall in turn notify the local assessing official. In the alternative, if the Director determines that development has occurred, the Director shall notify the local assessing official of ~~his or her~~ the Director's determination. Thereafter, land that has been withdrawn or developed shall be appraised and listed at its full fair market value in accordance with the provisions of chapter 121 of this title and subsection 3756(d) of this title, according to the appraisal model and land schedule of the municipality.

(c) For the purposes of the land use change tax, the determination of the fair market value of the land shall be made by the local assessing officials in accordance with ~~the provisions of~~ subsection (b) of this section and divided by the municipality's most recent common level of appraisal as determined by the Director. The determination shall be made within 30 days after the Director notifies the local assessing officials of the date that the owner has petitioned for withdrawal from use value appraisal or that the Director or local assessing official has determined that development has occurred. The local assessing officials shall notify the Director and the owner of their determination~~, and the~~. Failing a determination of the fair market value of the withdrawn portion of the parcel by the local assessing officials within 30 days as required under this subsection, the Director shall establish the fair market value of the changed land and notify the local assessing officials and the owner of the Director's determination within 30 days. The provisions for appeal relating to property tax assessments in chapter 131 of this title shall apply, except that the owner shall have 30 days to appeal the determination to the municipality or to the Director as applicable under this subsection. If an owner erroneously appeals a municipality's determination to the Director, the Director may forward the appeal to the municipality and, provided the appeal to the Director is made within 30 days as permitted under this subsection, the appeal shall be considered timely filed to the municipality.

(d) The land use change tax shall be due and payable by the owner 30 days after the tax notice is mailed to the ~~taxpayer~~ owner. The tax shall be paid to

the Commissioner, who, if the municipality's local assessing officials timely determine fair market value of the withdrawn portion of the parcel pursuant to subsection (c) of this section, shall remit to the municipality the lesser of one-half the tax paid or $2,000.00. ~~The Director~~ and shall deposit three-quarters of the remainder of the tax paid in the Education Fund, and one-quarter of the remainder of the tax paid in the General Fund. If the municipality's local assessing officials fail to timely determine fair market value of the withdrawn portion of the parcel pursuant to subsection (c) of this section, the municipality shall forfeit any tax paid and the Commissioner shall deposit three-quarters of the tax paid in the Education Fund, and one-quarter of the tax paid in the General Fund. The Commissioner shall issue a form to the assessing officials that shall provide for a description of the land developed, the amount of tax payable, and the fair market value of the land at the time of development or withdrawal from use value appraisal. The owner shall fill out the form and shall sign it under the penalty of perjury. After receipt of the completed and signed form, the Commissioner shall furnish the owner with one copy, shall retain one copy, and shall forward one copy to the local assessing officials, one copy to the register of deeds of the municipality in which the land is located, and one copy to the Secretary of Agriculture, Food and Markets if the land is agricultural land and in all other cases to the Commissioner of Forests, Parks and Recreation.

* * *

Sec. 4. 32 V.S.A. § 3758(b) is amended to read:

(b) Any owner who is aggrieved by the determination of the fair market value of classified land for the purpose of computing the land use change tax may appeal in the same manner as an appeal of a grand list valuation under this title, except that the owner shall have 30 days to appeal the determination to the municipality or to the Director as applicable under subsection 3757(c) of this chapter.

Sec. 4a. 32 V.S.A. § 3755(b)(2) is amended to read:

(2) A management report of whatever activity has occurred, signed by ~~the~~ an owner or forester working on behalf of an owner, has been filed with the Department of Taxes' Director of Property Valuation and Review on or before February 1 of the year following the year when the management activity occurred.

Sec. 4b. 32 V.S.A. § 4463 is amended to read:

§ 4463. OBJECTIONS TO APPEAL

When a taxpayer, an agent designated by the legislative body of the town, or selectboard claims that an appeal to the Director is in any manner defective or was not lawfully taken, on or before ~~14~~ 30 days after mailing of the notice of ~~appeal by the clerk under Rule 74(b) of the Vermont Rules of Civil Procedure~~ receipt of the appeal by the Director**,** the taxpayer, town agent, or selectboard shall file objections in writing with the Director, and furnish the appellant or appellant's attorney with a copy of the objections. When the taxpayer, agent, or selectboard so requests, the Director shall thereupon fix a time and place for hearing the objections, and shall notify all parties thereof, by mail or otherwise. Upon hearing or otherwise, the Director shall pass upon the objections and make such order in relation thereto as is required by law. The order shall be recorded or attached in the town clerk's office in the book wherein the appeal is recorded.

Sec. 4c. REPEAL; GRAND LIST CONTENTS

2025 Acts and Resolves No. 73, Sec. 60 (grand list contents) is repealed.

* * * Municipal Grand List Stabilization Program * * *

Sec. 5. 32 V.S.A. § 3710(c) is amended to read:

(c) Upon notification by the Commissioner of Public Safety, the Commissioner of Taxes shall certify the payment amounts and make an annual payment to each municipality for each eligible property to compensate for the loss of municipal property tax. The payment shall be calculated using the grand list value of the acquired property for the year during which the property was either damaged by flooding or identified as flood-prone by the Commissioner of Public Safety, multiplied by the municipal tax rate, including any submunicipal tax rates, in effect ~~each~~ in the immediately preceding year. This payment shall be made on or before January 1 of each year for five years.

* * * Communications Property; Inventories * * *

Sec. 6. 32 V.S.A. § 3602b is amended 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, and wireless towers. The term does not include property used solely for one-way, broadcast radio or television transmission serving the general public and owned and operated by a licensed broadcaster.

(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. If the communications service provider fails to submit the inventory on or before April 15 and in the form prescribed, the Commissioner may fine the provider not more than $100.00 for each violation, unless the provider's failure is due to factors beyond the provider's control.

(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. If a communications service provider willfully omits to make, swear to, and submit an inventory, or to answer any interrogatory therein, or makes a false answer or statement therein, then the Division shall ascertain the amount and fair market value of the provider's communications property using the best information available to the Division. In addition to the fine under subdivision (2) of this subsection, the provider shall be barred from any statutory appeal under this chapter or chapter 129 or 131 of this title of the value set by the Division under this subdivision.

(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.

* * * Equalization Study * * *

Sec. 7. 32 V.S.A. § 5405(a) is amended to read:

(a) Annually, on or before April 1, the Commissioner shall determine the equalized education property tax grand list and coefficient of dispersion for each municipality in the State; provided, however, that for purposes of equalizing grand lists pursuant to this section, the equalized education property tax grand list of a municipality that establishes a tax increment financing

district or a housing development site under 24 V.S.A. chapter 53, subchapter 7 shall include the fair market value of the property in the district or site and not the original taxable value of the property, and further provided that the unified towns and gores of Essex County may be treated as one municipality for the purpose of determining an equalized education property grand list and a coefficient of dispersion, if the Director determines that all such entities have a uniform appraisal schedule and uniform appraisal practices.

Sec. 8. 32 V.S.A. § 5406 is amended to read:

§ 5406. NOTICE OF FAIR MARKET VALUE AND COEFFICIENT OF DISPERSION

* * *

(c) If the Director of Property Valuation and Review certifies that a municipality has completed a townwide reappraisal, the common level of appraisal for that municipality shall be ~~equal to its new grand list value divided by its most recent equalized grand list value~~ 100 percent, for purposes of determining education property tax rates.

* * * Health IT Fund Sunset Extension * * *

Sec. 9. 2013 Acts and Resolves No. 73, Sec. 60(10), as amended by 2017 Acts and Resolves No. 73, Sec. 14, 2018 Acts and Resolves No. 187, Sec. 5, 2019 Acts and Resolves No. 71, Sec. 21, 2021 Acts and Resolves No. 73, Sec. 14, 2023 Acts and Resolves No. 78, Sec. E.306.1, and 2024 Acts and Resolves No. 144, Sec. 11, is further amended to read:

(10) Secs. 48–51 (health care claims tax) shall take effect on July 1, 2013, and Sec. 52 (Health IT-Fund; sunset) shall take effect on July 1, ~~2026~~ 2031.

Sec. 10. 2019 Acts and Resolves No. 6, Sec. 105, as amended by 2019 Acts and Resolves No. 71, Sec. 19, 2022 Acts and Resolves No. 83, Sec. 75, 2023 Acts and Resolves No. 78, Sec. E.306.2, and 2024 Acts and Resolves No. 144, Sec. 12, is further amended to read:

Sec. 105. EFFECTIVE DATES

* * *

(b) Sec. 73 (further amending 32 V.S.A. § 10402) shall take effect on July 1, ~~2026~~ 2031.

* * * Inflation Index Updates * * *

Sec. 11. 16 V.S.A. § 559(e)(7) is amended to read:

(7) Nothing in this section shall require a school board or supervisory union board to invite or advertise for bids if it is renewing a contract entered into pursuant to subsection (a) of this section, provided that:

(A) annual costs will not increase more than the most recent ~~New England Economic Project Cumulative Price Index~~ National Income and Product Accounts (NIPA) implicit price deflator, as of November 15, for ~~State~~ state and local government ~~purchases of goods and services,~~ consumption expenditures and gross investment published by the U.S. Department of Commerce, Bureau of Economic Analysis;

(B) the total amount of the contract does not exceed an increase of 30 percent more than the total amount of the original contract~~,~~; and

(C) the contract for the renewal period allows termination by the board following an annual review of performance.

Sec. 12. 16 V.S.A. § 2959a(d) is amended to read:

(d) If the amount of Medicaid reimbursement funds received for services provided in the prior State fiscal year exceeds $25,000,000.00, in addition to the 50 percent of the funds paid to supervisory unions submitting Medicaid bills, 25 percent of the amounts in excess of the $25,000,000.00 shall be paid into an incentive fund created in the Agency of Education. These funds shall be used for an incentive payment to supervisory unions with student participation rates of over 80 percent in accordance with a formula to be developed by the Agency, in consultation with the Vermont Superintendents Association. For any incentive payments made subsequent to fiscal year 2007, the $25,000,000.00 threshold of this subsection shall be increased by the percentage increase of the most recent ~~New England Economic Project Cumulative Price Index~~ National Income and Product Accounts (NIPA) implicit price deflator, as of November 15, for state and local government ~~purchases of goods and services~~ consumption expenditures and gross investment published by the U.S. Department of Commerce, Bureau of Economic Analysis, from fiscal year 2005 through the fiscal year for which the payment is being determined, plus an additional one-tenth of one percent.

Sec. 13. 16 V.S.A. § 4011(b) is amended to read:

(b) For each fiscal year, the base education amount shall be $6,800.00, increased by the most recent ~~New England Economic Project Cumulative Price Index~~ National Income and Product Accounts (NIPA) implicit price deflator, as of November 15, for state and local government ~~purchases of goods and~~

~~services~~ consumption expenditures and gross investment published by the U.S. Department of Commerce, Bureau of Economic Analysis, from fiscal year 2005 through the fiscal year for which the amount is being determined, plus an additional one-tenth of one percent.

Sec. 14. 32 V.S.A. § 5401(12)(B) is amended to read:

(B) In excess of 118 percent of the statewide average district per pupil education spending increased by inflation, as determined by the Secretary of Education on or before November 15 of each year based on the passed budgets to date. As used in this subdivision, "increased by inflation" means increasing the statewide average district per pupil education spending for fiscal year 2025 by the most recent ~~New England Economic Project cumulative price index~~ National Income and Product Accounts (NIPA) implicit price deflator, as of November 15, for state and local government ~~purchases of goods and services~~ consumption expenditures and gross investment published by the U.S. Department of Commerce, Bureau of Economic Analysis, from fiscal year 2025 through the fiscal year for which the amount is being determined.

* * * Homestead Declaration and Property Tax Credit * * *

Sec. 15. 32 V.S.A. § 6062(c) is amended to read:

(c) When a homestead is owned by two or more persons as joint tenants, tenants by the entirety, or tenants in common and one or more of these persons are not members of the claimant's household, the property tax is the same proportion of the property tax levied on that homestead as the proportion of ownership of the homestead by the claimant and members of the claimant's household; provided, however, that:

* * *

(3) the property tax of a claimant who is a joint tenant with a former spouse and who has possession of the homestead pursuant to the joint owners' final divorce decree is the property tax for which the claimant is responsible under the joint owners' final divorce decree or any modifying orders; ~~and~~

(4) if the homestead is a portion of a duplex and all owners of the duplex occupy some portion of the building as their principal residence, the property tax of the claimant shall be that percentage of the total property tax equal to the ratio of the claimant's principal residence value to the total duplex building value; and

(5) the property tax of a claimant who is a joint tenant or tenant by the entirety with a spouse who is not a member of the household, and who is party

to a divorce or separation proceeding in a court of law, shall be 100 percent of the property tax.

* * * Estate Tax * * *

Sec. 16. 32 V.S.A. § 7444(a) is amended to read:

(a) An executor shall submit a Vermont estate tax return to the Commissioner, on a form prescribed by the Commissioner, when a decedent has an interest in property with a situs in Vermont and one or both of the following apply:

(1) a federal estate tax return is required to be filed under 26 U.S.C. § 6018; or

(2) the sum of the federal gross estate and federal adjusted taxable gifts, as defined in 26 U.S.C. § 2001(b), made within two years of the date of the decedent's death exceeds ~~$2,750,000.00~~ $5,000,000.00.

Sec. 17. 32 V.S.A. § 5930u(h) is amended to read:

(h) Credit allocation; Down Payment Assistance Program.

(1) In fiscal year 2016 through fiscal year 2019, the allocating agency may award up to $125,000.00 in total first-year credit allocations for loans through the Down Payment Assistance Program created in subdivision (b)(2) of this section.

(2) In fiscal year 2020 through fiscal year 2026, the allocating agency may award up to $250,000.00 in total first-year credit allocations for loans through the Down Payment Assistance Program created in subdivision (b)(3) of this section.

(3) In fiscal year 2027 through fiscal year 2031, the allocating agency may award up to $350,000.00 in total first-year credit allocations for loans through the Down Payment Assistance Program created in subdivision (b)(3) of this section.

* * * Federal Tax Credit for SGO Contributions * * *

Sec. 18. FINDINGS

The General Assembly finds:

(1) Section 25F of the Internal Revenue Code creates a new federal program to subsidize scholarships for expenses at public and private schools.

(2) Under the terms of the statute, states may voluntarily elect to participate in the program, or they may decline to participate.

(3) The decision concerning whether or not to participate in the program is to be made by "the Governor of the State or by such other individual, agency, or entity as is designated under State law to make such elections on behalf of the State with respect to Federal tax benefits."

Sec. 19. 3 V.S.A. § 24 is added to read:

§ 24. GOVERNOR'S LIST OF SCHOLARSHIP GRANTING ORGANIZATIONS

(a) Annually on December 1, the Governor, or designee, may elect to provide a list of organizations that satisfy the conditions of subsection (b) of this section to the U.S. Secretary of the Treasury for purposes of making the federal qualified elementary and secondary education scholarship tax credit available for Vermont taxpayers under 26 U.S.C. § 25F. It shall be presumed that an organization listed in the previous year will be listed in the subsequent year unless the Governor finds that the organization has failed to meet the requirements of this section.

(b) An organization shall not be listed unless the organization meets the following criteria:

(1) it qualifies as a "scholarship granting organization" as defined under 26 U.S.C. § 25F(c)(5);

(2) it is a nonprofit organization with the core mission of providing educational opportunities to economically underprivileged students through after-school programs, summer programs, tutoring, and similar programs;

(3) all grants and scholarships provided by the organization are to students attending a public school, as defined in 16 V.S.A. § 11(a)(7), or an independent school, as defined in 16 V.S.A. § 11(a)(8), that is also capable of receiving public tuition;

(4) all grants and scholarships provided by the organization are for students to attend a program that is partnered with, or approved by, a public school, as defined in 16 V.S.A. § 11(a)(7), or an independent school, as defined in 16 V.S.A. § 11(a)(8), that is also capable of receiving public tuition; and

(5) when determining whether to award a scholarship, the organization does not discriminate against any student because of race, color, religion, ancestry, national origin, sex, sexual orientation, gender identity, place of birth, crime victim status, or age or against a student with a disability, as that term is defined under 21 V.S.A. § 495d(5).

(c) Annually, on or before January 15, each scholarship granting organization listed pursuant to subsection (a) of this section in the previous calendar year shall provide a report to the House Committee on Education and Senate Committee on Education providing the following information relating to activity in the previous year:

(1) the total amount provided in scholarships under this section;

(2) the total number of scholarships provided under this section;

(3) the total number of scholarship recipients;

(4) a complete list of after-school programs, summer programs, tutoring, and similar programs that scholarship recipients attended using scholarship funds provided by the organization and the amount of scholarship funds received by each program;

(5) the total number of individuals who made donations to the organization, including the zip code of each individual donor;

(6) the total amount of money received as donations;

(7) the total amount spent on administrative costs with a description of those administrative costs and an accounting of any unspent funds currently held; and

(8) a list identifying all employees, officers, and board members of the organization that includes, for every individual, the name of the position held and compensation received.

(d) In the Governor's discretion, the Governor may audit an organization seeking placement on the list, or a program receiving scholarship funds under this section, to ensure the organization meets all the requirements for placement as provided by this section and applicable federal law. The Governor shall not list an organization that the Governor knows is not in compliance with the requirements of this section or 26 U.S.C. § 25F(c)(5).

(e)(1) If the Attorney General finds that any provision of this act is rendered invalid due to a federal act, federal agency rule, or court of competent jurisdiction, the Attorney General shall submit written notice of the invalidation to the Governor, the Speaker of the House, and President Pro Tempore of the Senate that the provision is invalid.

(2) Upon receipt of the notice provided under subdivision (1) of this subsection (e), neither the Governor nor the Governor's designee shall provide a list of organizations to the U.S. Secretary of the Treasury under subsection (a) of this section until the General Assembly has enacted legislation addressing the invalidated provision.

* * * Definition of Parcel * * *

Sec. 20. 32 V.S.A. § 4152(a)(3) is amended to read:

(3) A brief description of each parcel of taxable real estate in the town. "Parcel" means all contiguous land in the same ownership, together with all improvements thereon, except for purposes of mapping and per parcel payments under subsections 4041a(a) and 5405(f) of this title, for which "parcel" means a separate and sellable lot or piece of real estate.

* * *

* * * Department of Fish and Wildlife Fee Setting * * *

Sec. 21. 10 V.S.A. § 4132 is amended to read:

§ 4132. GENERAL DUTIES OF COMMISSIONER

(a) The Commissioner shall have charge of the enforcement of the provisions of this part.

* * *

(e)(1) ~~The Commissioner, subject to the direction and approval of the Secretary, shall adopt and publish rules in the name of the Agency for reasonable fees or charges for the use of the lands, roads, buildings, other property, and the use of and tuition for the Green Mountain Conservation Camps, notwithstanding 32 V.S.A. § 603. Fees collected for the use of fish and wildlife lands and properties shall be deposited in the Fish and Wildlife Fund~~ Notwithstanding 32 V.S.A. § 603 and with the approval of the Secretary, the Commissioner may:

(A) issue licenses for the long-term use of Department of Fish and Wildlife lands for research, academic study, commercial use, or use by regulated utilities; and

(B) set the tuition for the Green Mountain Conservation Camps.

(2) The Commissioner shall adopt by rule the fees to be charged for licenses and tuition authorized under this subsection. The Commissioner is prohibited from adopting by rule a requirement that an individual possess a license or permit in order to access lands owned or controlled by the Department of Fish and Wildlife.

(3) Fees collected ~~for the use of fish and wildlife lands and properties~~ under this subsection shall be deposited in the Fish and Wildlife Fund.

(4) As used in this subsection, "license" means a written instrument issued by the Commissioner that authorizes research, academic study,

commercial use, or use by regulated utilities on Department lands but does not vest the licensee with any property rights.

* * *

Sec. 22. REPEAL; COMMISSIONER OF FISH AND WILDLIFE RULE ON FEES FOR THE USE OF FISH AND WILDLIFE DEPARTMENT LANDS AND FACILITIES

Commissioner of Fish and Wildlife Rule 2008-01, CVR 12-010-075, Fees for the Use of Fish and Wildlife Department Lands and Facilities, is repealed.

Sec. 23. DEPARTMENT OF FISH AND WILDLIFE REPORT ON FEES

On or before January 15, 2027, the Commissioner of Fish and Wildlife shall submit to the House Committee on Ways and Means and the Senate Committee on Finance recommended fees to be charged for the use of the lands, roads, buildings, or other property owned or controlled by the Department of Fish and Wildlife so that the General Assembly, consistent with the requirements of 32 V.S.A. § 603, shall establish the fees by statute for the service or product provided or regulatory function performed.

* * * Grand List Assessment Date * * *

Sec. 24. 24 V.S.A. § 1892(b) is amended to read:

(b) When adopted by the act of the legislative body of that municipality, the plan shall be recorded with the municipal clerk and lister or assessor, and the creation of the district shall occur at 12:01 a.m. on ~~April~~ January 1 of the calendar year so voted by the municipal legislative body.

Sec. 25. 24 V.S.A. § 1904(b)(2) is amended to read:

(2) When adopted by the act of the legislative body of that municipality, the plan shall be recorded with the municipal clerk and lister or assessor, and the creation of the district shall occur at 12:01 a.m. on ~~April~~ January 1 of the calendar year so voted by the municipal legislative body.

Sec. 26. 32 V.S.A. § 3481(1)(B)(iv) is amended to read:

(iv) a capitalization rate that is typical for the geographic area determined and published annually prior to ~~April~~ January 1 by the Division of Property Valuation and Review after consultation with the Vermont Housing Finance Agency.

Sec. 27. 32 V.S.A. § 3482 is amended to read:

§ 3482. PROPERTY LISTED AT ONE PERCENT

Except as otherwise provided, all real and personal estate shall be set in the list at one percent of its listed value on ~~April~~ January 1, of the year of its appraisal.

Sec. 28. 32 V.S.A. § 3485 is amended to read:

§ 3485. RECORDS TO BE KEPT RELATING TO DEEDS AND MORTGAGES

(a) Annually on ~~April~~ January 1, ~~town~~ municipal clerks shall furnish the listers with copies of the property tax returns filed by the clerk under section 9610 of this title relating to deeds that were filed for record during the year ending on the first day of such month. However, upon request in writing by the listers, on or before the 15th day of each month, ~~town~~ municipal clerks shall furnish the listers with copies of the property transfer tax returns to deeds that were filed for record during the next preceding calendar month.

(b) Failure on the part of the ~~town~~ municipal clerk to furnish the copies required under subsection (a) of this section shall not render the town liable in damages to any person. A ~~town~~ municipal clerk who willfully fails to furnish the copies required under subsection (a) of this section shall be fined $10.00 for each offense.

Sec. 29. 32 V.S.A. § 3603(a) is amended to read:

(a) Construction equipment and other personal estate used in the construction or repair of highways, dams, reservoirs, public utilities, or buildings shall be listed and taxed on the same basis as other personal estate in the town in which it is located on ~~April~~ January 1. Such equipment brought into the State after ~~April~~ January 1 and prior to December 15 of any year shall be taxed as other personal estate for that year in the town in which it is first used for a normal full work shift. The owner or person in charge of any equipment enumerated in this section shall, upon request of the Treasurer or tax collector of any municipality, present evidence that it has been listed for tax purposes in a municipality in this State. The Transportation Board and other State agencies shall insert in all contracts for construction a term by which the contractor agrees to pay taxes assessed under this section and section 4151 of this title.

Sec. 30. 32 V.S.A. § 3610(b) is amended to read:

(b) The listers of each town and the appraisers of each unorganized town and gore shall list every perpetual lease in a separate record in which shall be shown as to each lease a brief description of the leased land, the fair market value of the land as appraised by them, the name of the lessor, the annual rental payable under the lease, and as of ~~April~~ January 1 of each year the name

and address of the lessee. If for any reason the lease is exempt under subsection (d) of this section, the reason for the exemption shall be noted.

Sec. 31. 32 V.S.A. § 3618(c)(2) is amended to read:

(2) "Net book value" of property means the cost less depreciation of the property as shown on the federal income tax return required to be filed with the federal authorities on or nearest in advance of ~~April~~ January 1 in any year.

Sec. 32. 32 V.S.A. § 3651 is amended to read:

§ 3651. GENERAL RULE

Taxable real estate shall be set in the list to the last owner or possessor thereof on ~~April~~ January 1 in each year in the town, village, school, and fire district where it is situated.

Sec. 33. 32 V.S.A. § 3691 is amended to read:

§ 3691. GENERAL RULE

Taxable tangible personal estate shall be set in the list to the last owner thereof on ~~April~~ January 1 in each year, in the town, village, school, and fire district where such property is situated, with the exception that such personal estate situated within this State owned by persons residing outside the State or by persons unknown to the listers shall be set in the list to the person having the same in charge, in the town, village, school, and fire district where the same is situated and shall be holden for all taxes assessed on such list. However, tangible personal estate owned by nonresident persons or corporation, and used in this State by the State or a department or institution thereof, under lease, contract or other agreement, written or oral, may be set in the list in the town where so used, to such nonresident owner.

Sec. 34. 32 V.S.A. § 3692(b) is amended to read:

(b) A trailer coach shall be taxed as real property by the town in which it is located notwithstanding subsection (a) of this section if it is situated in the town on the same trailer site or camp site for more than 180 days during the 365 days prior to ~~April~~ January 1. A trailer coach shall not be taxed as real property if it is stored on property on which the owner resides in another dwelling as a permanent residence.

Sec. 35. 32 V.S.A. § 3708 is amended to read:

§ 3708. PAYMENTS IN LIEU OF TAXES FOR LANDS HELD BY THE AGENCY OF NATURAL RESOURCES

* * *

(b) The State shall annually pay on or before October 31 to each municipality a payment in lieu of taxes (PILOT) that shall be the base payment as set forth under this section, for all ANR land, excluding buildings or other improvements thereon, as of ~~April~~ January 1 of the current year.

(c) The State shall establish the base payment for all ANR land, excluding buildings or other improvements thereon, as follows~~;~~:

(1) ~~On~~ on parcels acquired before April 1, 2016, 0.60 percent of the fair market value as appraised by the Director of Property Valuation and Review as of April 1 of fiscal year 2015;

(2) ~~On~~ on parcels acquired on or after April 1, 2016, the municipal tax rate of the fair market value as assessed on ~~April~~ January 1 in the year of acquisition by the municipality in which it is located.

* * *

Sec. 36. 32 V.S.A. § 3755(b) is amended to read:

(b) Managed forestland shall be eligible for use value appraisal under this chapter only if:

(1) The land is subject to a forest management plan, subject to a conservation management plan in the case of lands certified under 10 V.S.A. § 6306(b), that is filed in the manner and form required by the Department of Forests, Parks and Recreation and that:

* * *

(D) Provides for continued conservation management, reserve forestland management, or forest crop production on the parcel for 10 years. An initial forest management plan or conservation management plan must be filed with the Department of Forests, Parks and Recreation on or before October 1 and shall be effective for a 10-year period beginning the following ~~April~~ January 1. Prior to expiration of a 10-year plan and on or before ~~April~~ January 1of the year in which the plan expires, the owner shall file a new conservation or forest management plan for the next succeeding 10 years to remain in the program.

* * *

(2) A management report of whatever activity has occurred, signed by an owner or forester working on behalf of an owner, has been filed with the Department of Taxes' Director of Property Valuation and Review on or before February 1 of the year following the year when the management activity occurred.

(3) There has not been filed with the Director an adverse inspection report by the Department stating that the management of the tract is contrary to the forest management plan, conservation management plan, or contrary to the minimum acceptable standards for forest or conservation management. The management activity report shall be on a form prescribed by the Commissioner of Forests, Parks and Recreation in consultation with the Commissioner of Taxes and shall be signed by all the owners and shall contain the tax identification numbers of all the owners. All information contained within the management activity report shall be forwarded to the Department of Forests, Parks and Recreation, except for any tax identification number included in the report. If any owner satisfies the Department that ~~he or she~~ the owner was prevented by accident, mistake, or misfortune from filing an initial or revised management plan that is required to be filed on or before October 1, or a management plan update that is required to be filed on or before ~~April~~ January 1 of the year in which the plan expires, or a management activity report that is required to be filed on or before February 1 of the year following the year when the management activity occurred, the owner may submit that management plan or management activity report at a later date; provided, however, no initial or revised management plan shall be received later than December 31, and no management plan update shall be received later than one year after ~~April~~ January 1of the year the plan expires, and no management activity report shall be received later than March 1.

Sec. 37. 32 V.S.A. § 3802a is amended to read:

§ 3802a. REQUIREMENT TO PROVIDE INSURANCE INFORMATION

Before ~~April~~ January 1 of each year, owners of property exempt from taxation under subdivisions 3802(4), (6), (9), (12), and (15) and under subdivisions 5401(10)(D), (F), (G), and (J) of this title shall provide their local assessing officials with information regarding the insurance replacement cost of the exempt property or with a written explanation of why the property is not insured.

Sec. 38. 32 V.S.A. § 3850(d) is amended to read:

(d) If a dwelling unit is certified as blighted under subsection (b) of this section, the exemption shall take effect on the ~~April~~ January 1 following the certification of the dwelling unit.

Sec. 39. 32 V.S.A. § 4001(a) is amended to read:

(a) Annually on ~~April~~ January 1, at the expense of the State, the Director shall furnish to the several ~~town~~ municipal clerks and boards of appraisers for unorganized towns and gores inventory forms sufficient in number to meet the

requirements of this chapter. Such forms shall be formulated by the Director and, among other things, shall contain suitable interrogatories requiring each taxpayer to furnish therein a brief statement of all of each taxpayer's taxable property, real and personal, and such other information, including income and expense information with respect to any income-producing properties, as will enable the listers or appraisers to appraise such part thereof as is required by law to be by them appraised, and to make up the abstract of individual lists and grand list in the manner prescribed by law.

Sec. 40. 32 V.S.A. § 4004 is amended to read:

§ 4004. RETURN OF INVENTORIES BY INDIVIDUALS

On or before ~~April~~ January 20, unless otherwise required, every taxable person shall procure such inventory form, make full answers to all interrogatories therein, subscribe the same, make oath thereto, and deliver or forward the same to one of the listers in the town wherein such person owns or possesses property required by law to be set to ~~him or her~~ the person in the grand list. When notice in writing to file, deliver, or forward such inventory on or before a given date is delivered by one of the listers to a person, or mailed postage prepaid to ~~him or her~~ the person at ~~his or her~~ the person's last known post office address, such person, within the time therein specified, shall properly fill out such inventory and deliver or forward the same to one of the listers, notwithstanding ~~he or she~~ the person may not own or possess property subject to taxation. Persons taxable only for real estate shall not be required to file such inventory unless notified so to do as herein provided.

Sec. 41. 32 V.S.A. § 4041 is amended to read:

§ 4041. EXAMINATION OF PROPERTY; APPRAISAL

On ~~April~~ January 1, the listers and assessors shall proceed to take up such inventories and make such personal examination of the property that they are required to appraise as will enable them to appraise it at its fair market value. When a board of listers is of the opinion that expert advice or assistance is needed in making any appraisal required by law, it may, with approval of ~~selectboard~~ the legislative body of the municipality or by vote of the ~~town~~ municipality, employ such assistance.

Sec. 42. 32 V.S.A. § 4044 is amended to read:

§ 4044. APPRAISAL OF PERSONALTY ON ~~APRIL~~ JANUARY 1

Unless otherwise provided, the taxable personal estate contained in the inventory shall be appraised by the listers at its fair market value on ~~April~~ January 1.

Sec. 43. 32 V.S.A. § 4045 is amended to read:

§ 4045. APPRAISAL ON OTHER THAN ~~APRIL~~ JANUARY 1

If any business is normally operated for a period less than 12 consecutive months and is not in operation on ~~April~~ January 1, an inventory shall be filed with the listers at least 15 days prior to the anticipated annual suspension of such business and the stock in trade shall be appraised for the period of operation so as to represent an average of values of such property during that period in which the business has been carried on.

Sec. 44. 32 V.S.A. § 4605 is amended to read:

§ 4605. ASSESSMENT WHEN APPRAISAL ON OTHER THAN ~~APRIL~~ JANUARY 1

* * *

Sec. 45. 32 V.S.A. § 5401(7) is amended to read:

(7) "Homestead":

(A) "Homestead" means the principal dwelling and parcel of land surrounding the dwelling, owned and occupied by a resident individual as the individual's domicile or owned and fully leased on ~~April~~ January 1, provided the property is not leased for more than 182 days out of the calendar year or, for purposes of the renter credit under subsection 6066(b) of this title, is rented and occupied by a resident individual as the individual's domicile.

* * *

(G) For purposes of homestead declaration and application of the homestead property tax rate, "homestead" also means a residence that was the homestead of the decedent at the date of death and, from the date of death through the next ~~April~~ January 1, is held by the estate of the decedent and not rented.

* * *

Sec. 46. 32 V.S.A. § 5404a(a)(6) is amended to read:

(6) An exemption of a portion of the value of a qualified rental unit parcel. An owner of a qualified rental unit parcel shall be entitled to an exemption on the education property tax grand list of 10 percent of the grand list value of the parcel, multiplied by the ratio of square footage of improvements used for or related to residential rental purposes to total square footage of all improvements, multiplied by the ratio of qualified rental units to total residential rental units on the parcel. "Qualified rental units" means residential rental units that are subject to rent restriction under provisions of

State or federal law but excluding units subject to rent restrictions under only one of the following programs: Section 8 moderate rehabilitation, Section 8 housing choice vouchers, or Section 236 or Section 515 rural development rental housing. A municipality shall allow the percentage exemption under this subsection upon presentation by the taxpayer to the municipality, by ~~April~~ January 1, of a certificate of education grand list value exemption obtained from the Vermont Housing Finance Agency (VHFA). VHFA shall issue a certificate of exemption upon presentation by the taxpayer of information that VHFA and the Commissioner shall require. A certificate of exemption issued by VHFA under this subsection shall expire upon transfer of the building, upon expiration of the rent restriction, or after 10 years, whichever first occurs; provided, however, that the certificate of exemption may be renewed after 10 years and every 10 years thereafter if VHFA finds that the property continues to meet the requirements of this subsection.

Sec. 47. 32 V.S.A. § 5405 is amended to read:

§ 5405. DETERMINATION OF EQUALIZED EDUCATION PROPERTY TAX GRAND LIST AND COEFFICIENT OF DISPERSION

(a) Annually, on or before April 1, the Commissioner shall determine the equalized education property tax grand list and coefficient of dispersion for each municipality in the State; provided, however, that for purposes of equalizing grand lists pursuant to this section, the equalized education property tax grand list of a municipality that establishes a tax increment financing district shall include the fair market value of the property in the district and not the original taxable value of the property, and further provided that the unified towns and gores of Essex County may be treated as one municipality for the purpose of determining an equalized education property grand list and a coefficient of dispersion, if the Director determines that all such entities have a uniform appraisal schedule and uniform appraisal practices.

* * *

(c) In determining the fair market value of property that is required to be listed at fair market value, the Commissioner shall take into consideration those factors required by section 3481 of this title. The Commissioner shall value property as of ~~April~~ January 1 preceding the determination and shall take account of all homestead declaration information available before October 1 each year.

* * *

Sec. 48. 32 V.S.A. § 5410 is amended to read:

§ 5410. DECLARATION OF HOMESTEAD

(a) A homestead owner shall declare ownership of a homestead for purposes of education property tax.

(b) Annually, on or before the due date for filing the Vermont income tax return, without extension, each homestead owner shall, on a form prescribed by the Commissioner, which shall be verified under the pains and penalties of perjury, declare the owner's homestead, if any, as of, or expected to be as of, ~~April~~ January 1 of the year in which the declaration is made.

* * *

(d) The Commissioner shall provide a list of homesteads in each town to the ~~town~~ municipal listers and assessors by May 15. The listers and assessors shall notify the Commissioner by June 1 of any residences on the Commissioner's list that do not qualify as homesteads. The listers and assessors shall separately identify homesteads in the grand list.

* * *

* * * Municipal Tax Collection; State Oversight * * *

Sec. 49. 32 V.S.A. chapter 133, subchapter 9 is amended to read:

Subchapter 9. Delinquent Taxes

§ 5131. ~~SUPERVISION BY DIRECTOR~~

~~The Director shall supervise the collection of delinquent taxes by officials of towns and other municipal corporations.~~ [Repealed.]

§ 5132. ~~CONFERENCES; BULLETINS; FORMS~~

~~The Director may examine a tax list in the hands of a collector; shall confer from time to time with collectors, advise them concerning their official duties, and furnish them printed instructions and directions relating thereto; shall issue such bulletins as in the Director's judgment will aid in enforcing the law; and shall formulate and furnish the necessary forms for the use of officials required to make returns to the Director.~~ [Repealed.]

§ 5133. ~~MEETINGS OF TAX COLLECTORS~~

~~The Director shall call meetings of collectors of taxes to be held at such places and at such times as he or she shall designate for the purpose of instruction as to the law governing their official duties and concerning the collection of delinquent taxes.~~ [Repealed.]

§ 5134. ~~FAILURE TO ATTEND MEETINGS; COMPENSATION~~

~~Collectors shall attend all meetings for instruction to which they are summoned in writing by the Director. When a collector is unable to attend, he~~

~~or she shall notify forthwith the Director stating the cause of such inability and, in his or her discretion, the Director may summon such collector to attend such other meeting as he or she may designate. Collectors attending such meetings shall receive therefor from the treasury of their municipality not less than $10.00 per day and their necessary expenses.~~ [Repealed.]

§ 5135. ~~RETURNS TO DIRECTOR~~

~~Collectors and other officials named in this chapter shall render such assistance, furnish such information, and make such returns to the Director in relation to the subject of delinquent taxes and the administration of the law in reference thereto as he or she may require.~~ [Repealed.]

* * *

Sec. 50. 24 V.S.A. § 138 is amended to read:

§ 138. LOCAL OPTION TAXES

* * *

(d)(1) Except as provided in subsection (c) of this section and subdivision (2) of this subsection with respect to taxes collected on the sale of aviation jet fuel, of the taxes collected under this section, 75 percent of the taxes shall be paid on a quarterly basis to the municipality in which they were collected, after reduction for the costs of administration and collection under subsection (c) of this section, provided that an additional five percent of the taxes collected shall be paid on a quarterly basis to the municipality in which they were collected in fiscal years that, at the close of the immediately preceding fiscal year, the Commissioner of Taxes determined that the balance of the PILOT Special Fund was in excess of $18,000,000.00 at that time. Revenues received by a municipality may be expended for municipal services only, and not for education expenditures. Any remaining revenue shall be deposited into the PILOT Special Fund established by 32 V.S.A. § 3709.

(2)(A) Of the taxes collected under this section on the sale of aviation jet fuel, on a quarterly basis, 70 percent of the taxes shall be paid to the municipality in which they were collected, and 30 percent shall be deposited in the Transportation Fund.

(B) All revenues referenced in subdivision (A) of this subdivision (2) shall be used exclusively for aviation purposes consistent with 49 U.S.C. § 47133 and Federal Aviation Administration regulations and policies.

* * *

Sec. 51. [Deleted.]

Sec. 52. [Deleted.]

Sec. 53. [Deleted.]

* * * 10-Year Tax Study * * *

Sec. 54. VERMONT 10-YEAR TAX STUDY

(a) The Joint Fiscal Office, with assistance from the Office of Legislative Counsel, and under the direction of the Joint Fiscal Committee, shall conduct a decennial study of Vermont State taxes.

(b) In conducting the study, the Joint Fiscal Office shall:

(1) Starting with 2015, analyze historical trends comparing Vermont taxes to the tax systems of other states, including a comparison of the percentage of Vermont revenue from each State-level source to the percentage of revenue from each state-level source in other states.

(2) Analyze Vermont's taxation levels and tax responsibilities per capita, per income level, and by incidence on typical Vermont families of varying incomes, and on typical Vermont business enterprises of varying sizes and types, and analyze trends in the taxpayer revenue bases for various tax types.

(3) Analyze and identify any issues or trends relating to tax flight, tax avoidance, and gaps in enforcement.

(4) Recommend areas for further research and analysis, including ways to further research the topics of wealth and income in Vermont's aging demographic.

(c) Based upon the information resulting from the study in subsection (b) of this section, the Joint Fiscal Office shall, as part of the study or separately, review income eligibility criteria for various tax provisions and benefit programs to assess where potential gaps in eligibility or benefits cliffs may exist under Vermont's existing tax laws.

(d) For purposes of the study conducted under this section, the Department of Taxes shall provide assistance as requested by the Joint Fiscal Office.

(e) In fiscal year 2027, $100,000.00 is appropriated from the General Fund to the Joint Fiscal Office for consultant assistance, data analysis, and other expenses related to the study conducted under this section. The duty to implement this Sec. 54 of this act is contingent upon an appropriation of funds in fiscal year 2027 from the General Fund to the Joint Fiscal Office for the specific purposes described in this section.

(f) The Joint Fiscal Office shall submit the Vermont 10-year tax study to the House Committee on Ways and Means and the Senate Committee on Finance on or before January 15, 2027.

* * * Link-Up and Decoupling from Federal Income Tax Laws * * *

Sec. 55. 32 V.S.A. § 5811 is amended to read:

§ 5811. DEFINITIONS

As used in this chapter ~~unless the context requires otherwise~~:

* * *

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

(A) the taxable income of the taxpayer for that taxable year under the laws of the United States, ~~without regard to 26 U.S.C. § 168(k), and~~ excluding income that under the laws of the United States is exempt from taxation by the states:

(i) increased by:

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

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

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

(IV) an amount equal to the bonus depreciation deduction taken on the taxpayer's federal income tax return for the taxable year under Section 168(k) or (n) of the Internal Revenue Code;

(V) for any taxpayer that does not qualify as an eligible taxpayer, an amount equal to any deduction taken on the taxpayer's federal income tax return for the taxable year under 26 U.S.C. § 174A and Pub. L. No. 119-21, 139 Stat. 72 (2025) § 70302(f)(2). For purposes of this subdivision (V), the term "eligible taxpayer" means any taxpayer (other than a tax shelter prohibited from using the cash receipts and disbursements method of

accounting under 26 U.S.C. § 448(a)(3)) that meets the gross receipts test of 26 U.S.C. § 448(c) for the taxable year; and

(VI) an amount equal to the amount of income deducted under Section 250 of the Internal Revenue Code for the taxable year to the extent deducted from net income; and

(ii) decreased by:

(I) the "gross-up of dividends" required by the federal Internal Revenue Code to be taken into taxable income in connection with the taxpayer's election of the foreign tax credit;

(II) the amount of income that results from the required reduction in salaries and wages expense for corporations claiming the Targeted Job or WIN credits; ~~and~~

(III) any federal deduction or credit that the taxpayer would have been allowed for the cultivation, testing, processing, or sale of cannabis or cannabis products as authorized under 7 V.S.A. chapter 33 or 37, but for 26 U.S.C. § 280E;

(IV) for the taxable year in which the bonus depreciation deduction is taken on the taxpayer's federal income tax return under Section 168(k) or (n) of the Internal Revenue Code and for each applicable taxable year thereafter, an amount equal to the depreciation deduction that would be allowed on that property if the taxpayer had made the election under Section 168(k)(7) or (n)(6) of the Internal Revenue Code to not claim depreciation on that property. In the taxable year that property is sold or otherwise disposed of, an additional deduction shall be allowed to the extent the amount of depreciation claimed under Section 168(k) or (n) of the Internal Revenue Code on that property has not been recovered through the additional deductions provided under this subdivision (18). The aggregate amount deducted under this subdivision (18)(A)(ii)(IV) in all taxable years for any one piece of property shall not exceed the amount of the bonus depreciation deduction taken on that property on the taxpayer's federal income tax return under Section 168(k) or (n) of the Internal Revenue Code, or exceed the amount of the additional modifications taken for that property on the taxpayer's Vermont income tax return under subdivision (i)(IV) of this subdivision (18)(A);

(V) for a taxpayer that does not qualify as an eligible taxpayer for the taxable year, as defined under subdivision (i)(V) of this subdivision (18)(A), for the taxable year in which a deduction is taken on the taxpayer's federal income tax return under 26 U.S.C. § 174A, or Pub. L. No. 119-21, 139 Stat. 72 (2025) § 70302(f)(2), or both, and for each applicable taxable year

thereafter, an amount equal to the deduction that would be allowed under 26 U.S.C. § 174 applied as those provisions were in effect on December 31, 2024. The aggregate amount deducted under this subdivision (18)(A)(ii)(V) in all taxable years may not exceed the amount of the deduction taken on that expenditure on the taxpayer's federal income tax return under the Internal Revenue Code, or exceed the amount of the addition modifications taken on the taxpayer's Vermont income tax return under subdivision (i)(V) of this subdivision (18)(A);

(VI) for a taxpayer that qualifies as an eligible taxpayer for the taxable year as defined under subdivision (i)(V) of this subdivision (18)(A) and has domestic research or experimental expenditures, as defined in 26 U.S.C. § 174A, as added by subsection 174A(a), which are paid or incurred in taxable years beginning after December 31, 2021, and before January 1, 2025, and which was charged to capital account pursuant to 26 U.S.C. § 174 as those provisions were in effect on December 31, 2024, and further elected under Pub. L. No. 119-21, 139 Stat. 72 (2025) § 70302(f)(1) to substitute "December 31, 2021" for "December 31, 2024" as the applicable effective date for certain provisions in 26 U.S.C. § 174A and accordingly filed an amended federal return for each taxable year affected by such election, for the tax year beginning on or after January 1, 2025, and for each applicable taxable year thereafter, a taxpayer may elect to deduct any remaining unamortized amount with respect to such expenditures in the first taxable year beginning after December 31, 2024, or to deduct such remaining unamortized amount with respect to such expenditures ratably over the two-taxable year period beginning with the first taxable year beginning after December 31, 2024. The aggregate amount deducted under this subdivision (A)(ii)(VI) when combined with any other deduction for the domestic research or experimental expenditure allowed pursuant to Vermont's adoption of the statutes of the United States relating to the federal income tax under section 5824 of this chapter in all taxable years may not exceed the amount of the deduction taken for that expenditure on the taxpayer's federal income tax return under the Internal Revenue Code; and

(VII) for a taxpayer that qualifies as an eligible taxpayer for the taxable year as defined under subdivision (i)(V) of this subdivision (18)(A) and has made an addition modification under subdivision (i)(V) in a prior tax year, an amount equal to the subtraction modification that would have been allowed in this taxable year under subdivision (A)(ii)(V) of this subdivision (18) but for the taxpayer's current status as an eligible taxpayer. The aggregate amount deducted under this subdivision (18)(A)(ii)(VII) in all taxable years for any expenditure may not exceed the amount of the deduction taken for that expenditure on the taxpayer's federal income tax return under the Internal

Revenue Code, or exceed the amount of the addition modifications taken for that expenditure on the taxpayer's Vermont income tax return under subdivision (i)(V) of this subdivision (18)(A) for expenditures paid or incurred in taxable years on or after January 1, 2025.

* * *

(21) "Taxable income" means, in the case of an individual, federal adjusted gross income ~~determined without regard to 26 U.S.C. § 168(k)~~ and:

(A) increased by the following items of income (to the extent such income is excluded from federal adjusted gross income):

(i) interest income from non-Vermont state and local obligations; ~~and~~

(ii) dividends or other distributions from any fund to the extent they are attributable to non-Vermont state or local obligations; ~~and~~

(iii) an amount equal to the bonus depreciation deduction taken on the taxpayer's federal income tax return for the taxable year under Section 168(k) or (n) of the Internal Revenue Code, including any amount of bonus depreciation deduction carried over on the taxpayer's federal income tax return as part of a net operating loss from a prior taxable year that is deducted in the current taxable year; and

(iv) for any taxpayer that does not qualify as an eligible taxpayer, an amount equal to any deduction taken on the taxpayer's federal income tax return for the taxable year under 26 U.S.C. § 174A, or Pub. L. No. 119-21, 139 Stat. 72 (2025) § 70302(f)(2), or both, and any amount of these deductions carried over on the taxpayer's federal income tax return as part of a net operating loss from a prior tax year that is deducted in the current taxable year. For purposes of this subdivision (iv), the term "eligible taxpayer" means any taxpayer (other than a tax shelter prohibited from using the cash receipts and disbursements method of accounting under 26 U.S.C. § 448(a)(3)) that meets the gross receipts test of 26 U.S.C. § 448(c) for the taxable year; and

(B) decreased by the following items of income (to the extent such income is included in federal adjusted gross income):

(i) income from U.S. government obligations;

(ii) with respect to adjusted net capital gain income as defined in 26 U.S.C. § 1(h) reduced by the total amount of any qualified dividend income: either the first $5,000.00 of such adjusted net capital gain income or 40 percent of adjusted net capital gain income from the sale of assets held by

the taxpayer for more than three years, except not adjusted net capital gain income from:

(I) the sale of any real estate or portion of real estate used by the taxpayer as a primary or nonprimary residence; or

(II) the sale of depreciable personal property other than farm property and standing timber; or stocks or bonds publicly traded or traded on an exchange, or any other financial instruments; regardless of whether sold by an individual or business; and provided that the total amount of decrease under this subdivision (21)(B)(ii) shall not exceed 40 percent of federal taxable income or $350,000.00, whichever is less;

(iii) recapture of State and local income tax deductions not taken against Vermont income tax;

(iv) the portion of certain retirement income and federally taxable benefits received under the federal Social Security Act that is required to be excluded under section 5830e of this chapter;

(v) the amount of any federal deduction or credit that the taxpayer would have been allowed for the cultivation, testing, processing, or sale of cannabis or cannabis products as authorized under 7 V.S.A. chapter 33 or 37, but for 26 U.S.C. § 280E; ~~and~~

(vi) the amount of interest paid by a qualified resident taxpayer during the taxable year on a qualified education loan for the costs of attendance at an eligible educational institution;

(vii) for the taxable year in which the bonus depreciation deduction is taken on the taxpayer's federal income tax return under Section 168(k) or (n) of the Internal Revenue Code and for each applicable taxable year thereafter, an amount equal to the depreciation deduction that would be allowed on that property if the taxpayer had made the election under Section 168(k)(7) or (n)(6) of the Internal Revenue Code to not claim bonus depreciation on that property. In the taxable year that property is sold or otherwise disposed of, an additional deduction shall be allowed to the extent the amount of depreciation claimed under Section 168(k) or (n) of the Internal Revenue Code on that property has not been recovered through the additional deductions provided under this subdivision (21). The aggregate amount deducted under this subdivision (21)(B)(vii) in all taxable years for any one piece of property shall not exceed the amount of the bonus depreciation deduction taken on that property on the taxpayer's federal income tax return under Section 168(k) or (n) of the Internal Revenue Code, or exceed the amount of the addition modifications taken for that property on the taxpayer's

Vermont income tax return under subdivision (A)(iii) of this subdivision (21); and

(viii) for a taxpayer that does not qualify as an eligible taxpayer for the taxable year, as defined under subdivision (A)(iv) of this subdivision (21), for the taxable year in which a deduction is taken on the taxpayer's federal income tax return under 26 U.S.C. § 174A, or Pub. L. No. 119-21, 139 Stat. 72 (2025) § 70302(f)(2), or both, and for each applicable taxable year thereafter, an amount equal to the deduction that would be allowed under 26 U.S.C. § 174 applied as those provisions were in effect on December 31, 2024. The aggregate amount deducted under this subdivision (21)(B)(viii) in all taxable years may not exceed the amount of the deduction taken on that expenditure on the taxpayer's federal income tax return under the Internal Revenue Code, or exceed the amount of the addition modifications taken on the taxpayer's Vermont income tax return under subdivision (A)(iv) of this subdivision (21);

(ix) for a taxpayer that qualifies as an eligible taxpayer for the taxable year as defined under subdivision (A)(iv) of this subdivision (21) and has domestic research or experimental expenditures, as defined in 26 U.S.C. § 174A, as added by subsection 174A(a), which are paid or incurred in taxable years beginning after December 31, 2021, and before January 1, 2025, and which was charged to capital account pursuant to 26 U.S.C. § 174 as those provisions were in effect on December 31, 2024, and elected under Pub. L. No. 119-21, 139 Stat. 72 (2025) § 70302(f)(1) to substitute "December 31, 2021" for "December 31, 2024" as the applicable effective date for certain provisions in 26 U.S.C. § 174A and accordingly filed an amended federal return for each taxable year affected by such election, for the tax year beginning on or after January 1, 2025, and for each applicable taxable year thereafter, a taxpayer may elect to deduct any remaining unamortized amount with respect to such expenditures in the first taxable year beginning after December 31, 2024, or to deduct such remaining unamortized amount with respect to such expenditures ratably over the two-taxable year period beginning with the first taxable year beginning after December 31, 2024. The aggregate amount deducted under this subdivision (21)(B)(ix) when combined with any other deduction for the domestic research or experimental expenditure allowed pursuant to Vermont's adoption of the statutes of the United States relating to the federal income tax under section 5824 of this chapter in all taxable years may not exceed the amount of the deduction taken for that expenditure on the taxpayer's federal income tax return under the Internal Revenue Code; and

(x) for a taxpayer that qualifies as an eligible taxpayer for the taxable year as defined under subdivision (A)(iv) of this subdivision (21) and has made an addition modification under subdivision (A)(iv) of this subdivision (21) in a prior tax year, an amount equal to the subtraction modification that would have been allowed in this taxable year under subdivision (viii) of this subdivision (21)(B) but for the taxpayer's current status as an eligible taxpayer. The aggregate amount deducted under this subdivision (21)(B)(x) in all taxable years for any expenditure may not exceed the amount of the deduction taken for that expenditure on the taxpayer's federal income tax return under the Internal Revenue Code, or exceed the amount of the addition modifications taken for that expenditure on the taxpayer's Vermont income tax return under subdivision (A)(iv) of this subdivision (21) for expenditures paid or incurred in taxable years on or after January 1, 2025.

* * *

(28) "Taxable income" means, in the case of an estate or a trust, federal taxable income ~~determined without regard to 26 U.S.C. § 168(k)~~ and:

(A) increased by the following items of income:

(i) interest income from non-Vermont state and local obligations;

(ii) dividends or other distributions from any fund to the extent they are attributable to non-Vermont state or local obligations; and

(iii) the amount of State and local income taxes deducted from federal gross income for the taxable year; ~~and~~

(iv) an amount equal to the bonus depreciation deduction taken on the taxpayer's federal income tax return for the taxable year under Section 168(k) or (n) of the Internal Revenue Code, including any amount of bonus depreciation deduction carried over on the taxpayer's federal income tax return as part of a net operating loss from a prior tax year that is deducted in the current taxable year; and

(v) for any taxpayer that does not qualify as an eligible taxpayer, an amount equal to any deduction taken on the taxpayer's federal income tax return for the taxable year under 26 U.S.C. § 174A or Pub. L. No. 119-21, 139 Stat. 72 (2025) § 70302(f)(2), or both, and any amount of these deductions carried over on the taxpayer's federal income tax return as part of a net operating loss from a prior tax year that is deducted in the current taxable year. For purposes of this subdivision (v), the term "eligible taxpayer" means any taxpayer (other than a tax shelter prohibited from using the cash receipts and

disbursements method of accounting under 26 U.S.C. § 448(a)(3)) that meets the gross receipts test of 26 U.S.C. § 448(c) for the taxable year; and

(B) decreased by the following items of income:

(i) income from U.S. government obligations;

(ii) with respect to adjusted net capital gain income as defined in 26 U.S.C. § 1(h) reduced by the total amount of any qualified dividend income: either the first $5,000.00 of such adjusted net capital gain income or 40 percent of adjusted net capital gain income from the sale of assets held by the taxpayer for more than three years, except not adjusted net capital gain income from:

(I) the sale of any real estate or portion of real estate used by the taxpayer as a primary or nonprimary residence; or

(II) the sale of depreciable personal property other than farm property and standing timber; or stocks or bonds publicly traded or traded on an exchange, or any other financial instruments; regardless of whether sold by an individual or business; and provided that the total amount of decrease under this subdivision (28)(B)(ii) shall not exceed 40 percent of federal taxable income or $350,000.00, whichever is less; and

(iii) recapture of State and local income tax deductions not taken against Vermont income tax;

(iv) for the taxable year in which the bonus depreciation deduction is taken on the taxpayer's federal income tax return under Section 168(k) or (n) of the Internal Revenue Code and for each applicable taxable year thereafter, an amount equal to the depreciation deduction that would be allowed on that property if the taxpayer had made the election under Section 168(k)(7) or (n)(6) of the Internal Revenue Code to not claim bonus depreciation on that property. In the taxable year that property is sold or otherwise disposed of, an additional deduction shall be allowed to the extent the amount of depreciation claimed under Section 168(k) or (n) of the Internal Revenue Code on that property has not been recovered through the additional deductions provided under this subdivision (28). The aggregate amount deducted under this subdivision (28)(B)(iv) in all taxable years for any one piece of property shall not exceed the amount of the bonus depreciation deduction taken on that property on the taxpayer's federal income tax return under Section 168(k) or (n) of the Internal Revenue Code, or exceed the amount of the addition modifications taken on that property on the taxpayer's Vermont income tax return under subdivision (A)(iv) of this subdivision (28);

(v) for a taxpayer that does not qualify as an eligible taxpayer for the taxable year, as defined under subdivision (A)(v) of this subdivision (28), for the taxable year in which a deduction is taken on the taxpayer's federal income tax return under 26 U.S.C. § 174A, or Pub. L. No. 119-21, 139 Stat. 72 (2025) § 70302(f)(2), or both, and for each applicable taxable year thereafter, an amount equal to the deduction that would be allowed under 26 U.S.C. § 174 applied as those provisions were in effect on December 31, 2024. The aggregate amount deducted under this subdivision (v) in all taxable years may not exceed the amount of the deduction taken on that expenditure on the taxpayer's federal income tax return under the Internal Revenue Code, or exceed the amount of the addition modifications taken on the taxpayer's Vermont income tax return under subdivision (A)(v) of this subdivision (28);

(vi) for a taxpayer that qualifies as an eligible taxpayer for the taxable year as defined under subdivision (A)(v) of this subdivision (28) and has domestic research or experimental expenditures, as defined in 26 U.S.C. § 174A, as added by subsection 174A(a), which are paid or incurred in taxable years beginning after December 31, 2021, and before January 1, 2025, and which was charged to capital account pursuant to 26 U.S.C. § 174 as those provisions were in effect on December 31, 2024, and elected under Pub. L. No. 119-21, 139 Stat. 72 (2025) § 70302(f)(1) to substitute "December 31, 2021" for "December 31, 2024" as the applicable effective date for certain provisions in 26 U.S.C. § 174A and accordingly filed an amended federal return for each taxable year affected by such election, for the tax year beginning on or after January 1, 2025, and for each applicable taxable year thereafter, a taxpayer may elect to deduct any remaining unamortized amount with respect to such expenditures in the first taxable year beginning after December 31, 2024, or to deduct such remaining unamortized amount with respect to such expenditures ratably over the two-taxable year period beginning with the first taxable year beginning after December 31, 2024. The aggregate amount deducted under this subdivision (28)(B)(vi) when combined with any other deduction for the domestic research or experimental expenditure allowed pursuant to Vermont's adoption of the statutes of the United States relating to the federal income tax under section 5824 of this chapter in all taxable years may not exceed the amount of the deduction taken for that expenditure on the taxpayer's federal income tax return under the Internal Revenue Code; and

(vii) for a taxpayer that qualifies as an eligible taxpayer for the taxable year as defined under subdivision (A)(v) of this subdivision (28) and has made an addition modification under subdivision (A)(v) of this subdivision (28) in a prior tax year, an amount equal to the subtraction modification that would have been allowed in this taxable year under subdivision (v) of this

subdivision (28)(B) but for the taxpayer's current status as an eligible taxpayer. The aggregate amount deducted under this subdivision in all taxable years for any expenditure may not exceed the amount of the deduction taken for that expenditure on the taxpayer's federal income tax return under the Internal Revenue Code, or exceed the amount of the addition modifications taken for that expenditure on the taxpayer's Vermont income tax return under subdivision (A)(v) of this subdivision (28) for expenditures paid or incurred in taxable years on or after January 1, 2025.

* * *

Sec. 55a. 32 V.S.A. § 5811 is amended to read:

§ 5811. DEFINITIONS

As used in this chapter:

* * *

(21) "Taxable income" means, in the case of an individual, federal adjusted gross income and:

(A) increased by the following items of income (to the extent such income is excluded from federal adjusted gross income):

* * *

(v) an amount equal to any income or gain from the sale or exchange of qualified small business stock excluded from federal gross income for the taxable year under Section 1202(a) of the Internal Revenue Code; and

(B) decreased by the following items of income (to the extent such income is included in federal adjusted gross income):

(i) income from U.S. government obligations;

(ii)(I) with respect to adjusted net capital gain income as defined in 26 U.S.C. § 1(h) reduced by the total amount of any qualified dividend income: either the first $5,000.00 of such adjusted net capital gain income or 40 percent of adjusted net capital gain income from the sale of assets held by the taxpayer for more than three years, except not adjusted net capital gain income from:

~~(I)~~(aa) the sale of any real estate or portion of real estate used by the taxpayer as a primary or nonprimary residence; or

~~(II)~~(bb) the sale of depreciable personal property other than farm property and standing timber; or stocks or bonds publicly traded or traded on an exchange, or any other financial instruments; regardless of whether sold

by an individual or business; and provided that the total amount of decrease under this subdivision (21)(B)(ii) shall not exceed 40 percent of federal taxable income or $350,000.00, whichever is less;

(II) notwithstanding the limitation under subdivision (I)(bb) of this subdivision (ii) relating to "stocks or bonds publicly traded or traded on an exchange, or any other financial instruments," gains from the sale or exchange of qualified small business stock added to taxable income under subdivision (A)(v) of this subdivision (21) may be decreased pursuant to this subdivision (ii); accordingly, for the purposes of this subdivision (ii), adjusted net capital gain income, federal adjusted gross income, and federal taxable income shall include any amounts added to a taxpayer's taxable income pursuant to subdivision (A)(v) of this subdivision (21); and

* * *

(28) "Taxable income" means, in the case of an estate or a trust, federal taxable income and:

(A) increased by the following items of income:

* * *

(vi) an amount equal to any income or gain from the sale or exchange of qualified small business stock excluded from federal gross income for the taxable year under Section 1202(a) of the Internal Revenue Code; and

(B) decreased by the following items of income:

(i) income from U.S. government obligations;

(ii)(I) with respect to adjusted net capital gain income as defined in 26 U.S.C. § 1(h) reduced by the total amount of any qualified dividend income: either the first $5,000.00 of such adjusted net capital gain income or 40 percent of adjusted net capital gain income from the sale of assets held by the taxpayer for more than three years, except not adjusted net capital gain income from:

~~(I)~~(aa) the sale of any real estate or portion of real estate used by the taxpayer as a primary or nonprimary residence; or

~~(II)~~(bb) the sale of depreciable personal property other than farm property and standing timber; or stocks or bonds publicly traded or traded on an exchange, or any other financial instruments; regardless of whether sold by an individual or business; and provided that the total amount of decrease under this subdivision (28)(B)(ii) shall not exceed 40 percent of federal taxable income or $350,000.00, whichever is less;

(II) notwithstanding the limitation under subdivision (I)(bb) of this subdivision (ii) relating to "stocks or bonds publicly traded or traded on an exchange, or any other financial instruments," gains from the sale or exchange of qualified small business stock added to taxable income under subdivision (A)(vi) of this subdivision (28) may be decreased pursuant to this subdivision (ii); accordingly, for the purposes of this subdivision (ii), adjusted net capital gain income, federal adjusted gross income, and federal taxable income shall include any amounts added to a taxpayer's taxable income pursuant to subdivision (A)(vi) of this subdivision (28); and

* * *

Sec. 56. 32 V.S.A. § 5822 is amended to read:

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

* * *

(e) The tax determined under subsections (a) through (d) of this section shall be reduced by a percentage equal to the portion of adjusted gross income that is not Vermont income; provided, however, that if a taxpayer's Vermont income exceeds the taxpayer's adjusted gross income, no reduction shall be made and provided, further, that if a taxpayer has zero or negative Vermont income and the taxpayer's Vermont income computed without regard to the reductions in subsection 5823(a) of this chapter does not equal or exceed the taxpayer's adjusted gross income, no tax shall be due under this section. For the purposes of this subsection, adjusted gross income means federal adjusted gross income modified by the additions and subtractions provided for in subdivisions 5811(21)(A) and (B) of this chapter for an individual, and federal adjusted gross income modified by the additions and subtractions provided for in subdivisions 5811(28)(A) and (B) of this chapter for an estate or a trust.

Sec. 57. 32 V.S.A. § 5823 is amended to read:

§ 5823. VERMONT INCOME OF INDIVIDUALS, ESTATES, AND TRUSTS

* * *

(b) For any taxable year, the Vermont income of a nonresident individual, estate, or trust is the sum of the following items of income to the extent they are required to be included in the federal adjusted gross income of the individual after the value of those items are modified by the additions and subtractions provided for in subdivisions 5811(21)(A) and (B) of this chapter or the ~~gross~~ federal adjusted gross income of an estate or trust after the value of those items are modified by the additions and subtractions provided for in subdivisions (28)(A) and (B) of this chapter for that taxable year:

* * *

Sec. 58. 32 V.S.A. § 5930ii is amended to read:

§ 5930ii. RESEARCH AND DEVELOPMENT TAX CREDIT

(a) A taxpayer of this State shall be eligible for a credit against the tax imposed under this chapter in an amount equal to ~~27~~ 75 percent of the amount of the federal tax credit allowed in the taxable year for eligible research and development expenditures under 26 U.S.C. § 41(a) that are made within this State.

(b) Any unused credit available under subsection (a) of this section may be carried forward for up to 10 years.

(c) Each year, on or before January 15, the Department of Taxes shall publish a list containing the names of the taxpayers who have claimed a credit under this section during the most recent completed calendar year.

Sec. 59. 32 V.S.A. § 5930ee is amended to read:

§ 5930ee. LIMITATIONS

Beginning in fiscal year 2010 and thereafter, the State Board may award tax credits to all qualified applicants under this subchapter, provided that:

(1) the total amount of tax credits awarded annually, together with sales tax reallocated under section 9819 of this title, does not exceed ~~$3,000,000.00~~ $3,500,000.00;

* * *

Sec. 60. 32 V.S.A. § 5824 is amended to read:

§ 5824. ADOPTION OF FEDERAL INCOME TAX LAWS

The statutes of the United States relating to the federal income tax, as in effect on December 31, ~~2024~~ 2025, but without regard to federal income tax rates under 26 U.S.C. § 1, are hereby adopted for the purpose of computing the tax liability under this chapter and shall continue in effect as adopted until amended, repealed, or replaced by act of the General Assembly.

Sec. 61. 32 V.S.A. § 7402(8) is amended to read:

(8) "Laws of the United States" means the U.S. Internal Revenue Code of 1986, as amended through December 31, ~~2024~~ 2025. As used in this chapter, "Internal Revenue Code" has the same meaning as "laws of the United States" as defined in this subdivision. The date through which amendments to the U.S. Internal Revenue Code of 1986 are adopted under this subdivision

shall continue in effect until amended, repealed, or replaced by act of the General Assembly.

* * * Revenue Deposits; Purchase and Use and Meals and Rooms Taxes * * *

Sec. 62. 16 V.S.A. § 4025 is amended to read:

§ 4025. EDUCATION FUND

(a) The Education Fund is established to comprise the following:

* * *

(4) ~~25~~ 29 percent of the revenues from the meals and rooms taxes imposed under 32 V.S.A. chapter 225;

(5) ~~one-third~~ 27 percent of the revenues raised from the purchase and use tax imposed by 32 V.S.A. chapter 219, notwithstanding 19 V.S.A. § 11(1);

* * *

Sec. 63. 32 V.S.A. § 435(b)(7) is amended to read:

(7) ~~69~~ 65 percent of the meals and rooms taxes levied pursuant to chapter 225 of this title;

* * * Burlington Waterfront TIF * * *

Sec. 63a. BURLINGTON WATERFRONT TAX INCREMENT FINANCING DISTRICT; FINDINGS; INTENT

(a) The General Assembly finds that:

(1) 1985 Acts and Resolves No. 87 authorized municipalities to create tax increment financing districts and to retain municipal tax increment pursuant to 24 V.S.A. chapter 53, subchapter 5.

(2) The City of Burlington created the Burlington Waterfront Tax Increment Financing (TIF) District in the Lake Street area of the City on January 22, 1996, prior to the creation of the statewide education property tax in 1997 Acts and Resolves No. 60.

(3) 1997 Acts and Resolves No. 60, Sec. 45, created a statewide education property tax and authorized each municipality with an existing tax increment financing district under 24 V.S.A. chapter 53, subchapter 5, to expand the existing district by June 30, 1997, and "to collect *all* state and local property taxes on properties within the tax increment financing district and apply those revenues to repayment of debt issued to finance improvements within the tax increment financing district" (emphasis added). This provision authorized the City of Burlington to retain 100 percent of the Burlington Waterfront TIF District's municipal and education property tax increment.

(4) The City of Burlington voted to expand the Burlington Waterfront TIF District on June 23, 1997, to include property extending along Cherry Street from Battery Street to Church Street.

(5) 2009 Acts and Resolves No. 54, Sec. 83, extended the City of Burlington's authority to incur indebtedness for the TIF district by five years beginning January 1, 2010, and tasked the City of Burlington with submitting to the Joint Fiscal Committee "a proposal for implementation of a payment to the education fund in lieu of tax increment which would approximate 25 percent of the new incremental education property tax revenue and the mechanism for payment by the City to the education fund, including payment dates."

(6) The City of Burlington submitted the proposal to the Joint Fiscal Committee on August 31, 2009, and explained that the payment in lieu of tax increment was intended to reduce the administrative complexity that would result from having "two TIF rates and two 'original taxable bases' within the same district." The proposal provided for a payment to the Education Fund of 25 percent of "the new incremental *education* property taxes" (emphasis added) on properties within the Burlington Waterfront TIF District other than 35 Cherry Street and 41 Cherry Street. For these two properties, the City proposed to retain 100 percent of the property tax increment.

(7) The Joint Fiscal Committee approved the City of Burlington's proposal on September 10, 2009, and the General Assembly enacted the terms of the proposal in 2011 Acts and Resolves No. 45, Sec.16. This legislation left untouched the municipal property tax increment retention percentage.

(8) 2013 Acts and Resolves No. 80 codified the City of Burlington's authorization to use education tax increment financing for the Burlington Waterfront TIF District at 24 V.S.A. § 1892(d), extended the City's authority to incur indebtedness for the TIF district for five years beginning January 1, 2015, and clarified that the extension of the City's debt incurrence period did not extend the City's tax increment retention period.

(9) 2016 Acts and Resolves No. 134, Sec. 9a, extended the period to incur indebtedness for an additional one and a half years for three properties located at 49 Church Street and 75 Cherry Street, as designated on the City of Burlington's Tax Parcel Maps as Parcel ID# 044-4-004-000, Parcel ID# 044-4-004-001, and Parcel ID# 044-4-033-000. For these three properties, the General Assembly further authorized the City of Burlington to extend the City's tax increment retention period until June 30, 2035.

(10) 2020 Acts and Resolves No. 175, Sec. 29, further extended the period to incur indebtedness for these same three properties to June 30, 2022,

provided that certain contingencies were met, and clarified that the extension of the City's debt incurrence period for these three properties did not extend the City's tax increment retention period.

(11) 2021 Acts and Resolves No. 73, Sec. 26a, further extended the period to incur indebtedness for these same three properties to June 30, 2023.

(b) It is the intent of the General Assembly to clarify that the City of Burlington may retain until June 30, 2035, 75 percent of the State education tax increment and 100 percent of the municipal tax increment for the following three properties located at 49 Church Street and 75 Cherry Street, as designated on the City of Burlington's Tax Parcel Maps:

(1) Parcel ID# 044-4-004-000;

(2) Parcel ID# 044-4-004-001; and

(3) Parcel ID# 044-4-033-000.

(c) This section shall not be construed to modify the tax increment retention percentages for the Burlington Waterfront TIF District.

Sec. 63b. ADJUSTMENT OF RETENTION PERCENTAGES

On or before November 15, 2029, the City of Burlington shall submit an updated tax increment financing plan for the Burlington Waterfront Tax Increment Financing (TIF) District to the Vermont Economic Progress Council. The plan shall include adjustments and updates of appropriate data and information sufficient for the Council to determine, based on tax increment financing debt actually incurred and the history of increment generated, whether the municipal tax increment and State education tax increment percentages should be continued or adjusted to a lower percentage to be retained for the remaining duration of the retention period and still provide sufficient municipal and State education tax increment to service the remaining debt.

* * * Effective Dates * * *

Sec. 64. EFFECTIVE DATES

This act shall take effect on passage except:

(1) Notwithstanding 1 V.S.A. § 214, Sec. 1 (credit for taxes paid in another state by an S corporation) shall take effect retroactively on January 1, 2025, and shall apply to taxable years beginning on and after January 1, 2025.

(2) Secs. 3 and 4 (current use; land use change tax) shall take effect on October 1, 2026.

(3) Sec. 6 (communications property) shall take effect on January 1, 2027, and apply to grand lists lodged beginning on April 1, 2027.

(4) Sec. 20 (grand list definition of parcel) shall take effect on April 1, 2028, and shall apply to grand lists lodged on and after that date.

(5) Sec. 22 (Department of Fish and Wildlife rule on fees) shall take effect on July 1, 2027.

(6) Secs. 24–48 (grand list assessment date) shall take effect on July 1, 2031, and shall apply to grand lists lodged after that date.

(7) Sec. 58 (Vermont research and development tax credit) shall take effect on January 1, 2027, and shall apply to taxable years beginning on and after January 1, 2027.

(8) Notwithstanding 1 V.S.A. § 214, Secs. 55, 56, and 57 (decoupling from select provisions of IRC) and Secs. 60 and 61 (annual link-up) shall take effect retroactively on January 1, 2026, and shall apply to taxable years beginning on and after January 1, 2025.

(9) Notwithstanding 1 V.S.A. § 214, Sec. 55a (decoupling from IRC section 1202(a)) shall take effect retroactively on January 1, 2026, and shall apply to taxable years beginning on and after January 1, 2026.

(10) Sec. 50 (local option tax revenue) shall take effect on October 1, 2026.

Constitutional Proposal

PROPOSAL 4

Declaration of rights; government for the people; equality of rights

First of Four Days on the Notice Calendar

Rep. Rachelson of Burlington for the Committee on Judiciary.

Sec. 1. PURPOSE

(a) This proposal would amend the Constitution of the State of Vermont to specify that the government must not deny equal treatment under the law on account of a person's race, ethnicity, sex, religion, disability, sexual orientation, gender identity, gender expression, or national origin. The Constitution is our founding legal document stating the overarching values of our society. This amendment is in keeping with the values espoused by the current Vermont Constitution. Chapter I, Article 1 declares "That all persons are born equally free and independent, and have certain natural, inherent, and unalienable rights." Chapter I, Article 7 states "That government is, or ought

to be, instituted for the common benefit, protection, and security of the people." The core value reflected in Article 7 is that all people should be afforded all the benefits and protections bestowed by the government, and that the government should not confer special advantages upon the privileged. This amendment would expand upon the principles of equality and liberty by ensuring that the government does not create or perpetuate the legal, social, or economic inferiority of any class of people. This proposed constitutional amendment is not intended to limit the scope of rights and protections afforded by any other provision in the Vermont Constitution.

(b) Providing for equality of rights as a fundamental principle in the Constitution would serve as a foundation for protecting the rights and dignity of historically marginalized populations and addressing existing inequalities. This amendment would reassert the broad principles of personal liberty and equality reflected in the Constitution of the State of Vermont with authoritative force, longevity, and symbolic importance.

Sec. 2. Article 23 of Chapter I of the Vermont Constitution is added to read:

Article 23. [Equality of rights]

That the people are guaranteed equal protection under the law. The State shall not deny equal treatment under the law on account of a person's race, ethnicity, sex, religion, disability, sexual orientation, gender identity, gender expression, or national origin. Nothing in this Article shall be interpreted or applied to prevent the adoption or implementation of measures intended to provide equality of treatment and opportunity for members of groups that have historically been subject to discrimination.

Sec. 3. EFFECTIVE DATE

The amendment set forth in Sec. 2 shall become a part of the Constitution of the State of Vermont on the first Tuesday after the first Monday of November 2026 when ratified and adopted by the people of this State in accordance with the provisions of 17 V.S.A. chapter 32.

(Committee vote: 8-3-0)

For Informational Purposes

HOUSE CHAMBER 2027 SEATING REQUESTS

Pursuant to House Rule 5, a current Representative who will return to the House for the 2027-28 Biennium has a right to retain their current seat in the Chamber or to change seats by selecting a seat that will be vacant in 2027. No steps are needed for a Representative to retain their current seat. Here are the

steps for Representatives to request a change of seat for the 2027-28 Biennium:

1. Requests for changes in House seating will be accepted by the House Clerk's Office beginning **at 8:00 A.M. on the first Monday after the House adjourns *sine die***.
2. Call or email your request to Nigel Hicks-Tibbles at: nigel.hicks-tibbles@vtleg.gov.
3. Include in your request the seat number you would like to request; or you may ask Nigel what seats are available and they will be able to provide a list of vacant seats. A request for information will not be treated as a seat-change request for purposes of reserving a seat against other requests.
4. Requests for vacant seats will be accepted in the order received.
5. A vacant seat is one that was held at the end of the 2026 session by a member who has publicly announced they do not plan to run or has not filed to run for reelection to the House, who is not so reelected, or who has changed seats for 2027-28.
6. The list of vacant seats will change over the course of the adjournment and members are welcome to request a change more than once as different seats become available.

CROSSOVER DATES

The Joint Rules Committee established the following crossover dates:

(1) All **Senate/House** bills must be reported out of the last committee of reference (including the Committees on Appropriations and Finance/Ways and Means, except as provided below in (2) and the exceptions listed below) on or before **Friday, March 13, 2026**, and filed with the Secretary/Clerk so they may be placed on the Calendar for Notice the next legislative day – Committee bills must be voted out of Committee by **Friday, March 13, 2026**.

(2) All **Senate/House** bills referred pursuant to Senate Rule 31 or House Rule 35(a) to the Committees on Appropriations and Finance/Ways and Means must be reported out by the last of those committees on or before **Friday, March 20, 2026**, and filed with the Secretary/Clerk so they may be placed on the Calendar for Notice the next legislative day.

Exceptions to the foregoing deadlines include the major money bills (the general Appropriations bill ("The Big Bill"), the Transportation Capital bill, the Capital Construction bill, and the Fee/Revenue bills).

HOUSE CONCURRENT RESOLUTION (H.C.R.) PROCESS

Joint Rules 16a–16d provide the procedure for the General Assembly to adopt concurrent resolutions pursuant to the Consent Calendar. Here are the steps for Representatives to introduce an H.C.R. and to have it ceremonially read during a House session:

1. Meet with or email Legislative Counselor Michael Chernick regarding your H.C.R. draft request. Come prepared with an idea and any relevant supporting documents.

2. Have a date in mind if you want a ceremonial reading. You should communicate with Counselor Chernick **at least two weeks prior** to the week you want your ceremonial reading to happen.

3. Counselor Chernick will draft your H.C.R., and Resolutions Editor and Coordinator Jill Pralle will edit it. Upon completion of this process, a paper or electronic copy will be released to you. If a paper copy is released to you, a sponsor sign-out sheet will also be included.

4. Please submit a final sponsor list (with all sponsors listed) to Counselor Chernick by paper *or* electronically, but not both.

5. The final list of sponsors needs to be submitted, by email *or* on a paper sign-out sheet, to Counselor Chernick **not later than 1:00 p.m. the Wednesday of the week prior** to the H.C.R.'s appearance on the Consent Calendar.

6. The Office of Legislative Counsel will then send your H.C.R. to the House Clerk's Office for incorporation into the Consent Calendar and House Calendar Addendum for the following week.

7. The week that your H.C.R. is on the Consent Calendar, any presentation copies that you requested will be mailed or available for pickup on Friday, after the House and Senate adjourn, which is when your H.C.R. is adopted pursuant to Joint Rules.

8. Your H.C.R. can be ceremonially read during a House session once it is adopted, meaning it must have been adopted through the House Consent Calendar not later than the week prior to your requested ceremonial reading date. Contact Second Assistant Clerk Courtney Reckord to confirm your requested ceremonial reading date.

9. A Note: If there is a **specific date, week, or month that your resolution must be read** (e.g. to designate a specified period of time or to recognize a group on a certain day), please inform Second Assistant Clerk Courtney

Reckord as soon as possible, so she can reserve that date in advance. You do not need to have the resolution drafted by then.

JOINT FISCAL COMMITTEE NOTICES

Grants and Positions that have been submitted to the Joint Fiscal Committee by the Administration, under 32 V.S.A. §5(b)(3)(D):

JFO #3276: Twelve (12) limited-service positions to the Agency of Human Services, various departments, to staff the Rural Health Transformation Initiative. The Rural Health Transformation grant, JFO #3272 was approved at the Joint Fiscal Committee meeting on February 6, 2026. All limited-service positions are expected to be funded through 9/30/2031. *[Received March 31, 2026]*

JFO #3277: $36,000.00 to the Vermont Legislature, Sergeant at Arms office from the National Conference of State Legislatures. The grant will extend up to $500.00 to each member of the General Assembly to secure their homes. Funds would be available once as a reimbursement during the lawmaker's service for expenses incurred after June 1, 2026. *[Received April 14, 2026]*