

# Senate Calendar

TUESDAY, MAY 20, 2025  
SENATE CONVENES AT: 10:00 A.M.

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**ACTION CALENDAR**

**UNFINISHED BUSINESS OF FRIDAY, MAY 16, 2025**

**Third Reading**

**H. 50.**

An act relating to identifying underutilized State buildings and land.

**NEW BUSINESS**

**Third Reading**

**H. 209.**

An act relating to intranasal epinephrine in schools.

**H. 222.**

An act relating to civil orders of protection.

**H. 482.**

An act relating to Green Mountain Care Board authority to adjust a hospital's reimbursement rates and to appoint a hospital observer.

**Second Reading**

**Favorable**

**H. 504.**

An act relating to approval of amendments to the charter of the City of Rutland.

**Reported favorably by Senator Collamore for the Committee on Government Operations.**

(Committee vote: 5-0-0)

(For House amendments, see House Journal of May 6, 2025, pages 1437 and 1438)

**Favorable with Proposal of Amendment**

**H. 105.**

An act relating to expanding the Youth Substance Awareness Safety Program.

**Reported favorably with recommendation of proposal of amendment  
by Senator Hashim for the Committee on Judiciary.**

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

Sec. 1. 7 V.S.A. § 656 is amended to read:

§ 656. PERSON ~~16~~ 12 YEARS OF AGE OR OLDER AND UNDER 21  
YEARS OF AGE MISREPRESENTING AGE, PROCURING,  
POSSESSING, OR CONSUMING ALCOHOLIC BEVERAGES;  
IMPAIRED DRIVING; POSSESSION OF CANNABIS; CIVIL  
VIOLATION

(a) Definitions. As used in this section:

(1) “Alcohol” has the same meaning as in 23 V.S.A. § 1200(4).

(2) “Alcohol concentration” has the same meaning as in 23 V.S.A.  
§ 1200(1).

(3) “Cannabis” has the same meaning as in subdivision 831(2) of this  
title.

(4) “Highway” has the same meaning as in 23 V.S.A. § 4(24).

(5) “Ignition interlock device” has the same meaning as in 23 V.S.A.  
§ 1200(8).

(6) “Ignition interlock restricted driver’s license,” “ignition interlock  
RDL” or “RDL,” and “ignition interlock certificate” have the same meaning as  
in 23 V.S.A. § 1200(9).

(7) “Law enforcement officer” has the same meaning as “enforcement  
officer” as defined in 23 V.S.A. § 4(11)(A).

(8) “License to operate a motor vehicle” has the same meaning as in 23  
V.S.A. § 4(48).

(9) “Motor vehicle” or “vehicle” has the same meaning as “motor  
vehicle” as defined in 23 V.S.A. § 4(21).

(10) “Operate or attempts to operate” has the same meaning as in 23  
V.S.A. § 4(24).

(11) “Operator” has the same meaning as in 23 V.S.A. § 4(25) and shall  
include “junior operator” as defined in 23 V.S.A. § 4(16).

(12) “Person” has the same meaning as in 23 V.S.A. § 4(27).

(13) “Privilege to operate” has the same meaning as in 23 V.S.A. § 4(58).

(14) “Suspension” or “suspension of the person’s operator’s license” has the same meaning as “suspension of license” as defined in 23 V.S.A. § 4(50).

(b) Prohibited conduct; ~~offense~~ offenses.

(1) Prohibited conduct. A person ~~16~~ 12 years of age or older and under 21 years of age shall not:

(A) Falsely represent the person’s age for the purpose of procuring or attempting to procure malt or vinous beverages, ready-to-drink spirits beverages, spirits, or fortified wines from any licensee, State liquor agency, or other person or persons.

(B) Possess malt or vinous beverages, ready-to-drink spirits beverages, spirits, or fortified wines for the purpose of consumption by the person or other minors, except in the regular performance of duties as an employee of a licensee licensed to sell alcoholic liquor.

(C) Knowingly and unlawfully possess one ounce or less of cannabis or five grams or less of hashish or two mature cannabis plants or fewer or four immature cannabis plants or fewer.

(D) Consume malt or vinous beverages, ready-to-drink spirits beverages, spirits, or fortified wines. A violation of this subdivision may be prosecuted in a jurisdiction where the ~~minor~~ person has consumed malt or vinous beverages, ready-to-drink spirits beverages, spirits, or fortified wines or in a jurisdiction where the indicators of consumption are observed.

(E) Operate, attempt to operate, or be in actual physical control on a highway of a vehicle when the person’s blood alcohol concentration is 0.02 or more.

(2) Offense Procurement, possession, or consumption penalties. A person who knowingly violates ~~subdivision~~ any of subdivisions (1)(A)–(D) of this subsection commits a civil violation and shall be referred to the Court Diversion Program for the purpose of enrollment in the Youth Substance Awareness Safety Program. A person who fails to complete the program successfully commits a civil violation under the jurisdiction of the Judicial Bureau and shall be subject to the following:

(A) a civil penalty of \$300.00 and suspension of the person’s operator’s license and privilege to operate a motor vehicle for a period of 30 days, for a first offense; and

(B) a civil penalty of not more than \$600.00 and suspension of the person's operator's license and privilege to operate a motor vehicle for a period of 90 days, for a second or subsequent offense.

(3) Impaired driver penalties.

(A) A person who violates subdivision (1)(E) of this subsection (b) commits a civil violation, shall be referred to the Court Diversion Program for the purpose of enrollment in the Youth Substance Awareness Safety Program, and shall serve a suspension of the person's operator's license and privilege to operate a motor vehicle in accordance with subdivision (B) of this subsection (b)(3). A person who fails to complete the Program successfully commits a civil violation under the jurisdiction of the Judicial Bureau and shall be subject to the following:

(i) For a first offense, a civil penalty of \$300.00 and suspension of the person's operator's license and privilege to operate a motor vehicle for a period of 180 days and compliance with the requirements of 23 V.S.A. § 1209a(a)(1).

(ii) For a second or subsequent offense, a civil penalty of \$600.00 and suspension of the person's operator's license for a period of one year or until the person reaches 21 years of age, whichever is longer, and compliance with the requirements of 23 V.S.A. § 1209a(a)(2).

(iii) A person who violates subdivision (1)(E) of this subsection (b) may also be subject to recall of the person's provisional license under 23 V.S.A. § 607a.

(iv) If a law enforcement officer has reasonable grounds to believe that a person is violating subdivision (1)(E) of this subsection (b), the officer may request the person to submit to a breath test using a preliminary screening device approved by the Commissioner of Public Safety. A refusal to submit to the breath test shall be considered a violation of subdivision (1)(E) of this subsection (b). Notwithstanding any provisions to the contrary in 23 V.S.A. §§ 1202 and 1203:

(I) the results of the test shall be admissible evidence in a proceeding under this section; and

(II) there shall be no statutory right to counsel prior to the administration of the test.

(v) In a proceeding under this section, if there was at any time within two hours after operating, attempting to operate, or being in actual physical control of a vehicle on a highway a blood alcohol concentration of 0.02 or more, it shall be a rebuttable presumption that the person's blood

alcohol concentration was 0.02 or more at the time of operating, attempting to operate, or being in actual physical control.

(vi) No points shall be assessed for a violation of subdivision (1)(E) of this subsection (b).

(vii) The Alcohol and Driving Program required under this section shall be administered by the Department of Health's Division of Substance Use Programs and shall take into consideration any particular treatment needs of operators under 21 years of age.

(viii) An alleged violation of this section shall not bar prosecution for any crime, including a prosecution under 23 V.S.A. § 1201.

(ix) Suspensions imposed under this subdivision (3)(A) or any comparable statute of any other jurisdiction shall run concurrently with suspensions imposed under 23 V.S.A. §§ 1205, 1206, and 1208 or any comparable statutes of any other jurisdiction or with any suspension resulting from a conviction for a violation of 23 V.S.A. § 1091 from the same incident.

(B)(i) For a first offense, a person shall serve suspension of the person's operator's license and privilege to operate a motor vehicle for a period of 90 days and shall be automatically reinstated after the 90-day period.

(ii) For a second or subsequent offense, a person shall serve a suspension of the person's operator's license and privilege to operate a motor vehicle for a period 145 days and shall be automatically reinstated after the 145-day period.

(iii) The Commissioner of Motor Vehicles shall issue a notice of reinstatement to the person serving a suspension under this subdivision (b)(3)(B) upon successful completion of the suspension.

(iv) If a person fails to complete the Youth Substance Awareness Safety Program, the person shall receive credit for any elapsed period of a suspension served pursuant to this subdivision (b)(3)(B) against any suspension imposed pursuant to subdivision (A) of this subdivision (b)(3).

(C) During a suspension issued pursuant to subdivision (A) or (B) of this subdivision (3), a person may operate a motor vehicle if issued an ignition interlock restricted driver's license or certificate in accordance with 23 V.S.A. § 1213.

(i) A person subject to penalties under subdivision (A)(i) of this subdivision (b)(3) and who elects to operate a motor vehicle with an ignition interlock RDL or certificate shall be reinstated only if the person operates with

an ignition interlock RDL or certificate for a period of 180 days, in addition to any extension of this period arising from a violation of 23 V.S.A. § 1213.

(ii) A person subject to penalties under subdivision (A)(i) of this subdivision (b)(3) and who elects to operate a motor vehicle with an ignition interlock RDL or certificate shall be reinstated only if the person operates with an ignition interlock RDL or certificate for a period of one year or until the person reaches 21 years of age, whichever is longer, in addition to any extension of this period arising from a violation of 23 V.S.A. § 1213.

(b)(c) Issuance of notice of violation. A law enforcement officer shall issue a person who violates this section a notice of violation, in a form approved by the Court Administrator. A person shall not be cited for more than one violation of subsection (b) of this section arising out of the same incident. The notice of violation shall require the person to provide the person's name and address, shall indicate the presence of any substances that constitute a violation of subsection (b) of this section, and shall explain procedures under this section, including that:

(1) the person shall contact the Diversion Program in the county where the offense occurred within 15 days;

(2) failure to contact the Diversion Program within 15 days will result in the case being referred to the Judicial Bureau, where the person, if found liable for the violation, will be subject to a civil penalty and a suspension of the person's operator's license and may face substantially increased insurance rates;

(3) no money should be submitted to pay any penalty until after adjudication; and

(4) the person shall notify the Diversion Program if the person's address changes.

(d) Issuance of Notice of Suspension.

(1) On behalf of the Commissioner of Motor Vehicles, a law enforcement officer issuing a notice of violation in accordance with subsection (c) of this section shall also serve a notice of suspension of the person's operator's license and privilege to operate a motor vehicle in a form prescribed by the Court Administrator. The form shall include the following:

(A) the effective date of the suspension;

(B) the suspension's duration;

(C) an explanation of the consequences of the suspension;



(D) an explanation of the process to operate a motor vehicle with an ignition interlock restricted driver's license or certificate in accordance with 23 V.S.A. § 1213; and

(E) the projected date of reinstatement upon successful completion of the suspension.

(2) A suspension issued pursuant to subdivision (b)(3)(B) of this section shall become effective on the 11th day after the person receives notice in accordance with this subsection.

(3) A copy of the notice of suspension shall be sent to the Commissioner of Motor Vehicles.

~~(e)~~(e) Summons and complaint. When a person is issued a notice of violation under this section, the law enforcement officer shall complete a summons and complaint for the offense and send it to the Diversion Program in the county where the offense occurred. The summons and complaint shall not be filed with the Judicial Bureau at that time.

~~(d)~~(f) Registration in Youth Substance Abuse Safety Program. Within 15 days after receiving a notice of violation, the person shall contact the Diversion Program in the county where the offense occurred and register for the Youth Substance Abuse Safety Program. If the person fails to do so, the Diversion Program shall file the summons and complaint with the Judicial Bureau for adjudication under 4 V.S.A. chapter 29. The Diversion Program shall provide a copy of the summons and complaint to the law enforcement officer who issued the notice of violation and shall provide two copies to the person ~~charged with~~ subject to the violation.

~~(e)~~(g) Notice to report to Diversion. Upon receipt from a law enforcement officer of a summons and complaint completed under this section, the Diversion Program shall send the person a notice to report to the Diversion Program. The notice to report shall provide that:

(1) The person is required to complete all conditions related to the offense imposed by the Diversion Program, including substance abuse screening and, if deemed appropriate following the screening, substance abuse assessment or substance abuse counseling, or both.

(2) If the person does not satisfactorily complete the substance abuse screening, any required substance abuse assessment or substance abuse counseling, or any other condition related to the offense imposed by the Diversion Program, the case will be referred to the Judicial Bureau, where the person, if found liable for the violation, shall be assessed a civil penalty, the

person's driver's license will be suspended, and the person's automobile insurance rates may increase substantially.

(3) If the person satisfactorily completes the substance abuse screening, any required substance abuse assessment or substance abuse counseling, and any other condition related to the offense imposed by the Diversion Program, no penalty shall be imposed and the person's operator's license shall not be suspended.

~~(f)~~(h) Diversion Program requirements.

(1) Upon being contacted by a person who has been issued a notice of violation, the Diversion Program shall register the person in the Youth Substance Abuse Safety Program. Pursuant to the Youth Substance Abuse Safety Program, the Diversion Program shall impose conditions on the person. The conditions imposed shall include only conditions related to the offense and in every case shall include a condition requiring satisfactory completion of substance abuse screening using an evidence-based tool and, if deemed appropriate following the screening, substance abuse assessment and substance abuse education or substance abuse counseling, or both. If the screener recommends substance abuse counseling, the person shall choose a State-certified or State-licensed substance abuse counselor or substance abuse treatment provider to provide the services.

(2) Substance abuse screening required under this subsection shall be completed within 60 days after the Diversion Program receives a summons and complaint. The person shall complete all conditions at the person's own expense.

(3) When a person has satisfactorily completed substance abuse screening, any required substance abuse education or substance abuse counseling, and any other condition related to the offense that the Diversion Program has imposed, the Diversion Program shall:

(A) Void the summons and complaint with no penalty due.

(B) Send copies of the voided summons and complaint to the Judicial Bureau and to the law enforcement officer who completed them. Before sending copies of the voided summons and complaint to the Judicial Bureau under this subdivision, the Diversion Program shall redact all language containing the person's name, address, Social Security number, and any other information that identifies the person.

(4) If a person does not satisfactorily complete substance abuse screening, any required substance abuse education or substance abuse counseling, or any other condition related to the offense imposed by the

Diversion Program, the Diversion Program shall file the summons and complaint with the Judicial Bureau for adjudication under 4 V.S.A. chapter 29. The Diversion Program shall provide a copy of the summons and complaint to the law enforcement officer who issued the notice of violation and shall provide two copies to the person charged with the violation.

(5) A person aggrieved by a decision of the Diversion Program or alcohol counselor may seek review of that decision pursuant to Rule 75 of the Vermont Rules of Civil Procedure.

(6) Notwithstanding ~~3 V.S.A. §§ 163(a)(2)(C) and 164 (a)(2)(C)~~ any law to the contrary, the adult or juvenile diversion programs shall accept cases from the Youth Substance Awareness Safety Program pursuant to this section. The confidentiality provisions of 3 V.S.A. § 163 or 164 shall become effective when a notice of violation is issued pursuant to subsection ~~(b)(c)~~ of this section and shall remain in effect unless the person fails to register with or complete the Youth Substance Awareness Safety Program.

~~(g) [Repealed.]~~

~~(h)(i)~~ Record of adjudications; confidentiality; public records exemption.

(1) Upon adjudicating a person in violation of this section, the Judicial Bureau shall notify the Commissioner of Motor Vehicles, who shall maintain a record of all such adjudications that shall be separate from the registry maintained by the Department for motor vehicle driving records. The identity of a person in the registry shall be revealed only to the following:

(A) a law enforcement officer determining whether the person has previously violated this section; or

(B) an insurance company or its third-party contractor only for the purposes of recording a license suspension issued pursuant to subdivision (b)(3) of this section.

(2) Except as provided in this subsection:

(A) All information related to a suspension issued pursuant to subdivision (b)(3) of this section shall be held strictly confidential and not released without the participant's prior consent.

(B) Any records or information produced or acquired pursuant to a suspension issued pursuant to subdivision (b)(3) of this section shall be exempt from public inspection or copying under Vermont's Public Records Act.

(j) Reporting. Annually, beginning on October 1, 2026, the Office of the Attorney General, and other entities as needed, shall submit a written report to

the House and Senate Committees on Judiciary related to impaired driver violations under this section, containing the following, if available:

(1) the number of persons referred to the Youth Substance Awareness Safety Program;

(2) the ages of the persons referred to the Program;

(3) the number of persons who successfully complete the Program;

(4) the number of persons who fail the Program; and

(5) the number of persons who serve suspensions imposed by the Judicial Bureau after failing the Program.

## Sec. 2. IMPAIRED DRIVING; OUTCOME MEASURES; REPORT

For the first report submitted pursuant to 7 V.S.A. § 656(j), the Office of the Attorney General, in collaboration with the Vermont Statistical Analysis Center and others as needed, shall propose outcome measures to assess the effectiveness of any suspensions imposed for impaired driver violations and the Youth Substance Awareness Safety Program as a whole.

## Sec. 3. 23 V.S.A. § 1209a(a) is amended to read:

(a) Conditions of reinstatement. No license or privilege to operate suspended or revoked under this subchapter, ~~except a license or privilege to operate suspended under section 1216 of this title,~~ shall be reinstated except as follows:

\* \* \*

## Sec. 4. REPEALS

(a) 7 V.S.A. § 657a (person under 16 years of age misrepresenting age or procuring or possessing alcoholic beverages; delinquency) is repealed.

(b) 18 V.S.A. § 4230b (cannabis possession by a person 16 years of age or older and under 21 years of age; civil violation) is repealed.

(c) 18 V.S.A. § 4230j (cannabis possession by a person under 16 years of age; delinquency) is repealed.

(d) 23 V.S.A. § 1216 (persons under 21 years of age; alcohol concentration of 0.02 or more) is repealed.

## Sec. 5. EFFECTIVE DATE

This act shall take effect on July 1, 2025.

(Committee vote: 3-0-2)

(For House amendments, see House Journal of March 12, 2025, pages 382 to 390)

#### **H. 238.**

An act relating to the phaseout of consumer products containing added perfluoroalkyl and polyfluoroalkyl substances.

#### **Reported favorably with recommendation of proposal of amendment by Senator Lyons for the Committee on Health and Welfare.**

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

\* \* \* PFAS in Consumer Products \* \* \*

Sec. 1. 9 V.S.A. chapter 63, subchapter 12A is amended to read:

Subchapter 12A. PFAS in Consumer Products

§ 2494e. DEFINITIONS

As used in this subchapter:

(1) “Adult mattress” means a mattress other than a crib or toddler mattress.

(2) “Aftermarket stain and water resistant treatments” means treatments for textile and leather consumer products used in residential settings that have been treated during the manufacturing process for stain, oil, and water resistance, but excludes products marketed or sold exclusively for use at industrial facilities during the manufacture of a carpet, rug, clothing, or shoe.

(3) “Apparel” means any of the following:

(A) Clothing items intended for regular wear or formal occasions, including undergarments, shirts, pants, skirts, dresses, overalls, bodysuits, costumes, vests, dancewear, suits, saris, scarves, tops, leggings, school uniforms, leisurewear, athletic wear, sports uniforms, everyday swimwear, formal wear, onesies, bibs, reusable diapers, footwear, and everyday uniforms for workwear. Clothing items intended for regular wear or formal occasions do not include clothing items for exclusive use by the U.S. Armed Forces, outdoor apparel for severe wet conditions, and personal protective equipment.

(B) Outdoor apparel.

(4) “Artificial turf” means a surface of synthetic fibers that is used in place of natural grass in recreational, residential, or commercial applications.

(5) “Cleaning product” means a compound intended for routine cleaning, including general purpose cleaners, bathroom cleaners, glass cleaners, carpet cleaners, floor care products, and hand soaps. “Cleaning product” does not mean an antimicrobial pesticide.

(6) “Cookware” means durable houseware items used to prepare, dispense, or store food, foodstuffs, or beverages and that are intended for direct food contact, including pots, pans, skillets, grills, baking sheets, baking molds, trays, bowls, and cooking utensils.

(7) “Dental floss” means a string-like device made of cotton or other fibers intended to remove plaque and food particles from between the teeth to reduce tooth decay. The fibers of the device may be coated with wax for easier use.

(8) “Fluorine treated container” means a fluorinated treated plastic container.

~~(6)~~(9) “Incontinency protection product” means a disposable, absorbent hygiene product designed to absorb bodily waste for use by individuals 12 years of age and older.

~~(7)~~(10) “Intentionally added” means the addition of a chemical in a product that serves an intended function in the product component  
“Intentionally added PFAS” means PFAS added to a product regulated under this subchapter or one of its product components to provide a specific characteristic, appearance, or quality or to perform a specific function.  
“Intentionally added PFAS” also includes any degradation byproducts of PFAS or PFAS that are intentional breakdown products of an added chemical. For the purposes of this chapter the use of PFAS as a processing agent, mold release agent, or intermediate is considered intentional introduction where PFAS are detected in the final covered product.

~~(8)~~(11) “Juvenile product” means a product designed or marketed for use by infants and children under 12 years of age:

(A) including a baby or toddler foam pillow; bassinet; bedside sleeper; booster seat; changing pad; infant bouncer; infant carrier; infant seat; infant sleep positioner; infant swing; infant travel bed; infant walker; nap cot; nursing pad; nursing pillow; pacifier; play mat; playpen; play yard; polyurethane foam mat, pad, or pillow; portable foam nap mat; portable infant sleeper; portable hook-in chair; soft-sided portable crib; stroller; toddler mattress; and disposable, single-use diaper; ~~and~~

(B) excluding a children’s electronic product, such as a personal computer, audio and video equipment, calculator, wireless phone, game

console, handheld device incorporating a video screen, or any associated peripheral such as a mouse, keyboard, power supply unit, or power cord; a medical device; or an adult mattress; and

(C) excluding children's all-terrain vehicles, as that term is defined under 23 V.S.A. § 3801.

~~(9)~~(12) “Manufacturer” means any person engaged in the business of making or assembling a consumer product directly or indirectly available to consumers. “Manufacturer” excludes a distributor or retailer, except when a consumer product is made or assembled outside the United States, in which case a “manufacturer” includes the importer or first domestic distributor of the consumer product.

~~(10)~~(13) “Medical device” has the same meaning given to “device” in 21 U.S.C. § 321.

~~(11)~~(14) “Outdoor apparel” means clothing items intended primarily for outdoor activities, including hiking, camping, skiing, climbing, bicycling, and fishing.

~~(12)~~(15) “Outdoor apparel for severe wet conditions” means outdoor apparel that are extreme and extended use products designed for outdoor sports experts for applications that provide protection against extended exposure to extreme rain conditions or against extended immersion in water or wet conditions, such as from snow, in order to protect the health and safety of the user and that are not marketed for general consumer use. Examples of extreme and extended use products include outerwear for offshore fishing, offshore sailing, whitewater kayaking, and mountaineering.

~~(13)~~(16) “Perfluoroalkyl and polyfluoroalkyl substances” or “PFAS” means a class of fluorinated organic chemicals containing at least one fully fluorinated carbon atom.

~~(14)~~(17) “Personal protective equipment” has the same meaning as in section 2494p of this title.

~~(15)~~(18) “Regulated perfluoroalkyl and polyfluoroalkyl substances” or “regulated PFAS” means:

(A) PFAS that a manufacturer has intentionally added to a product and that have a functional or technical effect in the product, including PFAS components of intentionally added chemicals and PFAS that are intentional breakdown products of an added chemical that also have a functional or technical effect in the product; or

(B) the presence of PFAS in a product or product component at or above 100 parts per million, as measured in total organic fluorine.

~~(16)~~(19) “Rug or carpet” means a fabric marketed or intended for use as a floor covering.

~~(17)~~(20) “Ski wax” means a lubricant applied to the bottom of snow runners, including skis and snowboards, to improve their grip and glide properties.

~~(18)~~(21) “Textile” means any item made in whole or part from a natural, manmade, or synthetic fiber, yarn, or fabric, and includes leather, cotton, silk, jute, hemp, wool, viscose, nylon, or polyester. “Textile” does not include single-use paper hygiene products, including toilet paper, paper towels, tissues, or single-use absorbent hygiene products.

~~(19)~~(22) “Textile articles” means textile goods of a type customarily and ordinarily used in households and businesses, and includes apparel, accessories, handbags, backpacks, draperies, shower curtains, furnishings, upholstery, bedding, towels, napkins, and table cloths. “Textile articles” does not include:

(A) a vehicle, as defined in 1 U.S.C. § 4, or its component parts;

(B) a vessel, as defined in 1 U.S.C. § 3, or its component parts;

(C) an aircraft, as defined in 49 U.S.C. § 40102(a)(6), or its component parts;

(D) filtration media and filter products used in industrial applications, including chemical or pharmaceutical manufacturing and environmental control technologies;

(E) textile articles used for laboratory analysis and testing; and

(F) rugs or carpets.

§ 2494f. ~~AFTERMARKET STAIN AND WATER-RESISTANT~~  
TREATMENTS PROHIBITION ON PFAS IN CONSUMER  
PRODUCTS

~~(a) A manufacturer shall not manufacture, sell, offer for sale, distribute for sale, or distribute for use in this State aftermarket stain and water-resistant treatments for rugs or carpets to which PFAS have been intentionally added in any amount.~~

~~(b) This section shall not apply to the sale or resale of used products. A manufacturer shall not manufacture, sell, offer for sale, distribute for sale, or~~



distribute for use in the State the following consumer products to which PFAS have been intentionally added in any amount:

- (1) aftermarket stain and water-resistant treatments;
- (2) artificial turf;
- (3) cleaning products;
- (4) cookware;
- (5) dental floss;
- (6) incontinency protection products;
- (7) juvenile products;
- (8) residential rugs and carpets; or
- (9) ski wax.

(b) A manufacturer shall not manufacture, sell, offer for sale, distribute for sale, or distribute for use in the State textiles or textile articles to which regulated PFAS have been intentionally added in any amount.

(c) The prohibitions under subsections (a) and (b) of this section shall not apply to the sale, offer for sale, distribution for sale, or distribution for use of any of the products listed under subsections (a) and (b) of this section that have been previously used by a consumer for the intended purpose of the product.

~~§ 2494g. ARTIFICIAL TURF~~

~~A manufacturer shall not manufacture, sell, offer for sale, distribute for sale, or distribute for use in this State artificial turf to which:~~

~~(1) PFAS have been intentionally added in any amount; or~~

~~(2) PFAS have entered the product from the manufacturing or processing of that product, the addition of which is known or reasonably ascertainable by the manufacturer.~~

~~§ 2494h. COOKWARE~~

~~(a) A manufacturer shall not manufacture, sell, offer for sale, distribute for sale, or distribute for use in this State cookware to which PFAS have been intentionally added in any amount.~~

~~(b) This section shall not apply to the sale or resale of used products.~~

~~§ 2494i. INCONTINENCY PROTECTION PRODUCT~~

~~A manufacturer shall not manufacture, sell, offer for sale, distribute for sale, or distribute for use in this State an incontinency protection product to which PFAS have been intentionally added in any amount.~~

~~§ 2494j. JUVENILE PRODUCTS~~

~~(a) A manufacturer shall not manufacture, sell, offer for sale, distribute for sale, or distribute for use in this State juvenile products to which PFAS have been intentionally added in any amount.~~

~~(b) This section shall not apply to the sale or resale of used products.~~

~~§ 2494k. RUGS AND CARPETS~~

~~(a) A manufacturer shall not manufacture, sell, offer for sale, distribute for sale, or distribute for use in this State a residential rug or carpet to which PFAS have been added in any amount.~~

~~(b) This section shall not apply to the sale or resale of used products.~~

~~§ 2494l. SKI WAX~~

~~(a) A manufacturer shall not manufacture, sell, offer for sale, distribute for sale, or distribute for use in this State ski wax or related tuning products to which PFAS have been intentionally added in any amount.~~

~~(b) This section shall not apply to the sale or resale of used products.~~

~~§ 2494m. TEXTILES~~

~~(a) A manufacturer shall not manufacture, sell, offer for sale, distribute for sale, or distribute for use in this State a textile or textile article to which regulated PFAS have been intentionally added in any amount.~~

~~(b) This section shall not apply to the sale or resale of used products.~~

§ 2494g. FLUORINE TREATED CONTAINERS

(a) A manufacturer shall not sell, offer for sale, distribute for sale, or distribute for use in the State a product listed under subdivisions 2494f(a)(1)–(9) of this title that does not contain intentionally added PFAS but that is sold, offered for sale, distributed for sale, or distributed for use in the State in a fluorine treated container.

(b) The prohibition under subsection (a) of this section shall not apply to the sale, offer for sale, distribution for sale, or distribution for use of a product that has been previously used by a consumer for the intended purpose of the product.

(c) Beginning on January 1, 2032, a manufacturer shall not manufacture, sell, offer for sale, distribute for sale, or distribute for use in the State a

fluorine treated container or any consumer product in a fluorine treated container.

§ 2494~~n~~ 2494h. CERTIFICATE OF COMPLIANCE

(a) The Attorney General may request a certificate of compliance from a manufacturer of a consumer product regulated under this subchapter. Within 60 days after receipt of the Attorney General's request for a certificate of compliance, the manufacturer shall:

(1) provide the Attorney General with a certificate attesting that the manufacturer's product or products comply with the requirements of this subchapter; or

(2) notify persons who are selling a product of the manufacturer's in this State that the sale is prohibited because the product does not comply with this subchapter and submit to the Attorney General a list of the names and addresses of those persons notified.

(b) A manufacturer required to submit a certificate of compliance pursuant to this section may rely upon a certificate of compliance provided to the manufacturer by a supplier for the purpose of determining the manufacturer's reporting obligations. A certificate of compliance provided by a supplier in accordance with this subsection shall be used solely for the purpose of determining a manufacturer's compliance with this section.

§ 2494~~e~~ 2494i. VIOLATIONS

(a) A violation of this subchapter is deemed to be a violation of section 2453 of this title.

(b) The Attorney General has the same authority to make rules, conduct civil investigations, enter into assurances of discontinuance, and bring civil actions, and private parties have the same rights and remedies, as provided under subchapter 1 of this chapter.

Sec. 2. 9 V.S.A. § 2494~~e~~(19) is amended to read:

(19) "Regulated perfluoroalkyl and polyfluoroalkyl substances" or "regulated PFAS" means:

(A) PFAS that a manufacturer has intentionally added to a product and that have a functional or technical effect in the product, including PFAS components of intentionally added chemicals and PFAS that are intentional breakdown products of an added chemical that also have a functional or technical effect in the product; or

(B) the presence of PFAS in a product or product component at or above ~~100~~ 50 parts per million, as measured in total organic fluorine.

Sec. 3. 9 V.S.A. § 2494e(3) is amended to read:

(3) “Apparel” means any of the following:

(A) Clothing items intended for regular wear or formal occasions, including undergarments, shirts, pants, skirts, dresses, overalls, bodysuits, costumes, vests, dancewear, suits, saris, scarves, tops, leggings, school uniforms, leisurewear, athletic wear, sports uniforms, everyday swimwear, formal wear, onesies, bibs, reusable diapers, footwear, and everyday uniforms for workwear. Clothing items intended for regular wear or formal occasions do not include clothing items for exclusive use by the U.S. Armed Forces, ~~outdoor apparel for severe wet conditions~~, and personal protective equipment.

(B) Outdoor apparel.

(C) Outdoor apparel for severe wet conditions.

#### Sec. 4. ANR REPORT ON PFAS REGULATION

(a) As used in this section, “perfluoroalkyl and polyfluoroalkyl substances” or “PFAS” means a class of fluorinated organic chemicals containing at least one fully fluorinated carbon atom.

(b) On or before January 15, 2027, the Secretary of Natural Resources shall submit to the House Committees on Environment and on Human Services and the Senate Committees on Natural Resources and Energy and on Health and Welfare a report regarding the regulation by other states of PFAS in consumer products. The report shall include:

(1) a summary of programs in other states that regulate PFAS in consumer products, including whether other states have implemented a regulatory program based on the definition of PFAS used in this section;

(2) if other states have implemented regulatory programs for PFAS, a summary of the effectiveness of the programs, including any obstacles or difficulties these states may have faced in implementing a program, the staffing required for a program, and the time frame under which each state implemented the program;

(3) a recommendation, based on review of regulatory programs in other states, on whether Vermont should establish a regulatory program for PFAS in consumer products, including the State agency in which such a program should be located, the staffing required, and a time frame for implementation;

(4) whether other states have prohibited or restricted the use of fluorine treated containers, including a summary of how fluorine treated containers are used or allowed for use in other states;

(5) any other information that the Secretary determines is necessary for the purpose of informing the General Assembly whether to enact a regulatory program for PFAS in consumer products; and

(6) a summary of PFAS data in industrial processes, to the extent available, and whether any other state has restricted the use of PFAS-contaminated water in manufacturing.

#### Sec. 5. REPORTS; PFAS IN COMPLEX DURABLE GOODS; FOOD

(a)(1) On or before January 15, 2033, the Secretary of Natural Resources shall provide a recommendation to the House Committees on Human Services and on Environment and the Senate Committees on Health and Welfare and on Natural Resources and Energy on how to address PFAS in complex durable goods.

(2) As used in this subsection, “complex durable goods” means a consumer product that is a manufactured good composed of 100 or more manufactured components, with an intended useful life of five or more years, where the product is typically not consumed, destroyed, or discarded after a single use. This includes replacement parts for complex durable goods not subject to a phaseout under this chapter.

(b)(1) On or before January 15, 2033, the Secretary of Agriculture, Food and Markets shall provide a recommendation to the House Committees on Human Services and on Environment and the Senate Committees on Health and Welfare and on Natural Resources and Energy on how to address PFAS in food.

(2) As used in this subsection, “food” has the same meaning as in 18 V.S.A. § 4051.

(c) The Secretary of Natural Resources shall update the Senate Committee on Health and Welfare, the House Committee on Environment, and the Secretary of Natural Resources on the status of the regulation of PFAS in complex durable goods and in food in other states. The first status report shall be submitted on or before January 15, 2027, as part of the report required under Sec. 4 of this act or as testimony. The second update shall be provided as testimony to the committees on or before January 15, 2029.

Sec. 6. REPEALS

(a) 2024 Acts and Resolves No. 131, Sec. 4 (prospective definition for outdoor apparel for severe wet conditions) is repealed.

(b) 2024 Acts and Resolves No. 131, Sec. 5 (prospective definition of regulated PFAS) is repealed.

Sec. 7. 2024 Acts and Resolves No. 131, Sec. 13 is amended to read:

Sec. 13. EFFECTIVE DATES

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

(1) Sec. 1 (chemicals in cosmetic and menstrual products), ~~Sec. 3 (PFAS in consumer products)~~, Sec. 6 (PFAS in firefighting agents and equipment), and Sec. 7 (chemicals of concern in food packaging) shall take effect on January 1, 2026; and

(2) Sec. 2 (9 V.S.A. § 2494b) and ~~Sec. 5 (9 V.S.A. § 2494e(15))~~ shall take effect on July 1, 2027; and

~~(3) Sec. 4 (9 V.S.A. § 2494e(3)) shall take effect on July 1, 2028.~~

\* \* \* PFAS in Firefighting Agents and Equipment \* \* \*

Sec. 8. 9 V.S.A. § 2494p(2) is amended to read:

~~(2) “Intentionally added” means the addition of a chemical in a product that serves an intended function in the product component. “Intentionally added PFAS” means PFAS added to a product regulated under this subchapter or one of its product components to provide a specific characteristic, appearance, or quality or to perform a specific function. “Intentionally added PFAS” also includes any degradation byproducts of PFAS or PFAS that are intentional breakdown products of an added chemical. For the purposes of this chapter the use of PFAS as a processing agent, mold release agent, or intermediate is considered intentional introduction where PFAS are detected in the final covered product.~~

Sec. 9. 9 V.S.A. § 2494s is amended to read:

(a) A manufacturer or other person that sells firefighting equipment to any person, municipality, or State agency shall ~~provide written notice to the purchaser at the time of sale, citing to this subchapter, if the personal protective equipment or station wear contains PFAS. The written notice shall include a statement that the personal protective equipment or station wear contains PFAS and the reason PFAS are added to the equipment not sell, offer for sale, distribute for sale, or distribute for use in this State any personal protective equipment to which PFAS have been intentionally added.~~

~~(b) The manufacturer or person selling personal protective equipment or station wear and the purchaser of the personal protective equipment or station wear shall retain the notice for at least three years from the date of the transaction. The prohibitions under subsection (a) of this section shall not apply to personal protective equipment that is a respirator or respirator protection equipment, provided that a manufacturer of a respirator or respirator protection equipment shall provide written notice to the purchaser at the time of sale, citing to this subchapter if the respirator or respirator protection equipment contains PFAS. The written notice shall include a statement that the respirator or respirator protection equipment contains PFAS and the reason PFAS are added to the equipment. The manufacturer or person selling respirator or respirator protection equipment and the purchaser of the respirator or respirator protection equipment shall retain the notice for at least three years from the date of the transaction.~~

Sec. 10. 9 V.S.A. § 2494s is amended to read:

§ 2494s. PROHIBITED SALE OF PERSONAL PROTECTIVE  
EQUIPMENT CONTAINING PFAS

(a) A manufacturer or other person that sells firefighting equipment to any person, municipality, or State agency shall not sell, offer for sale, distribute for sale, or distribute for use in this State any personal protective equipment to which PFAS have been intentionally added.

~~(b) The prohibitions under subsection (a) of this section shall not apply to personal protective equipment that is a respirator or respirator protection equipment, provided that a manufacturer of a respirator or respirator protection equipment shall provide written notice to the purchaser at the time of sale, citing to this subchapter if the respirator or respirator protection equipment contains PFAS. The written notice shall include a statement that the respirator or respirator protection equipment contains PFAS and the reason PFAS are added to the equipment. The manufacturer or person selling respirator or respirator protection equipment and the purchaser of the respirator or respirator protection equipment shall retain the notice for at least three years from the date of the transaction. [Repealed.]~~

Sec. 11. NOTICE OF PRESENCE OF PFAS IN STATION WEAR PRIOR  
TO PROHIBITION OF PFAS IN APPAREL

(a) As used in this section:

(1) “Perfluoroalkyl and polyfluoroalkyl substances” or “PFAS” has the same meaning as in 9 V.S.A. § 2494p.

(2) “Station wear” means uniform shirts and pants worn by firefighting personnel in the performance of their duties, often underneath personal protective equipment.

(b) Prior to the limitation of PFAS in textile articles under 9 V.S.A. chapter 63, subchapter 12A beginning on July 1, 2026 under 9 V.S.A. § 2494f, a manufacturer or other person that sells station wear to any person, municipality, or State agency shall provide written notice to the purchaser at the time of sale, citing to this subchapter, if the station wear contains PFAS. The written notice shall include a statement that station wear contains PFAS and the reason PFAS are added to the station wear. The manufacturer or person selling station wear and the purchaser of station wear shall retain the notice for at least three years from the date of the transaction.

## **Sec. 12. ANR REPORT ON AVAILABILITY OF PFAS-FREE PERSONAL PROTECTIVE EQUIPMENT**

(a) As used in this section:

(1) “Perfluoroalkyl and polyfluoroalkyl substances” or “PFAS” means a class of fluorinated organic chemicals containing at least one fully fluorinated carbon atom.

(2) “Personal protective equipment” means clothing designed, intended, or marketed to be worn by firefighting personnel in the performance of their duties, designed with the intent for use in fire and rescue activities, and includes jackets, pants, shoes, gloves, helmets, and respiratory equipment.

(b) On or before December 15, 2028, the Agency of Natural Resources, after consultation with the Department of Public Safety, shall report to the Senate Committees on Health and Welfare and on Natural Resources and Energy and the House Committees on Human Service and on Environment regarding the availability of personal protective equipment that does not include PFAS. The report shall include:

(1) a summary of the general availability in the State of personal protective equipment that does not include PFAS, including whether respirators that do not include PFAS are generally available to firefighting personnel in Vermont; and

(2) a summary of the cost of personal protective equipment that does not include PFAS, including whether the personal protective equipment that does not include PFAS is available at comparable costs to personal protective equipment that includes PFAS.



(c) The Agency of Natural Resources shall submit a copy of the report required under this section to the Vermont League of Cities and Towns to make available to municipal firefighting departments.

\* \* \* Effective Dates \* \* \*

#### Sec. 13. EFFECTIVE DATES

(a) This section and Secs. 4 and 5 (reports to the General Assembly), Sec. 11 (notice of PFAS in station wear), and Sec. 12 (availability of PFAS-free personal protective equipment) shall take effect on July 1, 2025.

(b)(1) Sec. 1 (PFAS in consumer products) shall take effect on January 1, 2026, except that:

(A) 9 V.S.A. § 2494e(10) (definition of intentionally added) shall take effect on July 1, 2027;

(B) 9 V.S.A. § 2494f(a)(3) (cleaning products) and (a)(5) (dental floss) and 9 V.S.A. § 2494g (fluorine treated containers) shall take effect on July 1, 2027; and

(C) 9 V.S.A. § 2494f(a)(4) (cookware) shall take effect July 1, 2028.

(2) Sec. 1 and this section shall supersede those provisions of 2024 Acts and Resolves No. 131, Sec. 3 that conflict with the provisions of this act.

(c) Sec. 2 (definition of regulated PFAS) shall take effect on July 1, 2027.

(d) Sec. 3 (definition of outdoor apparel) shall take effect on July 1, 2028.

(e) Secs. 6 (repeal of Act 131 provisions) and 7 (amended Act 131 effective dates) shall take effect on January 1, 2026.

(f) Sec. 8 (definition of intentionally added; PPE containing PFAS) shall take effect January 1, 2026 and shall supersede those provisions of 2024 Acts and Resolves No. 131, Sec. 6 that conflict with the provisions of this act.

(g) Sec. 9 (prohibition on sale of PPE containing PFAS) shall take effect on July 1, 2029.

(h) Sec. 10 (prohibition on sale of respirators containing PFAS) shall take effect on July 1, 2032.

(Committee vote: 5-0-0)

(For House amendments, see House Journal of March 13, 2025, pages 396 to 405)

## House Proposal of Amendment

### S. 63.

An act relating to modifying the regulatory duties of the Green Mountain Care Board

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

First: By striking out Sec. 7, 18 V.S.A. § 9456, in its entirety and inserting a new Sec. 7 to read as follows:

Sec. 7. 18 V.S.A. § 9456 is amended to read:

#### § 9456. BUDGET REVIEW

(a) The Board shall conduct reviews of each hospital's proposed budget based on the information provided pursuant to this subchapter and in accordance with a schedule established by the Board. Notwithstanding any provision of 3 V.S.A. chapter 25 to the contrary, the Board's review, establishment, and enforcement of hospital budgets under this section shall not be construed to be a contested case. Any person aggrieved by a final Board action, order, or determination under this section may appeal as set forth in section 9381 of this title.

\* \* \*

(d)(1)(A) Annually, the Board shall establish a budget for each general hospital, as defined in section 1902 of this title, on or before September 15, followed by a written decision by on or before October 1.

(B) Annually, the Board shall establish a budget for each psychiatric hospital, as defined in section 1902 of this title but excluding those conducted, maintained, or operated by the State of Vermont, on or before December 15, followed by a written decision on or before December 31.

(C) Each hospital shall operate within the budget established under this section.

\* \* \*

(h)(1) If a hospital violates a provision of this section, the Board may maintain an action in the Superior Court of the county in which the hospital is located to enjoin, restrain, or prevent such violation.

(2)(A) After notice and an opportunity for hearing, the Board may impose on a person who knowingly violates a provision of this subchapter, or a rule adopted pursuant to this subchapter, a civil administrative penalty of ~~no~~ not more than \$40,000.00, or in the case of a continuing violation, a civil

administrative penalty of ~~no~~ not more than \$100,000.00 or one-tenth of one percent of the gross annual revenues of the hospital, whichever is greater. This subdivision shall not apply to violations of subsection (d) of this section caused by exceptional or unforeseen circumstances.

(B)(i) The Board may order a hospital to:

\* \* \*

(ii) Orders issued under this subdivision (2)(B) shall be issued after notice and an opportunity to be heard, except where the Board finds that a hospital's financial or other emergency circumstances pose an immediate threat of harm to the public or to the financial condition of the hospital. Where there is an immediate threat, the Board may issue orders under this subdivision (2)(B) without written or oral notice to the hospital. Where an order is issued without notice, the hospital shall be notified of the right to a hearing at the time the order is issued. The hearing shall be held within 30 days after receipt of the hospital's request for a hearing, and a decision shall be issued within 30 days after conclusion of the hearing. The Board may increase the time to hold the hearing or to render the decision for good cause shown. ~~Hospitals may appeal any decision in this subsection to Superior Court. Appeal shall be on the record as developed by the Board in the administrative proceeding and the standard of review shall be as provided in 8 V.S.A. § 16.~~

Second: By striking out Sec. 10, effective dates, in its entirety and inserting a new Sec. 10 to read as follows:

#### Sec. 10. EFFECTIVE DATES

(a) In Sec. 5, (18 V.S.A. § 9382), subsection (a) shall take effect on January 1, 2027 and subsections (b)–(g) shall take effect on January 1, 2026.

(b) Secs. 6 (18 V.S.A. § 9454) and 7 (18 V.S.A. § 9456) and this section shall take effect on passage.

(c) The remaining sections shall take effect on July 1, 2025.

### **House Proposal of Amendment**

#### **S. 125.**

An act relating to workers' compensation and collective bargaining rights.

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

Sec. 1. [Deleted.]

Sec. 2. [Deleted.]

Sec. 3. [Deleted.]

Sec. 4. [Deleted.]

\* \* \* Labor Relations \* \* \*

Sec. 5. 3 V.S.A. § 1011 is amended to read:

§ 1011. DEFINITIONS

As used in this chapter:

\* \* \*

(8) “Employee,” means any individual employed and compensated on a permanent or limited status basis by the Judiciary Department, including permanent part-time employees and any individual whose employment has ceased as a consequence of, or in connection with, any current labor dispute or because of an unfair labor practice. “Employee” does not include any of the following:

(A) a Justice, judge, assistant judge, magistrate, or hearing officer;

(B) the Court Administrator;

(C) a managerial, ~~supervisory~~, or confidential employee;

(D) a law clerk, attorney, or administrative assistant or private secretary to a judge, Justice, or Court Administrator;

(E) an individual employed on a temporary, contractual, seasonal, or on-call basis, including an intern;

(F) an employee during the initial or extended probationary period;

(G) the head of a department or division;

(H) [Repealed.]

(I) an attorney for the Supreme Court, for the Court Administrator, or for any board or commission created by the Supreme Court;

(J) an employee paid by the State who is appointed part-time as county clerk pursuant to 4 V.S.A. § 651 or 691;

(K) an employee who, after hearing by the Board upon petition of any individual, the employer, or a collective bargaining unit, is determined to be in a position that is sufficiently inconsistent with the spirit and intent of this chapter to warrant exclusion.

\* \* \*

Sec. 5a. 3 V.S.A. § 941 is amended to read:

§ 941. UNIT DETERMINATION, CERTIFICATION, AND  
REPRESENTATION

\* \* \*

(c)(1) A petition may be filed with the Board, in accordance with procedures prescribed by the Board by an employee or group of employees, or any individual or employee organization purporting to act on their behalf, alleging by filing a petition or petitions bearing signatures of not less than 30 percent of the employees that they wish to form a bargaining unit and be represented for collective bargaining, ~~or that the individual or employee organization currently certified as the bargaining agent is no longer supported by at least 51 percent of the employees in the bargaining unit, or that they are now included in an approved bargaining unit and wish to form a separate bargaining unit under Board criteria for purposes of collective bargaining.~~ The employee, group of employees, individual, or employee organization that files the petition, shall, at the same time that the petition is filed with the Board, provide a copy of the petition to the employer and, if appropriate, the current bargaining agent.

(2) A petition may be filed with the Board, in accordance with procedures prescribed by the Board, by an employee or group of employees, or any individual or employee organization purporting to act on their behalf, alleging by filing a petition or petitions bearing signatures of not less than 50 percent plus one of the employees that the individual or employee organization currently certified as the bargaining agent is no longer supported by a majority of the employees in the bargaining unit. The employee, group of employees, individual, or employee organization that files the petition shall, at the same time that the petition is filed with the Board, provide a copy of the petition to the employer and, if appropriate, the current bargaining agent.

(A)(i) An employer shall, not more than seven business days after receiving a copy of the petition, file any objections to the appropriateness of the proposed bargaining unit and raise any other unit determination issues with the Board and provide a copy of the filing to the employee, group of employees, individual, or employee organization that filed the petition.

\* \* \*

(d) The Board, a Board member, or a person or persons designated by the Board shall investigate the petition and do one of the following:

(1) Determine that the petition has made a sufficient showing of interest pursuant to ~~subdivision~~ subdivisions (c)(1) and (2) of this section.

\* \* \*

Sec. 5b. [Deleted.]

Sec. 5c. 3 V.S.A. § 1021 is amended to read:

§ 1021. UNIT DETERMINATION; CERTIFICATION

(a) The Board shall determine issues of unit determination, certification, decertification, and representation in accordance with this chapter and the provisions of section 941 of this title. The Board shall decide the appropriate unit for collective bargaining in each case and the employees to be included in that unit to assure the employees the fullest freedom in exercising the rights guaranteed by this chapter.

\* \* \*

Sec. 5d. 16 V.S.A. § 1992 is amended to read:

§ 1992. REFERENDUM PROCEDURE FOR REPRESENTATION

\* \* \*

(b) Certification of a negotiating unit as exclusive representative shall be valid and not subject to challenge by referendum petition or otherwise for the remainder of the fiscal year in which the certification occurs and for an additional period of 12 months after final adoption of the budget for the succeeding fiscal year and shall continue thereafter until a new referendum is called for. An organization or group of teachers or administrators, or any person purporting to act on their behalf, shall submit a petition bearing signatures of not less than 50 percent plus one of the individuals currently in the bargaining unit alleging that the current exclusive representative of the teachers or administrators is no longer supported by a majority of the teachers or administrators employed by that school board. A copy of the petition shall be provided to the current bargaining agent at the same time as the petition is submitted to the school board.

\* \* \*

Sec. 5e. 21 V.S.A. §§ 1581 and 1584 are amended to read:

§ 1581. PETITIONS FOR ELECTION; FILING, INVESTIGATIONS,  
HEARINGS, DETERMINATIONS

(a) A petition may be filed with the Board, in accordance with rules adopted by the Board:

(1) ~~By~~ by an employee or group of employees, or any individual or labor organization acting in their behalf, alleging that not less than 30 percent of the employees:

~~(A)~~ wish to be represented for collective bargaining and that their employer declines to recognize their representative as the representative defined in section 1583 of this title; ~~or~~

~~(2)(B)~~ by an employee or group of employees, or any individual or labor organization acting on their behalf, alleging that not less than 50 percent plus one of the employees assert that the individual or labor organization that has been certified, or is being currently recognized by their employer as the bargaining representative, is no longer a representative as defined in section 1583 of this title; or

~~(2)(3)~~ By by an employer, alleging that one or more individuals or labor organizations have presented to him or her a claim to be recognized as the representative defined in section 1583 of this title.

\* \* \*

#### § 1584. PETITIONS AND ELECTION TO RESCIND REPRESENTATIVE'S AUTHORITY

(a) When ~~30~~ 50 percent plus one or more of the employees in a bargaining unit covered by an agreement between their employer and a labor organization requiring membership in a labor organization as a condition of employment file a petition alleging that they desire that the authority of the labor organization to make such an agreement be rescinded, the Board shall take a secret ballot of the employees in such unit and certify the results thereof, in writing, to the labor organization and to the employer.

(b) No election shall be conducted under this section in a bargaining unit or a subdivision within which in the preceding 12 months a valid election or certification of a representative pursuant to this subchapter has occurred.

Sec. 5f. 21 V.S.A. § 1724 is amended to read:

#### § 1724. CERTIFICATION PROCEDURE

(a)(1) A petition may be filed with the Board, in accordance with rules adopted by the Board:

(A) By an employee or group of employees, or any individual or employee organization purporting to act on their behalf, alleging that not less than 30 percent of the employees wish to form a bargaining unit and be represented for collective bargaining, ~~or assert that the individual or employee organization currently certified as bargaining agent is no longer supported by~~

at least 51 percent of the employees in the bargaining unit, or that not less than 51 percent of the employees now included in an approved bargaining unit wish to form a separate bargaining unit under Board criteria for purposes of collective bargaining. The employee, group of employees, individual, or employee organization that files the petition shall, at the same time that the petition is filed with the Board, provide a copy of the petition to the employer and, if appropriate, the current bargaining agent.

(B) By the employer alleging that the presently certified bargaining unit is no longer appropriate under Board criteria. The employer shall provide a copy of the petition to the current bargaining agent at the same time that the petition is filed with the Board.

(C) By an employee or group of employees, or any individual or employee organization purporting to act on their behalf, alleging that a majority of the employees in the bargaining unit no longer support the individual or employee organization currently certified as the bargaining agent. The petition shall bear signatures of not less than 50 percent plus one of the employees in the presently certified bargaining unit. The employee, group of employees, individual, or employee organization that files the petition shall, at the same time that the petition is filed with the Board, provide a copy of the petition to the employer and, if appropriate, the current bargaining agent.

(2)(A)(i) An employer shall, not more than seven business days after receiving a copy of the petition, file any objections to the appropriateness of the proposed bargaining unit and raise any other unit determination issues with the Board and provide a copy of the filing to the employee, group of employees, individual, or employee organization that filed the petition.

(ii) A hearing shall be held before the Board pursuant to subdivision (d)(1)(B) of this section in the event the employer challenges the appropriateness of the proposed bargaining unit, provided that a hearing shall not be held if the parties stipulate to the composition of the appropriate bargaining unit and resolve any unit determination issues before the hearing.

(iii) The Board may endeavor to informally mediate any dispute regarding the appropriateness of the proposed bargaining unit prior to the hearing.

(B)(i) Within five business days after receiving a copy of the petition, the employer shall file with the Board and the employee or group of employees, or the individual or employee organization purporting to act on their behalf, a list of the names and job titles of the employees in the proposed bargaining unit. To the extent possible, the list of employees shall be in alphabetical order by last name and provided in electronic format.



(ii) An employee or group of employees, or any person purporting to act on their behalf, that is seeking to demonstrate that the current bargaining agent is no longer supported by ~~at least 51 percent~~ a majority of the employees in the bargaining unit shall not be entitled to obtain a list of the employees in the bargaining unit from the employer pursuant to this subdivision (a)(2)(B), but may obtain a list pursuant to subdivision (e)(3) of this section after the Board has investigated its petition and determined that a secret ballot election shall be conducted.

(iii) The list shall be kept confidential and shall be exempt from copying and inspection under the Public Records Act.

\* \* \*

(b) The Board, a Board member, or a person or persons designated by the Board shall investigate the petition and do one of the following:

(1) Determine that the petition has made a sufficient showing of interest pursuant to ~~subdivision~~ subdivisions (a)(1)(A) and (C) of this section.

(2)(A) If it finds reasonable cause to believe that a question of unit determination or representation exists, the Board shall schedule a hearing to be held before the Board not more than ~~ten~~ 10 business days after the petition was filed with the Board.

\* \* \*

(e)(1) Except as otherwise provided pursuant to subsection (h) of this section, in determining the representation of municipal employees in a collective bargaining unit, the Board shall conduct an election by secret ballot of the employees and certify the results to the interested parties and to the employer. The election shall be held not more than 23 business days after the petition is filed with the Board except as otherwise provided pursuant to subdivision (4) of this subsection.

(2) The original ballot shall permit a vote against representation by anyone named on the ballot. No representative will be certified with less than a ~~51 percent affirmative vote~~ majority of all votes cast. If it is asserted that the certified bargaining agent is no longer supported by at least ~~51~~ 50 percent plus one of the employees in the bargaining unit and there is no attempt to seek the election of another employee organization or individual as bargaining representative, there shall be at least ~~51 percent negative vote~~ a majority of all votes cast to decertify the existing bargaining agent.

\* \* \*

Sec. 5g. 21 V.S.A. § 1635 is amended to read:

§ 1635. ELECTION; BARGAINING UNIT

(a) ~~Petitions~~ Certification and decertification petitions and elections shall be conducted pursuant to the procedures provided in 3 V.S.A. §§ 941 and 942, except that only one bargaining unit shall exist for independent direct support providers, and the exclusive representative shall be the exclusive representative for the purpose of grievances.

\* \* \*

Sec. 5h. 33 V.S.A. § 3607 is amended to read:

§ 3607. PETITIONS FOR ELECTION; FILING; INVESTIGATIONS;  
HEARINGS; DETERMINATIONS

(a) A petition may be filed with the Board in accordance with rules prescribed by the Board:

(1) By an early care and education provider or group of providers or any individual or labor organization acting on the providers' behalf:

(A) ~~alleging~~ Alleging that not less than 30 percent of the providers in the petitioned bargaining unit wish to be represented for collective bargaining and that the State declines to recognize their representative as the representative defined in this chapter;~~or,~~

(B) ~~asserting~~ Asserting that the labor organization that has been certified as the bargaining representative no longer represents a majority of early care and education providers. The petition alleging that the labor organization is no longer supported by a majority of the providers shall bear signatures of not less than 50 percent plus one of the providers in the bargaining unit.

(2) By the State alleging that one or more individuals or labor organizations have presented a claim to be recognized as the exclusive representative defined in this chapter.

\* \* \*

\* \* \* Effective Date \* \* \*

Sec. 6. EFFECTIVE DATE

This act shall take effect on July 1, 2025.

and that after passage the title of the bill be amended to read: "An act relating to collective bargaining"

**NOTICE CALENDAR**  
**Second Reading**  
**Favorable with Proposal of Amendment**  
**H. 106.**

An act relating to selling real property within a FEMA mapped flood hazard area.

**Reported favorably with recommendation of proposal of amendment by Senator Weeks for the Committee on Economic Development, Housing and General Affairs.**

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

Sec. 1. INTENT

It is the intent of the General Assembly to ensure that a buyer of real property is on notice regarding the flood risks associated with the purchase of the real property.

Sec. 2. 27 V.S.A. § 380 is amended to read:

§ 380. DISCLOSURE OF INFORMATION; CONVEYANCE OF REAL ESTATE

(a) Prior to or as part of a contract for the conveyance of real property, the seller shall provide the buyer with the following information:

(1) ~~whether the real property is located in a Federal Emergency Management Agency mapped special flood hazard area; [Repealed.]~~

(2) ~~whether the real property is located in a Federal Emergency Management Agency mapped moderate flood hazard area; [Repealed.]~~

(3) a physical or electronic copy or a digital link of the official flood insurance rate map, as published by the Federal Emergency Management Agency, or notice that a flood insurance rate map is unavailable effective for the community in which the real property is located;

(4) whether the real property was subject to flooding or flood damage while the seller possessed the property, including flood damage from inundation or from flood-related erosion or landslide damage; and

(4)(5) whether the seller maintains or is required by federal or State law to maintain flood insurance on the real property.

(b) The failure of the seller to provide the buyer with the information required under subsection (a) of this section is grounds for the buyer to terminate the contract prior to transfer of title or occupancy, whichever occurs earlier.

(c) ~~A buyer~~ If a seller of real estate ~~who fails to receive~~ provide the information required to be disclosed by a seller under subsection (a) of this section, a buyer may bring an action to recover from the seller the amount of the buyer's damages and reasonable attorney's fees. The buyer may also seek punitive damages when the seller knowingly failed to provide the required information.

(d) A seller shall not be liable for damages under this section for any error, inaccuracy, or omission of any information required to be disclosed to the buyer under subsection (a) of this section when the error, inaccuracy, or omission was based on information provided by a public body or by another person with a professional license or special knowledge who provided a written report that the seller reasonably believed to be correct and that was provided by the seller to the buyer.

(e) Noncompliance with the requirements of this section shall not affect the marketability of title of a real property.

### Sec. 3. EFFECTIVE DATE

This act shall take effect on September 1, 2025.

(Committee vote: 5-0-0)

(For House amendments, see House Journal of March 27, 2025, pages 767 to 768)

### **H. 321.**

An act relating to miscellaneous cannabis amendments.

**Reported favorably with recommendation of proposal of amendment by Senator Clarkson for the Committee on Economic Development, Housing and General Affairs.**

The Committee recommends that the Senate propose to the House to amend the bill as follows:

First: By adding a new section to be Sec. 2a to read as follows:

Sec. 2a. 7 V.S.A. § 845 is amended to read:

§ 845. CANNABIS REGULATION FUND

(a) There is established the Cannabis Regulation Fund, which shall be managed in accordance with 32 V.S.A. chapter 7, subchapter 5. The Fund shall be maintained by the Cannabis Control Board.

(b) The Fund shall be composed of:

(1) all State application fees, annual license fees, renewal fees, and civil penalties collected by the Board pursuant to chapters 33 (cannabis establishments) and 37 (medical cannabis dispensaries) of this title;

(2) all annual and renewal fees collected by the Board pursuant to chapter 35 (medical cannabis registry) of this title; and

(3) 70 percent of the cannabis excise tax revenue raised pursuant to 32 V.S.A. § 7902.

(c) Monies from the Fund shall only be appropriated for the purposes of implementation, administration, and enforcement of this chapter and chapters 33, 35, and 37 of this title.

(d) At the end of each fiscal year, the balance in the Cannabis Regulation Fund shall be transferred to the General Fund.

Second: By adding a new section to be Sec. 2b to read as follows:

Sec. 2b. 10 V.S.A. § 325u is amended to read:

§ 325u. VERMONT LAND ACCESS AND OPPORTUNITY BOARD

\* \* \*

(b) Organization of Board. The Board shall be composed of:

\* \* \*

(10) one member, appointed by the Vermont Developmental Disabilities Council; ~~and~~

(11) one member, appointed by Vermont Psychiatric Survivors; and

(12) one member, appointed by Migrant Justice.

\* \* \*

Third: By striking out Sec. 12, 7 V.S.A. § 910, in its entirety and inserting in lieu thereof the following:

Sec. 12. 7 V.S.A. § 910 is amended to read:

§ 910. CANNABIS ESTABLISHMENT FEE SCHEDULE

The following fees shall apply to each person or product licensed by the Board:

(1) Cultivators.

(A) Outdoor cultivators.

(i) Outdoor cultivator tier 1. Outdoor cultivators with up to 1,000 square feet of plant canopy or fewer than 125 cannabis plants in an outdoor cultivation space shall be assessed an annual licensing fee of ~~\$750.00~~ \$375.00.

(ii) Outdoor cultivator tier 2. Outdoor cultivators with up to 2,500 square feet of plant canopy in an outdoor cultivation space shall be assessed an annual licensing fee of ~~\$1,875.00~~ \$925.00.

(iii) Outdoor cultivator tier 3. Outdoor cultivators with up to 5,000 square feet of plant canopy in an outdoor cultivation space shall be assessed an annual licensing fee of ~~\$4,000.00~~ \$2,000.00.

(iv) Outdoor cultivator tier 4. Outdoor cultivators with up to 10,000 square feet of plant canopy in an outdoor cultivation space shall be assessed an annual licensing fee of ~~\$8,000.00~~ \$4,000.00.

(v) Outdoor cultivator tier 5. Outdoor cultivators with up to 20,000 square feet of plant canopy in an outdoor cultivation space shall be assessed an annual licensing fee of ~~\$18,000.00~~ \$9,000.00.

~~(vi) Outdoor cultivator tier 6. Outdoor cultivators with up to 37,500 square feet of plant canopy in an outdoor cultivation space shall be assessed an annual licensing fee of \$34,000.00.~~

(B) Indoor cultivators.

(i) Indoor cultivator tier 1. Indoor cultivators with up to 1,000 square feet of plant canopy in an indoor cultivation space shall be assessed an annual licensing fee of \$1,500.00.

(ii) Indoor cultivator tier 2. Indoor cultivators with up to 2,500 square feet of plant canopy in an indoor cultivation space shall be assessed an annual licensing fee of \$3,750.00.

(iii) Indoor cultivator tier 3. Indoor cultivators with up to 5,000 square feet of plant canopy in an indoor cultivation space shall be assessed an annual licensing fee of ~~\$8,000.00~~ \$16,000.00.

(iv) Indoor cultivator tier 4. Indoor cultivators with up to 10,000 square feet of plant canopy in an indoor cultivation space shall be assessed an annual licensing fee of ~~\$16,000.00~~ \$32,000.00.

(v) Indoor cultivator tier 5. Indoor cultivators with up to 15,000 square feet of plant canopy in an indoor cultivation space shall be assessed an annual licensing fee of ~~\$36,000.00~~ \$72,000.00.

~~(vi) Indoor cultivator tier 6. Indoor cultivators with up to 25,000 square feet of plant canopy in an indoor cultivation space shall be assessed an annual licensing fee of \$75,000.00.~~

(C) Mixed cultivator tiers.

(i) Mixed cultivator tier 1. Mixed cultivators with the following at the same licensed premises shall be assessed an annual licensing fee of ~~\$2,250.00~~ \$1,875.00: up to 1,000 square feet of plant canopy in an indoor cultivation space and up to 125 cannabis plants in an outdoor cultivation space.

(ii) Mixed cultivator tier 2. Mixed cultivators with the following at the same licensed premises shall be assessed an annual licensing fee of ~~\$5,625.00~~ \$5,625.00: up to 2,500 square feet of plant canopy in an indoor cultivation space and up to 312 cannabis plants in an outdoor cultivation space.

(iii) Mixed cultivator tier 3. Mixed cultivators with the following at the same licensed premises shall be assessed an annual licensing fee of ~~\$5,500.00~~ \$3,500.00: up to 1,000 square feet of plant canopy in an indoor cultivation space and up to 625 cannabis plants in an outdoor cultivation space.

(iv) Mixed cultivator tier 4. Mixed cultivators with the following at the same licensed premises shall be assessed an annual licensing fee of ~~\$9,500.00~~ \$5,500.00: up to 1,000 square feet of plant canopy in an indoor cultivation space and up to 1,250 cannabis plants in an outdoor cultivation space.

(v) Mixed cultivator tier 5. Mixed cultivators with the following at the same licensed premises shall be assessed an annual licensing fee of ~~\$19,500.00~~ \$10,500.00: up to 1,000 square feet of plant canopy in an indoor cultivation space and up to 2,500 cannabis plants in an outdoor cultivation space.

\* \* \*

(8) Trim and harvest services. Trim and harvest services shall be assessed an annual licensing fee of \$500.00.

(9) Employees. Cannabis establishments licensed by the Board shall be assessed an annual licensing fee of \$50.00 for each employee. The Board shall offer one-year and two-year employee licenses.

~~(9)~~(10) Products. Cannabis establishments licensed by the Board shall be assessed an annual a product licensing fee of \$50.00 per year for every type of cannabis and cannabis product that is sold in accordance with this chapter. Product registrations shall be valid for two years unless the Board determines,

through readily accessible published guidance, that such a registration should be longer or shorter and shall be prorated at the same cost per year.

~~(10)~~(11) Local licensing fees. Cannabis establishments licensed by the Board shall be assessed an annual local licensing fee of \$100.00 in addition to each fee assessed under subdivisions (1)–(7) of this section. Local licensing fees shall be distributed to the municipality in which the cannabis establishment is located pursuant to section 846(c) of this title.

~~(11)~~(12) One-time fees Application fee.

(A) All applicants for a cannabis establishment license shall be assessed an initial one-time application fee of \$1,000.00.

~~(B) An applicant may choose to be assessed an initial one-time intent to apply fee of \$500.00. If the applicant subsequently seeks a license within one year after paying the intent to apply fee, the initial one-time application fee of \$1,000.00 shall be reduced by \$500.00.~~

Fourth: By inserting two new sections to be Secs. 15a and 15b to read as follows:

#### Sec. 15a. CANNABIS SHOWCASE EVENT PERMIT PILOT

(a) A licensed retail cannabis establishment in good standing with the Board may apply to the Board for a cannabis showcase event permit. Multiple retailers may apply and be granted permission to participate in each event, but the Board shall allow not more than five events between July 1, 2025 and December 31, 2026, and such events shall be issued in geographically dispersed locations.

(b) A permit issued under this section shall authorize the recipient to coordinate, oversee, and be the responsible administrator of a single, defined commercial event, held at a defined access-controlled location, for a defined period not to exceed 24 hours, at which cannabis or cannabis products lawfully may be purchased and possessed by screened participants acting in conformity with terms set out by the Board in the issued permit.

(c) To be eligible for a cannabis showcase event permit, an applicant retail cannabis establishment shall demonstrate to the Board's satisfaction:

(1) written approval to pursue a permit in the proposed location, from the cannabis control commission created by the municipality pursuant to 7 V.S.A. § 863, if one exists, or from the local legislative body or designee;

(2) partnership with a minimum of three tier 1 or tier 2 licensed cultivators or product manufacturers that are in good standing with the Board



and wholly independent of the retail cannabis establishment and its affiliates who will be showcased at the event;

(3) a commitment that the retailer will not offer for sale any cannabis or cannabis products produced from a cultivator license or product manufacturer license held by the retailer;

(4) a transparent revenue-sharing agreement that, in the Board's sole judgment, meaningfully promotes the goals of the General Assembly to promote market access for small cultivators;

(5) a security plan to ensure intoxicated persons or persons under 21 years of age cannot access the space subject to the permit, that the premises are secured from diversion or inversion, and that the premises lawfully may be used for the purpose intended;

(6) a product sale plan that describes quantities and types of cannabis and cannabis products that will be offered for sale and explains how they will be transported to the site, monitored, secured, displayed, and sold in conformity with State law and Board rule;

(7) actual capacity and intent to administer and enforce and apply the required plans;

(8) proof of commercially reasonable insurance for the proposed event; and

(9) compliance with such other requirements as the Board may prescribe.

(d) Deviation from security and sales plans, product tracking and taxation requirements, or permit terms shall be a violation subject to adverse licensing action consistent with Board rules.

(e) Permittee cannabis establishments shall be assessed a fee of \$250.00 to apply for a Cannabis Showcase Event Permit of which 50 percent shall be distributed to the host municipality and 50 percent shall be deposited in the Cannabis Regulation Fund.

(f) The Board shall prioritize social equity applicants, as defined by 7 V.S.A. § 911 and any related rules, when deciding whether to approve an application under this section.

#### **Sec 15b. CANNABIS RETAIL SALES REPORT**

The Cannabis Control Board shall monitor and evaluate events authorized under Sec. 15a of this act. On or before January 15, 2026, the Board shall provide an interim report and, on or before January 15, 2027, a final report to

the House Committee on Government Operations and Military Affairs and the Senate Committee on Economic Development, Housing and General Affairs on a concise assessment of the benefits, challenges, and administrative viability of offering cannabis retail sales at events outside the confines of a retail cannabis establishment. The Board may recommend best practices for, among other considerations, security, inventory tracking, tax enforcement, permit administration, local government coordination, and optimizing market access for small cultivators.

Fifth: By striking out Sec. 16, effective date, in its entirety and inserting in lieu thereof the following:

Sec. 16. EFFECTIVE DATES

This act shall take effect on July 1, 2025, except that Sec. 2a, 7 V.S.A. § 845, shall take effect on July 1, 2026.

(Committee vote: 5-0-0)

(For House amendments, see House Journal of March 21, 2025, pages 673 to 685)

**H. 397.**

An act relating to miscellaneous amendments to the statutes governing emergency management and flood response.

**Reported favorably with recommendation of proposal of amendment by Senator Collamore for the Committee on Government Operations.**

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

\* \* \* Division of Emergency Management; Plans and Reports \* \* \*

Sec. 1. 20 V.S.A. § 3a is amended to read:

§ 3a. EMERGENCY MANAGEMENT DIVISION; DUTIES; BUDGET

(a) In addition to other duties required by law, the Division of Emergency Management shall:

\* \* \*

(3) Annually on or before the last legislative day in January, provide an update and presentation to the House Committee on Government Operations and Military Affairs and the Senate Committee on Government Operations concerning all action items in the all-hazards mitigation plan required by subdivision (1) of this subsection.

\* \* \*

Sec. 2. 20 V.S.A. § 41 is amended to read:

§ 41. STATE EMERGENCY MANAGEMENT PLAN

The ~~Department of Public Safety's Vermont~~ Division of Emergency Management Division, in consultation with stakeholders, shall create, and republish as needed, but not less than every five years, a comprehensive State Emergency Management Plan. The Plan shall:

(1) detail response systems during all-hazards events, including communications, coordination among State, local, private, and volunteer entities, and the deployment of State and federal resources. ~~The Plan shall also;~~

(2) detail the State's emergency preparedness measures and goals, including those for the prevention of, protection against, mitigation of, and recovery from all-hazards events. ~~The Plan shall; and~~

(3) include templates and guidance for regional emergency management and for local emergency plans that support municipalities in their respective emergency management planning.

\* \* \* Voluntary Buyouts \* \* \*

Sec. 3. 20 V.S.A. § 48 is amended to read:

§ 48. COMMUNITY RESILIENCE AND DISASTER MITIGATION  
GRANT PROGRAM

\* \* \*

(c) Administration; implementation.

(1) Grant awards. The Department of Public Safety, in coordination with the Department of Environmental Conservation, shall administer the Program, which shall award grants for the following:

\* \* \*

(C) projects that implement disaster mitigation measures, adaptation, or repair, including watershed restoration, voluntary buyouts for flood-impacted or -prone properties, and similar activities that directly reduce risks to communities, lives, public collections of historic value, and property; and

\* \* \*

\* \* \* Division of Emergency Management; Assistance to Municipalities \* \* \*

Sec. 4. 20 V.S.A. § 51 is added to read:

§ 51. DIVISION OF EMERGENCY MANAGEMENT; ALL-HAZARD  
AND WEATHER ALERT SYSTEMS FOR MUNICIPAL  
CORPORATIONS

Upon request of a municipal corporation, the Division of Emergency Management shall assist the municipal corporation with access to the following:

(1) a statewide river observation and modeling system that details current river level observations and models river flood outlooks; and

(2) a statewide enhanced weather forecasting and alert system that:

(A) predicts local and regional conditions using advanced modeling; and

(B) issues real-time warnings for potentially dangerous weather through multiple communication channels.

\* \* \* Needs Assessment Report \* \* \*

Sec. 5. DIVISION OF EMERGENCY MANAGEMENT; STATE  
STAKEHOLDERS; NEEDS ASSESSMENT; REPORT

The Division of Emergency Management shall conduct a needs assessment to identify any additional staffing, resources, technical needs, or authority needed to carry out the provisions of this act. On or before November 15, 2025, the Division shall submit a written report to the House Committees on Appropriations and on Government Operations and Military Affairs and the Senate Committees on Appropriations and on Government Operations containing the needs assessments conducted by the State agencies and departments identified in this section.

\* \* \* Municipal Finances and Indebtedness \* \* \*

Sec. 6. 24 V.S.A. § 1585 is added to read:

§ 1585. UNASSIGNED FUND BALANCE

Monies from a budget approved by the voters at an annual or special meeting that are not expended by the end of a municipality's fiscal year shall be under the control and direction of the legislative body of the municipality and may be carried forward from year to year as an unassigned fund balance. Unassigned fund balances may be invested and reinvested as are other monies received by a town treasurer and may be expended for any public purpose as established by the legislative body of the municipality.

Sec. 7. 24 V.S.A. § 1790 is added to read:

§ 1790. EMERGENCY BORROWING; ALL-HAZARD EVENT OR STATE OF EMERGENCY

The legislative body of a municipality may borrow money, in the name of the municipal corporation, by issuance of its notes or orders for the purpose of paying expenses of the municipal corporation or for public improvements associated with an all-hazards event or a declared state of emergency pursuant to 20 V.S.A. chapter 1. The notes or orders shall be for a period of not more than five years or a term not to exceed the reasonably anticipated useful life of the improvements or assets financed by the notes or orders.

Sec. 8. 24 V.S.A. § 1759 is amended to read:

§ 1759. DENOMINATIONS; PAYMENTS; INTEREST

(a)(1) Any bond issued under this subchapter shall draw interest at a rate not to exceed the rate approved by the voters of the municipal corporation in accordance with section 1758 of this title, or if no rate is specified in the vote under that section, at a rate approved by the legislative ~~branch~~ body of the municipal corporation, ~~such the~~ the interest to be payable ~~semiannually as determined by the legislative body of the municipal corporation.~~ Such The bonds or bond shall be payable serially, the first payment to be deferred not later than from one to five years after the issuance of the bonds and subsequent principal payments or debt service payments, which include both principal and interest payments, to be continued annually in ~~equal~~ substantially level or diminishing declining amounts, as determined by the legislative body of the municipality, so that the entire debt will be paid in not more than 20 years from the date of issue.

(2) In the case of bonds issued for the purchase or development of a municipal forest, the first payment may be deferred not more than 30 years from the date of issuance ~~thereof of the bond.~~ After any deferral period, the bonds or bond shall be payable annually in ~~equal~~ substantially level or diminishing amounts declining annual debt service as the legislative body of the municipal corporation may determine, so that the entire debt will be paid in not more than 60 years from the date of issue.

\* \* \*

(b) General obligation bonds authorized under this subchapter for the purpose of financing the improvement, construction, acquisition, repair, renovation, and replacement of a municipal plant as defined in 30 V.S.A. § 2901 shall be paid serially, the first payment to be deferred not later than from one to five years after the issuance of the bonds, and subsequent principal

payments or debt service payments, which include both principal and interest payments, to be continued annually in substantially level or declining amounts, as determined by the legislative body of the municipal corporation, so that the entire debt will be paid over a term equal to the useful life of the financed improvements, but not more than 40 years from the date of issue, and may be so arranged that beginning with the first year in which principal is payable, the amount of principal and interest in any year shall be as nearly equal as is practicable according to the denomination in which such bonds are issued, notwithstanding other permissible payment schedules authorized by this section.

\* \* \* Dam Drawdown During Emergency Flood Events \* \* \*

Sec. 9. 20 V.S.A. § 9 is amended to read:

§ 9. EMERGENCY POWERS OF GOVERNOR

(a) Subject to the provisions of this chapter, in the event of an all-hazards event in or directed upon the United States or Canada that causes or may cause substantial damage or injury to persons or property within the State in any manner, the Governor may declare a state of emergency within the entire State or any portion or portions of the State. Thereafter, the Governor shall have and may exercise for as long as the Governor determines the emergency to exist the following additional powers within ~~such~~ the area or areas:

\* \* \*

(b)(1) In consultation with the Secretary of Natural Resources or designee, the Governor may authorize the Agency of Natural Resources to waive applicable permits and restrictions under 10 V.S.A. chapter 47 or the Vermont Water Quality Standards to allow dams within the State to draw down water levels in anticipation of a flood event that is likely to cause substantial damage or injury to persons or property. Waivers may only be issued if the Director of the Division of Emergency Management, in consultation with the Secretary of Natural Resources or designee, has significant reason to believe that authorizing an advance drawdown will decrease the risk of substantial damage to persons or property within the State. The Secretary or designee shall, to the extent feasible, consult with applicable dam owners for federally licensed sites. Dam operators operating under a waiver shall be required to make every effort to minimize the environmental impact of a water level drawdown under the authorized waiver.

(2) Dam owners authorized to use a waiver under this subsection shall be required to develop a drawdown plan that is approved by the Secretary prior to implementation of a drawdown. This subdivision shall not apply to

dam owners that have other plans approved by the Secretary in effect that address emergency drawdowns. The drawdown plan shall at minimum include the following:

(A) hydrologic and hydraulic modeling of the dam, reservoir, and downstream channel performed by an engineer experienced in dam safety engineering that proves the public safety benefit of pre-event drawdown;

(B) dam owner communications with downstream communities and applicable regulators prior to and during drawdown operations;

(C) maximum safe reservoir drawdown rates and outflows, as well as ramping rates for drawdown operations;

(D) target drawdown elevation in the reservoir;

(E) refill plan if unable to achieve during storm event;

(F) monitoring and reporting requirements of drawdown operations;

and

(G) documentation of plan updates and revisions over time.

Sec. 10. [Deleted.]

\* \* \* Local Option Tax; Amount Paid to Municipality \* \* \*

Sec. 11. 24 V.S.A. § 138 is amended to read:

§ 138. LOCAL OPTION TAXES

\* \* \*

(c)(1) Any tax imposed under the authority of this section shall be collected and administered by the Department of Taxes, in accordance with State law governing such State tax or taxes and subdivision (2) of this subsection; provided, however, that a sales tax imposed under this section shall be collected on each sale that is subject to the Vermont sales tax using a destination basis for taxation. Except with respect to taxes collected on the sale of aviation jet fuel, a per-return fee of \$5.96 shall be assessed, ~~70~~ 75 percent of which shall be borne by the municipality, and ~~30~~ 25 percent of which shall be borne by the State to be paid from the PILOT Special Fund. Notwithstanding 32 V.S.A. § 603 or any other provision of law or municipal charter to the contrary, revenue from the fee shall be used to compensate the Department for the costs of administering and collecting the local option tax and of administering the State appraisal and litigation program established in 32 V.S.A. § 5413. The fee shall be subject to the provisions of 32 V.S.A. § 605.

\* \* \*

(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, ~~70~~ 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. 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.

\* \* \*

\* \* \* Municipal Charters; Local Option Tax Revenue Share \* \* \*

Sec. 12. 24 App. V.S.A. chapter 3, § 102d is amended to read:

§ 102d. LOCAL OPTION SALES TAX AUTHORITY

The Burlington City Council is authorized to impose a one percent sales tax upon sales within the City that are subject to the State of Vermont sales tax with the same exemptions as the State sales tax. The City sales tax shall be effective beginning on the next tax quarter following 30 days' notice in 2006 to the Department of Taxes, or shall be effective on the next tax quarter following 90 days' notice to the Department of Taxes if notice is given in 2007 or after. Any tax imposed under the authority of this section shall be collected and administered by the Vermont Department of Taxes in accordance with State law governing the State sales tax. ~~Seventy percent of the~~ The taxes collected shall be paid to the City, ~~and the remaining amount of the taxes collected shall be remitted to the State Treasurer for deposit in the PILOT Special Fund first established in 1997 Acts and Resolves No. 60, Sec. 89. The cost of administration and collection of this tax shall be paid 70 percent by the City and 30 percent by the State from the PILOT Special Fund pursuant to 24 V.S.A. § 138.~~ The tax to be paid to the City, ~~less its obligation for 70 percent of the costs of administration and collection, pursuant to 24 V.S.A. § 138~~ shall be paid to the City on a quarterly basis and may be expended by the City for municipal services only and not for education expenditures.

Sec. 13. 24 App. V.S.A. chapter 5, § 1214 is amended to read:

§ 1214. LOCAL OPTION TAXES

Local option taxes are authorized under this section for the purpose of affording the City an alternative method of raising municipal revenues. Accordingly:



\* \* \*

(3) ~~Of the taxes reported under this section, 70 percent shall be paid to the City for calendar years thereafter. Such revenues~~ The City's local option tax revenue may be expended by the City for municipal services only and not for educational expenditures. The remaining amount of the taxes reported shall be remitted monthly to the State Treasurer for deposit in the PILOT Special Fund set forth in 32 V.S.A. § 3709. Taxes due to the City under this section shall be paid by the State on a quarterly basis.

Sec. 14. 24 App. V.S.A. chapter 127, § 1308a is amended to read:

§ 1308a. SALES, ROOMS, MEALS, AND ALCOHOLIC BEVERAGES  
TAX

\* \* \*

(d) ~~Of the taxes collected under this section, 70 percent~~ The share of taxes due to the Town pursuant to 24 V.S.A. § 138 shall be paid to the Town on a quarterly basis ~~to the Town~~ after reduction for the costs of administration and collection under subsection (c) of this section. Revenues received by the Town may be expended for municipal services only and not for education expenditures. Any remaining revenues shall be deposited in the PILOT Special Fund established by 32 V.S.A. § 3709.

Sec. 15. 24 App. V.S.A. chapter 171, § 18 is amended to read:

§ 18. LOCAL OPTIONS TAX

The Selectboard is authorized to impose a one percent sales tax, a one percent meals and alcoholic beverages tax, and a one percent rooms tax upon sales within the Town that are subject to the State of Vermont tax on sales, meals, alcoholic beverages, and rooms. The Town tax shall be implemented in the event the State local options tax as provided for in 24 V.S.A. § 138 is repealed or the 70-percent allocation to the town is reduced. A tax imposed under the authority of this section shall be collected and administered by the Vermont Department of Taxes in accordance with State law governing the State tax on sales, meals, alcoholic beverages, and rooms. ~~The amount of 70 percent of the taxes collected shall be paid to the Town, and the remaining amount of the taxes collected shall be remitted to the State Treasurer for deposit in the Pilot Special Fund first established in 1997 Acts and Resolves No. 60, § 89 pursuant to 24 V.S.A. § 138.~~ The cost of administration and collection of this tax shall be paid ~~70 percent by the Town and 30 percent by the State from the Pilot Special Fund pursuant to 24 V.S.A. § 138.~~ The tax to be paid to the Town, ~~less its obligation for the 70 percent of the costs of administration and collection, pursuant to 24 V.S.A. § 138~~ shall be paid to the

Town on a quarterly basis and may be expended by the Town for municipal services only and not for education expenditures. The Town may repeal the local option taxes by Australian ballot vote.

\* \* \* Division of Emergency Management; Technical Corrections \* \* \*

Sec. 16. 20 V.S.A. chapter 1 is amended to read:

## CHAPTER 1. EMERGENCY MANAGEMENT

\* \* \*

### § 2. DEFINITIONS

As used in this chapter:

\* \* \*

(3) “Director” means the Director of ~~Vermont~~ the Division of Emergency Management of the Department of Public Safety.

\* \* \*

### § 3. VERMONT EMERGENCY MANAGEMENT ~~DIVISION~~

(a) There is hereby created within the Department of Public Safety a ~~division to~~ the Division of Emergency Management, which may also be known as the Vermont Emergency Management Division.

\* \* \*

### § 4. LANGUAGE ASSISTANCE SERVICES FOR STATE EMERGENCY COMMUNICATIONS

(a) If an all-hazards event occurs, the ~~Vermont Emergency Management~~ Division shall ensure that language assistance services are available for all State communications regarding the all-hazards event, including relevant press conferences and emergency alerts, as soon as practicable. Language assistance services shall be provided for:

\* \* \*

(c) Annually, the ~~Vermont Emergency Management~~ Division shall hold a public meeting with members of the Vermont Deaf, Hard of Hearing, and DeafBlind Advisory Council; the Office of Racial Equity; the Vermont Association of Broadcasters; and other relevant stakeholders to review the adequacy and efficacy of the provision and distribution of language assistance services of emergency communications over mass communication platforms to individuals who are Deaf, Hard of Hearing, and DeafBlind as well as individuals with limited English language proficiency.

\* \* \*

Sec. 17. 20 V.S.A. § 112 is amended to read:

§ 112. ADDITIONAL PROVISIONS — ARTICLE X

\* \* \*

(b) The ~~director~~ Director of the Vermont ~~emergency management service~~ Emergency Management shall be the authorized representative in regard to a request from a party state or by Vermont for aid that does not involve personnel or elements of the Vermont National Guard.

\* \* \*

(d) The ~~director~~ Director of Vermont ~~emergency management~~ Emergency Management shall be responsible for handling any and all documents necessary to obtain reimbursement hereunder for services rendered to a requesting state, or within Vermont by another assisting state.

\* \* \*

Sec. 18. 10 V.S.A. § 599a is amended to read:

§ 599a. REPORTS; RULEMAKING

\* \* \*

(c) In adopting the Strategy, the Agency shall:

\* \* \*

(2) in consultation with other State agencies and departments, including the Department of Public Safety's Division of ~~Vermont~~ Emergency Management, assess the adaptation needs and vulnerabilities of various areas vital to the State's economy, normal functioning, and the health and well-being of Vermonters;

\* \* \*

Sec. 19. 32 V.S.A. § 3102 is amended to read:

§ 3102. CONFIDENTIALITY OF TAX RECORDS

\* \* \*

(e) The Commissioner may, in the Commissioner's discretion and subject to such conditions and requirements as the Commissioner may provide, including any confidentiality requirements of the Internal Revenue Service, disclose a return or return information:

\* \* \*

(24) To the Division of ~~Vermont~~ Emergency Management at the Department of Public Safety for the purposes of emergency management and communication, and to the Department of Housing and Community Development and any organization then under contract with the Department of Housing and Community Development to carry out a statewide housing needs assessment for the purpose of the statewide housing needs assessment, provided that the disclosure relates to the information collected on the landlord certificate pursuant to subsection 6069(c) of this title.

\* \* \*

\* \* \* Rulemaking; Federal Regulations Incorporated by Reference \* \* \*

Sec. 20. 3 V.S.A. § 850 is added to read:

§ 850. RULES; INCORPORATION OF FEDERAL REGULATIONS

Any federal regulation incorporated by reference into a Vermont Rule as of January 1, 2025 shall continue in effect as a State rule until January 31, 2029 or when the State rule is next amended, whichever is sooner, regardless of whether the federal rule was later repealed or amended. The secretary of an agency or commissioner of a department, as applicable, shall provide notice of these incorporated regulations by posting them on the agency or department website. Nothing in this section shall prevent the secretary or commissioner from adopting or amending a rule pursuant to this chapter, including emergency rulemaking.

\* \* \* Property Tax Overpayment Refunds; City of Barre and Town of Milton \* \* \*

Sec. 21. EDUCATION FUND REFUND; CITY OF BARRE TIF DISTRICT; TAX INCREMENT; FY 2016–FY 2020

Notwithstanding any other provision of law, the sum of \$437,028.00 shall be transferred from the Education Fund to the City of Barre not later than fiscal year 2026 to compensate the City for overpayments of education property taxes in fiscal years 2016 through 2020 due to insufficient retention of tax increment from the City's Tax Increment Financing District fund.

Sec. 22. EDUCATION FUND REFUND; MILTON TOWN CORE TIF DISTRICT; TAX INCREMENT; FY 2017–FY 2023

Notwithstanding any other provision of law, the sum of \$184,451.00 shall be transferred from the Education Fund to the Town of Milton not later than fiscal year 2026 to compensate the Town for overpayments of education property taxes in fiscal years 2017 through 2023 due to insufficient retention of tax increment from the Town Core's Tax Increment Financing District fund.

Sec. 23. REPEAL

3 V.S.A. § 850 (rules; incorporation of federal regulations) is repealed on January 31, 2029.

\* \* \* Effective Dates \* \* \*

Sec. 24. EFFECTIVE DATES

(a) This section and Sec. 20 (rules; incorporation of federal regulations) shall take effect on passage.

(b) Sec. 11 (local option taxes) shall take effect on October 1, 2025.

(c) All other sections shall take effect on July 1, 2025.

(Committee vote: 5-0-0)

(For House amendments, see House Journal of March 26, 2025, pages 723 to 737)

**H. 454.**

An act relating to transforming Vermont's education governance, quality, and finance systems.

**Reported favorably with recommendation of proposal of amendment by Senator Bongartz for the Committee on Education.**

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

\* \* \* Intent \* \* \*

Sec. 1. INTENT

It is the intent of the General Assembly to:

(1) work strategically, intentionally, and thoughtfully to ensure that each incremental change made to Vermont's public education system provides strength and support to its only constitutionally required governmental service;

(2) ensure each student is provided substantially equal educational opportunities that will prepare them to thrive in a 21st-century world;

(3) in the 2026 session:

(A) enact updates to career and technical education governance systems, both at the local and statewide levels, that are reflective of the larger public education governance transformation;

(B) create a coordinated and coherent statewide strategy for career and technical education that is responsive to students and the State's workforce needs and that provides opportunities for more integration between career and technical education and traditional high school work;

(C) enact student-centered updates to career and technical education funding within a foundation formula that does not create competition between sending schools and career and technical education programs for available funds; and

(D) enact updates to special education funding to move from a census block grant to a weight for special education within the foundation formula; and

(4) while transitioning to a foundation formula and achieving scale, prioritize the following policy goals within the foundation formula and through education transformation:

(A) expanding early childhood education;

(B) increasing afterschool and summer programs in underserved communities;

(C) ensuring every student benefits from essential arts, including music, fine arts, and world languages;

(D) providing additional student access to mental health services;

(E) extending and enriching college and career pathways, beginning in middle school and culminating in graduates being prepared to take on critical jobs in high-demand industries;

(F) raising teacher salaries; and

(G) ensuring that the funding provided by different weights actually benefits the students that qualify for weights.

\* \* \* Commission on the Future of Public Education \* \* \*

Sec. 2. 2024 Acts and Resolves No. 183, Sec. 1 is amended to read:

Sec. 1. THE COMMISSION ON THE FUTURE OF PUBLIC  
EDUCATION; REPORTS

(a) Creation. There is hereby created the Commission on the Future of Public Education in Vermont. The right to education is fundamental for the success of Vermont's children in a rapidly changing society and global marketplace as well as for the State's own economic and social prosperity. The Commission shall study the provision of education in Vermont and make

recommendations for a statewide vision for Vermont's public education system to ensure that all students are afforded substantially equal educational opportunities in an efficient, sustainable, and stable education system. The Commission shall also make recommendations for the strategic policy changes necessary to make Vermont's educational vision a reality for all Vermont students.

(b) Membership. The Commission shall be composed of the following members and, to the extent possible, the members shall represent the State's geographic, gender, racial, and ethnic diversity:

- (1) the Secretary of Education or designee;
- (2) the Chair of the State Board of Education or designee;
- (3) the Tax Commissioner or designee;
- (4) one current member of the House of Representatives, appointed by the Speaker of the House;
- (5) one current member of the Senate, appointed by the Committee on Committees;
- (6) one representative from the Vermont School Boards Association (VSBA), appointed by the VSBA Executive Director;
- (7) one representative from the Vermont Principals' Association (VPA), appointed by the VPA Executive Director;
- (8) one representative from the Vermont Superintendents Association (VSA), appointed by the VSA Executive Director;
- (9) one representative from the Vermont National Education Association (VTNEA), appointed by the VTNEA Executive Director;
- (10) one representative from the Vermont Association of School Business Officials (VASBO) with experience in school construction projects, appointed by the President of VASBO;
- (11) the Chair of the Census-Based Funding Advisory Group, created under 2018 Acts and Resolves No. 173;
- (12) the Executive Director of the Vermont Rural Education Collaborative; and
- (13) one representative from the Vermont Independent Schools Association (VISA), appointed by the President of VISA.

(c) Steering group. On or before July 1, 2024, the Speaker of the House shall appoint two members of the Commission, the Committee on Committees

shall appoint two members of the Commission, and the Governor shall appoint two members of the Commission to serve as members of a steering group. The steering group shall provide leadership to the Commission and shall work with a consultant or consultants to analyze the issues, challenges, and opportunities facing Vermont's public education system, as well as develop and propose a work plan to formalize the process through which the Commission shall seek to achieve its final recommendations. The formal work plan shall be approved by a majority of the Commission members. The steering group ~~shall form a subcommittee of the Commission to address education finance topics in greater depth and may form one or more additional subcommittees of the Commission to address other key topics in greater depth, as necessary. The steering group may appoint non-Commission members to the education finance subcommittee. All other subcommittees shall be composed solely of Commission members.~~

(d) Collaboration and information review.

(1) The Commission shall may seek input from and collaborate with key stakeholders, as directed by the steering group. At a minimum, the Commission shall consult with:

- (A) the Department of Mental Health;
- (B) the Department of Labor;
- (C) the President of the University of Vermont or designee;
- (D) the Chancellor of the Vermont State Colleges Corporation or designee;
- (E) a representative from the Prekindergarten Education Implementation Committee;
- (F) the Office of Racial Equity;
- (G) a representative with expertise in the Community Schools model in Vermont;
- (H) the Vermont Youth Council;
- (I) the Commission on Public School Employee Health Benefits; and
- (J) an organization committed to ensuring equal representation and educational equity.

(2) The Commission shall also review and take into consideration existing educational laws and policy, including legislative reports the Commission deems relevant to its work and, at a minimum, 2015 Acts and



Resolves No. 46, 2018 Acts and Resolves No. 173, 2022 Acts and Resolves No. 127, and 2023 Acts and Resolves No. 76.

(e) Duties of the Commission. The Commission shall study Vermont's public education system and make recommendations to ensure all students are afforded quality educational opportunities in an efficient, sustainable, and equitable education system that will enable students to achieve the highest academic outcomes. The result of the Commission's work shall be a ~~recommendation for a statewide vision for Vermont's public education system, with recommendations for the policy changes necessary to make Vermont's educational vision a reality~~ recommendations for the State-level education governance system, including the roles and responsibilities of the Agency of Education and the State Board of Education. In creating and making its recommendations, the Commission shall engage in the following:

(1) Public engagement. The Commission shall conduct not fewer than 14 public meetings to inform the work required under this section. At least one meeting of the Commission as a whole or a subcommittee of the Commission shall be held in each county. The Commission shall publish a draft of its final recommendations on or before October 1, 2025, solicit public feedback, and incorporate such feedback into its final recommendations. When submitting its final recommendations to the General Assembly, the Commission shall include all public feedback received as an addendum to its final report. The public feedback process shall include:

(A) a minimum 30-day public comment period, during which time the Commission shall accept written comments from the public and stakeholders; and

(B) a public outreach plan that maximizes public engagement and includes notice of the availability of language assistance services when requested.

(2) Policy considerations. In developing its recommendations, the Commission shall consider and prioritize the following topics:

(A) Governance, resources, and administration. The Commission shall study and make recommendations regarding education governance at the State level, including the role of the Agency of Education in the provision of services and support for the education system. Recommendations under this subdivision (A) shall include, at a minimum, the following:

(i) whether changes need to be made to the structure of the Agency of Education, including whether it better serves the recommended education vision of the State as an agency or a department;

(ii) what are the staffing needs of the Agency of Education;

(iii) whether changes need to be made to the composition, role, and function of the State Board of Education to better serve the recommended education vision of the State;

(iv) what roles, functions, or decisions should be a function of local control and what roles, functions, or decisions should be a function of control at the State level, including a process for the community to have a voice in decisions regarding school closures and, if so, recommendations for what that process shall entail; and

(v) the effective integration of career and technical education in the recommended education vision of the State an analysis of the impact of health care costs on the Education Fund, including recommendations for whether, and if so, what, changes need to be made to contain costs.

(B) ~~Physical size and footprint of the education system.—The Commission shall study and make recommendations regarding how the unique geographical and socioeconomic needs of different communities should factor into the provision of education in Vermont, taking into account and building upon the recommendations of the State Aid to School Construction Working Group. Recommendations under this subdivision (B) shall include, at a minimum, the following:~~

~~(i) an analysis and recommendation for the most efficient and effective number and location of school buildings, school districts, and supervisory unions needed to achieve Vermont's vision for education, provided that if there is a recommendation for any change, the recommendation shall include an implementation plan;~~

~~(ii) an analysis of the capacity and ability to staff all public schools with a qualified workforce, driven by data on class-size recommendations;~~

~~(iii) analysis of whether, and if so, how, collaboration with Vermont's postsecondary schools may support the development and retention of a qualified educator workforce;~~

~~(iv) an analysis of the current town tuition program and whether, and if so, what, changes are necessary to meet Vermont's vision for education, including the legal and financial impact of funding independent schools and other private institutions, including consideration of the following:~~

~~(I) the role designation, under 16 V.S.A. § 827, should play in the delivery of public education; and~~

~~(II) the financial impact to the Education Fund of public dollars being used in schools located outside Vermont; and~~

~~(v) an analysis of the current use of private therapeutic schools in the provision of special education services and whether, and if so, what, changes are necessary to meet Vermont's special education needs, including the legal and financial impact of funding private therapeutic schools. [Repealed.]~~

~~(C) The role of public schools. The Commission shall study and make recommendations regarding the role public schools should play in both the provision of education and the social and emotional well-being of students. Recommendations under this subdivision (C) shall include, at a minimum, the following:~~

~~(i) how public education in Vermont should be delivered;~~

~~(ii) whether Vermont's vision for public education shall include the provision of wraparound supports and collocation of services;~~

~~(iii) whether, and if so, how, collaboration with Vermont's postsecondary schools may support and strengthen the delivery of public education; and~~

~~(iv) what the consequences are for the Commission's recommendations regarding the role of public schools and other service providers, including what the role of public schools means for staffing, funding, and any other affected system, with the goal of most efficiently utilizing State funds and services and maximizing federal funding. [Repealed.]~~

~~(D) Education finance system. The Commission shall explore the efficacy and potential equity gains of changes to the education finance system, including weighted educational opportunity payments as a method to fund public education. The Commission's recommendations shall be intended to result in an education funding system designed to afford substantially equal access to a quality basic education for all Vermont students in accordance with State v. Brigham, 166 Vt. 246 (1997). Recommendations under this subdivision (D) shall include, at a minimum, the following:~~

~~(i) allowable uses for the Education Fund that shall ensure sustainable and equitable use of State funds;~~

~~(ii) the method for setting tax rates to sustain allowable uses of the Education Fund;~~

~~(iii) whether, and if so, what, alternative funding models would create a more affordable, sustainable, and equitable education finance system~~

~~in Vermont, including the consideration of a statutory, formal base amount of per pupil education spending and whether school districts should be allowed to spend above the base amount;~~

~~(iv) adjustments to the excess spending threshold, including recommendations that target specific types of spending;~~

~~(v) the implementation of education spending caps on different services, including administrative and support services and categorical aid;~~

~~(vi) how to strengthen the understanding and connection between school budget votes and property tax bills;~~

~~(vii) adjustments to the property tax credit thresholds to better match need to the benefit;~~

~~(viii) a system for ongoing monitoring of the Education Fund and Vermont's education finance system, to include consideration of a standing Education Fund advisory committee;~~

~~(ix) an analysis of the impact of healthcare costs on the Education Fund, including recommendations for whether, and if so, what, changes need to be made to contain costs; and~~

~~(x) implementation details for any recommended changes to the education funding system. [Repealed.]~~

~~(E) Additional considerations. The Commission may consider any other topic, factor, or issue that it deems relevant to its work and recommendations. [Repealed.]~~

(f) Reports. The Commission shall prepare and submit to the General Assembly the following:

(1) a formal, written work plan, which shall include a communication plan to maximize public engagement, on or before September 15, 2024;

(2) a written report containing its preliminary findings and recommendations, including short-term cost containment considerations for the 2025 legislative session, on or before December 15, 2024; and

(3) a written report containing its final findings and recommendations ~~for a statewide vision for Vermont's public education system and the policy changes necessary to make that educational vision a reality based on its analysis of the State-level governance topics contained in subdivision (e)(2)(A) of this section, on or before December 1, 2025; and September 30, 2025~~

~~(4) proposed legislative language to advance any recommendations for the education funding system on or before December 15, 2025.~~

(g) Assistance. The Agency of Education shall contract with one or more independent consultants or facilitators to provide technical and legal assistance to the Commission for the work required under this section. For the purposes of scheduling meetings and providing administrative assistance, the Commission shall have the assistance of the Agency of Education. The Agency shall also provide the educational and financial data necessary to facilitate the work of the Commission. School districts shall comply with requests from the Agency to assist in data collections.

(h) Meetings.

(1) The Secretary of Education shall call the first meeting of the Commission to occur on or before July 15, 2024.

(2) The Speaker of the House and the President Pro Tempore shall jointly select a Commission chair.

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

(4) Meetings shall be conducted in accordance with Vermont's Open Meeting Law pursuant to 1 V.S.A. chapter 5, subchapter 2.

(5) The Commission shall cease to exist on ~~December 31, 2025~~ October 15, 2025.

(i) Compensation and reimbursement. Members of the Commission shall be entitled to per diem compensation and reimbursement of expenses as permitted under 32 V.S.A. § 1010 for not more than 30 meetings, including subcommittee meetings. These payments shall be made from monies appropriated to the Agency of Education.

\* \* \* School District Boundary Task Force \* \* \*

### Sec. 3. SCHOOL DISTRICT BOUNDARY TASK FORCE; REPORT; MAPS

(a) School District Boundary Task Force. There is created the School District Boundary Task Force that shall determine the most efficient number of school districts and supervisory unions and proposed boundary lines, based on educational research; Vermont's geographic and cultural landscape; historic attendance patterns; the distribution of equalized grand list value per pupil; the provision of career and technical education; and a comprehensive analysis of school locations, facility conditions, student capacity, and transportation infrastructure. The Task Force shall also make recommendations for an alternative process to encourage school district consolidation if the General Assembly fails to enact new school district boundaries not later than January 31, 2026.

(b) Membership. The Task Force shall be composed of the following members:

(1) four current members of the House of Representatives, not all from the same political party nor from the same school district, who shall be appointed by the Speaker of the House; and

(2) four current members of the Senate, not all from the same political party nor from the same school district, who shall be appointed by the Committee on Committees.

(c) Powers and duties.

(1) Boundary proposal. The Task Force shall recommend not less than one school district and supervisory union boundary proposal to the General Assembly. All recommendations shall consider the use of supervisory unions and supervisory districts. In making its recommendations, the Task Force may also consider and make recommendations for the optimal location of schools, including CTE programs. The Task Force shall also consider and make recommendations for the governance models of the new proposed school districts, including how school board representation models shall be decided. The proposed school district boundaries and supervisory union boundaries shall:

(A) increase access to excellent educational opportunities for all students;

(B) gain efficiencies and potential cost savings without harming educational opportunities or community connections;

(c) maximize opportunities to support local elementary schools, central middle schools, and regional high schools, with the least disruption to students;

(C) provide access to education for their resident students in grades kindergarten through 12;

(D) provide access to career and technical education (CTE) for all grade-eligible students;

(E) to the extent practical, not separate towns within school districts as those boundaries exist on July 1, 2025;

(F) to the extent practical, consider the availability of regional services for students, such as designated agencies, and how those services would integrate into the new proposed school district boundaries; and

(G) allow for the continuation of a tuitioning system that provides continued access to independent schools that have served geographic areas that do not operate public schools for the grades served by the independent schools.

(2) Alternative merger proposal. The Task Force shall also make recommendations for an alternative process to encourage and incentivize school districts to move toward larger, consolidated, and sustainable models of education governance should the General Assembly fail to enact new school district and supervisory union boundaries not later than January 31, 2026. The Task Force's recommendations shall require the use of the union school district exploration, formation, and organization processes governed by 16 V.S.A. chapter 11. The process recommended by the Task Force shall be designed to encourage local decisions and actions that:

(A) provide high-quality, substantially equal educational opportunities statewide;

(B) maximize operational efficiencies that result in education costs that parents, voters, and taxpayers can afford; and

(C) promote transparency and accountability.

(d) Public engagement. The Task Force shall maximize public input and feedback regarding the development of both the proposed new school district and supervisory union boundaries, as well as the alternative consolidation process recommendations.

(e) Assistance. The Task Force shall have the administrative, technical, and legal assistance of the Office of Legislative Operations, the Office of Legislative Counsel, the Joint Fiscal Office, and the Agency of Digital Services, Vermont Center for Geographic Information. The Task Force may also retain the services of one or more independent third parties to provide contracted resources as the Task Force deems necessary.

(f) Report and map. On or before December 15, 2025, the Task Force shall submit the following to the House and Senate Committees on Education, the House Committee on Government Operations and Military Affairs, the Senate Committee on Government Operation, the House Committee on Ways and Means, and the Senate Committee on Finance:

(1) Report. The subcommittee shall submit a written report with a description of the proposed school district and supervisory union boundaries, the recommended governance models and representation considerations, and the alternative consolidation process. The report shall also include details regarding the policy decisions made to arrive at the proposed boundaries and alternative consolidation process, including an explanation of how the

proposed boundaries meet the requirements of subdivisions (c)(1)(A)–(G) of this section and the alternative consolidation process meets the goals contained in subdivisions (c)(2)(A)–(C) of this section.

(2) Map. The subcommittee shall also submit one, or if the committee is unable to reach a majority consensus, two, detailed maps for each school district and supervisory union boundary proposal, which, in addition to the boundaries themselves, shall include:

(A) average daily membership for each proposed supervisory union or supervisory district, as applicable, for the 2023–2024 school year;

(B) the member towns for each supervisory union or supervisory district, as applicable;

(C) the location of public schools and nontherapeutic approved independent schools that are eligible to receive public tuition as of July 1, 2025, and the grades operated by each of those schools;

(D) the five-year facility condition index score for each public school;

(E) 10-year change in enrollment between 2013 and 2023 for each school;

(F) the transportation infrastructure within each supervisory union or supervisory district, as applicable; and

(G) the grand list value within each proposed school district boundary.

(g) Meetings.

(1) The Office of Legislative Counsel shall call the first meeting of the Task Force to occur on or before July 15, 2025.

(2) The Task Force shall select co-chairs from among its members at the first meeting, one a member of the House and the other a member of the Senate.

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

(4) The Task Force shall cease to exist on January 31, 2026.

(h) Compensation and reimbursement. For attendance at meetings during adjournment of the General Assembly, members of the Working Group shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 23 for not more than 16 meetings. These payments shall be made from monies appropriated to the General Assembly.



(i) Appropriation. The sum of \$100,000.00 is appropriated to the Office of Legislative Counsel from the General Fund in fiscal year 2026 to hire one or more consultants pursuant to subsection (e) of this section.

\* \* \* State Aid for School Construction \* \* \*

Sec. 4. 16 V.S.A. § 3440 is added to read:

§ 3440. STATEMENT OF POLICY

It is the intent of this chapter to encourage the efficient use of public funds to modernize school infrastructure in alignment with current educational needs. School construction projects supported by this chapter should be developed taking consideration of standards of quality for public schools under section 165 of this title and prioritizing cost, geographic accessibility, 21st century education facilities standards, statewide enrollment trends, and capacity and scale that support best educational practices.

Sec. 5. 16 V.S.A. § 3442 is added to read:

§ 3442. STATE AID FOR SCHOOL CONSTRUCTION PROGRAM

The Agency of Education shall be responsible for implementing the State Aid for School Construction Program according to the provisions of this chapter. The Agency shall be responsible for:

(1) reviewing all preliminary applications for State school construction aid and issuing an approval or denial in accordance with section 3445 of this chapter;

(2) adopting rules pursuant to 3 V.S.A. chapter 25 pertaining to school construction and capital outlay, including rules to specify a point prioritization methodology and a bonus incentive structure aligned with the legislative intent expressed in section 3440 of this title;

(3) including as part of its budget submitted to the Governor pursuant to subdivision 212(21) of this title its annual school construction funding request;

(4) developing a prequalification and review process for project delivery consultants and architecture and engineering firms specializing in prekindergarten through grade 12 school design, renovation, or construction and maintaining a list of such prequalified firms and consultants;

(5) providing technical assistance and guidance to school districts and supervisory unions on all phases of school capital projects;

(6) providing technical advice and assistance, training, and education to school districts, supervisory unions, general contractors, subcontractors,

construction or project managers, designers, and other vendors in the planning, maintenance, and establishment of school facility space;

(7) maintaining a current list of school construction projects that have received preliminary approval, projects that have received final approval, and the priority points awarded to each project;

(8) collecting, maintaining, and making publicly available quarterly progress reports of all ongoing school construction projects that shall include, at a minimum, the costs of the project and the time schedule of the project;

(9) recommending policies and procedures designed to reduce borrowing for school construction programs at both State and local levels;

(10) conducting a needs survey at least every five years to ascertain the capital construction, reconstruction, maintenance, and other capital needs for all public schools and maintaining such data in a publicly accessible format;

(11) developing a formal enrollment projection model or using projection models already available;

(12) encouraging school districts and supervisory unions to investigate opportunities for the maximum utilization of space in and around the district or supervisory union;

(13) collecting and maintaining a clearinghouse of prototypical school plans, as appropriate, that may be consulted by eligible applicants;

(14) retaining the services of consultants, as necessary, to effectuate the roles and responsibilities listed within this section; and

(15) notwithstanding 2 V.S.A. § 20(d), annually on or before December 15, submitting a written report to the General Assembly regarding the status and implementation of the State Aid for School Construction Program, including the data required to be collected pursuant to this section.

Sec. 6. 16 V.S.A. § 3443 is added to read:

§ 3443. STATE AID FOR SCHOOL CONSTRUCTION ADVISORY BOARD

(a) Creation. There is hereby created the State Aid for School Construction Advisory Board, which shall advise the Agency on the implementation of the State Aid for School Construction Program in accordance with the provisions of this chapter, including the adoption of rules, setting of statewide priorities, criteria for project approval, and recommendations for project approval and prioritization.

(b) Membership.

(1) Composition. The Board shall be composed of the following eight members:

(A) four members who shall serve as ex officio members:

(i) the State Treasurer or designee;

(ii) the Commissioner of Buildings and General Services or designee;

(iii) the Executive Director of the Vermont Bond Bank or designee; and

(iv) the Chair of the State Board of Education or designee; and

(B) four members, none of whom shall be a current member of the General Assembly, who shall serve four-year terms as follows:

(i) two members, appointed by the Speaker of the House, each of whom shall have expertise in education or construction, real estate, or finance and one of whom shall represent a supervisory union; and

(ii) two members, appointed by the Committee on Committees, each of whom shall have expertise in education or construction, real estate, or finance and one of whom shall be an educator.

(2) Members with four-year terms.

(A) A member with a term limit shall serve a term of four years and until a successor is appointed. A term shall begin on January 1 of the year of appointment and run through December 31 of the last year of the term. Terms of these members shall be staggered so that not all terms expire at the same time.

(B) A vacancy created before the expiration of a term shall be filled in the same manner as the original appointment for the unexpired portion of the term.

(C) A member with a term limit shall not serve more than two consecutive terms. A member appointed to fill a vacancy created before the expiration of a term shall not be deemed to have served a term for the purpose of this subdivision (C).

(c) Duties. The Board shall advise the Agency on the implementation of the State Aid for School Construction Program in accordance with the provisions of this chapter, including:

(1) rules pertaining to school construction and capital outlay;

(2) project priorities;

(3) proposed legislation the Board deems desirable or necessary related to the State Aid for School Construction Program, the provisions of this chapter, and any related laws;

(4) policies and procedures designed to reduce borrowing for school construction programs at both State and local levels;

(5) development of a formal enrollment projection model or the consideration of using projection models already available;

(6) processes and procedures necessary to apply for, receive, administer, and comply with the conditions and requirements of any grant, gift, appropriation of property, services, or monies;

(7) the collection and maintenance of a clearinghouse of prototypical school plans that may be consulted by eligible applicants and recommended incentives to utilize such prototypes;

(8) the determination of eligible cost components of projects for funding or reimbursement, including partial or full eligibility for project components for which the benefit is shared between the school and other municipal and community entities;

(9) development of a long-term vision for a statewide capital plan in accordance with needs and projected funding;

(10) collection and maintenance of data on all public school facilities in the State, including information on size, usage, enrollment, available facility space, and maintenance;

(11) advising districts on the use of a needs survey to ascertain the capital construction, reconstruction, maintenance, and other capital needs for schools across the State; and

(12) encouraging school districts and supervisory unions to investigate opportunities for the maximum utilization of space in and around the district or supervisory union.

(d) Meetings.

(1) The Chair of the State Board of Education shall call the first meeting of the Board to occur on or before September 1, 2025.

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

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

(4) The Board shall meet not more than six times per year.

(e) Assistance. The Board shall have the administrative, technical, and legal assistance of the Agency of Education.

(f) Compensation and reimbursement. Members of the Board shall be entitled to per diem compensation and reimbursement of expenses as permitted under 32 V.S.A. § 1010 for not more than six meetings per year.

(g) Report. On or before December 15, 2025, the Board shall submit a written report to the House Committees on Education and on Ways and Means and the Senate Committees on Education and on Finance on recommendations for addressing the transfer of any debt obligations from current school districts to future school districts as contemplated by Vermont's education transformation.

Sec. 7. PROSPECTIVE REPEAL OF STATE AID FOR SCHOOL  
CONSTRUCTION ADVISORY BOARD

16 V.S.A. § 3443 (State Aid for School Construction Advisory Board) is repealed on July 1, 2035.

Sec. 8. 16 V.S.A. § 3444 is added to read:

§ 3444. SCHOOL CONSTRUCTION AID SPECIAL FUND

(a) Creation. There is created the School Construction Aid Special Fund, to be administered by the Agency of Education. Monies in the Fund shall be used for the purposes of:

(1) awarding aid to school construction projects under section 3445 of this title;

(2) awarding grants through the Facilities Master Plan Grant Program established in section 3441 of this title;

(3) funding administrative costs of the State Aid for School Construction Program; and

(4) awarding emergency aid under section 3445 of this title.

(b) Funds. The Fund shall consist of:

(1) any amounts transferred or appropriated to it by the General Assembly;

(2) any amounts deposited in the Fund from the Supplemental District Spending Reserve; and

(3) any interest earned by the Fund.

Sec. 9. 16 V.S.A. § 3445 is added to read:

§ 3445. APPROVAL AND FUNDING OF SCHOOL CONSTRUCTION PROJECTS

(a) Construction aid.

(1) Preliminary application for construction aid. A school district eligible for assistance under section 3447 of this title that intends to construct or purchase a new school, or make extensive additions or alterations to its existing school, and desires to avail itself of State school construction aid shall submit a written preliminary application to the Secretary. A preliminary application shall include information required by the Agency by rule and shall specify the need for and purpose of the project.

(2) Approval of preliminary application.

(A) When reviewing a preliminary application for approval, the Secretary shall consider:

(i) regional educational opportunities and needs, including school building capacities across school district boundaries, and available infrastructure in neighboring communities;

(ii) economic efficiencies;

(iii) the suitability of an existing school building to continue to meet educational needs; and

(iv) statewide educational initiatives.

(B) The Secretary may approve a preliminary application if:

(i)(I) the project or part of the project fulfills a need occasioned by:

(aa) conditions that threaten the health or safety of students or employees;

(bb) facilities that are inadequate to provide programs required by State or federal law or regulation;

(cc) excessive energy use resulting from the design of a building or reliance on fossil fuels or electric space heat; or

(dd) deterioration of an existing building; or

(II) the project results in consolidation of two or more school buildings and will serve the educational needs of students in a more cost-effective and educationally appropriate manner as compared to individual projects constructed separately;

(ii) the need addressed by the project cannot reasonably be met by another means;

(iii) the proposed type, kind, quality, size, and estimated cost of the project are suitable for the proposed curriculum and meet all legal standards;

(iv) the applicant achieves the level of “proficiency” in the school district quality standards regarding facilities management adopted by rule by the Agency; and

(v) the applicant has completed a facilities master planning process that:

(I) engages robust community involvement;

(II) considers regional solutions;

(III) evaluates environmental contaminants; and

(IV) produces a facilities master plan that unites the applicant’s vision statement, educational needs, enrollment projections, renovation needs, and construction projects.

(3) Priorities. Following approval of a preliminary application and provided that the district has voted funds or authorized a bond for the total estimated cost of a project, the Agency, with the advice of the State Aid for School Construction Advisory Board, shall assign points to the project as prescribed by rule of the Agency so that the project can be placed on a priority list based on the number of points received.

(4) Request for legislative appropriation. The Agency shall submit its annual school construction funding request to the Governor as part of its budget pursuant to subdivision 212(21) of this title. Following submission of the Governor’s recommended budget to the General Assembly pursuant to 32 V.S.A. § 306, the House Committee on Education and the Senate Committee on Education shall recommend a total school construction appropriation for the next fiscal year to the General Assembly.

(5) Final approval for construction aid.

(A) Unless approved by the Secretary for good cause in advance of commencement of construction, a school district shall not begin construction before the Secretary approves a final application. A school district may submit a written final application to the Secretary at any time following approval of a preliminary application.

(B) The Secretary may approve a final application for a project provided that:

(i) the project has received preliminary approval;

(ii) the district has voted funds or authorized a bond for the total estimated cost of the project;

(iii) the district has made arrangements for project construction supervision by persons competent in the building trades;

(iv) the district has provided for construction financing of the project during a period prescribed by the Agency;

(v) the project has otherwise met the requirements of this chapter;

(vi) if the proposed project includes a playground, the project includes a requirement that the design and construction of playground equipment follow the guidelines set forth in the U.S. Consumer Product Safety Commission Handbook for Public Playground Safety; and

(vii) if the total estimated cost of the proposed project is less than \$50,000.00, no performance bond or irrevocable letter of credit shall be required.

(C) The Secretary may provide that a grant for a high school project is conditioned upon the agreement of the recipient to provide high school instruction for any high school pupil living in an area prescribed by the Agency who may elect to attend the school.

(D) A district may begin construction upon receipt of final approval. However, a district shall not be reimbursed for debt incurred due to borrowing of funds in anticipation of aid under this section.

(6) Award of construction aid.

(A) The base amount of an award shall be 20 percent of the eligible debt service cost of a project. Projects are eligible for additional bonus incentives as specified in rule for up to an additional 20 percent of the eligible debt service cost. Amounts shall be awarded annually.

(B) As used in subdivision (A) of this subdivision (6), "eligible debt service cost" of a project means the product of the lifetime cost of the bond authorized for the project and the ratio of the approved cost of a project to the total cost of the project.

(b) Emergency aid. Notwithstanding any other provision of this section, the Secretary may grant aid for a project the Secretary deems to be an



emergency in the amount of 30 percent of eligible project costs, up to a maximum eligible total project cost of \$300,000.00.

Sec. 10. 16 V.S.A. § 3446 is added to read:

§ 3446. APPEAL

Any municipal corporation as defined in section 3447 of this title aggrieved by an order, allocation, or award of the Agency of Education may, within 30 days, appeal to the Superior Court in the county in which the project is located.

Sec. 11. TRANSFER OF RULEMAKING AUTHORITY; TRANSFER OF RULES

(a) The statutory authority to adopt rules by the State Board of Education pertaining to school construction and capital outlay adopted under 16 V.S.A. § 3448(e) and 3 V.S.A. chapter 25 is transferred from the State Board of Education to the Agency of Education.

(b) All rules pertaining to school construction and capital outlay adopted by the State Board of Education under 3 V.S.A. chapter 25 prior to July 1, 2026 shall be deemed the rules of the Agency of Education and remain in effect until amended or repealed by the Agency of Education pursuant to 3 V.S.A. chapter 25.

(c) The Agency of Education shall provide notice of the transfer to the Secretary of State and the Legislative Committee on Administrative Rules in accordance with 3 V.S.A. § 848(d)(2).

Sec. 12. REPEALS

(a) 16 V.S.A. § 3448 (approval of funding of school construction projects; renewable energy) is repealed on July 1, 2026.

(b) 16 V.S.A. § 3448a (appeal) is repealed on July 1, 2026.

\* \* \* Tuition to Approved Schools \* \* \*

Sec. 13. 16 V.S.A. § 828 is amended to read:

§ 828. TUITION TO APPROVED SCHOOLS; AGE; APPEAL

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

(1) a public school, located in Vermont;

(2) an approved independent school, ~~an independent school meeting education quality standards, that:~~

(A) is located in Vermont;

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

(C) is located within either :

(i) supervisory district that does not operate a public school for some or all grades as of July 1, 2024; or

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

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

(3) a tutorial program approved by the State Board;

(4) an approved education program;

(5) an independent school in another state or country approved under the laws of that state or country, that a public school located within 25 miles of the Vermont border in a bordering state or province, provided that the school is approved under the laws of that state or province and complies with the reporting requirement under subsection 4010(c) of this title;

(6) an independent school located within 25 miles of the Vermont border in a bordering state or province that:

(A) is approved under the laws of that state or province;

(B) had at least one or more Vermont resident students enrolled in grades nine through 12 on a district-funded tuition basis pursuant to this chapter during the 2023–2024 school year; and

(C) complies with the reporting requirement under subsection 4010(c) of this title; or

(7) a therapeutic approved independent school located in Vermont or another state or country that is approved under the laws of that state or country.

(b) ~~nor shall payment~~ Payment of tuition on behalf of a person ~~shall not~~ be denied on account of age.

(c) Unless otherwise provided, a person who is aggrieved by a decision of a school board relating to eligibility for tuition payments, the amount of tuition payable, or the school the person may attend, may appeal to the State Board and its decision shall be final.

(d) As used in this section, “therapeutic approved independent school” means an approved independent school that limits enrollment for publicly funded students residing in Vermont to students who are on an individualized education program or plan under Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. § 794, or who are enrolled pursuant to a written agreement between a local education agency and the school or pursuant to a court order.

#### Sec. 14. TUITION TRANSITION

A school district that pays tuition pursuant to the provisions of 16 V.S.A. chapter 21 in effect on June 30, 2025 shall continue to pay tuition on behalf of a resident student enrolled for the 2024–2025 school year in or who has been accepted for enrollment for the 2025–2026 school year by an approved independent school subject to the provisions of 16 V.S.A. § 828 in effect on June 30, 2025, until such time as the student graduates from that school.

\* \* \* Reports and Rule Updates \* \* \*

#### Sec. 15. STATE BOARD OF EDUCATION; RULES; REPORT

(a) Rules. On or before August 1, 2026, the State Board of Education shall initiate rulemaking to amend the approved independent school rule 2200 series, Agency of Education, Independent School Program Approval (22-000-004), pursuant to 3 V.S.A. chapter 25, to ensure compliance with the requirements of 16 V.S.A. § 828 applicable to approved independent schools.

(b) Report. On or before December 1, 2025, the State Board of Education shall submit a written report to the House and Senate Committees on Education with proposed standards for schools to be deemed “small by necessity.”

#### Sec. 16. STATE BOARD OF EDUCATION; REVIEW OF RULES; APPROPRIATION

(a) The State Board of Education shall review each rule series the State Board is responsible for and make a determination as to the continuing need for, appropriateness of, or need for updating of said rules. On or before December 1, 2026, the State Board of Education shall submit a written report to the House and Senate Committees on Education with its recommendation for rules that are no longer needed and a plan to update rules that are still necessary, including the order in which the Board proposes to update the rules and any associated costs or staffing needs.

(b) The sum of \$200,000.00 is appropriated from the General Fund to the Agency of Education in fiscal year 2026 to provide the State Board of Education with the contracted resources necessary to review and update the Board’s rules.

Sec. 17. AGENCY OF EDUCATION; REPORTS

(a) On or before January 1, 2026, the Agency of Education shall submit a written report to the House and Senate Committees on Education and the State Board of Education with recommended standards for statewide proficiency-based graduation requirements based on standards adopted by the State Board.

(b) On or before December 1, 2025, the Agency of Education shall submit a written report and recommended legislative language, as applicable, to the House and Senate Committees on Education with the following:

(1) In consultation with educators and administrators, a proposed implementation plan for statewide financial data and student information systems.

(2) Recommendations for a school construction division within the Agency of Education, including position descriptions and job duties for each position within the division, a detailed description of the assistance the division would provide to the field, and the overall role the Agency would play within a State aid to school construction program.

(3) A progress report regarding the development of clear, unambiguous guidance that would be provided to school officials and school board members regarding the business processes and transactions that would need to occur to facilitate school district mergers into larger, consolidated school districts, including the merging of data systems, asset and liability transfers, and how to address collective bargaining agreements for both educators and staff. The report shall include a detailed description of how the Agency will provide support and consolidation assistance to the field in each of these areas and an estimate of the costs associated with such work.

(4) An analysis of how education payments are allocated within school districts and what, if any, changes are necessary to ensure students who receive weights are actually benefiting from the additional funding associated with the applicable weights.

(c) On or before December 1, 2026, the Agency of Education, in consultation with the Office of Workforce Strategy and Development, shall submit a written report with recommendations on how to increase flexible pathways opportunities for students in the commercial and nonprofit sectors.

\* \* \* Special Education Delivery \* \* \*

Sec. 18. STATE OF SPECIAL EDUCATION DELIVERY; AGENCY OF  
EDUCATION; REPORT

(a) On or before September 1, 2025, the Agency of Education shall submit a written report to the House and Senate Committees on Education, the House Committee on Ways and Means, and the Senate Committee on Finance addressing the factors contributing to growth in extraordinary special education reimbursement costs. The report shall include detailed information regarding the current state of special education delivery in Vermont, including an update on the implementation of special education changes enacted pursuant to 2018 Acts and Resolves No. 173 (Act 173). The report shall include a description of the current state of support for students with disabilities in Vermont and recommended changes to structure, practice, and law with the goal of:

(1) improving the delivery of special education services and managing the rising extraordinary special education costs;

(2) ensuring better, more inclusive services in the least restrictive environment in a way that makes efficient and effective use of limited resources while resulting in the best outcomes;

(3) responding to the challenges of fully implementing Act 173 and the lessons learned from implementation efforts to date;

(4) ensuring adequate staffing to deliver special education that is responsive to student needs;

(5) addressing the root causes leading to the workforce shortage of special educators; and

(6) addressing drivers of growth of extraordinary expenditures in special education.

(b) The report shall include:

(1) An analysis of the costs of and services provided for students with extraordinary needs in specialized settings, separated by school-district-operated specialized programs, independent nonprofit programs, and independent for-profit programs. The report shall include a geographic map with the location of all specialized programs within the State of Vermont, as well as the following information for each individual specialized program:

(A) disability categories served;

(B) grade levels served;

(C) the number of students with IEPs and the average duration of time each student spent in the program over the last 10 years;

(D) average cost per pupil, inclusive of extraordinary spending and any costs in excess of general tuition rates;

(E) years of experience, training, and tenure of licensed special education staff;

(F) a review of the findings of all investigations conducted by the Agency of Education; and

(G) a review of the Agency's public assurance capabilities, with respect to special education programs in all settings, and an analysis of the effectiveness of current oversight or rule, and recommended changes if needed.

(2) An evaluation of the state of implementation of Act 173, including examples of where implementation has been successful, where it has not, and why.

(3) Identification of drivers of accelerating costs within the special education system.

(4) Identification of barriers to the success of students with disabilities.

(5) A description of how specialized programs for students with extraordinary needs operated by school districts, independent nonprofit schools, and independent for-profit schools are funded, with an analysis of the benefits and risks of each funding model.

(6) An assessment of whether Vermont's current special education laws ensure equitable access for all students with disabilities to education alongside their peers in a way that is consistent with the Vermont education quality standards for public schools and the right to a free appropriate public education (FAPE) under the Individuals with Disabilities Education Act, 20 U.S.C. §§ 1400–1482.

(7) A review of the capacity of the Agency to support and guide school districts on the effective support of students with disabilities, as well as compliance with federal law, which shall include:

(A) a review of final reports of investigations conducted by the Agency in school-district-operated specialized programs, independent nonprofit programs, and independent for-profit programs in the previous 10 years and an evaluation of what practices could reduce adverse findings in these settings;

(B) an assessment of the ability of the State to ensure State resources are used in the most efficient and effective way possible to support the success

of students with disabilities and their access to a free and appropriate public education;

(C) a review of any pending and recent federal findings against the State or school districts, as well as progress on corrective actions;

(D) a review of the Agency's staffing and capacity to review and conduct monitoring and visits to schools;

(E) a description of the process and status of reviews and approvals of approved independent schools that provide special education and therapeutic schools; and

(F) recommendations for the oversight of therapeutic schools within the school governance framework both at a State and local level, including whether the Agency has capacity to ensure timely review of approved independent schools and provide sufficient oversight for specialized programs in nonprofit independent schools and for-profit independent schools.

(8) Recommendations for needed capacity at the Agency to provide technical assistance and support to school districts in the provision of special education services.

(9) If warranted, a review of options for changes to practice, structure, and law that ensure students with disabilities are provided access to quality education, in the least restrictive environment, in a cost-effective way that is consistent with State and federal law, which may include a review of the possible role of BOCES and the impact of larger districts on effective, high-quality support for students with disabilities.

#### **Sec. 19. SPECIAL EDUCATION STRATEGIC PLAN; AGENCY OF EDUCATION**

(a) Strategic plan. In consultation with the State Advisory Panel on Special Education established under 16 V.S.A. § 2945, the Agency of Education shall develop a three-year strategic plan for the delivery of special education services in Vermont. The strategic plan shall include unambiguous measurable outcomes and a timeline for implementation. The strategic plan shall be informed by the analysis and findings of the report required of the Agency under Sec. 20 of this act and be designed to ensure successful implementation of 2018 Acts and Resolves No. 173 (Act 173). The strategic plan shall also include contingency recommendations for special education funding in the event federal special education funding under the Individuals with Disabilities Education Act, 20 U.S.C. §§ 1400–1482, is no longer available or transitions to a system that requires more planning and management on the part of the State to ensure funds are distributed equitably.

(b) Reports.

(1) On or before December 1, 2025, the Agency shall submit the three-year strategic plan created pursuant to subsection (a) of this section to the House and Senate Committees on Education, the House Committee on Ways and Means, and the Senate Committee on Finance.

(2) On or before December 1 of 2026, 2027, 2028, and 2029, the Agency shall submit a written report to the House and Senate Committees on Education, the House Committee on Ways and Means, and the Senate Committee on Finance with a detailed update on the Agency's implementation of its strategic plan and any recommendations for legislative changes needed to ensure continued successful implementation of Act 173.

Sec. 20. POSITION; AGENCY OF EDUCATION

(a) Establishment of one new permanent, classified position is authorized in the Agency of Education in fiscal year 2026, to support development and implementation of the three-year strategic plan required under Sec. 19 of this act.

(b) The sum of \$150,000.00 is appropriated from the General Fund to the Agency of Education's base budget in fiscal year 2026 for the purposes of funding the position created in subsection (a) of this section. The Agency shall include funding for this permanent position in their annual base budget request in subsequent years.

\* \* \* Tuition \* \* \*

Sec. 21. 16 V.S.A. § 823 is amended to read:

§ 823. ~~ELEMENTARY TUITION~~

~~(a) Tuition for elementary students shall be paid by the district in which the student is a resident. The district shall pay the full tuition charged its students attending a public elementary school to a receiving school an amount equal to the base amount contained in subdivision 4001(16) of this title multiplied by the sum of one and any weights applicable to the resident student under section 4010 of this title for each resident student attending the receiving school. If a payment made to a public elementary school is three percent more or less than the calculated net cost per elementary pupil in the receiving school district for the year of attendance, the district shall be reimbursed, credited, or refunded pursuant to section 836 of this title. Notwithstanding the provisions of this subsection or of subsection 825(b) of this title, the boards of both the receiving and sending districts may enter into tuition agreements with terms differing from the provisions of those subsections, provided that the receiving district must offer identical terms to all sending districts, and further provided that the~~



~~statutory provisions apply to any sending district that declines the offered terms.~~

~~(b) Unless the electorate of a school district authorizes payment of a higher amount at an annual or special meeting warned for the purpose, the tuition paid to an approved independent elementary school or an independent school meeting education quality standards shall not exceed the least of:~~

~~(1) the average announced tuition of Vermont union elementary schools for the year of attendance;~~

~~(2) the tuition charged by the approved independent school for the year of attendance; or~~

~~(3) the average per-pupil tuition the district pays for its other resident elementary students in the year in which the student is enrolled in the approved independent school. Notwithstanding subsection (a) of this section, the district shall pay the full tuition charged its students attending an approved independent school in Vermont functioning as an approved area career technical center.~~

## Sec. 22. REPEALS; TUITION

16 V.S.A. §§ 824 (high school tuition), 825 (maximum tuition rate; calculated net cost per pupil defined), 826 (notice of tuition rates; special education charges), and 836 (tuition overcharge or undercharge) are repealed on July 1, 2027.

\* \* \* State Funding of Public Education \* \* \*

## Sec. 23. 16 V.S.A. § 4001 is amended to read:

### § 4001. DEFINITIONS

As used in this chapter:

(1) ~~“Average daily membership” of a school district or, if needed in order to calculate the appropriate homestead tax rate, of the municipality as defined in 32 V.S.A. § 5401(9), in any year means:~~

\* \* \*

~~(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 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). [Repealed.]~~

\* \* \*

~~(13) “Base education Categorical base amount” means a number used to calculate categorical grants awarded under this title that is equal to \$6,800.00 per equalized pupil, adjusted as required under section 4011 of this title.~~

~~(14) “Per pupil education spending” of a school district in any school year means the per pupil education spending of that school district as determined under subsection 4010(f) of this title. [Repealed.]~~

\* \* \*

(16) “Base amount” means a per pupil amount of \$14,870.00, which shall be adjusted for inflation annually on or before November 15 by the Secretary of Education. As used in this subdivision, “adjusted for inflation” means adjusting the base dollar amount by the National Income and Product Accounts (NIPA) implicit price deflator for state and local government 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, and rounding upward to the nearest whole dollar amount.

(17) “Educational opportunity payment” means the base amount multiplied by the school district’s weighted long-term membership as determined under section 4010 of this title.

Sec. 24. 16 V.S.A. § 4010 is amended to read:

§ 4010. DETERMINATION OF WEIGHTED LONG-TERM MEMBERSHIP  
AND PER-PUPIL EDUCATION SPENDING EDUCATION  
OPPORTUNITY PAYMENT

(a) Definitions. As used in this section:

(1) “EL pupils” means pupils described under section 4013 of this title.

(2) “FPL” means the Federal Poverty Level.

(3) “Weighting categories” means the categories listed under subsection (b) of this section.

(4) “English language proficiency level” means each of the English language proficiency levels published as a standardized measure of academic language proficiency in WIDA ACCESS for ELLs 2.0 and available to members of the WIDA consortium of state departments of education.

(5) “Newcomer or SLIFE” means a pupil identified as a New American or as a student with limited or interrupted formal education.

(b) Determination of average daily membership and weighting categories. On or before the first day of December during each school year, the Secretary shall determine the average daily membership, as defined in subdivision 4001(1) of this title, of each school district for the current school year and shall perform the following tasks.

(1) Using average daily membership, list for each school district the number of:

(A) pupils in prekindergarten;

(B) pupils in kindergarten through grade five;

(C) pupils in grades six through eight;

(D) pupils in grades nine through 12;

(E) pupils whose families are at or below 185 percent of FPL, using the highest number of pupils in the district:

(i) that meet this definition under the universal income declaration form; or

(ii) who are directly certified for free and reduced-priced meals;  
and

(F) EL pupils who have been most recently assessed at an English language proficiency level of:

(i) Level 1;

(ii) Level 2 or 3;

(iii) Level 4; or

(iv) Level 5 or 6; and

(G) EL pupils who are identified as Newcomer or SLIFE.

(2)(A) Identify all school districts that have low population density, measured by the number of persons per square mile residing within the land

area of the geographic boundaries of the district as of July 1 of the year of determination, equaling:

- ~~(i) fewer than 36 persons per square mile;~~
- ~~(ii) 36 or more persons per square mile but fewer than 55 persons per square mile; or~~
- ~~(iii) 55 or more persons per square mile but fewer than 100 persons per square mile.~~

(B) Population density data shall be based on the best available U.S. Census data as provided to the Agency of Education by the Vermont Center for Geographic Information.

~~(C) Using average daily membership, list for each school district that has low population density the number of pupils in each of subdivisions (A)(i)–(iii) of this subdivision (2). [Repealed.]~~

(3)(A) Identify all school districts that have one or more small schools, which are schools that have an average two-year enrollment of:

- ~~(i) fewer than 100 pupils; or~~
- ~~(ii) 100 or more pupils but fewer than 250 pupils.~~

(B) As used in subdivision (A) of this subdivision (3), “average two-year enrollment” means the average enrollment of the two most recently completed school years, and “enrollment” means the number of pupils who are enrolled in a school operated by the district on October 1. A pupil shall be counted as one whether the pupil is enrolled as a full-time or part-time student.

~~(C) Using average two-year enrollment, list for each school district that has a small school the number of pupils in each of subdivisions (A)(i)–(ii) of this subdivision (3) small school.~~

(c) Reporting on weighting categories to the Agency of Education. Each school district shall annually report to the Agency of Education by a date established by the Agency the information needed in order for the Agency to compute the weighting categories under subsection (b) of this section for that district. In order to fulfill this obligation, a school district that pays public tuition on behalf of a resident student (sending district) to a public school in another school district, an approved independent school, or an out-of-state school (each a receiving school) may request the receiving school to collect this information on the sending district’s resident student, and if requested, the receiving school shall provide this information to the sending district in a timely manner.

(d) Determination of weighted long-term membership. For each weighting category except the small schools weighting category under subdivision (b)(3) of this section, the Secretary shall compute the weighting count by using the long-term membership, as defined in subdivision 4001(7) of this title, in that category.

(1) ~~The Secretary shall first apply grade~~ Grade-level weights. Each pupil included in long-term membership shall ~~count as one, multiplied by the following amounts~~ receive an additional weighting amount, based on the pupil's grade level, of:

(A) ~~prekindergarten—negative 0.54~~ 0.02, if the pupil is in one of grades six through eight; and

(B) ~~grades six through eight—0.36; and~~

(C) ~~grades nine through 12—0.39~~ 0.10, if the pupil is in one of grades nine through 12.

(2) ~~The Secretary shall next apply a~~ Economic disadvantage weight for pupils whose family is at or below 185 percent of FPL. Each pupil included in long-term membership whose family is at or below 185 percent of FPL shall receive an additional weighting amount of ~~1.03~~ 1.02.

(3) ~~The Secretary shall next apply a~~ EL proficiency weight for EL pupils. Each EL pupil included in long-term membership shall receive an additional weighting amount, based on the EL pupil's English language proficiency level, of 2.49:

(A) 2.11, if assessed as Level 1;

(B) 1.41, if assessed as Level 2 or 3;

(C) 1.20, if assessed as Level 4; or

(D) 0.12, if assessed as Level 5 or 6.

(4) ~~The Secretary shall then apply a weight for pupils living in low population density school districts~~ EL Newcomer/SLIFE weight. Each EL pupil who is a Newcomer or SLIFE included in long-term membership ~~residing in a low population density school district, measured by the number of persons per square mile residing within the land area of the geographic boundaries of the district as of July 1 of the year of determination,~~ shall receive an additional weighting amount of: 0.42

(A) 0.15, where the number of persons per square mile is fewer than 36 persons;

~~(B) 0.12, where the number of persons per square mile is 36 or more but fewer than 55 persons; or~~

~~(C) 0.07, where the number of persons per square mile is 55 or more but fewer than 100.~~

~~(5) The Secretary shall lastly apply a Small school weight for pupils who attend a small school. If the number of persons per square mile residing within the land area of the geographic boundaries of a school district as of July 1 of the year of determination is fewer than 55 or fewer, then, for each pupil listed under subdivision (b)(3)(C) of this section (pupils who attend small schools):~~

~~(A) where the school has fewer than 100 pupils in average two-year enrollment, the school district shall receive an additional weighting amount of 0.21 for each pupil included in the small school's average two-year enrollment; or~~

~~(B) where the small school has 100 or more but fewer than 250 pupils, the school district shall receive an additional weighting amount of 0.07 for each pupil included in the small school's average two-year enrollment.~~

~~(6) A school district's weighted long-term membership shall equal long-term membership plus the cumulation of the weights assigned by the Secretary under this subsection.~~

~~\* \* \*~~

~~(f) Determination of per pupil education spending educational opportunity payment. As soon as reasonably possible after a school district budget is approved by voters, the Secretary shall determine the per pupil education spending for the next fiscal year for the school district. Per pupil education spending shall equal a school district's education spending divided by its weighted long-term membership The Secretary shall determine each school district's educational opportunity payment by multiplying the school district's weighted long-term membership determined under subsection (d) of this section by the base amount.~~

~~\* \* \*~~

~~(h) Updates to weights. On or before January 1, 2027 and on or before January 1 of every fifth year thereafter, the Agency of Education and the Joint Fiscal Office shall calculate, based on their consensus view, updates to the weights to account for cost changes underlying those weights and shall issue a written report on their work to the House and Senate Committees on Education, the House Committee on Ways and Means, and the Senate Committee on Finance. The General Assembly shall update the weights under~~

~~this section and transportation reimbursement under section 4016 of this title not less than every five years and the implementation date for the updated weights and transportation reimbursement shall be delayed by a year in order to provide school districts with time to prepare their budgets. Updates to the weights may include recalibration, recalculation, adding or eliminating weights, or any combination of these actions. [Repealed.]~~

Sec. 25. 16 V.S.A. § 4011 is amended to read:

§ 4011. EDUCATION PAYMENTS

(a) Annually, the General Assembly shall appropriate funds to pay for ~~statewide education spending~~ each school district's educational opportunity payment and supplemental district spending, as defined in 32 V.S.A. § 5401, the small schools and sparsity support grants under section 4019 of this chapter, and a portion of a base education ~~category~~ base amount for each adult education and secondary credential program student.

(b) For each fiscal year, the categorical ~~base education~~ amount shall be \$6,800.00, which shall be adjusted for inflation annually on or before November 15 by the Secretary of Education. As used in this subsection, "adjusted for inflation" means adjusting the categorical base dollar amount by the National Income and Product Accounts (NIPA) implicit price deflator for state and local government 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, and rounding upward to the nearest whole dollar amount.

(c) Annually, each school district shall receive ~~an education spending payment~~ for support of education costs its educational opportunity payment determined pursuant to subsection 4010(f) of this chapter and a dollar amount equal to its supplemental district spending, if applicable to that school district, as defined in 32 V.S.A. § 5401. ~~An unorganized town or gore shall receive an amount equal to its per pupil education spending for that year for each student. No district shall receive more than its education spending amount.~~

(d) [Repealed.]

(e) [Repealed.]

(f) Annually, the Secretary shall pay to a local adult education and literacy provider, as defined in section 942 of this title, that provides an adult education and secondary credential program an amount equal to 26 percent of the categorical ~~base education~~ amount for each student who completes the diagnostic portions of the program, based on an average of the previous two years; 40 percent of the payment required under this subsection shall be from

State funds appropriated from the Education Fund and 60 percent of the payment required under this subsection shall be from State funds appropriated from the General Fund.

\* \* \*

(i) Annually, on or before October 1, the Secretary shall send to school boards for inclusion in town reports and publish on the Agency website the following information:

~~(1) the statewide average district per pupil education spending for the current fiscal year; and~~

(2) a statewide comparison of student-teacher ratios among schools that are similar in number of students and number of grades.

Sec. 26. EDUCATIONAL OPPORTUNITY PAYMENTS; TRANSITION;  
FYS 2028–2030;

(a) Notwithstanding 16 V.S.A. § 4001(16), in each of fiscal years 2028, 2029, and 2030, the educational opportunity payment for a school district shall equal the educational opportunity payment for the school district as calculated pursuant to 16 V.S.A. § 4010(f) plus a yearly adjustment equal to:

(1) in fiscal year 2028, the transition gap multiplied by 0.75;

(2) in fiscal year 2029, the transition gap multiplied by 0.50; and

(3) in fiscal year 2030, the transition gap multiplied by 0.25.

(b) As used in this section:

(1) “Adjusted for inflation” means adjusting the school district’s education spending by the National Income and Product Accounts (NIPA) implicit price deflator for state and local government 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 and rounding upward to the nearest whole dollar amount.

(2) “Transition gap” means the amount, whether positive or negative, that results from subtracting the school district’s educational opportunity payment as calculated pursuant to 16 V.S.A. § 4010(f) from the school district’s education spending in fiscal year 2025, as adjusted for inflation. The school district’s education spending shall be adjusted for inflation annually on or before November 15 by the Secretary of Education.



Sec. 27. 16 V.S.A. § 4025 is amended to read:

§ 4025. EDUCATION FUND

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

(1) all revenue paid to the State from the statewide education tax on nonhomestead and homestead property under 32 V.S.A. chapter 135;

(2) all revenue paid to the State from the supplemental district spending tax imposed pursuant to 32 V.S.A. § 5402(f);

\* \* \*

(b) Monies in the Education Fund shall be used for the following:

\* \* \*

~~(3) To make payments required under 32 V.S.A. § 6066(a)(1) and only that portion attributable to education taxes, as determined by the Commissioner of Taxes, of payments required under 32 V.S.A. § 6066(a)(3). The State Treasurer shall withdraw funds from the Education Fund upon warrants issued by the Commissioner of Finance and Management based on information supplied by the Commissioner of Taxes. The Commissioner of Finance and Management may draw warrants for disbursements from the Fund in anticipation of receipts. All balances in the Fund at the end of any fiscal year shall be carried forward and remain a part of the Fund. Interest accruing from the Fund shall remain in the Fund.~~

\* \* \*

Sec. 28. 16 V.S.A. § 4026 is amended to read:

§ 4026. EDUCATION FUND BUDGET STABILIZATION RESERVE;  
~~CREATION AND PURPOSE~~

\* \* \*

~~(e) The enactment of this chapter and other provisions of the Equal Educational Opportunity Act of which it is a part have been premised upon estimates of balances of revenues to be raised and expenditures to be made under the act for such purposes as education spending payments, categorical State support grants, provisions for property tax income sensitivity, payments in lieu of taxes, current use value appraisals, tax stabilization agreements, the stabilization reserve established by this section, and for other purposes. If the stabilization reserve established under this section should in any fiscal year be less than 5.0 percent of the prior fiscal year's appropriations from the Education Fund, as defined in subsection (b) of this section, the Joint Fiscal Committee shall review the information provided pursuant to 32 V.S.A.~~

§ 5402b and provide the General Assembly its recommendations for change necessary to restore the stabilization reserve to the statutory level provided in subsection (b) of this section.

Sec. 29. 16 V.S.A. § 4028 is amended to read:

§ 4028. FUND PAYMENTS TO SCHOOL DISTRICTS

(a) On or before September 10, December 10, and April 30 of each school year, one-third of the education spending payment under section 4011 of this title each school district's educational opportunity payment as determined under subsection 4010(f) of this chapter and supplemental district spending, as defined in 32 V.S.A. § 5401, shall become due to school districts, ~~except that districts that have not adopted a budget by 30 days before the date of payment under this subsection shall receive one-quarter of the base education amount and upon adoption of a budget shall receive additional amounts due under this subsection.~~

(b) Payments made for special education under chapter 101 of this title, for career technical education under chapter 37 of this title, and for other aid and categorical grants paid for support of education shall also be from the Education Fund.

~~(c)(1) Any district that has adopted a school budget that includes high spending, as defined in 32 V.S.A. § 5401(12), shall, upon timely notice, be authorized to use a portion of its high spending penalty to reduce future education spending;~~

~~(A) by entering into a contract with an operational efficiency consultant or a financial systems consultant to examine issues such as transportation arrangements, administrative costs, staffing patterns, and the potential for collaboration with other districts;~~

~~(B) by entering into a contract with an energy or facilities management consultant; or~~

~~(C) by engaging in discussions with other school districts about reorganization or consolidation for better service delivery at a lower cost.~~

~~(2) To the extent approved by the Secretary, the Agency shall pay the district from the property tax revenue to be generated by the high spending increase to the district's spending adjustment as estimated by the Secretary, up to a maximum of \$5,000.00. For the purposes of this subsection, "timely notice" means written notice from the district to the Secretary by September 30 of the budget year. If the district enters into a contract with a consultant pursuant to this subsection, the consultant shall not be an employee of the district or of the Agency. A copy of the consultant's final recommendations or~~

~~a copy of the district's recommendations regarding reorganization, as appropriate, shall be submitted to the Secretary, and each affected town shall include in its next town report an executive summary of the consultant's or district's final recommendations and notice of where a complete copy is available. No district is authorized to obtain funds under this section more than one time in every five years. [Repealed.]~~

\* \* \*

Sec. 30. 16 V.S.A. § 563 is amended to read:

§ 563. POWERS OF SCHOOL BOARDS; FORM OF VOTE

The school board of a school district, in addition to other duties and authority specifically assigned by law:

\* \* \*

(11)(A) Shall prepare and distribute annually a proposed budget for the next school year according to such major categories as may from time to time be prescribed by the Secretary.

(B) [Repealed.]

(C) At a school district's annual or special meeting, the electorate may vote to provide notice of availability of the school budget required by this subdivision to the electorate in lieu of distributing the budget. If the electorate of the school district votes to provide notice of availability, it must specify how notice of availability shall be given, and such notice of availability shall be provided to the electorate at least 30 days before the district's annual meeting. The proposed budget shall be prepared and distributed at least ~~ten~~ 10 days before a sum of money is voted on by the electorate. Any proposed budget shall show the following information in a format prescribed by the Secretary:

(i) all revenues from all sources, and expenses, including as separate items any assessment for a supervisory union of which it is a member and any tuition to be paid to a career technical center; and including the report required in subdivision 242(4)(D) of this title itemizing the component costs of the supervisory union assessment;

(ii) the specific amount of any deficit incurred in the most recently closed fiscal year and how the deficit was or will be remedied;

(iii) the anticipated ~~homestead~~ statewide education tax rate and the percentage of household income used to determine income sensitivity in the district as a result of passage of the budget, including those portions of the tax

rate attributable to supervisory union assessments, as adjusted for each tax classification pursuant to 32 V.S.A. § 5402; and

(iv) the definition of “education spending supplemental district spending,” the number of pupils and number of equalized pupils in long-term membership of the school district, and the district’s education spending per equalized pupil supplemental district spending in the proposed budget and in each of the prior three years; and

(v) the supplemental district spending yield.

(D) The board shall present the budget to the voters by means of a ballot in the following form:

“Article #1 (School Budget):

Shall the voters of the school district approve the school board to expend \$ \_\_\_\_\_, which is the amount the school board has determined to be necessary in excess of the school district’s educational opportunity payment for the ensuing fiscal year?

The \_\_\_\_\_ District estimates that this proposed budget, if approved, will result in per pupil education supplemental district spending of \$ \_\_\_\_\_, which is \_\_\_\_\_% higher/lower than per pupil education supplemental district spending for the current year, and a supplemental district spending tax rate of \_\_\_\_\_ per \$100.00 of equalized education property value.”

\* \* \*

#### Sec. 31. REPEALS

(a) 16 V.S.A. § 4031 (unorganized towns and gores) is repealed.

(b) 2022 Acts and Resolves No. 127, Sec. 8 (suspension of excess spending penalty, hold harmless provision, and ballot language requirement) is repealed.

Sec. 32. 16 V.S.A. § 4032 is added to read

#### § 4032. SUPPLEMENTAL DISTRICT SPENDING RESERVE

(a) There is hereby created the Supplemental District Spending Reserve within the Education Fund. Any recapture, as defined in 32 V.S.A. § 5401, paid to the Education Fund as part of the revenue from the supplemental district spending tax imposed pursuant to 32 V.S.A. § 5402(f) shall be reserved within the Supplemental District Spending Reserve.

(b) In any fiscal year in which the amounts raised through the supplemental district spending tax imposed pursuant to 32 V.S.A. § 5402(f) are insufficient

to cover payment to each school district of its supplemental district spending, the Supplemental District Spending Reserve shall be used by the Commissioner of Finance and Management to the extent necessary to offset the deficit as determined by generally accepted accounting principles.

(c) Any funds remaining in the Supplemental District Spending Reserve at the close of the fiscal year after accounting for the process under subsection (b) of this section shall be transferred into the School Construction Aid Special Fund established in section 3444 of this title.

### Sec. 33. AGENCY OF EDUCATION; TRANSPORTATION REIMBURSEMENT GUIDELINES

On or before December 15, 2025, the Agency of Education shall submit a written report to the House Committees on Ways and Means and on Education and the Senate Committees on Finance and on Education on clear and equitable guidelines for minimum transportation to be provided and covered by transportation reimbursement grant under 16 V.S.A. § 4016 as part of Vermont's education transformation.

### Sec. 34. REPORT; JOINT FISCAL OFFICE; INFLATIONARY MEASURES; PREKINDERGARTEN EDUCATION FUNDING

(a) On or before December 15, 2025, the Joint Fiscal Office shall submit a report to the House Committees on Ways and Means and on Education and the Senate Committees on Finance and on Education that analyzes the National Income and Product Accounts (NIPA) implicit price deflator for state and local government consumption expenditures and gross investment published by the U.S. Department of Commerce, Bureau of Economic Analysis, and alternative inflationary measures that may be applied to state education funding systems. As part of the report, the Joint Fiscal Office shall analyze options and provide considerations for selecting an inflationary measure appropriate to Vermont's education funding system.

(b) On or before December 15, 2025, the Joint Fiscal Office shall submit a report to the House Committee on Ways and Means, the Senate Committee on Finance, and the House and Senate Committees on Education on the current funding systems for prekindergarten education, the Child Care Financial Assistance Program, or any other early care and learning systems. The report shall review financial incentives in these existing early care and learning systems. As part of the report, the Joint Fiscal Office shall provide considerations for changing the funding streams associated with these early care and learning systems to align with the education transformation initiatives envisioned in this act.

\* \* \* Education Property Tax Rate Formula \* \* \*

Sec. 35. 32 V.S.A. § 5401 is amended to read:

§ 5401. DEFINITIONS

As used in this chapter:

\* \* \*

(8) ~~“Education spending” means “education spending” as defined in 16 V.S.A. § 4001(6). [Repealed.]~~

\* \* \*

(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 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, 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. [Repealed.]~~

~~(13)(A) “Education property tax spending adjustment” means the greater of one or a fraction in which the numerator is the district’s per pupil education spending plus excess spending for the school year, and the denominator is the property dollar equivalent yield for the school year, as defined in subdivision (15) of this section.~~

~~(B) “Education income tax spending adjustment” means the greater of one or a fraction in which the numerator is the district’s per pupil education spending plus excess spending for the school year, and the denominator is the income dollar equivalent yield for the school year, as defined in subdivision (16) of this section. [Repealed.]~~

\* \* \*

(15) ~~“Property dollar equivalent yield” means the amount of per pupil education spending that would result if the homestead tax rate were \$1.00 per \$100.00 of equalized education property value and the statutory reserves under 16 V.S.A. § 4026 and section 5402b of this title were maintained. [Repealed.]~~

~~(16) “Income dollar equivalent yield” means the amount of per pupil education spending that would result if the income percentage in subdivision 6066(a)(2) of this title were 2.0 percent and the statutory reserves under 16 V.S.A. § 4026 and section 5402b of this title were maintained. [Repealed.]~~

~~(17) “Statewide adjustment” means the ratio of the aggregate education property tax grand list of all municipalities to the aggregate value of the equalized education property tax grand list of all municipalities. [Repealed.]~~

~~(18) “Recapture” means the amount of revenue raised through imposition of the supplemental district spending tax pursuant to subsection 5402(f) of this chapter that is in excess of the school district’s supplemental district spending.~~

~~(19) “Supplemental district spending” means the spending that the voters of a school district approve in excess of the school district’s educational opportunity payment, as defined in 16 V.S.A. § 4001(17), for the fiscal year, provided that the voters of a school district other than an interstate school district shall not approve spending in excess of 10 percent of the school district’s educational opportunity payment for the fiscal year.~~

~~(20) “Supplemental district spending yield” means the amount of property tax revenue per long-term membership as defined in 16 V.S.A. § 4001(7) that would be raised in the school district with the lowest taxing capacity using a supplemental district spending tax rate of \$1.00 per \$100.00 of equalized education property value.~~

~~(21) “Per pupil supplemental district spending” means the per pupil amount of supplemental district spending resulting from dividing a school district’s supplemental district spending by its long-term membership as defined in 16 V.S.A. § 4001(7).~~

~~(22) “School district with the lowest taxing capacity” means the school district other than an interstate school district anticipated to have the lowest aggregate equalized education property tax grand list of its municipal members per long-term membership as defined in 16 V.S.A. § 4001(7) in the following fiscal year.~~

Sec. 36. 32 V.S.A. § 5402 is amended to read:

#### § 5402. EDUCATION PROPERTY TAX LIABILITY

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

~~(1) The tax rate for nonhomestead property shall be \$1.59 per \$100.00 divided by the statewide adjustment.~~

~~(2) The tax rate for homestead property shall be \$1.00 multiplied by the education property tax spending adjustment for the municipality per \$100.00 of equalized education property value as most recently determined under section 5405 of this title. The homestead property tax rate for each municipality that is a member of a union or unified union school district shall be calculated as required under subsection (e) of this section: a rate sufficient to cover expenditures from the Education Fund under 16 V.S.A. § 4025(b) other than supplemental district spending, after accounting for the forecasted available revenues. It is the intention of the General Assembly that the statewide education tax rate under this section shall be adopted for each fiscal year by act of the General Assembly. The statewide education tax rate shall be adjusted for homestead property and each general class of nonhomestead property provided under section 4152a of this title as follows:~~

<u>If the tax classification of the property subject to taxation is:</u>	<u>then the statewide education tax rate is multiplied by a factor of:</u>
<u>Homestead</u>	<u>1.0</u>
<u>Nonhomestead, Apartment</u>	<u>1.0</u>
<u>Nonhomestead, Nonresidential</u>	<u>1.0</u>
<u>Nonhomestead, Residential</u>	<u>1.0</u>

(b) The statewide education tax shall be calculated as follows:

(1) The Commissioner of Taxes shall determine for each municipality the education tax rates under subsection (a) of this section divided by the ~~number resulting from dividing the municipality's most recent common level of appraisal by the statewide adjustment.~~ The legislative body in each municipality shall then bill each property taxpayer at the ~~homestead or nonhomestead~~ applicable rate determined by the Commissioner under this subdivision, multiplied by the education property tax grand list value of the property, properly classified as homestead or nonhomestead property and without regard to any other tax classification of the property not authorized under this chapter. Statewide education property tax bills shall show the tax due and the calculation of the rate determined under subsection (a) of this section, divided by ~~the number resulting from dividing the municipality's most recent common level of appraisal by the statewide adjustment,~~ multiplied by the current grand list value of the property to be taxed. Statewide education property tax bills shall also include language provided by the Commissioner pursuant to subsection 5405(g) of this title.

(2) Taxes assessed under this section shall be assessed and collected in the same manner as taxes assessed under chapter 133 of this title with no tax classification other than ~~as homestead or nonhomestead property~~ those



required by this section; provided, however, that the tax levied under this chapter shall be billed to each taxpayer by the municipality in a manner that clearly indicates the tax is separate from any other tax assessed and collected under chapter 133, including an itemization of the separate taxes due. The bill may be on a single sheet of paper with the statewide education tax and other taxes presented separately and side by side.

~~(3) If a district has not voted a budget by June 30, an interim homestead education tax shall be imposed at the base rate determined under subdivision (a)(2) of this section, divided by the number resulting from dividing the municipality's most recent common level of appraisal by the statewide adjustment, but without regard to any spending adjustment under subdivision 5401(13) of this title. Within 30 days after a budget is adopted and the deadline for reconsideration has passed, the Commissioner shall determine the municipality's homestead tax rate as required under subdivision (1) of this subsection. [Repealed.]~~

(c)(1) The treasurer of each municipality shall by December 1 of the year in which the tax is levied and on June 1 of the following year pay to the State Treasurer for deposit in the Education Fund one-half of the municipality's statewide ~~nonhomestead tax and one-half of the municipality's homestead~~ education tax, as determined under subdivision (b)(1) of this section.

(2) ~~The Secretary of Education~~ Commissioner of Taxes shall determine each municipality's net ~~nonhomestead~~ education tax payment and its net ~~homestead education tax payment~~ to the State based on grand list information received by the ~~Secretary~~ Commissioner not later than the March 15 prior to the June 1 net payment. Payment shall be accompanied by a return prescribed by the ~~Secretary of Education~~ Commissioner of Taxes. Each municipality may retain 0.225 of one percent of the total education tax collected, only upon timely remittance of net payment to the State Treasurer or to the applicable school district or districts. ~~Each municipality may also retain \$15.00 for each late property tax credit claim filed after April 15 and before September 2, as notified by the Department of Taxes, for the cost of issuing a new property tax bill.~~

(d) [Repealed.]

(e) ~~The Commissioner of Taxes shall determine a homestead education tax rate for each municipality that is a member of a union or unified union school district as follows:~~

~~(1) For a municipality that is a member of a unified union school district, use the base rate determined under subdivision (a)(2) of this section~~

~~and a spending adjustment under subdivision 5401(13) of this title based upon the per pupil education spending of the unified union.~~

~~(2) For a municipality that is a member of a union school district:~~

~~(A) Determine the municipal district homestead tax rate using the base rate determined under subdivision (a)(2) of this section and a spending adjustment under subdivision 5401(13) of this title based on the per pupil education spending in the municipality who attends a school other than the union school.~~

~~(B) Determine the union district homestead tax rate using the base rate determined under subdivision (a)(2) of this section and a spending adjustment under subdivision 5401(13) of this title based on the per pupil education spending of the union school district.~~

~~(C) Determine a combined homestead tax rate by calculating the weighted average of the rates determined under subdivisions (A) and (B) of this subdivision (2), with weighting based upon the ratio of union school long-term membership, as defined in 16 V.S.A. § 4001(7), from the member municipality to total long-term membership of the member municipality; and the ratio of long-term membership attending a school other than the union school to total long-term membership of the member municipality. Total long-term membership of the member municipality is based on the number of pupils who are legal residents of the municipality and attending school at public expense. If necessary, the Commissioner may adopt a rule to clarify and facilitate implementation of this subsection (c). [Repealed.]~~

(f)(1) A supplemental district spending tax is imposed on all homestead and nonhomestead property in each member municipality of a school district that approves spending pursuant to a budget presented to the voters of a school district under 16 V.S.A. § 563. The Commissioner of Taxes shall determine the supplemental district spending tax rate for each school district by dividing the school district's per pupil supplemental district spending as certified by the Secretary of Education by the supplemental district spending yield. The legislative body in each member municipality shall then bill each property taxpayer at the rate determined by the Commissioner under this subsection, divided by the municipality's most recent common level of appraisal and multiplied by the current grand list value of the property to be taxed. The bill shall show the tax due and the calculation of the rate.

(2) The supplemental district spending tax assessed under this subsection shall be assessed and collected in the same manner as taxes assessed under chapter 133 of this title with no tax classification other than as homestead or nonhomestead property; provided, however, that the tax levied

under this chapter shall be billed to each taxpayer by the municipality in a manner that clearly indicates the tax is separate from any other tax assessed and collected under chapter 133 and the statewide education property tax under this section, including an itemization of the separate taxes due. The bill may be on a single sheet of paper with the supplemental district spending tax, the statewide education tax, and other taxes presented separately and side by side.

(3) The treasurer of each municipality shall on or before December 1 of the year in which the tax is levied and on or before June 1 of the following year pay to the State Treasurer for deposit in the Education Fund one-half of the municipality's supplemental district spending tax, as determined under subdivision (1) of this subsection.

(4) The Commissioner of Taxes shall determine each municipality's net supplemental district spending tax payment to the State based on grand list information received by the Commissioner not later than the March 15 prior to the June 1 net payment. Payment shall be accompanied by a return prescribed by the Commissioner of Taxes. Each municipality may retain 0.225 of one percent of the total supplemental district spending tax collected, only upon timely remittance of net payment to the State Treasurer or to the applicable school district.

Sec. 37. 32 V.S.A. § 5402b is amended to read:

§ 5402b. STATEWIDE EDUCATION TAX ~~YIELDS RATE;~~  
SUPPLEMENTAL DISTRICT SPENDING YIELD;  
RECOMMENDATION OF THE COMMISSIONER

(a) Annually, not later than December 1, the Commissioner of Taxes, after consultation with the Secretary of Education, the Secretary of Administration, and the Joint Fiscal Office, shall calculate and recommend ~~a property dollar equivalent yield, an income dollar equivalent yield, and a nonhomestead property tax rate~~ the statewide education property tax rate pursuant to subsection 5402(a) of this chapter and the supplemental district spending yield for the following fiscal year. In making these calculations, the Commissioner shall assume: the statutory reserves are maintained at five percent pursuant to 16 V.S.A. § 4026 and the amounts in the Supplemental District Spending Reserve are unavailable for any purpose other than that specified in 16 V.S.A. § 4032(b)

~~(1) the homestead base tax rate in subdivision 5402(a)(2) of this title is \$1.00 per \$100.00 of equalized education property value;~~

~~(2) the applicable percentage in subdivision 6066(a)(2) of this title is 2.0;~~

~~(3) the statutory reserves under 16 V.S.A. § 4026 and this section were maintained at five percent;~~

~~(4) the percentage change in the average education tax bill applied to nonhomestead property and the percentage change in the average education tax bill of homestead property and the percentage change in the average education tax bill for taxpayers who claim a credit under subsection 6066(a) of this title are equal;~~

~~(5) the equalized education grand list is multiplied by the statewide adjustment in calculating the property dollar equivalent yield; and~~

~~(6) the nonhomestead rate is divided by the statewide adjustment.~~

(b) For each fiscal year, the property dollar equivalent supplemental district spending yield and the income dollar equivalent yield shall be the same as in the prior fiscal year, unless set otherwise by the General Assembly.

\* \* \*

(d) Along with the recommendations made under this section, the Commissioner shall include:

(1) the base amount as defined in 16 V.S.A. § 4001(16);

(2) for each school district, the estimated long-term membership, weighted long-term membership, and aggregate equalized education property tax grand list of its municipal members;

(3) for each school district, the estimated aggregate equalized education property tax grand list of its municipal members per long-term membership;

(4) the estimated school district with the lowest taxing capacity; and

(5) the range of per pupil supplemental district spending between all districts in the State for the previous year.

\* \* \*

\* \* \* Conforming Revisions; Statewide Property Tax Rate \* \* \*

Sec. 38. 32 V.S.A. § 5404a(b)(1) is amended to read:

(b)(1) An agreement affecting the education property tax grand list defined under subsection (a) of this section shall reduce the municipality's education property tax liability under this chapter for the duration of the agreement or exemption without extension or renewal, and for a maximum of 10 years. A municipality's property tax liability under this chapter shall be reduced by any difference between the amount of the education property taxes collected on the subject property and the amount of education property taxes that would have

been collected on such property if its fair market value were taxed at the equalized ~~nonhomestead~~ rate for the tax year.

Sec. 39. 32 V.S.A. § 5405(g) is amended to read:

(g) The Commissioner shall provide to municipalities for the front of property tax bills the ~~district homestead property~~ statewide education tax rate before equalization, ~~the nonresidential tax rate before equalization~~, and the calculation process that creates the equalized homestead and nonhomestead tax rates. The Commissioner shall further provide to municipalities for the back of property tax bills an explanation of the common level of appraisal, including its origin and purpose.

\* \* \* Statewide Property Tax Credit Repeal; Homestead Exemption  
Created \* \* \*

Sec. 40. 32 V.S.A. § 5400 is amended to read:

§ 5400. STATUTORY PURPOSES

\* \* \*

(c) The statutory purpose of the exemption for qualified housing in subdivision 5404a(a)(6) of this title is to ensure that taxes on this rent-restricted housing provided to Vermonters of low and moderate income are more equivalent to property taxed ~~using the State as a~~ homestead rate property and to adjust the costs of investment in rent-restricted housing to reflect more accurately the revenue potential of such property.

\* \* \*

(j) The statutory purpose of the homestead property tax exemption in subdivision 6066(a)(1) of this title is to reduce the property tax liability for Vermont households with low and moderate household income.

Sec. 41. 32 V.S.A. chapter 154 is amended to read:

CHAPTER 154. HOMESTEAD PROPERTY TAX EXEMPTION,  
MUNICIPAL PROPERTY TAX CREDIT, AND RENTER CREDIT

§ 6061. DEFINITIONS

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

(1) ~~“Property~~ Municipal property tax credit” means a credit of the prior tax year’s ~~statewide or municipal property tax liability or a homestead owner credit~~, as authorized under ~~section~~ subdivision 6066(a)(2) of this title, ~~as the context requires~~ chapter.

\* \* \*

(8) ~~“Annual tax levy” means the property taxes levied on property taxable on April 1 and without regard to the year in which those taxes are due or paid. [Repealed.]~~

(9) “Taxable year” means the calendar year preceding the year in which the claim is filed.

(10) [Repealed.]

(11) “Housesite” means that portion of a homestead, as defined under subdivision 5401(7) of this title but not under subdivision 5401(7)(G) of this title, that includes as much of the land owned by the claimant surrounding the dwelling as is reasonably necessary for use of the dwelling as a home, but in no event more than two acres per dwelling unit, and, in the case of multiple dwelling units, not more than two acres per dwelling unit up to a maximum of 10 acres per parcel.

(12) “Claim year” means the year in which a claim is filed under this chapter.

(13) “Homestead” means a homestead as defined under subdivision 5401(7) of this title, but not under subdivision 5401(7)(G) of this title, and declared on or before October 15 in accordance with section 5410 of this title.

(14) ~~“Statewide education tax rate” means the homestead education property tax rate multiplied by the municipality’s education spending adjustment under subdivision 5402(a)(2) of this title and used to calculate taxes assessed in the municipal fiscal year that began in the taxable year. [Repealed.]~~

\* \* \*

(21) “Homestead property tax exemption” means a reduction in the amount of housesite value subject to the statewide education tax and the supplemental district spending tax in the claim year as authorized under sections 6066 and 6066a of this chapter.

§ 6062. NUMBER AND IDENTITY OF CLAIMANTS; APPORTIONMENT

\* \* \*

(d) Whenever a housesite is an integral part of a larger unit such as a farm or a multi-purpose or multi-dwelling building, property taxes paid shall be that percentage of the total property tax as the value of the housesite is to the total value. Upon a claimant’s request, the listers shall certify to the claimant the value of ~~his or her~~ the claimant’s homestead and housesite.

\* \* \*

§ 6063. CLAIM AS PERSONAL; CREDIT AND EXEMPTION AMOUNT  
AT TIME OF TRANSFER

(a) The right to file a claim under this chapter is personal to the claimant and shall not survive ~~his or her~~ the claimant's death, but the right may be exercised on behalf of a claimant by ~~his or her~~ the claimant's legal guardian or attorney-in-fact. When a claimant dies after having filed a timely claim, the municipal property tax credit and the homestead exemption amount shall be credited applied to the ~~homestead~~ property tax liability of the claimant's estate as provided in section 6066a of this title.

(b) In case of sale or transfer of a residence, after April 1 of the claim year:

(1) any municipal property tax credit ~~amounts~~ amount related to that residence shall be allocated to the seller transferor at closing unless the parties otherwise agree;

(2) any homestead property tax exemption related to that residence based on the transferor's household income under subdivision 6066(a)(1) of this chapter shall cease to be in effect upon transfer; and

(3) a transferee who is eligible to declare the residence as a homestead but for the requirement to own the residence on April 1 of the claim year shall, notwithstanding subdivision 5401(7) and subsection 5410(b) of this title, be eligible to apply for a homestead property tax exemption in the claim year when the transfer occurs by filing with the Commissioner of Taxes a homestead declaration pursuant to section 5410 of this title and a claim for exemption on or before the due date prescribed under section 6068 of this chapter.

\* \* \*

§ 6065. FORMS; TABLES; NOTICES

(a) In administering this chapter, the Commissioner shall provide suitable claim forms with tables of allowable claims, instructions, and worksheets for claiming a homestead property tax exemption and municipal property tax credit.

(b) Prior to June 1, the Commissioner shall also prepare and supply to each town in the State notices describing the homestead property tax exemption and municipal property tax credit for inclusion in property tax bills. The notice shall be in simple, plain language and shall explain how to file for a homestead property tax exemption and a municipal property tax credit, where to find assistance filing for a credit or an exemption, or both, and any other related information as determined by the Commissioner. The notice shall direct taxpayers to a resource where they can find versions of the notice translated

into the five most common non-English languages in the State. A town shall include such notice in each tax bill and notice of delinquent taxes that it mails to taxpayers who own in that town a residential property, without regard for whether the property was declared a homestead pursuant to subdivision 5401(7) of this title.

(c) Notwithstanding the provisions of subsection (b) of this section, towns that use envelopes or mailers not able to accommodate notices describing the homestead property tax exemption and municipal property tax credit may distribute such notices in an alternative manner.

§ 6066. COMPUTATION OF HOMESTEAD PROPERTY TAX  
EXEMPTION, MUNICIPAL PROPERTY TAX CREDIT, AND  
RENTER CREDIT

~~(a) An eligible claimant who owned the homestead on April 1 of the year in which the claim is filed shall be entitled to a credit for the prior year's homestead property tax liability amount determined as follows:~~

~~(1)(A) For a claimant with household income of \$90,000.00 or more:~~

~~(i) the statewide education tax rate, multiplied by the equalized value of the housesite in the taxable year;~~

~~(ii) minus (if less) the sum of:~~

~~(I) the income percentage of household income for the taxable year; plus~~

~~(II) the statewide education tax rate, multiplied by the equalized value of the housesite in the taxable year in excess of \$225,000.00.~~

~~(B) For a claimant with household income of less than \$90,000.00 but more than \$47,000.00, the statewide education tax rate, multiplied by the equalized value of the housesite in the taxable year, minus (if less) the sum of:~~

~~(i) the income percentage of household income for the taxable year; plus~~

~~(ii) the statewide education tax rate, multiplied by the equalized value of the housesite in the taxable year in excess of \$400,000.00.~~

~~(C) For a claimant whose household income does not exceed \$47,000.00, the statewide education tax rate, multiplied by the equalized value of the housesite in the taxable year, minus the lesser of:~~

~~(i) the sum of the income percentage of household income for the taxable year plus the statewide education tax rate, multiplied by the equalized value of the housesite in the taxable year in excess of \$400,000.00; or~~



~~(ii) the statewide education tax rate, multiplied by the equalized value of the housesite in the taxable year reduced by \$15,000.00.~~

~~(2) “Income percentage” in this section means two percent, multiplied by the education income tax spending adjustment under subdivision 5401(13)(B) of this title for the property tax year that begins in the claim year for the municipality in which the homestead residence is located~~

(1) An eligible claimant who owned the homestead on April 1 of the claim year shall be entitled to a homestead property tax exemption in the claim year in an amount determined as follows:

(A) for a claimant whose household income is equal to or less than \$25,000.00, the exemption shall be 95 percent of the claimant’s housesite value;

(B) for a claimant whose household income is greater than \$25,000.00 but equal to or less than \$47,000.00, the exemption shall be 90 percent of the claimant’s housesite value;

(C) for a claimant whose household income is greater than \$47,000.00 but equal to or less than \$50,000.00, the exemption shall be 80 percent of the claimant’s housesite value;

(D) for a claimant whose household income is greater than \$50,000.00 but equal to or less than \$60,000.00, the exemption shall be 70 percent of the claimant’s housesite value;

(E) for a claimant whose household income is greater than \$60,000.00 but equal to or less than \$70,000.00, the exemption shall be 60 percent of the claimant’s housesite value;

(F) for a claimant whose household income is greater than \$70,000.00 but equal to or less than \$80,000.00, the exemption shall be 50 percent of the claimant’s housesite value;

(G) for a claimant whose household income is greater than \$80,000.00 but equal to or less than \$90,000.00, the exemption shall be 40 percent of the claimant’s housesite value;

(H) for a claimant whose household income is greater than \$90,000.00 but equal to or less than \$100,000.00, the exemption shall be 30 percent of the claimant’s housesite value;

(I) for a claimant whose household income is greater than \$100,000.00 but equal to or less than \$110,000.00, the exemption shall be 20 percent of the claimant’s housesite value;

(J) for a claimant whose household income is greater than \$110,000.00 but equal to or less than \$115,000.00, the exemption shall be 10 percent of the claimant's housesite value; and

(K) for a claimant whose household income is greater than \$115,000.00, no amount of housesite value shall be exempt under this section.

(3)(2) A An eligible claimant who owned the homestead on April 1 of the claim year and whose household income does not exceed \$47,000.00 shall also be entitled to an additional a credit amount from against the claimant's municipal taxes for the upcoming fiscal year that is equal to the amount by which the municipal property taxes for the municipal fiscal year that began in the taxable year upon the claimant's housesite exceeds a percentage of the claimant's household income for the taxable year as follows:

If household income (rounded to the nearest dollar) is:	then the taxpayer is entitled to credit for the reduced property tax in excess of this percent of that income:
\$0.00 — 9,999.00	1.50
\$10,000.00 — 47,000.00	3.00

~~(4) A claimant whose household income does not exceed \$47,000.00 shall also be entitled to an additional credit amount from the claimant's statewide education tax for the upcoming fiscal year that is equal to the amount by which the education property tax for the municipal fiscal year that began in the taxable year upon the claimant's housesite, reduced by the credit amount determined under subdivisions (1) and (2) of this subsection, exceeds a percentage of the claimant's household income for the taxable year as follows:~~

<del>If household income (rounded to the nearest dollar) is:</del>	<del>then the taxpayer is entitled to credit for the reduced property tax in excess of this percent of that income:</del>
<del>\$0.00 — 9,999.00</del>	<del>0.5</del>
<del>\$10,000.00 — 24,999.00</del>	<del>1.5</del>
<del>\$25,000.00 — 47,000.00</del>	<del>2.0</del>

(5)(3) In no event shall the homestead property tax exemption provided for in subdivision (1) of this subsection reduce the housesite value below zero. In no event shall the municipal property tax credit provided for in subdivision (3) or (4)(2) of this subsection exceed the amount of the reduced municipal property tax. The credits under subdivision (4) of this subsection shall be calculated considering only the tax due on the first \$400,000.00 in equalized housesite value.

(4) Each dollar amount in subdivision (1) of this subsection shall be adjusted for inflation annually on or before November 15 by the Commissioner of Taxes. As used in this subdivision, “adjusted for inflation” means adjusting the dollar amount by the National Income and Product Accounts (NIPA) implicit price deflator for state and local government 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, and rounding upward to the nearest whole dollar amount.

(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, to be calculated as follows:

\* \* \*

(c) To be eligible for an ~~adjustment~~ exemption or credit under this chapter, the claimant:

(1) must have been domiciled in this State during the entire taxable year;

(2) may not be a person claimed as a dependent by any taxpayer under the federal Internal Revenue Code during the taxable year; and

(3) in the case of a renter, shall have rented property for at least six calendar months, which need not be consecutive, during the taxable year.

(d) The owner of a mobile home that is sited on a lot not owned by the homeowner may include an amount determined under subdivision 6061(7) of this title as allocable rent paid on the lot with the amount of property taxes paid by the homeowner on the home for the purpose of computation of ~~credits~~ the municipal property tax credit under subdivision (a)(3)(2) of this section, unless the homeowner has included in the claim an amount of property tax on common land under the provisions of subsection (e) of this section.

(e) Property taxes paid by a cooperative, not including a mobile home park cooperative, allocable to property used as a homestead shall be attributable to the co-op member for the purpose of computing the ~~credit~~ of property tax liability of the co-op member under this section. Property owned by a cooperative declared as a homestead may only include the homestead and a pro rata share of any common land owned or leased by the cooperative, not to exceed the two-acre housesite limitation. The share of the cooperative's assessed value attributable to the housesite shall be determined by the cooperative and specified annually in a notice to the co-op member. Property taxes paid by a mobile home park cooperative, allocable to property used as a

housesite, shall be attributed to the owner of the housesite for the purpose of computing the ~~credit~~ of property tax liability of the housesite owner under this section. Property owned by the mobile home park cooperative and declared as a housesite may only include common property of the cooperative contiguous with at least one mobile home lot in the park, not to exceed the two-acre housesite limitation. The share attributable to any mobile home lot shall be determined by the cooperative and specified in the cooperative agreement. A co-op member who is the housesite owner shall be entitled to a property tax credit in an amount determined by multiplying the property taxes allocated under this subsection by the percentage of the exemption for which the housesite owner's household income qualifies under subdivision (a)(1) of this section.

(f) [Repealed.]

(g) Notwithstanding subsection (d) of this section, if the land surrounding a homestead is owned by a nonprofit corporation or community land trust with tax exempt status under 26 U.S.C. § 501(c)(3), the homeowner may include an allocated amount as property tax paid on the land with the amount of property taxes paid by the homeowner on the home for the purposes of computation of ~~the credit~~ property tax liability under this section. The allocated amount shall be determined by the nonprofit corporation or community land trust on a proportional basis. The nonprofit corporation or community land trust shall provide to that homeowner, by January 31, a certificate specifying the allocated amount. The certificate shall indicate the proportion of total property tax on the parcel that was assessed for municipal property tax and for statewide property tax and the proportion of total value of the parcel. A homeowner under this subsection shall be entitled to a property tax credit in an amount determined by multiplying the property taxes allocated under this subsection by the percentage of the exemption for which the homeowner's household income qualifies under subdivision (a)(1) of this section.

(h) A homestead owner shall be entitled to an additional property tax credit amount equal to one percent of the amount of income tax refund that the claimant elects to allocate to payment of ~~homestead~~ statewide education property tax under section 6068 of this title.

(i) ~~Adjustments~~ The homestead property tax exemption and the municipal property tax credit under subsection (a) of this section shall be calculated without regard to any exemption under subdivision 3802(11) of this title.

§ 6066a. DETERMINATION OF HOMESTEAD PROPERTY TAX  
EXEMPTION AND MUNICIPAL PROPERTY TAX CREDIT

(a) Annually, the Commissioner shall determine the homestead property tax exemption and the municipal property tax credit amount under section 6066 of this title, related to a homestead owned by the claimant, based on the prior taxable year's income and for the municipal property tax credit, crediting property taxes paid in the prior year, and for the homestead property tax exemption, exempting the housesite value in the claim year. The Commissioner shall notify the municipality in which the housesite is located of the amount of the homestead property tax exemption and municipal property tax credit for the claimant for ~~homestead~~ property tax liabilities on a monthly basis. The municipal property tax credit of a claimant who was assessed property tax by a town that revised the dates of its fiscal year, however, is the excess of the property tax that was assessed in the last 12 months of the revised fiscal year, over the adjusted property tax of the claimant for the revised fiscal year, as determined under section 6066 of this title, related to a homestead owned by the claimant.

(b) The Commissioner shall include in the total homestead property tax exemption and municipal property tax credit amount determined under subsection (a) of this section, for credit to the taxpayer for ~~homestead~~ statewide education property tax and supplemental district spending tax liabilities, any income tax overpayment remaining after allocation under section 3112 of this title and setoff under section 5934 of this title, which the taxpayer has directed to be used for payment of property taxes.

(c) The Commissioner shall notify the municipality of any claim and refund amounts unresolved by November 1 at the time of final resolution, including adjudication, if any; provided, however, that towns will not be notified of any additional credit amounts after November 1 of the claim year, and such amounts shall be paid to the claimant by the Commissioner.

(d) [Repealed.]

(e) At the time of notice to the municipality, the Commissioner shall notify the taxpayer of the homestead property tax credit exemption amount determined under subdivision 6066(a)(1) of this title, ~~the amount determined under subdivision 6066(a)(3) of this title;~~ any additional municipal property credit amounts amount due the homestead owner under ~~section~~ subdivision 6066(a)(2) of this title; the amount of income tax refund, if any, allocated to payment of ~~homestead~~ statewide education property tax liabilities; and any late-claim reduction amount.

(f)(1) For taxpayers and amounts stated in the notice to towns on or before July 1, municipalities shall create and send to taxpayers a ~~homestead~~ property tax bill, instead of the bill required under subdivision 5402(b)(1) of this title, providing the total amount allocated to payment of ~~homestead~~ statewide education property tax liabilities and notice of the balance due. Municipalities shall apply the amount of the homestead property tax exemption allocated under this chapter to current year property taxes in equal amounts to each of the taxpayers' property tax installments that include education taxes and the amount of the municipal property tax credit allocated under this chapter to current year municipal property taxes in equal amounts to each of the taxpayers' property tax installments that include municipal taxes. Notwithstanding section 4772 of this title, if a town issues a corrected bill as a result of the notice sent by the Commissioner under subsection (a) of this section, issuance of the corrected new bill does not extend the time for payment of the original bill nor relieve the taxpayer of any interest or penalties associated with the original bill. If the corrected bill is less than the original bill, and there are also no unpaid current year taxes, interest, or penalties, and no past year delinquent taxes or penalties and interest charges, any overpayment shall be reflected on the corrected tax bill and refunded to the taxpayer.

(2) For homestead property tax exemption and municipal property tax credit amounts for which municipalities receive notice after November 1, municipalities shall issue a new ~~homestead~~ property tax bill with notice to the taxpayer of the total amount allocated to payment of ~~homestead~~ property tax liabilities and notice of the balance due.

(3) The homestead property tax exemption and municipal property tax credit amount determined for the taxpayer shall be allocated first to current year housesite value and property tax on the homestead parcel, next to current-year homestead parcel penalties and interest, next to any prior year homestead parcel penalties and interest, and last to any prior year housesite value and property tax on the homestead parcel. No homestead property tax exemption or municipal credit shall be allocated to a housesite value or property tax liability for any year after the year for which the claim or refund allocation was filed. No municipal tax-reduction incentive for early payment of taxes shall apply to any amount allocated to the property tax bill under this chapter.

(4) If the homestead property tax exemption or the municipal property tax credit amount as described in subsection (e) of this section exceeds the property tax, penalties, and interest due for the current and all prior years, the municipality shall refund the excess to the taxpayer, without interest, within 20 days of the first date upon which taxes become due and payable or 20 days

after notification of the exemption or credit amount by the Commissioner of Taxes, whichever is later.

(g) The Commissioner of Taxes shall pay monthly to each municipality the amount of municipal property tax credit of which the municipality was last notified related to municipal property tax on homesteads within that municipality, as determined by the Commissioner of Taxes.

#### § 6067. CREDIT CLAIM LIMITATIONS

(a) Claimant. Only one individual per household per taxable year shall be entitled to a homestead exemption claim or property tax credit claim, or both, under this chapter.

(b) Other states. 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.

(c) Dollar amount. No ~~taxpayer claimant~~ shall receive a renter credit under subsection 6066(b) of this title in excess of \$2,500.00. No ~~taxpayer claimant~~ shall receive a municipal property tax credit under subdivision 6066(a)(3)(2) 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.~~

#### § 6068. APPLICATION AND TIME FOR FILING

(a) A homestead property tax exemption or municipal property tax credit claim or request for allocation of an income tax refund to ~~homestead~~ statewide education property tax payment shall be filed with the Commissioner on or before the due date for filing the Vermont income tax return, without extension, and shall describe the school district in which the homestead property is located and shall particularly describe the homestead property for which the exemption or credit ~~or allocation~~ is sought, including the school parcel account number prescribed in subsection 5404(b) of this title. A renter credit claim shall be filed with the Commissioner on or before the due date for filing the Vermont income tax return, without extension.

(b)(1) If ~~the~~ a claimant files a municipal property tax credit claim after October 15 but on or before March 15 of the following calendar year, the municipal property tax credit under this chapter:

(1)(A) shall be reduced in amount by \$150.00, but not below \$0.00;

(2)(B) shall be issued directly to the claimant; and

(3)(C) shall not require the municipality where the claimant's property is located to issue an adjusted ~~homestead~~ property tax bill.

(2) If a claimant files a homestead property tax exemption claim under this chapter after October 15 but on or before March 15 of the following calendar year, the claimant shall pay a penalty of \$150.00 and the municipality where the claimant's property is located shall not be required to issue an adjusted property tax bill.

(c) No request for allocation of an income tax refund or for a renter credit claim may be made after October 15. No homestead property tax exemption or municipal property tax credit claim may be made after March 15 of the calendar year following the due date under subsection (a) of this section.

\* \* \*

#### § 6070. DISALLOWED CLAIMS

A claim shall be disallowed if the claimant received title to ~~his or her~~ the claimant's homestead primarily for the purpose of receiving benefits under this chapter.

#### § 6071. EXCESSIVE AND FRAUDULENT CLAIMS

(a) In any case in which it is determined under the provisions of this title that a claim is or was excessive and was filed with fraudulent intent, the claim shall be disallowed in full and the Commissioner may impose a penalty equal to the amount claimed. A disallowed claim may be recovered by assessment as income taxes are assessed. The assessment, including assessment of penalty, shall bear interest from the date the claim was credited against property tax or income tax or paid by the State until repaid by the claimant at the rate per annum established from time to time by the Commissioner pursuant to section 3108 of this title. The claimant in that case, and any person who assisted in the preparation of filing of such excessive claim or supplied information upon which the excessive claim was prepared, with fraudulent intent, shall be fined not more than \$1,000.00 or be imprisoned not more than one year, or both.

(b) In any case in which it is determined that a claim is or was excessive, the Commissioner may impose a 10 percent penalty on such excess, and if the claim has been paid or credited against property tax or income tax otherwise payable, the municipal property tax credit or homestead exemption shall be reduced or canceled and the proper portion of any amount paid shall be similarly recovered by assessment as income taxes are assessed, and such assessment shall bear interest at the rate per annum established from time to time by the Commissioner pursuant to section 3108 of this title from the date of payment or, in the case of credit of a municipal property tax bill under



section 6066a of this title, from December 1 of the year in which the claim is filed until refunded or paid.

\* \* \*

§ 6073. ~~REGULATIONS~~ RULES OF THE COMMISSIONER

The Commissioner may, from time to time, ~~issue~~ adopt, amend, and withdraw ~~regulations~~ rules interpreting and implementing this chapter.

§ 6074. AMENDMENT OF CERTAIN CLAIMS

At any time within three years after the date for filing claims under subsection 6068(a) of this chapter, a claimant who filed a claim by October 15 may file to amend that claim with regard to housesite value, ~~housesite education tax~~, housesite municipal tax, and ownership percentage or to correct the amount of household income reported on that claim.

Sec. 42. DEPARTMENT OF TAXES; HOMESTEAD DECLARATION;  
SAMPLE FORM;

On or before December 15, 2025, the Department of Taxes shall provide to the House Committee on Ways and Means and the Senate Committee on Finance suggestions for updating the homestead declaration under 32 V.S.A. § 5410 to address the implementation of the homestead exemption under section 19 of this act, which may be provided as a sample form.

\* \* \* Conforming Revisions; Property Tax Credit Repeal \* \* \*

Sec. 43. 11 V.S.A. § 1608 is amended to read:

§ 1608. ELIGIBILITY FOR PROPERTY TAX RELIEF

Members of cooperative housing corporations shall be eligible to apply for and receive a homestead property tax ~~adjustment~~ exemption and municipal property tax credit under 32 V.S.A. § 6066, subject to the conditions of eligibility set forth therein.

Sec. 44. 32 V.S.A. § 3102(j) is amended to read:

(j) Tax bills prepared by a municipality under subdivision 5402(b)(1) of this title showing only the amount of total tax due shall not be considered confidential return information under this section. For the purposes of calculating ~~credits~~ the homestead property tax exemption and the municipal property tax credit under chapter 154 of this title, information provided by the Commissioner to a municipality under subsection 6066a(a) of this title and information provided by the municipality to a taxpayer under subsection 6066a(f) shall be considered confidential return information under this section.

Sec. 45. 32 V.S.A. § 3206(b) is amended to read:

(b) As used in this section, “extraordinary relief” means a remedy that is within the power of the Commissioner to grant under this title, a remedy that compensates for the result of inaccurate classification of property as homestead or nonhomestead pursuant to section 5410 of this title through no fault of the taxpayer, or a remedy that makes changes to a taxpayer’s homestead property tax exemption, municipal property tax credit, or renter credit claim necessary to remedy the problem identified by the Taxpayer Advocate.

\* \* \* Effective Dates \* \* \*

Sec. 46. EFFECTIVE DATES

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

- (1) Sec. 1 (intent);
- (2) Sec. 2 (Commission on the Future of Public Education);
- (3) Sec. 3 (School District Boundary Task Force);
- (4) Sec. 33 (transportation reimbursement guidelines);
- (5) Sec. 34 (inflationary measures; prekindergarten; reports); and
- (6) Sec. 42 (homestead declaration sample form);

(b) The following sections shall take effect on July 1, 2025:

- (1) Sec. 6 (16 V.S.A. § 3443);
- (2) Sec. 7 (School Construction Advisory Board sunset);
- (3) Sec. 13 (16 V.S.A. § 828);
- (4) Sec. 14 (tuition transition);
- (5) Sec. 15 (SBE rules; report);
- (6) Sec. 16 (SBE rule review; appropriation);
- (7) Sec. 17 (AOE reports);
- (8) Sec. 18 (special education report);
- (9) Sec. 19 (AOE special education strategic plan);
- (10) Sec. 20 (AOE position); and
- (11) Sec. 22 (tuition repeals).

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

- (1) Sec. 4 (school construction policy);
- (2) Sec. 5 (16 V.S.A. § 3442);
- (3) Sec. 8 (16 V.S.A. § 3444);
- (4) Sec. 9 (16 V.S.A. § 3445);
- (5) Sec. 10 (16 V.S.A. § 3446);
- (6) Sec. 11 (transfer of rulemaking authority);
- (7) Sec. 12 (school construction program repeals); and
- (8) Sec. 37 (December 1 letter).

(d) The following sections shall take effect on July 1, 2027:

- (1) Sec. 21 (16 V.S.A. § 823);
- (2) Secs. 23–32 (transition to foundation formula);
- (3) Secs. 35 and 36 and 38 and 39 (statewide education tax; supplemental district spending tax); and
- (4) Secs. 40 and 41 and 43-45 (property tax credit repeal; creation of homestead exemption).

(Committee vote: 6-0-0)

(For House amendments, see House Journal of April 10, 2025, pages 844 to 966)

**Reported favorably with recommendation of proposal of amendment by Senator Cummings for the Committee on Finance.**

The Committee recommends that the bill ought to pass in concurrence with proposal of amendment as recommended by the Committee on Education, with further recommendation of proposal of amendment by striking out all after the enacting clause and inserting in lieu thereof the following:

\* \* \* Intent \* \* \*

**Sec. 1. INTENT**

It is the intent of the General Assembly to:

- (1) work strategically, intentionally, and thoughtfully to ensure that each incremental change made to Vermont's public education system provides strength and support to its only constitutionally required governmental service;
- (2) ensure each student is provided substantially equal educational opportunities that will prepare them to thrive in a 21st-century world;

(3) in the 2026 session:

(A) enact updates to career and technical education governance systems, both at the local and statewide levels, that are reflective of the larger public education governance transformation;

(B) create a coordinated and coherent statewide strategy for career and technical education that is responsive to students and the State's workforce needs and that provides opportunities for more integration between career and technical education and traditional high school work;

(C) enact student-centered updates to career and technical education funding within a foundation formula that does not create competition between sending schools and career and technical education programs for available funds; and

(D) enact updates to special education funding to move from a census block grant to a weight for special education within the foundation formula; and

(4) while transitioning to a foundation formula and achieving scale, prioritize the following policy goals within the foundation formula and through education transformation:

(A) expanding early childhood education;

(B) increasing afterschool and summer programs in underserved communities;

(C) ensuring every student benefits from essential arts, including music, fine arts, and world languages;

(D) providing additional student access to mental health services;

(E) extending and enriching college and career pathways, beginning in middle school and culminating in graduates being prepared to take on critical jobs in high-demand industries;

(F) raising teacher salaries; and

(G) ensuring that the funding provided by different weights actually benefits the students that qualify for weights.

\* \* \* Commission on the Future of Public Education \* \* \*

Sec. 2. 2024 Acts and Resolves No. 183, Sec. 1 is amended to read:

Sec. 1. THE COMMISSION ON THE FUTURE OF PUBLIC  
EDUCATION; REPORTS

(a) Creation. There is hereby created the Commission on the Future of Public Education in Vermont. The right to education is fundamental for the success of Vermont's children in a rapidly changing society and global marketplace as well as for the State's own economic and social prosperity. The Commission shall study the provision of education in Vermont and make recommendations for a statewide vision for Vermont's public education system to ensure that all students are afforded substantially equal educational opportunities in an efficient, sustainable, and stable education system. The Commission shall also make recommendations for the strategic policy changes necessary to make Vermont's educational vision a reality for all Vermont students.

(b) Membership. The Commission shall be composed of the following members and, to the extent possible, the members shall represent the State's geographic, gender, racial, and ethnic diversity:

- (1) the Secretary of Education or designee;
- (2) the Chair of the State Board of Education or designee;
- (3) the Tax Commissioner or designee;
- (4) one current member of the House of Representatives, appointed by the Speaker of the House;
- (5) one current member of the Senate, appointed by the Committee on Committees;
- (6) one representative from the Vermont School Boards Association (VSBA), appointed by the VSBA Executive Director;
- (7) one representative from the Vermont Principals' Association (VPA), appointed by the VPA Executive Director;
- (8) one representative from the Vermont Superintendents Association (VSA), appointed by the VSA Executive Director;
- (9) one representative from the Vermont National Education Association (VTNEA), appointed by the VTNEA Executive Director;
- (10) one representative from the Vermont Association of School Business Officials (VASBO) with experience in school construction projects, appointed by the President of VASBO;
- (11) the Chair of the Census-Based Funding Advisory Group, created under 2018 Acts and Resolves No. 173;
- (12) the Executive Director of the Vermont Rural Education Collaborative; and

(13) one representative from the Vermont Independent Schools Association (VISA), appointed by the President of VISA.

(c) Steering group. On or before July 1, 2024, the Speaker of the House shall appoint two members of the Commission, the Committee on Committees shall appoint two members of the Commission, and the Governor shall appoint two members of the Commission to serve as members of a steering group. The steering group shall provide leadership to the Commission and shall work with a consultant or consultants to analyze the issues, challenges, and opportunities facing Vermont's public education system, as well as develop and propose a work plan to formalize the process through which the Commission shall seek to achieve its final recommendations. The formal work plan shall be approved by a majority of the Commission members. The steering group shall ~~form a subcommittee of the Commission to address education finance topics in greater depth and~~ may form one or more additional subcommittees of the Commission to address other key topics in greater depth, as necessary. ~~The steering group may appoint non-Commission members to the education finance subcommittee. All other subcommittees shall be composed solely of Commission members.~~

(d) Collaboration and information review.

(1) The Commission shall may seek input from and collaborate with key stakeholders, as directed by the steering group. At a minimum, the Commission shall consult with:

- (A) the Department of Mental Health;
- (B) the Department of Labor;
- (C) the President of the University of Vermont or designee;
- (D) the Chancellor of the Vermont State Colleges Corporation or designee;
- (E) a representative from the Prekindergarten Education Implementation Committee;
- (F) the Office of Racial Equity;
- (G) a representative with expertise in the Community Schools model in Vermont;
- (H) the Vermont Youth Council;
- (I) the Commission on Public School Employee Health Benefits; and
- (J) an organization committed to ensuring equal representation and educational equity.

(2) The Commission shall also review and take into consideration existing educational laws and policy, including legislative reports the Commission deems relevant to its work and, at a minimum, 2015 Acts and Resolves No. 46, 2018 Acts and Resolves No. 173, 2022 Acts and Resolves No. 127, and 2023 Acts and Resolves No. 76.

(e) Duties of the Commission. The Commission shall study Vermont's public education system and make recommendations to ensure all students are afforded quality educational opportunities in an efficient, sustainable, and equitable education system that will enable students to achieve the highest academic outcomes. The result of the Commission's work shall be a ~~recommendation for a statewide vision for Vermont's public education system, with recommendations for the policy changes necessary to make Vermont's educational vision a reality~~ recommendations for the State-level education governance system, including the roles and responsibilities of the Agency of Education and the State Board of Education. In creating and making its recommendations, the Commission shall engage in the following:

(1) Public engagement. The Commission shall conduct not fewer than 14 public meetings to inform the work required under this section. At least one meeting of the Commission as a whole or a subcommittee of the Commission shall be held in each county. The Commission shall publish a draft of its final recommendations on or before October 1, 2025, solicit public feedback, and incorporate such feedback into its final recommendations. When submitting its final recommendations to the General Assembly, the Commission shall include all public feedback received as an addendum to its final report. The public feedback process shall include:

(A) a minimum 30-day public comment period, during which time the Commission shall accept written comments from the public and stakeholders; and

(B) a public outreach plan that maximizes public engagement and includes notice of the availability of language assistance services when requested.

(2) Policy considerations. In developing its recommendations, the Commission shall consider and prioritize the following topics:

(A) Governance, resources, and administration. The Commission shall study and make recommendations regarding education governance at the State level, including the role of the Agency of Education in the provision of services and support for the education system. Recommendations under this subdivision (A) shall include, at a minimum, the following:

(i) whether changes need to be made to the structure of the Agency of Education, including whether it better serves the recommended education vision of the State as an agency or a department;

(ii) what are the staffing needs of the Agency of Education;

(iii) whether changes need to be made to the composition, role, and function of the State Board of Education to better serve the recommended education vision of the State;

(iv) what roles, functions, or decisions should be a function of local control and what roles, functions, or decisions should be a function of control at the State level, including a process for the community to have a voice in decisions regarding school closures and, if so, recommendations for what that process shall entail; and

~~(v) the effective integration of career and technical education in the recommended education vision of the State an analysis of the impact of health care costs on the Education Fund, including recommendations for whether, and if so, what, changes need to be made to contain costs.~~

~~(B) Physical size and footprint of the education system.—The Commission shall study and make recommendations regarding how the unique geographical and socioeconomic needs of different communities should factor into the provision of education in Vermont, taking into account and building upon the recommendations of the State Aid to School Construction Working Group. Recommendations under this subdivision (B) shall include, at a minimum, the following:~~

~~(i) an analysis and recommendation for the most efficient and effective number and location of school buildings, school districts, and supervisory unions needed to achieve Vermont's vision for education, provided that if there is a recommendation for any change, the recommendation shall include an implementation plan;~~

~~(ii) an analysis of the capacity and ability to staff all public schools with a qualified workforce, driven by data on class-size recommendations;~~

~~(iii) analysis of whether, and if so, how, collaboration with Vermont's postsecondary schools may support the development and retention of a qualified educator workforce;~~

~~(iv) an analysis of the current town tuition program and whether, and if so, what, changes are necessary to meet Vermont's vision for education, including the legal and financial impact of funding independent schools and other private institutions, including consideration of the following:~~



~~(I) the role designation, under 16 V.S.A. § 827, should play in the delivery of public education; and~~

~~(II) the financial impact to the Education Fund of public dollars being used in schools located outside Vermont; and~~

~~(v) an analysis of the current use of private therapeutic schools in the provision of special education services and whether, and if so, what, changes are necessary to meet Vermont's special education needs, including the legal and financial impact of funding private therapeutic schools. [Repealed.]~~

~~(C) The role of public schools. The Commission shall study and make recommendations regarding the role public schools should play in both the provision of education and the social and emotional well-being of students. Recommendations under this subdivision (C) shall include, at a minimum, the following:~~

~~(i) how public education in Vermont should be delivered;~~

~~(ii) whether Vermont's vision for public education shall include the provision of wraparound supports and collocation of services;~~

~~(iii) whether, and if so, how, collaboration with Vermont's postsecondary schools may support and strengthen the delivery of public education; and~~

~~(iv) what the consequences are for the Commission's recommendations regarding the role of public schools and other service providers, including what the role of public schools means for staffing, funding, and any other affected system, with the goal of most efficiently utilizing State funds and services and maximizing federal funding. [Repealed.]~~

~~(D) Education finance system. The Commission shall explore the efficacy and potential equity gains of changes to the education finance system, including weighted educational opportunity payments as a method to fund public education. The Commission's recommendations shall be intended to result in an education funding system designed to afford substantially equal access to a quality basic education for all Vermont students in accordance with State v. Brigham, 166 Vt. 246 (1997). Recommendations under this subdivision (D) shall include, at a minimum, the following:~~

~~(i) allowable uses for the Education Fund that shall ensure sustainable and equitable use of State funds;~~

~~(ii) the method for setting tax rates to sustain allowable uses of the Education Fund;~~

~~(iii) whether, and if so, what, alternative funding models would create a more affordable, sustainable, and equitable education finance system in Vermont, including the consideration of a statutory, formal base amount of per pupil education spending and whether school districts should be allowed to spend above the base amount;~~

~~(iv) adjustments to the excess spending threshold, including recommendations that target specific types of spending;~~

~~(v) the implementation of education spending caps on different services, including administrative and support services and categorical aid;~~

~~(vi) how to strengthen the understanding and connection between school budget votes and property tax bills;~~

~~(vii) adjustments to the property tax credit thresholds to better match need to the benefit;~~

~~(viii) a system for ongoing monitoring of the Education Fund and Vermont's education finance system, to include consideration of a standing Education Fund advisory committee;~~

~~(ix) an analysis of the impact of healthcare costs on the Education Fund, including recommendations for whether, and if so, what, changes need to be made to contain costs; and~~

~~(x) implementation details for any recommended changes to the education funding system. [Repealed.]~~

~~(E) Additional considerations. The Commission may consider any other topic, factor, or issue that it deems relevant to its work and recommendations. [Repealed.]~~

~~(f) Reports and proposed legislation. The Commission shall prepare and submit to the General Assembly the following:~~

~~(1) a formal, written work plan, which shall include a communication plan to maximize public engagement, on or before September 15, 2024;~~

~~(2) a written report containing its preliminary findings and recommendations, including short-term cost containment considerations for the 2025 legislative session, on or before December 15, 2024; and~~

~~(3) a written report containing its final findings and recommendations for a statewide vision for Vermont's public education system and the policy changes necessary to make that educational vision a reality based on its analysis of the State-level governance topics contained in subdivision (e)(2)(A) of this section, on or before December 1, 2025; and September 30, 2025~~

~~(4) proposed legislative language to advance any recommendations for the education funding system on or before December 15, 2025.~~

(g) Assistance. The Agency of Education shall contract with one or more independent consultants or facilitators to provide technical and legal assistance to the Commission for the work required under this section. For the purposes of scheduling meetings and providing administrative assistance, the Commission shall have the assistance of the Agency of Education. The Agency shall also provide the educational and financial data necessary to facilitate the work of the Commission. School districts shall comply with requests from the Agency to assist in data collections.

(h) Meetings.

(1) The Secretary of Education shall call the first meeting of the Commission to occur on or before July 15, 2024.

(2) The Speaker of the House and the President Pro Tempore shall jointly select a Commission chair.

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

(4) Meetings shall be conducted in accordance with Vermont's Open Meeting Law pursuant to 1 V.S.A. chapter 5, subchapter 2.

(5) The Commission shall cease to exist on ~~December 31, 2025~~ October 15, 2025.

(i) Compensation and reimbursement. Members of the Commission shall be entitled to per diem compensation and reimbursement of expenses as permitted under 32 V.S.A. § 1010 for not more than 30 meetings, including subcommittee meetings. These payments shall be made from monies appropriated to the Agency of Education.

\* \* \* School District Boundary Task Force \* \* \*

### Sec. 3. SCHOOL DISTRICT BOUNDARY TASK FORCE; REPORT; MAPS

(a) School District Boundary Task Force. There is created the School District Boundary Task Force that shall determine the most efficient number of school districts and supervisory unions and proposed boundary lines, based on educational research; Vermont's geographic and cultural landscape; historic attendance patterns; the distribution of equalized grand list value per pupil; the provision of career and technical education; and a comprehensive analysis of school locations, facility conditions, student capacity, and transportation infrastructure. The Task Force shall also make recommendations for an alternative process to encourage school district consolidation if the General

Assembly fails to enact new school district boundaries not later than January 31, 2026.

(b) Membership. The Task Force shall be composed of the following members:

(1) four current members of the House of Representatives, not all from the same political party nor from the same school district, who shall be appointed by the Speaker of the House; and

(2) four current members of the Senate, not all from the same political party nor from the same school district, who shall be appointed by the Committee on Committees.

(c) Powers and duties.

(1) Boundary proposal. The Task Force shall recommend not less than one school district and supervisory union boundary proposal to the General Assembly. All recommendations shall consider the use of supervisory unions and supervisory districts. In making its recommendations, the Task Force may also consider and make recommendations for the optimal location of schools, including CTE programs. The Task Force shall also consider and make recommendations for the governance models of the new proposed school districts, including how school board representation models shall be decided. The proposed school district boundaries and supervisory union boundaries shall:

(A) increase access to excellent educational opportunities for all students;

(B) gain efficiencies and potential cost savings without harming educational opportunities or community connections;

(c) maximize opportunities to support local elementary schools, central middle schools, and regional high schools, with the least disruption to students;

(C) provide access to education for their resident students in grades kindergarten through 12;

(D) provide access to career and technical education (CTE) for all grade-eligible students;

(E) to the extent practical, not separate towns within school districts as those boundaries exist on July 1, 2025;

(F) to the extent practical, consider the availability of regional services for students, such as designated agencies, and how those services would integrate into the new proposed school district boundaries; and

(G) allow for the continuation of a tuitioning system that provides continued access to independent schools that have served geographic areas that do not operate public schools for the grades served by the independent schools.

(2) Alternative merger proposal. The Task Force shall also make recommendations for an alternative process to encourage and incentivize school districts to move toward larger, consolidated, and sustainable models of education governance should the General Assembly fail to enact new school district and supervisory union boundaries not later than January 31, 2026. The Task Force's recommendations shall require the use of the union school district exploration, formation, and organization processes governed by 16 V.S.A. chapter 11. The process recommended by the Task Force shall be designed to encourage local decisions and actions that:

(A) provide high-quality, substantially equal educational opportunities statewide;

(B) maximize operational efficiencies that result in education costs that parents, voters, and taxpayers can afford; and

(C) promote transparency and accountability.

(d) Public engagement. The Task Force shall maximize public input and feedback regarding the development of both the proposed new school district and supervisory union boundaries, as well as the alternative consolidation process recommendations.

(e) Assistance. The Task Force shall have the administrative, technical, and legal assistance of the Office of Legislative Operations, the Office of Legislative Counsel, the Joint Fiscal Office, and the Agency of Digital Services, Vermont Center for Geographic Information. The Task Force may also retain the services of one or more independent third parties to provide contracted resources as the Task Force deems necessary.

(f) Report and map. On or before December 15, 2025, the Task Force shall submit the following to the House and Senate Committees on Education, the House Committee on Government Operations and Military Affairs, the Senate Committee on Government Operation, the House Committee on Ways and Means, and the Senate Committee on Finance:

(1) Report. The Task Force shall submit a written report with a description of the proposed school district and supervisory union boundaries, the recommended governance models and representation considerations, and

the alternative consolidation process. The report shall also include details regarding the policy decisions made to arrive at the proposed boundaries and alternative consolidation process, including an explanation of how the proposed boundaries meet the requirements of subdivisions (c)(1)(A)–(G) of this section and the alternative consolidation process meets the goals contained in subdivisions (c)(2)(A)–(C) of this section.

(2) Map. The Task Force shall also submit one, or if the committee is unable to reach a majority consensus, two, detailed maps for each school district and supervisory union boundary proposal, which, in addition to the boundaries themselves, shall include:

(A) average daily membership for each proposed supervisory union or supervisory district, as applicable, for the 2023–2024 school year;

(B) the member towns for each supervisory union or supervisory district, as applicable;

(C) the location of public schools and nontherapeutic approved independent schools that are eligible to receive public tuition as of July 1, 2025, and the grades operated by each of those schools;

(D) the five-year facility condition index score for each public school;

(E) 10-year change in enrollment between 2013 and 2023 for each school;

(F) the transportation infrastructure within each supervisory union or supervisory district, as applicable; and

(G) the grand list value within each proposed school district boundary.

(g) Meetings.

(1) The Office of Legislative Counsel shall call the first meeting of the Task Force to occur on or before July 15, 2025.

(2) The Task Force shall select co-chairs from among its members at the first meeting, one a member of the House and the other a member of the Senate.

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

(4) The Task Force shall cease to exist on January 31, 2026.

(h) Compensation and reimbursement. For attendance at meetings during adjournment of the General Assembly, members of the Working Group shall

be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 23 for not more than 16 meetings. These payments shall be made from monies appropriated to the General Assembly.

(i) Appropriation. The sum of \$100,000.00 is appropriated to the Office of Legislative Counsel from the General Fund in fiscal year 2026 to hire one or more consultants pursuant to subsection (e) of this section.

\* \* \* Transitional School Boards \* \* \*

### Sec. 3a. TRANSITIONAL SCHOOL BOARDS; TRANSITION GRANTS

(a) Definitions. As used in this section:

(1) “Base amount” means a per pupil amount of \$14,541.00, which shall be adjusted for inflation annually on or before November 15 by the Secretary of Education. As used in this subdivision, “adjusted for inflation” means adjusting the base dollar amount by the National Income and Product Accounts (NIPA) implicit price deflator for state and local government 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, and rounding upward to the nearest whole dollar amount.

(2) “Forming districts” means all school districts, including union school districts, that are located within the geographical boundaries of a new school district created by the General Assembly during the 2026 session, prior to the operational date of the new school district.

(3) “New school district” means a larger, consolidated school district created by the General Assembly during the 2026 session.

(4) “New school district school board” means the elected school board of a new school district.

(5) “Operational date” means the date on which the new school district will assume full and sole responsibility for the education of all resident students in the grades for which it is organized.

(b) Creation of transitional school boards. On or before January 1, 2027, a transitional school board shall be formed for each new school district created by the General Assembly during the 2026 session. Each transitional school board shall be composed of the chair of each school board from each of the forming districts, as such school boards existed on December 31, 2026; provided, however, that by majority vote the board of a forming district may designate another board member to serve on the transitional board instead of the chair.

(c) Initial meeting of transitional board. The superintendent of the supervisory union with the forming district with the highest average daily membership shall convene the first meeting of the transitional board to occur not later than 14 days after the organizational meeting of the new school district. The agenda for the first meeting of the transitional board shall include the election by the transitional board members of:

- (1) one of their members to serve as chair of the transitional board; and
- (2) one of their members to serve as clerk of the transitional board.

(d) Duties and authority of transitional board. During the period of its existence, the transitional board shall serve as the new district's school board and shall perform all functions required of and all authority granted to the transitional board and the new school district school board, including:

(1) preparing a fiscal year 2029 budget for the new school district;

(2) following the principles of apportionment followed by the legislative apportionment board, create voting districts within each new school district that are compact, contiguous, and drawn to achieve substantially equal weighting of votes and that meet the requirements of applicable State and federal law to allow for initial elections of the new school district school board members to occur in March 2028; and

(3) performing all necessary transitional processes, including:

(A) the transitional processes enumerated in 16 V.S.A. § 716;

(B) the hiring of a superintendent; and

(C) any other business process necessary to ensure the new school district is ready to assume the full and sole responsibility for the education of all resident students in the grades for which it is organized on July 1, 2028.

(e) New school district school board. The transitional board shall cease to exist and the new school district school board shall be solely responsible for the governance of the new school district upon the swearing in of all new school district school board members, which shall occur within 14 days after the initial election of new school district school board members in March 2028.

(f) Transition facilitation grants.

(1) Upon notice of formation of a transitional school board pursuant to subsection (b) of this section, the Secretary of Education shall pay the transitional school board of each new school district a transition facilitation grant from the Education Fund equal to the lesser of:



(A) five percent of the base amount, as defined in subdivision (a)(1) of this section, multiplied by the greater of either the combined enrollment or the average daily membership of the forming districts on October 1, 2026; or

(B) \$250,000.00.

(2) Grants awarded under this subsection shall be used by new school districts for the legal and other consulting services necessary ensure new school districts are fully operational on July 1, 2028.

\* \* \* State Aid for School Construction \* \* \*

Sec. 4. 16 V.S.A. § 3440 is added to read:

§ 3440. STATEMENT OF POLICY

It is the intent of this chapter to encourage the efficient use of public funds to modernize school infrastructure in alignment with current educational needs. School construction projects supported by this chapter should be developed taking consideration of standards of quality for public schools under section 165 of this title and prioritizing cost, geographic accessibility, 21st century education facilities standards, statewide enrollment trends, and capacity and scale that support best educational practices.

Sec. 5. 16 V.S.A. § 3442 is added to read:

§ 3442. STATE AID FOR SCHOOL CONSTRUCTION PROGRAM

The Agency of Education shall be responsible for implementing the State Aid for School Construction Program according to the provisions of this chapter. The Agency shall be responsible for:

(1) reviewing all preliminary applications for State school construction aid and issuing an approval or denial in accordance with section 3445 of this chapter;

(2) adopting rules pursuant to 3 V.S.A. chapter 25 pertaining to school construction and capital outlay, including rules to specify a point prioritization methodology and a bonus incentive structure aligned with the legislative intent expressed in section 3440 of this title;

(3) including as part of its budget submitted to the Governor pursuant to subdivision 212(21) of this title its annual school construction funding request;

(4) developing a prequalification and review process for project delivery consultants and architecture and engineering firms specializing in prekindergarten through grade 12 school design, renovation, or construction and maintaining a list of such prequalified firms and consultants;

(5) providing technical assistance and guidance to school districts and supervisory unions on all phases of school capital projects;

(6) providing technical advice and assistance, training, and education to school districts, supervisory unions, general contractors, subcontractors, construction or project managers, designers, and other vendors in the planning, maintenance, and establishment of school facility space;

(7) maintaining a current list of school construction projects that have received preliminary approval, projects that have received final approval, and the priority points awarded to each project;

(8) collecting, maintaining, and making publicly available quarterly progress reports of all ongoing school construction projects that shall include, at a minimum, the costs of the project and the time schedule of the project;

(9) recommending policies and procedures designed to reduce borrowing for school construction programs at both State and local levels;

(10) conducting a needs survey at least every five years to ascertain the capital construction, reconstruction, maintenance, and other capital needs for all public schools and maintaining such data in a publicly accessible format;

(11) developing a formal enrollment projection model or using projection models already available;

(12) encouraging school districts and supervisory unions to investigate opportunities for the maximum utilization of space in and around the district or supervisory union;

(13) collecting and maintaining a clearinghouse of prototypical school plans, as appropriate, that may be consulted by eligible applicants;

(14) retaining the services of consultants, as necessary, to effectuate the roles and responsibilities listed within this section; and

(15) notwithstanding 2 V.S.A. § 20(d), annually on or before December 15, submitting a written report to the General Assembly regarding the status and implementation of the State Aid for School Construction Program, including the data required to be collected pursuant to this section.

Sec. 6. 16 V.S.A. § 3443 is added to read:

§ 3443. STATE AID FOR SCHOOL CONSTRUCTION ADVISORY  
BOARD

(a) Creation. There is hereby created the State Aid for School Construction Advisory Board, which shall advise the Agency on the implementation of the State Aid for School Construction Program in

accordance with the provisions of this chapter, including the adoption of rules, setting of statewide priorities, criteria for project approval, and recommendations for project approval and prioritization.

(b) Membership.

(1) Composition. The Board shall be composed of the following eight members:

(A) four members who shall serve as ex officio members:

(i) the State Treasurer or designee;

(ii) the Commissioner of Buildings and General Services or designee;

(iii) the Executive Director of the Vermont Bond Bank or designee; and

(iv) the Chair of the State Board of Education or designee; and

(B) four members, none of whom shall be a current member of the General Assembly, who shall serve four-year terms as follows:

(i) two members, appointed by the Speaker of the House, each of whom shall have expertise in education or construction, real estate, or finance and one of whom shall represent a supervisory union; and

(ii) two members, appointed by the Committee on Committees, each of whom shall have expertise in education or construction, real estate, or finance and one of whom shall be an educator.

(2) Members with four-year terms.

(A) A member with a term limit shall serve a term of four years and until a successor is appointed. A term shall begin on January 1 of the year of appointment and run through December 31 of the last year of the term. Terms of these members shall be staggered so that not all terms expire at the same time.

(B) A vacancy created before the expiration of a term shall be filled in the same manner as the original appointment for the unexpired portion of the term.

(C) A member with a term limit shall not serve more than two consecutive terms. A member appointed to fill a vacancy created before the expiration of a term shall not be deemed to have served a term for the purpose of this subdivision (C).

(c) Duties. The Board shall advise the Agency on the implementation of the State Aid for School Construction Program in accordance with the provisions of this chapter, including:

(1) rules pertaining to school construction and capital outlay;

(2) project priorities;

(3) proposed legislation the Board deems desirable or necessary related to the State Aid for School Construction Program, the provisions of this chapter, and any related laws;

(4) policies and procedures designed to reduce borrowing for school construction programs at both State and local levels;

(5) development of a formal enrollment projection model or the consideration of using projection models already available;

(6) processes and procedures necessary to apply for, receive, administer, and comply with the conditions and requirements of any grant, gift, appropriation of property, services, or monies;

(7) the collection and maintenance of a clearinghouse of prototypical school plans that may be consulted by eligible applicants and recommended incentives to utilize such prototypes;

(8) the determination of eligible cost components of projects for funding or reimbursement, including partial or full eligibility for project components for which the benefit is shared between the school and other municipal and community entities;

(9) development of a long-term vision for a statewide capital plan in accordance with needs and projected funding;

(10) collection and maintenance of data on all public school facilities in the State, including information on size, usage, enrollment, available facility space, and maintenance;

(11) advising districts on the use of a needs survey to ascertain the capital construction, reconstruction, maintenance, and other capital needs for schools across the State; and

(12) encouraging school districts and supervisory unions to investigate opportunities for the maximum utilization of space in and around the district or supervisory union.

(d) Meetings.

(1) The Chair of the State Board of Education shall call the first meeting of the Board to occur on or before September 1, 2025.

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

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

(4) The Board shall meet not more than six times per year.

(e) Assistance. The Board shall have the administrative, technical, and legal assistance of the Agency of Education.

(f) Compensation and reimbursement. Members of the Board shall be entitled to per diem compensation and reimbursement of expenses as permitted under 32 V.S.A. § 1010 for not more than six meetings per year.

(g) Report. On or before December 15, 2025, the Board shall submit a written report to the House Committees on Education and on Ways and Means and the Senate Committees on Education and on Finance on recommendations for addressing the transfer of any debt obligations from current school districts to future school districts as contemplated by Vermont's education transformation.

#### Sec. 7. PROSPECTIVE REPEAL OF STATE AID FOR SCHOOL CONSTRUCTION ADVISORY BOARD

16 V.S.A. § 3443 (State Aid for School Construction Advisory Board) is repealed on July 1, 2035.

Sec. 8. 16 V.S.A. § 3444 is added to read:

#### § 3444. SCHOOL CONSTRUCTION AID SPECIAL FUND

(a) Creation. There is created the School Construction Aid Special Fund, to be administered by the Agency of Education. Monies in the Fund shall be used for the purposes of:

(1) awarding aid to school construction projects under section 3445 of this title;

(2) awarding grants through the Facilities Master Plan Grant Program established in section 3441 of this title;

(3) funding administrative costs of the State Aid for School Construction Program; and

(4) awarding emergency aid under section 3445 of this title.

(b) Funds. The Fund shall consist of:

(1) any amounts transferred or appropriated to it by the General Assembly;

(2) any amounts deposited in the Fund from the Supplemental District Spending Reserve; and

(3) any interest earned by the Fund.

Sec. 9. 16 V.S.A. § 3445 is added to read:

§ 3445. APPROVAL AND FUNDING OF SCHOOL CONSTRUCTION PROJECTS

(a) Construction aid.

(1) Preliminary application for construction aid. A school district eligible for assistance under section 3447 of this title that intends to construct or purchase a new school, or make extensive additions or alterations to its existing school, and desires to avail itself of State school construction aid shall submit a written preliminary application to the Secretary. A preliminary application shall include information required by the Agency by rule and shall specify the need for and purpose of the project.

(2) Approval of preliminary application.

(A) When reviewing a preliminary application for approval, the Secretary shall consider:

(i) regional educational opportunities and needs, including school building capacities across school district boundaries, and available infrastructure in neighboring communities;

(ii) economic efficiencies;

(iii) the suitability of an existing school building to continue to meet educational needs; and

(iv) statewide educational initiatives.

(B) The Secretary may approve a preliminary application if:

(i)(I) the project or part of the project fulfills a need occasioned by:

(aa) conditions that threaten the health or safety of students or employees;

(bb) facilities that are inadequate to provide programs required by State or federal law or regulation;

(cc) excessive energy use resulting from the design of a building or reliance on fossil fuels or electric space heat; or

(dd) deterioration of an existing building; or

(II) the project results in consolidation of two or more school buildings and will serve the educational needs of students in a more cost-effective and educationally appropriate manner as compared to individual projects constructed separately;

(ii) the need addressed by the project cannot reasonably be met by another means;

(iii) the proposed type, kind, quality, size, and estimated cost of the project are suitable for the proposed curriculum and meet all legal standards;

(iv) the applicant achieves the level of “proficiency” in the school district quality standards regarding facilities management adopted by rule by the Agency; and

(v) the applicant has completed a facilities master planning process that:

(I) engages robust community involvement;

(II) considers regional solutions;

(III) evaluates environmental contaminants; and

(IV) produces a facilities master plan that unites the applicant’s vision statement, educational needs, enrollment projections, renovation needs, and construction projects.

(3) Priorities. Following approval of a preliminary application and provided that the district has voted funds or authorized a bond for the total estimated cost of a project, the Agency, with the advice of the State Aid for School Construction Advisory Board, shall assign points to the project as prescribed by rule of the Agency so that the project can be placed on a priority list based on the number of points received.

(4) Request for legislative appropriation. The Agency shall submit its annual school construction funding request to the Governor as part of its budget pursuant to subdivision 212(21) of this title. Following submission of the Governor’s recommended budget to the General Assembly pursuant to 32 V.S.A. § 306, the House Committee on Education and the Senate Committee on Education shall recommend a total school construction appropriation for the next fiscal year to the General Assembly.

(5) Final approval for construction aid.

(A) Unless approved by the Secretary for good cause in advance of commencement of construction, a school district shall not begin construction before the Secretary approves a final application. A school district may submit a written final application to the Secretary at any time following approval of a preliminary application.

(B) The Secretary may approve a final application for a project provided that:

(i) the project has received preliminary approval;

(ii) the district has voted funds or authorized a bond for the total estimated cost of the project;

(iii) the district has made arrangements for project construction supervision by persons competent in the building trades;

(iv) the district has provided for construction financing of the project during a period prescribed by the Agency;

(v) the project has otherwise met the requirements of this chapter;

(vi) if the proposed project includes a playground, the project includes a requirement that the design and construction of playground equipment follow the guidelines set forth in the U.S. Consumer Product Safety Commission Handbook for Public Playground Safety; and

(vii) if the total estimated cost of the proposed project is less than \$50,000.00, no performance bond or irrevocable letter of credit shall be required.

(C) The Secretary may provide that a grant for a high school project is conditioned upon the agreement of the recipient to provide high school instruction for any high school pupil living in an area prescribed by the Agency who may elect to attend the school.

(D) A district may begin construction upon receipt of final approval. However, a district shall not be reimbursed for debt incurred due to borrowing of funds in anticipation of aid under this section.

(6) Award of construction aid.

(A) The base amount of an award shall be 20 percent of the eligible debt service cost of a project. Projects are eligible for additional bonus incentives as specified in rule for up to an additional 20 percent of the eligible debt service cost. Amounts shall be awarded annually.



(B) As used in subdivision (A) of this subdivision (6), “eligible debt service cost” of a project means the product of the lifetime cost of the bond authorized for the project and the ratio of the approved cost of a project to the total cost of the project.

(b) Emergency aid. Notwithstanding any other provision of this section, the Secretary may grant aid for a project the Secretary deems to be an emergency in the amount of 30 percent of eligible project costs, up to a maximum eligible total project cost of \$300,000.00.

Sec. 10. 16 V.S.A. § 3446 is added to read:

§ 3446. APPEAL

Any municipal corporation as defined in section 3447 of this title aggrieved by an order, allocation, or award of the Agency of Education may, within 30 days, appeal to the Superior Court in the county in which the project is located.

Sec. 11. TRANSFER OF RULEMAKING AUTHORITY; TRANSFER OF RULES

(a) The statutory authority to adopt rules by the State Board of Education pertaining to school construction and capital outlay adopted under 16 V.S.A. § 3448(e) and 3 V.S.A. chapter 25 is transferred from the State Board of Education to the Agency of Education.

(b) All rules pertaining to school construction and capital outlay adopted by the State Board of Education under 3 V.S.A. chapter 25 prior to July 1, 2026 shall be deemed the rules of the Agency of Education and remain in effect until amended or repealed by the Agency of Education pursuant to 3 V.S.A. chapter 25.

(c) The Agency of Education shall provide notice of the transfer to the Secretary of State and the Legislative Committee on Administrative Rules in accordance with 3 V.S.A. § 848(d)(2).

Sec. 12. REPEALS

(a) 16 V.S.A. § 3448 (approval of funding of school construction projects; renewable energy) is repealed on July 1, 2026.

(b) 16 V.S.A. § 3448a (appeal) is repealed on July 1, 2026.

\* \* \* Tuition to Approved Schools \* \* \*

Sec. 13. 16 V.S.A. § 828 is amended to read:

§ 828. TUITION TO APPROVED SCHOOLS; AGE; APPEAL

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

- (1) a public school, located in Vermont;
- (2) an approved independent school, ~~an independent school meeting education quality standards, that:~~
- (A) is located in Vermont;
- (B) is approved under section 166 of this title on or before July 1, 2025;
- (C) is located within either :
- (i) supervisory district that does not operate a public school for some or all grades as of July 1, 2024; or
- (ii) a supervisory union with one or more member school districts that does not operate a public school for some or all grades as of July 1, 2024; and
- (D) had at least 25 percent of its Vermont resident student enrollment composed of students attending on a district-funded tuition basis pursuant to chapter 21 of this title during the 2023–2024 school year;
- (3) a tutorial program approved by the State Board;
- (4) an approved education program, ~~or;~~
- (5) an independent school in another state or country approved under the laws of that state or country, that a public school located within 25 miles of the Vermont border in a bordering state or province, provided that the school is approved under the laws of that state or province and complies with the reporting requirement under subsection 4010(c) of this title;
- (6) an independent school located within 25 miles of the Vermont border in a bordering state or province that:
- (A) is approved under the laws of that state or province;
- (B) had at least one or more Vermont resident students enrolled in grades nine through 12 on a district-funded tuition basis pursuant to this chapter during the 2023–2024 school year; and
- (C) complies with the reporting requirement under subsection 4010(c) of this title; or
- (7) a therapeutic approved independent school located in Vermont or another state or country that is approved under the laws of that state or country.
- (b) ~~nor shall payment~~ Payment of tuition on behalf of a person shall not be denied on account of age.

(c) Unless otherwise provided, a person who is aggrieved by a decision of a school board relating to eligibility for tuition payments, the amount of tuition payable, or the school the person may attend, may appeal to the State Board and its decision shall be final.

(d) As used in this section, “therapeutic approved independent school” means an approved independent school that limits enrollment for publicly funded students residing in Vermont to students who are on an individualized education program or plan under Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. § 794, or who are enrolled pursuant to a written agreement between a local education agency and the school or pursuant to a court order.

#### Sec. 14. TUITION TRANSITION

A school district that pays tuition pursuant to the provisions of 16 V.S.A. chapter 21 in effect on June 30, 2025 shall continue to pay tuition on behalf of a resident student enrolled for the 2024–2025 school year in or who has been accepted for enrollment for the 2025–2026 school year by an approved independent school subject to the provisions of 16 V.S.A. § 828 in effect on June 30, 2025, until such time as the student graduates from that school.

\* \* \* Reports and Rule Updates \* \* \*

#### Sec. 15. STATE BOARD OF EDUCATION; RULES; REPORT

(a) Rules. On or before August 1, 2026, the State Board of Education shall initiate rulemaking to amend the approved independent school rule 2200 series, Agency of Education, Independent School Program Approval (22-000-004), pursuant to 3 V.S.A. chapter 25, to ensure compliance with the requirements of 16 V.S.A. § 828 applicable to approved independent schools.

(b) Report. On or before December 1, 2025, the State Board of Education shall submit a written report to the House and Senate Committees on Education with proposed standards for schools to be deemed “small by necessity.”

#### Sec. 16. STATE BOARD OF EDUCATION; REVIEW OF RULES; APPROPRIATION

(a) The State Board of Education shall review each rule series the State Board is responsible for and make a determination as to the continuing need for, appropriateness of, or need for updating of said rules. On or before December 1, 2026, the State Board of Education shall submit a written report to the House and Senate Committees on Education with its recommendation for rules that are no longer needed and a plan to update rules that are still necessary, including the order in which the Board proposes to update the rules and any associated costs or staffing needs.

(b) The sum of \$200,000.00 is appropriated from the General Fund to the Agency of Education in fiscal year 2026 to provide the State Board of Education with the contracted resources necessary to review and update the Board's rules.

#### Sec. 17. AGENCY OF EDUCATION; REPORTS

(a) On or before January 1, 2026, the Agency of Education shall submit a written report to the House and Senate Committees on Education and the State Board of Education with recommended standards for statewide proficiency-based graduation requirements based on standards adopted by the State Board.

(b) On or before December 1, 2025, the Agency of Education shall submit a written report and recommended legislative language, as applicable, to the House and Senate Committees on Education with the following:

(1) In consultation with educators and administrators, a proposed implementation plan for statewide financial data and student information systems.

(2) Recommendations for a school construction division within the Agency of Education, including position descriptions and job duties for each position within the division, a detailed description of the assistance the division would provide to the field, and the overall role the Agency would play within a State aid to school construction program.

(3) A progress report regarding the development of clear, unambiguous guidance that would be provided to school officials and school board members regarding the business processes and transactions that would need to occur to facilitate school district mergers into larger, consolidated school districts, including the merging of data systems, asset and liability transfers, and how to address collective bargaining agreements for both educators and staff. The report shall include a detailed description of how the Agency will provide support and consolidation assistance to the field in each of these areas and an estimate of the costs associated with such work.

(4) An analysis of how education payments are allocated within school districts and what, if any, changes are necessary to ensure students who receive weights are actually benefiting from the additional funding associated with the applicable weights.

(c) On or before December 1, 2026, the Agency of Education, in consultation with the Office of Workforce Strategy and Development, shall submit a written report with recommendations on how to increase flexible pathways opportunities for students in the commercial and nonprofit sectors.

\* \* \* Special Education Delivery \* \* \*

Sec. 18. STATE OF SPECIAL EDUCATION DELIVERY; AGENCY OF  
EDUCATION; REPORT

(a) On or before September 1, 2025, the Agency of Education shall submit a written report to the House and Senate Committees on Education, the House Committee on Ways and Means, and the Senate Committee on Finance addressing the factors contributing to growth in extraordinary special education reimbursement costs. The report shall include detailed information regarding the current state of special education delivery in Vermont, including an update on the implementation of special education changes enacted pursuant to 2018 Acts and Resolves No. 173 (Act 173). The report shall include a description of the current state of support for students with disabilities in Vermont and recommended changes to structure, practice, and law with the goal of:

(1) improving the delivery of special education services and managing the rising extraordinary special education costs;

(2) ensuring better, more inclusive services in the least restrictive environment in a way that makes efficient and effective use of limited resources while resulting in the best outcomes;

(3) responding to the challenges of fully implementing Act 173 and the lessons learned from implementation efforts to date;

(4) ensuring adequate staffing to deliver special education that is responsive to student needs;

(5) addressing the root causes leading to the workforce shortage of special educators; and

(6) addressing drivers of growth of extraordinary expenditures in special education.

(b) The report shall include:

(1) An analysis of the costs of and services provided for students with extraordinary needs in specialized settings, separated by school-district-operated specialized programs, independent nonprofit programs, and independent for-profit programs. The report shall include a geographic map with the location of all specialized programs within the State of Vermont, as well as the following information for each individual specialized program:

(A) disability categories served;

(B) grade levels served;

(C) the number of students with IEPs and the average duration of time each student spent in the program over the last 10 years;

(D) average cost per pupil, inclusive of extraordinary spending and any costs in excess of general tuition rates;

(E) years of experience, training, and tenure of licensed special education staff;

(F) a review of the findings of all investigations conducted by the Agency of Education; and

(G) a review of the Agency's public assurance capabilities, with respect to special education programs in all settings, and an analysis of the effectiveness of current oversight or rule, and recommended changes if needed.

(2) An evaluation of the state of implementation of Act 173, including examples of where implementation has been successful, where it has not, and why.

(3) Identification of drivers of accelerating costs within the special education system.

(4) Identification of barriers to the success of students with disabilities.

(5) A description of how specialized programs for students with extraordinary needs operated by school districts, independent nonprofit schools, and independent for-profit schools are funded, with an analysis of the benefits and risks of each funding model.

(6) An assessment of whether Vermont's current special education laws ensure equitable access for all students with disabilities to education alongside their peers in a way that is consistent with the Vermont education quality standards for public schools and the right to a free appropriate public education (FAPE) under the Individuals with Disabilities Education Act, 20 U.S.C. §§ 1400–1482.

(7) A review of the capacity of the Agency to support and guide school districts on the effective support of students with disabilities, as well as compliance with federal law, which shall include:

(A) a review of final reports of investigations conducted by the Agency in school-district-operated specialized programs, independent nonprofit programs, and independent for-profit programs in the previous 10 years and an evaluation of what practices could reduce adverse findings in these settings;

(B) an assessment of the ability of the State to ensure State resources are used in the most efficient and effective way possible to support the success of students with disabilities and their access to a free and appropriate public education;

(C) a review of any pending and recent federal findings against the State or school districts, as well as progress on corrective actions;

(D) a review of the Agency's staffing and capacity to review and conduct monitoring and visits to schools;

(E) a description of the process and status of reviews and approvals of approved independent schools that provide special education and therapeutic schools; and

(F) recommendations for the oversight of therapeutic schools within the school governance framework both at a State and local level, including whether the Agency has capacity to ensure timely review of approved independent schools and provide sufficient oversight for specialized programs in nonprofit independent schools and for-profit independent schools.

(8) Recommendations for needed capacity at the Agency to provide technical assistance and support to school districts in the provision of special education services.

(9) If warranted, a review of options for changes to practice, structure, and law that ensure students with disabilities are provided access to quality education, in the least restrictive environment, in a cost-effective way that is consistent with State and federal law, which may include a review of the possible role of BOCES and the impact of larger districts on effective, high-quality support for students with disabilities.

#### **Sec. 19. SPECIAL EDUCATION STRATEGIC PLAN; AGENCY OF EDUCATION**

(a) Strategic plan. In consultation with the State Advisory Panel on Special Education established under 16 V.S.A. § 2945, the Agency of Education shall develop a three-year strategic plan for the delivery of special education services in Vermont. The strategic plan shall include unambiguous measurable outcomes and a timeline for implementation. The strategic plan shall be informed by the analysis and findings of the report required of the Agency under Sec. 20 of this act and be designed to ensure successful implementation of 2018 Acts and Resolves No. 173 (Act 173). The strategic plan shall also include contingency recommendations for special education funding in the event federal special education funding under the Individuals with Disabilities Education Act, 20 U.S.C. §§ 1400–1482, is no longer

available or transitions to a system that requires more planning and management on the part of the State to ensure funds are distributed equitably.

(b) Reports.

(1) On or before December 1, 2025, the Agency shall submit the three-year strategic plan created pursuant to subsection (a) of this section to the House and Senate Committees on Education, the House Committee on Ways and Means, and the Senate Committee on Finance.

(2) On or before December 1 of 2026, 2027, 2028, and 2029, the Agency shall submit a written report to the House and Senate Committees on Education, the House Committee on Ways and Means, and the Senate Committee on Finance with a detailed update on the Agency's implementation of its strategic plan and any recommendations for legislative changes needed to ensure continued successful implementation of Act 173.

Sec. 20. POSITION; AGENCY OF EDUCATION

(a) Establishment of one new permanent, classified position is authorized in the Agency of Education in fiscal year 2026, to support development and implementation of the three-year strategic plan required under Sec. 19 of this act.

(b) The sum of \$150,000.00 is appropriated from the General Fund to the Agency of Education's base budget in fiscal year 2026 for the purposes of funding the position created in subsection (a) of this section. The Agency shall include funding for this permanent position in their annual base budget request in subsequent years.

\* \* \* Tuition \* \* \*

Sec. 21. 16 V.S.A. § 823 is amended to read:

§ 823. ~~ELEMENTARY~~ TUITION

(a) Tuition for ~~elementary~~ students shall be paid by the district in which the student is a resident. The district shall pay ~~the full tuition charged its students attending a public elementary school to a receiving school an amount equal to the base amount contained in subdivision 4001(16) of this title multiplied by the sum of one and any weights applicable to the resident student under section 4010 of this title for each resident student attending the receiving school. If a payment made to a public elementary school is three percent more or less than the calculated net cost per elementary pupil in the receiving school district for the year of attendance, the district shall be reimbursed, credited, or refunded pursuant to section 836 of this title. Notwithstanding the provisions of this subsection or of subsection 825(b) of this title, the boards of both the receiving~~



~~and sending districts may enter into tuition agreements with terms differing from the provisions of those subsections, provided that the receiving district must offer identical terms to all sending districts, and further provided that the statutory provisions apply to any sending district that declines the offered terms.~~

(b) ~~Unless the electorate of a school district authorizes payment of a higher amount at an annual or special meeting warned for the purpose, the tuition paid to an approved independent elementary school or an independent school meeting education quality standards shall not exceed the least of:~~

~~(1) the average announced tuition of Vermont union elementary schools for the year of attendance;~~

~~(2) the tuition charged by the approved independent school for the year of attendance; or~~

~~(3) the average per-pupil tuition the district pays for its other resident elementary students in the year in which the student is enrolled in the approved independent school. [Repealed.]~~

## Sec. 22. REPEALS; TUITION

16 V.S.A. §§ 824 (high school tuition), 825 (maximum tuition rate; calculated net cost per pupil defined), 826 (notice of tuition rates; special education charges), and 836 (tuition overcharge or undercharge) are repealed on July 1, 2027.

\* \* \* State Funding of Public Education \* \* \*

Sec. 23. 16 V.S.A. § 4001 is amended to read:

### § 4001. DEFINITIONS

As used in this chapter:

(1) ~~“Average daily membership” of a school district or, if needed in order to calculate the appropriate homestead tax rate, of the municipality as defined in 32 V.S.A. § 5401(9), in any year means:~~

\* \* \*

~~(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 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). [Repealed.]~~

\* \* \*

~~(13) “Base education Categorical base amount” means a number used to calculate categorical grants awarded under this title that is equal to \$6,800.00 per equalized pupil, adjusted as required under section 4011 of this title.~~

~~(14) “Per pupil education spending” of a school district in any school year means the per pupil education spending of that school district as determined under subsection 4010(f) of this title. [Repealed.]~~

\* \* \*

(16) “Base amount” means a per pupil amount of \$14,541.00, which shall be adjusted for inflation annually on or before November 15 by the Secretary of Education. As used in this subdivision, “adjusted for inflation” means adjusting the base dollar amount by the National Income and Product Accounts (NIPA) implicit price deflator for state and local government 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, and rounding upward to the nearest whole dollar amount.

(17) “Educational opportunity payment” means the base amount multiplied by the school district’s weighted long-term membership as determined under section 4010 of this title.

Sec. 24. 16 V.S.A. § 4010 is amended to read:

§ 4010. DETERMINATION OF WEIGHTED LONG-TERM MEMBERSHIP  
AND PER-PUPIL EDUCATION SPENDING EDUCATIONAL  
OPPORTUNITY PAYMENT

(a) Definitions. As used in this section:

(1) “EL pupils” means pupils described under section 4013 of this title.

(2) “FPL” means the Federal Poverty Level.

(3) “Weighting categories” means the categories listed under subsection (b) of this section.

(4) “English language proficiency level” means each of the English language proficiency levels published as a standardized measure of academic language proficiency in WIDA ACCESS for ELLs 2.0 and available to members of the WIDA consortium of state departments of education.

(5) “Newcomer or SLIFE” means a pupil identified as a New American or as a student with limited or interrupted formal education.

(b) Determination of average daily membership and weighting categories. On or before the first day of December during each school year, the Secretary shall determine the average daily membership, as defined in subdivision 4001(1) of this title, of each school district for the current school year and shall perform the following tasks.

(1) Using average daily membership, list for each school district the number of:

(A) pupils in prekindergarten;

(B) pupils in kindergarten through grade five;

(C) pupils in grades six through eight;

(D) pupils in grades nine through 12;

(E) pupils whose families are at or below 185 percent of FPL, using the highest number of pupils in the district:

(i) that meet this definition under the universal income declaration form; or

(ii) who are directly certified for free and reduced-priced meals;  
and

(F) EL pupils who have been most recently assessed at an English language proficiency level of:

(i) Level 1;

(ii) Level 2 or 3;

(iii) Level 4; or

(iv) Level 5 or 6; and

(G) EL pupils who are identified as Newcomer or SLIFE.

(2)(A) Identify all school districts that have low population density, measured by the number of persons per square mile residing within the land

area of the geographic boundaries of the district as of July 1 of the year of determination, equaling:

~~(i) fewer than 36 persons per square mile;~~

~~(ii) 36 or more persons per square mile but fewer than 55 persons per square mile; or~~

~~(iii) 55 or more persons per square mile but fewer than 100 persons per square mile.~~

(B) Population density data shall be based on the best available U.S. Census data as provided to the Agency of Education by the Vermont Center for Geographic Information.

~~(C) Using average daily membership, list for each school district that has low population density the number of pupils in each of subdivisions (A)(i)–(iii) of this subdivision (2). [Repealed.]~~

(3)(A) Identify all school districts that have one or more small schools, which are schools that have an average two-year enrollment of:

~~(i) fewer than 100 pupils; or~~

~~(ii) 100 or more pupils but fewer than 250 pupils.~~

(B) As used in subdivision (A) of this subdivision (3), “average two-year enrollment” means the average enrollment of the two most recently completed school years, and “enrollment” means the number of pupils who are enrolled in a school operated by the district on October 1. A pupil shall be counted as one whether the pupil is enrolled as a full-time or part-time student.

~~(C) Using average two-year enrollment, list for each school district that has a small school the number of pupils in each of subdivisions (A)(i)–(ii) of this subdivision (3) small school.~~

(c) Reporting on weighting categories to the Agency of Education. Each school district shall annually report to the Agency of Education by a date established by the Agency the information needed in order for the Agency to compute the weighting categories under subsection (b) of this section for that district. In order to fulfill this obligation, a school district that pays public tuition on behalf of a resident student (sending district) to a public school in another school district, an approved independent school, or an out-of-state school (each a receiving school) may request the receiving school to collect this information on the sending district’s resident student, and if requested, the receiving school shall provide this information to the sending district in a timely manner.

(d) Determination of weighted long-term membership. For each weighting category except the small schools weighting category under subdivision (b)(3) of this section, the Secretary shall compute the weighting count by using the long-term membership, as defined in subdivision 4001(7) of this title, in that category.

(1) ~~The Secretary shall first apply grade~~ Grade-level weights. Each pupil included in long-term membership shall ~~count as one, multiplied by the following amounts~~ receive an additional weighting amount, based on the pupil's grade level, of:

(A) ~~prekindergarten—negative 0.54~~ 0.02, if the pupil is in one of grades six through eight; and

(B) ~~grades six through eight—0.36; and~~

(C) ~~grades nine through 12—0.39~~ 0.10, if the pupil is in one of grades nine through 12.

(2) ~~The Secretary shall next apply a~~ Economic disadvantage weight for pupils whose family is at or below 185 percent of FPL. Each pupil included in long-term membership whose family is at or below 185 percent of FPL shall receive an additional weighting amount of ~~1.03~~ 1.02.

(3) ~~The Secretary shall next apply a~~ EL proficiency weight for EL pupils. Each EL pupil included in long-term membership shall receive an additional weighting amount, based on the EL pupil's English language proficiency level, of ~~2.49~~:

(A) 2.11, if assessed as Level 1;

(B) 1.41, if assessed as Level 2 or 3;

(C) 1.20, if assessed as Level 4; or

(D) 0.12, if assessed as Level 5 or 6.

(4) ~~The Secretary shall then apply a weight for pupils living in low population density school districts~~ EL Newcomer/SLIFE weight. Each EL pupil who is a Newcomer or SLIFE included in long-term membership ~~residing in a low population density school district, measured by the number of persons per square mile residing within the land area of the geographic boundaries of the district as of July 1 of the year of determination,~~ shall receive an additional weighting amount of: 0.42

(A) 0.15, where the number of persons per square mile is fewer than 36 persons;

~~(B) 0.12, where the number of persons per square mile is 36 or more but fewer than 55 persons; or~~

~~(C) 0.07, where the number of persons per square mile is 55 or more but fewer than 100.~~

~~(5) The Secretary shall lastly apply a Small school weight for pupils who attend a small school. If the number of persons per square mile residing within the land area of the geographic boundaries of a school district as of July 1 of the year of determination is fewer than 55 or fewer, then, for each pupil listed under subdivision (b)(3)(C) of this section (pupils who attend small schools):~~

~~(A) where the school has fewer than 100 pupils in average two-year enrollment, the school district shall receive an additional weighting amount of 0.21 for each pupil included in the small school's average two-year enrollment; or~~

~~(B) where the small school has 100 or more but fewer than 250 pupils, the school district shall receive an additional weighting amount of 0.07 for each pupil included in the small school's average two-year enrollment.~~

~~(6) A school district's weighted long-term membership shall equal long-term membership plus the cumulation of the weights assigned by the Secretary under this subsection.~~

~~\* \* \*~~

~~(f) Determination of per pupil education spending educational opportunity payment. As soon as reasonably possible after a school district budget is approved by voters, the Secretary shall determine the per pupil education spending for the next fiscal year for the school district. Per pupil education spending shall equal a school district's education spending divided by its weighted long-term membership The Secretary shall determine each school district's educational opportunity payment by multiplying the school district's weighted long-term membership determined under subsection (d) of this section by the base amount.~~

~~\* \* \*~~

~~(h) Updates to weights. On or before January 1, 2027 and on or before January 1 of every fifth year thereafter, the Agency of Education and the Joint Fiscal Office shall calculate, based on their consensus view, updates to the weights to account for cost changes underlying those weights and shall issue a written report on their work to the House and Senate Committees on Education, the House Committee on Ways and Means, and the Senate Committee on Finance. The General Assembly shall update the weights under~~

~~this section and transportation reimbursement under section 4016 of this title not less than every five years and the implementation date for the updated weights and transportation reimbursement shall be delayed by a year in order to provide school districts with time to prepare their budgets. Updates to the weights may include recalibration, recalculation, adding or eliminating weights, or any combination of these actions. [Repealed.]~~

Sec. 25. 16 V.S.A. § 4010 is amended to read:

§ 4010. DETERMINATION OF WEIGHTED LONG-TERM MEMBERSHIP  
AND EDUCATIONAL OPPORTUNITY PAYMENT

(a) Definitions. As used in this section:

(1) “EL pupils” means pupils described under section 4013 of this title.

(2) “FPL” means the Federal Poverty Level.

(3) “Weighting categories” means the categories listed under subsection (b) of this section.

(4) “English language proficiency level” means each of the English language proficiency levels published as a standardized measure of academic language proficiency in WIDA ACCESS for ELLs 2.0 and available to members of the WIDA consortium of state departments of education.

(5) “Newcomer or SLIFE” means a pupil identified as a New American or as a student with limited or interrupted formal education.

(6) “CTE pupils” means pupils eligible for career technical education pursuant to 16 V.S.A. chapter 37.

(b) Determination of average daily membership and weighting categories. On or before the first day of December during each school year, the Secretary shall determine the average daily membership, as defined in subdivision 4001(1) of this title, of each school district for the current school year and shall perform the following tasks.

\* \* \*

(4) Using full-time equivalent (FTE) counts, list for each school district the number of CTE pupils.

\* \* \*

(d) Determination of weighted long-term membership. For each weighting category except the small schools weighting category under subdivision (b)(3) of this section, the Secretary shall compute the weighting count by using the

long-term membership, as defined in subdivision 4001(7) of this title, in that category.

\* \* \*

(6) CTE weight. The school district shall receive an additional weighting amount of 1.00 for each FTE CTE pupil listed under subdivision (b)(4) of this section.

(7) A school district's weighted long-term membership shall equal long-term membership plus the cumulation of the weights assigned by the Secretary under this subsection.

\* \* \*

Sec. 26. 16 V.S.A. § 4011 is amended to read:

§ 4011. EDUCATION PAYMENTS

(a) Annually, the General Assembly shall appropriate funds to pay for ~~statewide education spending~~ each school district's educational opportunity payment and supplemental district spending, as defined in 32 V.S.A. § 5401, and a portion of a ~~base education~~ categorical base amount for each adult education and secondary credential program student.

(b) For each fiscal year, the categorical ~~base education~~ amount shall be \$6,800.00, which shall be adjusted for inflation annually on or before November 15 by the Secretary of Education. As used in this subsection, "adjusted for inflation" means adjusting the categorical base dollar amount by the National Income and Product Accounts (NIPA) implicit price deflator for state and local government 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, and rounding upward to the nearest whole dollar amount.

(c) Annually, each school district shall receive ~~an education spending payment~~ for support of education costs its educational opportunity payment determined pursuant to subsection 4010(f) of this chapter and a dollar amount equal to its supplemental district spending, if applicable to that school district, as defined in 32 V.S.A. § 5401. ~~An unorganized town or gore shall receive an amount equal to its per pupil education spending for that year for each student. No district shall receive more than its education spending amount.~~

(d) [Repealed.]

(e) [Repealed.]



(f) Annually, the Secretary shall pay to a local adult education and literacy provider, as defined in section 942 of this title, that provides an adult education and secondary credential program an amount equal to 26 percent of the categorical base education amount for each student who completes the diagnostic portions of the program, based on an average of the previous two years; 40 percent of the payment required under this subsection shall be from State funds appropriated from the Education Fund and 60 percent of the payment required under this subsection shall be from State funds appropriated from the General Fund.

\* \* \*

(i) Annually, on or before October 1, the Secretary shall send to school boards for inclusion in town reports and publish on the Agency website ~~the following information:~~

~~(1) the statewide average district per pupil education spending for the current fiscal year; and~~

(2) a statewide comparison of student-teacher ratios among schools that are similar in number of students and number of grades.

Sec. 26a. EDUCATIONAL OPPORTUNITY PAYMENTS; TRANSITION;  
FYS 2028–2031;

(a) Notwithstanding 16 V.S.A. § 4001(16), in each of fiscal years 2028, 2029, 2030, and 2031, the educational opportunity payment for a school district shall equal the educational opportunity payment for the school district as calculated pursuant to 16 V.S.A. § 4010(f) plus a yearly adjustment equal to:

(1) in fiscal year 2028, the transition gap multiplied by 0.80;

(2) in fiscal year 2029, the transition gap multiplied by 0.60;

(3) in fiscal year 2030, the transition gap multiplied by 0.40; and

(4) in fiscal year 2031, the transition gap multiplied by 0.20.

(b) As used in this section:

(1) “Adjusted for inflation” means adjusting the school district’s education spending by the National Income and Product Accounts (NIPA) implicit price deflator for state and local government 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 and rounding upward to the nearest whole dollar amount.

(2) “Transition gap” means the amount, whether positive or negative, that results from subtracting the school district’s educational opportunity payment as calculated pursuant to 16 V.S.A. § 4010(f) from the school district’s education spending in fiscal year 2025, as adjusted for inflation. The school district’s education spending shall be adjusted for inflation annually on or before November 15 by the Secretary of Education.

Sec. 27. 16 V.S.A. § 4025 is amended to read:

§ 4025. EDUCATION FUND

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

(1) all revenue paid to the State from the statewide education tax on nonhomestead and homestead property under 32 V.S.A. chapter 135;

(2) all revenue paid to the State from the supplemental district spending tax imposed pursuant to 32 V.S.A. § 5402(f);

\* \* \*

(b) Monies in the Education Fund shall be used for the following:

\* \* \*

~~(3) To make payments required under 32 V.S.A. § 6066(a)(1) and only that portion attributable to education taxes, as determined by the Commissioner of Taxes, of payments required under 32 V.S.A. § 6066(a)(3). The State Treasurer shall withdraw funds from the Education Fund upon warrants issued by the Commissioner of Finance and Management based on information supplied by the Commissioner of Taxes. The Commissioner of Finance and Management may draw warrants for disbursements from the Fund in anticipation of receipts. All balances in the Fund at the end of any fiscal year shall be carried forward and remain a part of the Fund. Interest accruing from the Fund shall remain in the Fund.~~

\* \* \*

Sec. 28. 16 V.S.A. § 4026 is amended to read:

§ 4026. EDUCATION FUND BUDGET STABILIZATION RESERVE;  
~~CREATION AND PURPOSE~~

\* \* \*

~~(c) The enactment of this chapter and other provisions of the Equal Educational Opportunity Act of which it is a part have been premised upon estimates of balances of revenues to be raised and expenditures to be made under the act for such purposes as education spending payments, categorical~~

~~State support grants, provisions for property tax income sensitivity, payments in lieu of taxes, current use value appraisals, tax stabilization agreements, the stabilization reserve established by this section, and for other purposes. If the stabilization reserve established under this section should in any fiscal year be less than 5.0 percent of the prior fiscal year's appropriations from the Education Fund, as defined in subsection (b) of this section, the Joint Fiscal Committee shall review the information provided pursuant to 32 V.S.A. § 5402b and provide the General Assembly its recommendations for change necessary to restore the stabilization reserve to the statutory level provided in subsection (b) of this section.~~

Sec. 29. 16 V.S.A. § 4028 is amended to read:

§ 4028. FUND PAYMENTS TO SCHOOL DISTRICTS

(a) ~~On or before September 10, December 10, and April 30 of each school year, one-third of the education spending payment under section 4011 of this title each school district's educational opportunity payment as determined under subsection 4010(f) of this chapter and supplemental district spending, as defined in 32 V.S.A. § 5401, shall become due to school districts, except that districts that have not adopted a budget by 30 days before the date of payment under this subsection shall receive one-quarter of the base education amount and upon adoption of a budget shall receive additional amounts due under this subsection.~~

(b) Payments made for special education under chapter 101 of this title, for career technical education under chapter 37 of this title, and for other aid and categorical grants paid for support of education shall also be from the Education Fund.

~~(c)(1) Any district that has adopted a school budget that includes high spending, as defined in 32 V.S.A. § 5401(12), shall, upon timely notice, be authorized to use a portion of its high spending penalty to reduce future education spending:~~

~~(A) by entering into a contract with an operational efficiency consultant or a financial systems consultant to examine issues such as transportation arrangements, administrative costs, staffing patterns, and the potential for collaboration with other districts;~~

~~(B) by entering into a contract with an energy or facilities management consultant; or~~

~~(C) by engaging in discussions with other school districts about reorganization or consolidation for better service delivery at a lower cost.~~

~~(2) To the extent approved by the Secretary, the Agency shall pay the district from the property tax revenue to be generated by the high spending increase to the district's spending adjustment as estimated by the Secretary, up to a maximum of \$5,000.00. For the purposes of this subsection, "timely notice" means written notice from the district to the Secretary by September 30 of the budget year. If the district enters into a contract with a consultant pursuant to this subsection, the consultant shall not be an employee of the district or of the Agency. A copy of the consultant's final recommendations or a copy of the district's recommendations regarding reorganization, as appropriate, shall be submitted to the Secretary, and each affected town shall include in its next town report an executive summary of the consultant's or district's final recommendations and notice of where a complete copy is available. No district is authorized to obtain funds under this section more than one time in every five years. [Repealed.]~~

\* \* \*

Sec. 30. 16 V.S.A. § 563 is amended to read:

§ 563. POWERS OF SCHOOL BOARDS; FORM OF VOTE

The school board of a school district, in addition to other duties and authority specifically assigned by law:

\* \* \*

(11)(A) Shall prepare and distribute annually a proposed budget for the next school year according to such major categories as may from time to time be prescribed by the Secretary.

(B) [Repealed.]

(C) At a school district's annual or special meeting, the electorate may vote to provide notice of availability of the school budget required by this subdivision to the electorate in lieu of distributing the budget. If the electorate of the school district votes to provide notice of availability, it must specify how notice of availability shall be given, and such notice of availability shall be provided to the electorate at least 30 days before the district's annual meeting. The proposed budget shall be prepared and distributed at least ~~ten~~ 10 days before a sum of money is voted on by the electorate. Any proposed budget shall show the following information in a format prescribed by the Secretary:

(i) all revenues from all sources, and expenses, including as separate items any assessment for a supervisory union of which it is a member and any tuition to be paid to a career technical center; and including the report

required in subdivision 242(4)(D) of this title itemizing the component costs of the supervisory union assessment;

(ii) the specific amount of any deficit incurred in the most recently closed fiscal year and how the deficit was or will be remedied;

(iii) the anticipated homestead tax rate and nonhomestead tax rate ~~the percentage of household income used to determine income sensitivity in the district as a result of passage of the budget, including those portions of the tax rate attributable to supervisory union assessments;~~ and

(iv) the definition of “~~education spending~~ supplemental district spending,” ~~the number of pupils and number of equalized pupils in long-term membership of the school district, and the district’s education spending per equalized pupil~~ supplemental district spending in the proposed budget and in each of the prior three years; and

(v) the supplemental district spending yield.

(D) The board shall present the budget to the voters by means of a ballot in the following form:

“Article #1 (School Budget):

Shall the voters of the school district approve the school board to expend \$ \_\_\_\_\_, which is the amount the school board has determined to be necessary in excess of the school district’s educational opportunity payment for the ensuing fiscal year?

The \_\_\_\_\_ District estimates that this proposed budget, if approved, will result in per pupil ~~education~~ supplemental district spending of \$ \_\_\_\_\_, which is \_\_\_\_\_% higher/lower than per pupil ~~education~~ supplemental district spending for the current year, and a supplemental district spending tax rate of \_\_\_\_\_ per \$100.00 of equalized education property value.”

\* \* \*

#### Sec. 31. REPEALS

(a) 16 V.S.A. § 4031 (unorganized towns and gores) is repealed.

(b) 2022 Acts and Resolves No. 127, Sec. 8 (suspension of excess spending penalty, hold harmless provision, and ballot language requirement) is repealed.

Sec. 32. 16 V.S.A. § 4032 is added to read

§ 4032. SUPPLEMENTAL DISTRICT SPENDING RESERVE

(a) There is hereby created the Supplemental District Spending Reserve within the Education Fund. Any recapture, as defined in 32 V.S.A. § 5401, paid to the Education Fund as part of the revenue from the supplemental district spending tax imposed pursuant to 32 V.S.A. § 5402(f) shall be reserved within the Supplemental District Spending Reserve.

(b) In any fiscal year in which the amounts raised through the supplemental district spending tax imposed pursuant to 32 V.S.A. § 5402(f) are insufficient to cover payment to each school district of its supplemental district spending, the Supplemental District Spending Reserve shall be used by the Commissioner of Finance and Management to the extent necessary to offset the deficit as determined by generally accepted accounting principles.

(c) Any funds remaining in the Supplemental District Spending Reserve at the close of the fiscal year after accounting for the process under subsection (b) of this section shall be transferred into the School Construction Aid Special Fund established in section 3444 of this title.

#### Sec. 33. AGENCY OF EDUCATION; TRANSPORTATION REIMBURSEMENT GUIDELINES

On or before December 15, 2025, the Agency of Education shall submit a written report to the House Committees on Ways and Means and on Education and the Senate Committees on Finance and on Education on clear and equitable guidelines for minimum transportation to be provided and covered by transportation reimbursement grant under 16 V.S.A. § 4016 as part of Vermont's education transformation.

#### Sec. 34. REPORT; JOINT FISCAL OFFICE; INFLATIONARY MEASURES; PREKINDERGARTEN EDUCATION FUNDING

(a) On or before December 15, 2025, the Joint Fiscal Office shall submit a report to the House Committees on Ways and Means and on Education and the Senate Committees on Finance and on Education that analyzes the National Income and Product Accounts (NIPA) implicit price deflator for state and local government consumption expenditures and gross investment published by the U.S. Department of Commerce, Bureau of Economic Analysis, and alternative inflationary measures that may be applied to state education funding systems. As part of the report, the Joint Fiscal Office shall analyze options and provide considerations for selecting an inflationary measure appropriate to Vermont's education funding system.

(b) On or before December 15, 2025, the Joint Fiscal Office shall submit a report to the House Committee on Ways and Means, the Senate Committee on Finance, and the House and Senate Committees on Education on the current

funding systems for prekindergarten education, the Child Care Financial Assistance Program, or any other early care and learning systems. The report shall review financial incentives in these existing early care and learning systems. As part of the report, the Joint Fiscal Office shall provide considerations for changing the funding streams associated with these early care and learning systems to align with the education transformation initiatives envisioned in this act.

Sec. 35. 32 V.S.A. § 5414 is amended to read:

§ 5414. CREATION; EDUCATION FUND ADVISORY COMMITTEE

\* \* \*

(e) Meetings.

(1) The Commissioner of Taxes shall call the first meeting of the Committee to occur on or before July 15, 2025 2027.

\* \* \*

\* \* \* Education Property Tax Rate Formula \* \* \*

Sec. 36. 32 V.S.A. § 5401 is amended to read:

§ 5401. DEFINITIONS

As used in this chapter:

\* \* \*

(8) ~~“Education spending” means “education spending” as defined in 16 V.S.A. § 4001(6).~~ [Repealed.]

\* \* \*

(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 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, 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.~~ [Repealed.]

~~(13)(A) “Education property tax spending adjustment” means the greater of one or a fraction in which the numerator is the district’s per pupil education spending plus excess spending for the school year, and the denominator is the property dollar equivalent yield for the school year, as defined in subdivision (15) of this section.~~

~~(B) “Education income tax spending adjustment” means the greater of one or a fraction in which the numerator is the district’s per pupil education spending plus excess spending for the school year, and the denominator is the income dollar equivalent yield for the school year, as defined in subdivision (16) of this section. [Repealed.]~~

\* \* \*

~~(15) “Property dollar equivalent yield” means the amount of per pupil education spending that would result if the homestead tax rate were \$1.00 per \$100.00 of equalized education property value and the statutory reserves under 16 V.S.A. § 4026 and section 5402b of this title were maintained. [Repealed.]~~

~~(16) “Income dollar equivalent yield” means the amount of per pupil education spending that would result if the income percentage in subdivision 6066(a)(2) of this title were 2.0 percent and the statutory reserves under 16 V.S.A. § 4026 and section 5402b of this title were maintained. [Repealed.]~~

~~(17) “Statewide adjustment” means the ratio of the aggregate education property tax grand list of all municipalities to the aggregate value of the equalized education property tax grand list of all municipalities. [Repealed.]~~

~~(18) “Recapture” means the amount of revenue raised through imposition of the supplemental district spending tax pursuant to subsection 5402(f) of this chapter that is in excess of the school district’s supplemental district spending.~~

~~(19) “Supplemental district spending” means the spending that the voters of a school district approve in excess of the school district’s educational opportunity payment, as defined in 16 V.S.A. § 4001(17), for the fiscal year, provided that the voters of a school district other than an interstate school district shall not approve spending in excess of 10 percent of the product of the base amount, as defined in 16 V.S.A. § 4001(16), and the school district’s long-term membership.~~

~~(20) “Supplemental district spending yield” means the amount of property tax revenue per long-term membership as defined in 16 V.S.A. § 4001(7) that would be raised in the school district with the lowest taxing capacity using a supplemental district spending tax rate of \$1.00 per \$100.00 of equalized education property value.~~



(21) “Per pupil supplemental district spending” means the per pupil amount of supplemental district spending resulting from dividing a school district’s supplemental district spending by its long-term membership as defined in 16 V.S.A. § 4001(7).

(22) “School district with the lowest taxing capacity” means the school district other than an interstate school district anticipated to have the lowest aggregate equalized education property tax grand list of its municipal members per long-term membership as defined in 16 V.S.A. § 4001(7) in the following fiscal year.

Sec. 37. 32 V.S.A. § 5402 is amended to read:

§ 5402. EDUCATION PROPERTY TAX LIABILITY

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

~~(1) The tax rate for nonhomestead property shall be \$1.59 per \$100.00 divided by the statewide adjustment.~~

~~(2) The tax rate for homestead property shall be \$1.00 multiplied by the education property tax spending adjustment for the municipality per \$100.00 of equalized education property value as most recently determined under section 5405 of this title. The homestead property tax rate for each municipality that is a member of a union or unified union school district shall be calculated as required under subsection (e) of this section. a uniform tax rate for nonhomestead property and a uniform tax rate for homestead property set sufficient to cover expenditures from the Education Fund other than supplemental district spending, after accounting for the forecasted available revenues. It is the intention of the General Assembly that the nonhomestead property tax rate and the homestead property tax rate under this section shall be adopted for each fiscal year by act of the General Assembly.~~

(b) The statewide education tax shall be calculated as follows:

(1) The Commissioner of Taxes shall determine for each municipality the education tax rates under subsection (a) of this section divided by the ~~number resulting from dividing the~~ municipality’s most recent common level of appraisal ~~by the statewide adjustment~~. The legislative body in each municipality shall then bill each property taxpayer at the homestead or nonhomestead rate determined by the Commissioner under this subdivision, multiplied by the education property tax grand list value of the property, properly classified as homestead or nonhomestead property and without regard to any other tax classification of the property. Statewide education property tax bills shall show the tax due and the calculation of the rate determined under

subsection (a) of this section, divided by ~~the number resulting from dividing~~ the municipality's most recent common level of appraisal ~~by the statewide adjustment~~, multiplied by the current grand list value of the property to be taxed. Statewide education property tax bills shall also include language provided by the Commissioner pursuant to subsection 5405(g) of this title.

(2) Taxes assessed under this section shall be assessed and collected in the same manner as taxes assessed under chapter 133 of this title with no tax classification other than as homestead or nonhomestead property; provided, however, that the tax levied under this chapter shall be billed to each taxpayer by the municipality in a manner that clearly indicates the tax is separate from any other tax assessed and collected under chapter 133, including an itemization of the separate taxes due. The bill may be on a single sheet of paper with the statewide education tax and other taxes presented separately and side by side.

~~(3) If a district has not voted a budget by June 30, an interim homestead education tax shall be imposed at the base rate determined under subdivision (a)(2) of this section, divided by the number resulting from dividing the municipality's most recent common level of appraisal by the statewide adjustment, but without regard to any spending adjustment under subdivision 5401(13) of this title. Within 30 days after a budget is adopted and the deadline for reconsideration has passed, the Commissioner shall determine the municipality's homestead tax rate as required under subdivision (1) of this subsection. [Repealed.]~~

(c)(1) The treasurer of each municipality shall by December 1 of the year in which the tax is levied and on June 1 of the following year pay to the State Treasurer for deposit in the Education Fund one-half of the municipality's statewide nonhomestead tax and one-half of the municipality's homestead education tax, as determined under subdivision (b)(1) of this section.

(2) The Secretary of Education shall determine each municipality's net nonhomestead education tax payment and its net homestead education tax payment to the State based on grand list information received by the Secretary not later than the March 15 prior to the June 1 net payment. Payment shall be accompanied by a return prescribed by the Secretary of Education. Each municipality may retain 0.225 of one percent of the total education tax collected, only upon timely remittance of net payment to the State Treasurer or to the applicable school district or districts.

(d) [Repealed.]

~~(e) The Commissioner of Taxes shall determine a homestead education tax rate for each municipality that is a member of a union or unified union school district as follows:~~

~~(1) For a municipality that is a member of a unified union school district, use the base rate determined under subdivision (a)(2) of this section and a spending adjustment under subdivision 5401(13) of this title based upon the per pupil education spending of the unified union.~~

~~(2) For a municipality that is a member of a union school district:~~

~~(A) Determine the municipal district homestead tax rate using the base rate determined under subdivision (a)(2) of this section and a spending adjustment under subdivision 5401(13) of this title based on the per pupil education spending in the municipality who attends a school other than the union school.~~

~~(B) Determine the union district homestead tax rate using the base rate determined under subdivision (a)(2) of this section and a spending adjustment under subdivision 5401(13) of this title based on the per pupil education spending of the union school district.~~

~~(C) Determine a combined homestead tax rate by calculating the weighted average of the rates determined under subdivisions (A) and (B) of this subdivision (2), with weighting based upon the ratio of union school long-term membership, as defined in 16 V.S.A. § 4001(7), from the member municipality to total long-term membership of the member municipality; and the ratio of long-term membership attending a school other than the union school to total long-term membership of the member municipality. Total long-term membership of the member municipality is based on the number of pupils who are legal residents of the municipality and attending school at public expense. If necessary, the Commissioner may adopt a rule to clarify and facilitate implementation of this subsection (e). [Repealed.]~~

(f)(1) A supplemental district spending tax is imposed on all homestead and nonhomestead property in each member municipality of a school district that approves spending pursuant to a budget presented to the voters of a school district under 16 V.S.A. § 563. The Commissioner of Taxes shall determine the supplemental district spending tax rate for each school district by dividing the school district's per pupil supplemental district spending as certified by the Secretary of Education by the supplemental district spending yield. The legislative body in each member municipality shall then bill each property taxpayer at the rate determined by the Commissioner under this subsection, divided by the municipality's most recent common level of appraisal and

multiplied by the current grand list value of the property to be taxed. The bill shall show the tax due and the calculation of the rate.

(2) The supplemental district spending tax assessed under this subsection shall be assessed and collected in the same manner as taxes assessed under chapter 133 of this title with no tax classification other than as homestead or nonhomestead property; provided, however, that the tax levied under this chapter shall be billed to each taxpayer by the municipality in a manner that clearly indicates the tax is separate from any other tax assessed and collected under chapter 133 and the statewide education property tax under this section, including an itemization of the separate taxes due. The bill may be on a single sheet of paper with the supplemental district spending tax, the statewide education tax, and other taxes presented separately and side by side.

(3) The treasurer of each municipality shall on or before December 1 of the year in which the tax is levied and on or before June 1 of the following year pay to the State Treasurer for deposit in the Education Fund one-half of the municipality's supplemental district spending tax, as determined under subdivision (1) of this subsection.

(4) The Secretary of Education shall determine each municipality's net supplemental district spending tax payment to the State based on grand list information received by the Secretary not later than the March 15 prior to the June 1 net payment. Payment shall be accompanied by a return prescribed by the Secretary of Education. Each municipality may retain 0.225 of one percent of the total supplemental district spending tax collected, only upon timely remittance of net payment to the State Treasurer or to the applicable school district.

Sec. 38. 32 V.S.A. § 5402b is amended to read:

§ 5402b. STATEWIDE EDUCATION TAX ~~YIELDS~~ RATES;  
SUPPLEMENTAL DISTRICT SPENDING YIELD;  
RECOMMENDATION OF THE COMMISSIONER

(a) Annually, not later than December 1, the Commissioner of Taxes, after consultation with the Secretary of Education, the Secretary of Administration, and the Joint Fiscal Office, shall calculate and recommend ~~a property dollar equivalent yield, an income dollar equivalent yield, and a nonhomestead property tax rate, a homestead property tax rate, and the supplemental district spending yield~~ for the following fiscal year. In making these calculations, the Commissioner shall assume: that the statutory reserves are maintained at five percent pursuant to 16 V.S.A. § 4026 and the amounts in the Supplemental District Spending Reserve are unavailable for any purpose other than that specified in 16 V.S.A. § 4032(b)

~~(1) the homestead base tax rate in subdivision 5402(a)(2) of this title is \$1.00 per \$100.00 of equalized education property value;~~

~~(2) the applicable percentage in subdivision 6066(a)(2) of this title is 2.0;~~

~~(3) the statutory reserves under 16 V.S.A. § 4026 and this section were maintained at five percent;~~

~~(4) the percentage change in the average education tax bill applied to nonhomestead property and the percentage change in the average education tax bill of homestead property and the percentage change in the average education tax bill for taxpayers who claim a credit under subsection 6066(a) of this title are equal;~~

~~(5) the equalized education grand list is multiplied by the statewide adjustment in calculating the property dollar equivalent yield; and~~

~~(6) the nonhomestead rate is divided by the statewide adjustment.~~

~~(b) For each fiscal year, the property dollar equivalent supplemental district spending yield and the income dollar equivalent yield shall be the same as in the prior fiscal year, unless set otherwise by the General Assembly.~~

\* \* \*

(d) Along with the recommendations made under this section, the Commissioner shall include:

(1) the base amount as defined in 16 V.S.A. § 4001(16);

(2) for each school district, the estimated long-term membership, weighted long-term membership, and aggregate equalized education property tax grand list of its municipal members;

(3) for each school district, the estimated aggregate equalized education property tax grand list of its municipal members per long-term membership;

(4) the estimated school district with the lowest taxing capacity; and

(5) the range of per pupil supplemental district spending between all districts in the State for the previous year.

\* \* \*

#### Sec. 39. TAX RATE TRANSITION; FYS 2028–2031

(a) Notwithstanding 32 V.S.A. § 5402, in each of fiscal years 2028, 2029, 2030, and 2031, the homestead property tax rate for a school district shall equal the homestead property tax rate imposed pursuant to 32 V.S.A. § 5402 plus a yearly adjustment equal to:

- (1) in fiscal year 2028, the transition gap multiplied by 0.80;
- (2) in fiscal year 2029, the transition gap multiplied by 0.60;
- (3) in fiscal year 2030, the transition gap multiplied by 0.40; and
- (4) in fiscal year 2031, the transition gap multiplied by 0.20.

(b) As used in this section, “transition gap” means the amount, whether positive or negative, that results from subtracting the uniform homestead property tax rate for fiscal year 2028 were it calculated assuming no tax rate transition under this section from the homestead property tax rate for the school district in fiscal year 2027.

\* \* \* Conforming Revisions; Statewide Property Tax Rate \* \* \*

Sec. 40. 32 V.S.A. § 5405(g) is amended to read:

(g) The Commissioner shall provide to municipalities for the front of property tax bills the ~~district~~ homestead property tax rate before equalization, the ~~nonresidential~~ nonhomestead property tax rate before equalization, and the calculation process that creates the equalized homestead and nonhomestead tax rates. The Commissioner shall further provide to municipalities for the back of property tax bills an explanation of the common level of appraisal, including its origin and purpose.

\* \* \* Statewide Property Tax Credit Repeal; Homestead Exemption  
Created \* \* \*

Sec. 41. 32 V.S.A. § 5400 is amended to read:

§ 5400. STATUTORY PURPOSES

\* \* \*

(c) The statutory purpose of the exemption for qualified housing in subdivision 5404a(a)(6) of this title is to ensure that taxes on this rent-restricted housing provided to Vermonters of low and moderate income are more equivalent to property taxed ~~using the State as a homestead rate property~~ and to adjust the costs of investment in rent-restricted housing to reflect more accurately the revenue potential of such property.

\* \* \*

(j) The statutory purpose of the homestead property tax exemption in subdivision 6066(a)(1) of this title is to reduce the property tax liability for Vermont households with low and moderate household income.

Sec. 42. 32 V.S.A. chapter 154 is amended to read:

CHAPTER 154. HOMESTEAD PROPERTY TAX EXEMPTION,  
MUNICIPAL PROPERTY TAX CREDIT, AND RENTER CREDIT

§ 6061. DEFINITIONS

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

(1) ~~“Property~~ Municipal property tax credit” means a credit of the prior tax year’s ~~statewide or municipal property tax liability or a homestead owner credit,~~ as authorized under ~~section~~ subdivision 6066(a)(2) of this title, ~~as the context requires~~ chapter.

\* \* \*

(8) ~~“Annual tax levy” means the property taxes levied on property taxable on April 1 and without regard to the year in which those taxes are due or paid. [Repealed.]~~

(9) “Taxable year” means the calendar year preceding the year in which the claim is filed.

(10) [Repealed.]

(11) “Housesite” means that portion of a homestead, as defined under subdivision 5401(7) of this title but not under subdivision 5401(7)(G) of this title, that includes as much of the land owned by the claimant surrounding the dwelling as is reasonably necessary for use of the dwelling as a home, but in no event more than two acres per dwelling unit, and, in the case of multiple dwelling units, not more than two acres per dwelling unit up to a maximum of 10 acres per parcel.

(12) “Claim year” means the year in which a claim is filed under this chapter.

(13) “Homestead” means a homestead as defined under subdivision 5401(7) of this title, but not under subdivision 5401(7)(G) of this title, and declared on or before October 15 in accordance with section 5410 of this title.

(14) ~~“Statewide education tax rate” means the homestead education property tax rate multiplied by the municipality’s education spending adjustment under subdivision 5402(a)(2) of this title and used to calculate taxes assessed in the municipal fiscal year that began in the taxable year. [Repealed.]~~

\* \* \*

(21) “Homestead property tax exemption” means a reduction in the amount of housesite value subject to the statewide education tax and the supplemental district spending tax in the claim year as authorized under sections 6066 and 6066a of this chapter.

§ 6062. NUMBER AND IDENTITY OF CLAIMANTS; APPORTIONMENT

\* \* \*

(d) Whenever a housesite is an integral part of a larger unit such as a farm or a multi-purpose or multi-dwelling building, property taxes paid shall be that percentage of the total property tax as the value of the housesite is to the total value. Upon a claimant's request, the listers shall certify to the claimant the value of ~~his or her~~ the claimant's homestead and housesite.

\* \* \*

§ 6063. CLAIM AS PERSONAL; CREDIT AND EXEMPTION AMOUNT AT TIME OF TRANSFER

(a) The right to file a claim under this chapter is personal to the claimant and shall not survive ~~his or her~~ the claimant's death, but the right may be exercised on behalf of a claimant by ~~his or her~~ the claimant's legal guardian or attorney-in-fact. When a claimant dies after having filed a timely claim, the municipal property tax credit and the homestead exemption amount shall be ~~credited~~ applied to the ~~homestead~~ property tax liability of the claimant's estate as provided in section 6066a of this title.

(b) In case of sale or transfer of a residence, after April 1 of the claim year:

(1) any municipal property tax credit ~~amounts~~ amount related to that residence shall be allocated to the ~~seller~~ transferor at closing unless the parties otherwise agree;

(2) any homestead property tax exemption related to that residence based on the transferor's household income under subdivision 6066(a)(1) of this chapter shall cease to be in effect upon transfer; and

(3) a transferee who is eligible to declare the residence as a homestead but for the requirement to own the residence on April 1 of the claim year shall, notwithstanding subdivision 5401(7) and subsection 5410(b) of this title, be eligible to apply for a homestead property tax exemption in the claim year when the transfer occurs by filing with the Commissioner of Taxes a homestead declaration pursuant to section 5410 of this title and a claim for exemption on or before the due date prescribed under section 6068 of this chapter.

\* \* \*



§ 6065. FORMS; TABLES; NOTICES

(a) In administering this chapter, the Commissioner shall provide suitable claim forms with tables of allowable claims, instructions, and worksheets for claiming a homestead property tax exemption and municipal property tax credit.

(b) Prior to June 1, the Commissioner shall also prepare and supply to each town in the State notices describing the homestead property tax exemption and municipal property tax credit for inclusion in property tax bills. The notice shall be in simple, plain language and shall explain how to file for a homestead property tax exemption and a municipal property tax credit, where to find assistance filing for a credit or an exemption, or both, and any other related information as determined by the Commissioner. The notice shall direct taxpayers to a resource where they can find versions of the notice translated into the five most common non-English languages in the State. A town shall include such notice in each tax bill and notice of delinquent taxes that it mails to taxpayers who own in that town a residential property, without regard for whether the property was declared a homestead pursuant to subdivision 5401(7) of this title.

(c) Notwithstanding the provisions of subsection (b) of this section, towns that use envelopes or mailers not able to accommodate notices describing the homestead property tax exemption and municipal property tax credit may distribute such notices in an alternative manner.

§ 6066. COMPUTATION OF HOMESTEAD PROPERTY TAX EXEMPTION, MUNICIPAL PROPERTY TAX CREDIT, AND RENTER CREDIT

~~(a) An eligible claimant who owned the homestead on April 1 of the year in which the claim is filed shall be entitled to a credit for the prior year's homestead property tax liability amount determined as follows:~~

~~(1)(A) For a claimant with household income of \$90,000.00 or more:~~

~~(i) the statewide education tax rate, multiplied by the equalized value of the housesite in the taxable year;~~

~~(ii) minus (if less) the sum of:~~

~~(I) the income percentage of household income for the taxable year; plus~~

~~(II) the statewide education tax rate, multiplied by the equalized value of the housesite in the taxable year in excess of \$225,000.00.~~

~~(B) For a claimant with household income of less than \$90,000.00 but more than \$47,000.00, the statewide education tax rate, multiplied by the equalized value of the housesite in the taxable year, minus (if less) the sum of:~~

~~(i) the income percentage of household income for the taxable year; plus~~

~~(ii) the statewide education tax rate, multiplied by the equalized value of the housesite in the taxable year in excess of \$400,000.00.~~

~~(C) For a claimant whose household income does not exceed \$47,000.00, the statewide education tax rate, multiplied by the equalized value of the housesite in the taxable year, minus the lesser of:~~

~~(i) the sum of the income percentage of household income for the taxable year plus the statewide education tax rate, multiplied by the equalized value of the housesite in the taxable year in excess of \$400,000.00; or~~

~~(ii) the statewide education tax rate, multiplied by the equalized value of the housesite in the taxable year reduced by \$15,000.00.~~

~~(2) “Income percentage” in this section means two percent, multiplied by the education income tax spending adjustment under subdivision 5401(13)(B) of this title for the property tax year that begins in the claim year for the municipality in which the homestead residence is located~~

(1) An eligible claimant who owned the homestead on April 1 of the claim year and whose household income does not exceed \$100,000.00 shall be entitled to a homestead property tax exemption in the claim year in an amount determined as follows:

<u>If household income (rounded to the nearest dollar) is:</u>	<u>then the claimant is entitled to a homestead property tax exemption against the first \$425,000.00 in housesite value of this percent:</u>
<u>\$0.00 — 9,999.00</u>	<u>99.00</u>
<u>\$10,000.00 — 14,999.00</u>	<u>97.00</u>
<u>\$15,000.00 — 24,999.00</u>	<u>95.00</u>
<u>\$25,000.00 — 39,999.00</u>	<u>90.00</u>
<u>\$40,000.00 — 44,999.00</u>	<u>85.00</u>
<u>\$45,000.00 — 49,999.00</u>	<u>80.00</u>

If household income (rounded to the nearest dollar) is:

then the claimant is entitled to a homestead property tax exemption against the first \$400,000.00 in housesite value of this percent:

<u>\$50,000.00 — 54,999.00</u>	<u>75.00</u>
<u>\$55,000.00 — 59,999.00</u>	<u>65.00</u>
<u>\$60,000.00 — 64,999.00</u>	<u>55.00</u>
<u>\$65,000.00 — 69,999.00</u>	<u>45.00</u>
<u>\$70,000.00 — 74,999.00</u>	<u>35.00</u>
<u>\$75,000.00 — 79,999.00</u>	<u>25.00</u>
<u>\$80,000.00 — 84,999.00</u>	<u>20.00</u>
<u>\$85,000.00 — 89,999.00</u>	<u>15.00</u>
<u>\$90,000.00 — 94,999.00</u>	<u>10.00</u>
<u>\$95,000.00 — 100,000.00</u>	<u>5.00</u>

(3)(2) A An eligible claimant who owned the homestead on April 1 of the claim year and whose household income does not exceed \$47,000.00 shall also be entitled to an additional a credit amount from against the claimant's municipal taxes for the upcoming fiscal year that is equal to the amount by which the municipal property taxes for the municipal fiscal year that began in the taxable year upon the claimant's housesite exceeds a percentage of the claimant's household income for the taxable year as follows:

If household income (rounded to the nearest dollar) is:

then the taxpayer is entitled to credit for the reduced property tax in excess of this percent of that income:

<u>\$0.00 — 9,999.00</u>	<u>1.50</u>
<u>\$10,000.00 — 47,000.00</u>	<u>3.00</u>

~~(4) A claimant whose household income does not exceed \$47,000.00 shall also be entitled to an additional credit amount from the claimant's statewide education tax for the upcoming fiscal year that is equal to the amount by which the education property tax for the municipal fiscal year that began in the taxable year upon the claimant's housesite, reduced by the credit amount determined under subdivisions (1) and (2) of this subsection, exceeds a percentage of the claimant's household income for the taxable year as follows:~~

If household income (rounded to the nearest dollar) is:

then the taxpayer is entitled to credit for the reduced property tax in excess of this percent of that income:

\$0.00 — 9,999.00	0.5
\$10,000.00 — 24,999.00	1.5
\$25,000.00 — 47,000.00	2.0

~~(5)(3) In no event shall the homestead property tax exemption provided for in subdivision (1) of this subsection reduce the housesite value below zero. In no event shall the municipal property tax credit provided for in subdivision (3) or (4)(2) of this subsection exceed the amount of the reduced municipal property tax. The credits under subdivision (4) of this subsection shall be calculated considering only the tax due on the first \$400,000.00 in equalized housesite value.~~

(4) Each dollar amount in subdivision (1) of this subsection shall be adjusted for inflation annually on or before November 15 by the Commissioner of Taxes. As used in this subdivision, "adjusted for inflation" means adjusting the dollar amount by the National Income and Product Accounts (NIPA) implicit price deflator for state and local government 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, and rounding upward to the nearest whole dollar amount.

(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, to be calculated as follows:

\* \* \*

(c) To be eligible for an adjustment exemption or credit under this chapter, the claimant:

(1) must have been domiciled in this State during the entire taxable year;

(2) may not be a person claimed as a dependent by any taxpayer under the federal Internal Revenue Code during the taxable year; and

(3) in the case of a renter, shall have rented property for at least six calendar months, which need not be consecutive, during the taxable year.

(d) The owner of a mobile home that is sited on a lot not owned by the homeowner may include an amount determined under subdivision 6061(7) of

this title as allocable rent paid on the lot with the amount of property taxes paid by the homeowner on the home for the purpose of computation of ~~credits~~ the municipal property tax credit under subdivision (a)(3)(2) of this section, unless the homeowner has included in the claim an amount of property tax on common land under the provisions of subsection (e) of this section.

(e) Property taxes paid by a cooperative, not including a mobile home park cooperative, allocable to property used as a homestead shall be attributable to the co-op member for the purpose of computing the ~~credit~~ of property tax liability of the co-op member under this section. Property owned by a cooperative declared as a homestead may only include the homestead and a pro rata share of any common land owned or leased by the cooperative, not to exceed the two-acre housesite limitation. The share of the cooperative's assessed value attributable to the housesite shall be determined by the cooperative and specified annually in a notice to the co-op member. Property taxes paid by a mobile home park cooperative, allocable to property used as a housesite, shall be attributed to the owner of the housesite for the purpose of computing the ~~credit~~ of property tax liability of the housesite owner under this section. Property owned by the mobile home park cooperative and declared as a housesite may only include common property of the cooperative contiguous with at least one mobile home lot in the park, not to exceed the two-acre housesite limitation. The share attributable to any mobile home lot shall be determined by the cooperative and specified in the cooperative agreement. A co-op member who is the housesite owner shall be entitled to a property tax credit in an amount determined by multiplying the property taxes allocated under this subsection by the percentage of the exemption for which the housesite owner's household income qualifies under subdivision (a)(1) of this section.

(f) [Repealed.]

(g) Notwithstanding subsection (d) of this section, if the land surrounding a homestead is owned by a nonprofit corporation or community land trust with tax exempt status under 26 U.S.C. § 501(c)(3), the homeowner may include an allocated amount as property tax paid on the land with the amount of property taxes paid by the homeowner on the home for the purposes of computation of ~~the credit~~ property tax liability under this section. The allocated amount shall be determined by the nonprofit corporation or community land trust on a proportional basis. The nonprofit corporation or community land trust shall provide to that homeowner, by January 31, a certificate specifying the allocated amount. The certificate shall indicate the proportion of total property tax on the parcel that was assessed for municipal property tax and for statewide property tax and the proportion of total value of the parcel. A homeowner

under this subsection shall be entitled to a property tax credit in an amount determined by multiplying the property taxes allocated under this subsection by the percentage of the exemption for which the homeowner's household income qualifies under subdivision (a)(1) of this section.

(h) A homestead owner shall be entitled to an additional property tax credit amount equal to one percent of the amount of income tax refund that the claimant elects to allocate to payment of homestead property tax under section 6068 of this title.

(i) Adjustments The homestead property tax exemption and the municipal property tax credit under subsection (a) of this section shall be calculated without regard to any exemption under subdivision 3802(11) of this title.

§ 6066a. DETERMINATION OF HOMESTEAD PROPERTY TAX  
EXEMPTION AND MUNICIPAL PROPERTY TAX CREDIT

(a) Annually, the Commissioner shall determine the homestead property tax exemption and the municipal property tax credit amount under section 6066 of this title, related to a homestead owned by the claimant, based on the prior taxable year's income and for the municipal property tax credit, crediting property taxes paid in the prior year, and for the homestead property tax exemption, exempting the housesite value in the claim year. The Commissioner shall notify the municipality in which the housesite is located of the amount of the homestead property tax exemption and municipal property tax credit for the claimant for homestead property tax liabilities on a monthly basis. The municipal property tax credit of a claimant who was assessed property tax by a town that revised the dates of its fiscal year, however, is the excess of the property tax that was assessed in the last 12 months of the revised fiscal year, over the adjusted property tax of the claimant for the revised fiscal year, as determined under section 6066 of this title, related to a homestead owned by the claimant.

(b) The Commissioner shall include in the total homestead property tax exemption and municipal property tax credit amount determined under subsection (a) of this section, for credit to the taxpayer for homestead property tax and supplemental district spending tax liabilities, any income tax overpayment remaining after allocation under section 3112 of this title and setoff under section 5934 of this title, which the taxpayer has directed to be used for payment of property taxes.

(c) The Commissioner shall notify the municipality of any claim and refund amounts unresolved by November 1 at the time of final resolution, including adjudication, if any; provided, however, that towns will not be

notified of any additional credit amounts after November 1 of the claim year, and such amounts shall be paid to the claimant by the Commissioner.

(d) [Repealed.]

(e) At the time of notice to the municipality, the Commissioner shall notify the taxpayer of the homestead property tax credit exemption amount determined under subdivision 6066(a)(1) of this title, ~~the amount determined under subdivision 6066(a)(3) of this title;~~ any additional municipal property credit amounts amount due the homestead owner under ~~section~~ subdivision 6066(a)(2) of this title; the amount of income tax refund, if any, allocated to payment of homestead property tax liabilities; and any late-claim reduction amount.

(f)(1) For taxpayers and amounts stated in the notice to towns on or before July 1, municipalities shall create and send to taxpayers a homestead property tax bill, instead of the bill required under subdivision 5402(b)(1) of this title, providing the total amount allocated to payment of homestead education property tax liabilities and notice of the balance due. Municipalities shall apply the amount of the homestead property tax exemption allocated under this chapter to current year property taxes in equal amounts to each of the taxpayers' property tax installments that include education taxes and the amount of the municipal property tax credit allocated under this chapter to current year municipal property taxes in equal amounts to each of the taxpayers' property tax installments that include municipal taxes. Notwithstanding section 4772 of this title, if a town issues a corrected bill as a result of the notice sent by the Commissioner under subsection (a) of this section, issuance of the corrected new bill does not extend the time for payment of the original bill nor relieve the taxpayer of any interest or penalties associated with the original bill. If the corrected bill is less than the original bill, and there are also no unpaid current year taxes, interest, or penalties, and no past year delinquent taxes or penalties and interest charges, any overpayment shall be reflected on the corrected tax bill and refunded to the taxpayer.

(2) For homestead property tax exemption and municipal property tax credit amounts for which municipalities receive notice after November 1, municipalities shall issue a new homestead property tax bill with notice to the taxpayer of the total amount allocated to payment of homestead property tax liabilities and notice of the balance due.

(3) The homestead property tax exemption and municipal property tax credit amount determined for the taxpayer shall be allocated first to current year housesite value and property tax on the homestead parcel, next to current-

year homestead parcel penalties and interest, next to any prior year homestead parcel penalties and interest, and last to any prior year housesite value and property tax on the homestead parcel. No homestead property tax exemption or municipal credit shall be allocated to a housesite value or property tax liability for any year after the year for which the claim or refund allocation was filed. No municipal tax-reduction incentive for early payment of taxes shall apply to any amount allocated to the property tax bill under this chapter.

(4) If the homestead property tax exemption or the municipal property tax credit amount as described in subsection (e) of this section exceeds the property tax, penalties, and interest due for the current and all prior years, the municipality shall refund the excess to the taxpayer, without interest, within 20 days of the first date upon which taxes become due and payable or 20 days after notification of the exemption or credit amount by the Commissioner of Taxes, whichever is later.

(g) The Commissioner of Taxes shall pay monthly to each municipality the amount of municipal property tax credit of which the municipality was last notified related to municipal property tax on homesteads within that municipality, as determined by the Commissioner of Taxes.

#### § 6067. CREDIT CLAIM LIMITATIONS

(a) Claimant. Only one individual per household per taxable year shall be entitled to a homestead exemption claim or property tax credit claim, or both, under this chapter.

(b) Other states. 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.

(c) Dollar amount. No ~~taxpayer claimant~~ shall receive a renter credit under subsection 6066(b) of this title in excess of \$2,500.00. No ~~taxpayer claimant~~ shall receive a municipal property tax credit under subdivision 6066(a)(3)(2) 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.~~

#### § 6068. APPLICATION AND TIME FOR FILING

(a) A homestead property tax exemption or municipal property tax credit claim or request for allocation of an income tax refund to homestead property tax payment shall be filed with the Commissioner on or before the due date for filing the Vermont income tax return, without extension, and shall describe the school district in which the homestead property is located and shall particularly describe the homestead property for which the exemption or credit ~~or allocation~~ is sought, including the school parcel account number prescribed



in subsection 5404(b) of this title. A renter credit claim shall be filed with the Commissioner on or before the due date for filing the Vermont income tax return, without extension.

(b)(1) If ~~the a~~ claimant files a municipal property tax credit claim after October 15 but on or before March 15 of the following calendar year, the municipal property tax credit under this chapter:

(1)(A) shall be reduced in amount by \$150.00, but not below \$0.00;

(2)(B) shall be issued directly to the claimant; and

(3)(C) shall not require the municipality where the claimant's property is located to issue an adjusted ~~homestead~~ property tax bill.

(2) If a claimant files a homestead property tax exemption claim under this chapter after October 15 but on or before March 15 of the following calendar year, the claimant shall pay a penalty of \$150.00 and the municipality where the claimant's property is located shall not be required to issue an adjusted property tax bill.

(c) No request for allocation of an income tax refund or for a renter credit claim may be made after October 15. No homestead property tax exemption or municipal property tax credit claim may be made after March 15 of the calendar year following the due date under subsection (a) of this section.

\* \* \*

#### § 6070. DISALLOWED CLAIMS

A claim shall be disallowed if the claimant received title to ~~his or her~~ the claimant's homestead primarily for the purpose of receiving benefits under this chapter.

#### § 6071. EXCESSIVE AND FRAUDULENT CLAIMS

(a) In any case in which it is determined under the provisions of this title that a claim is or was excessive and was filed with fraudulent intent, the claim shall be disallowed in full and the Commissioner may impose a penalty equal to the amount claimed. A disallowed claim may be recovered by assessment as income taxes are assessed. The assessment, including assessment of penalty, shall bear interest from the date the claim was credited against property tax or income tax or paid by the State until repaid by the claimant at the rate per annum established from time to time by the Commissioner pursuant to section 3108 of this title. The claimant in that case, and any person who assisted in the preparation of filing of such excessive claim or supplied information upon which the excessive claim was prepared, with

fraudulent intent, shall be fined not more than \$1,000.00 or be imprisoned not more than one year, or both.

(b) In any case in which it is determined that a claim is or was excessive, the Commissioner may impose a 10 percent penalty on such excess, and if the claim has been paid or credited against property tax or income tax otherwise payable, the municipal property tax credit or homestead exemption shall be reduced or canceled and the proper portion of any amount paid shall be similarly recovered by assessment as income taxes are assessed, and such assessment shall bear interest at the rate per annum established from time to time by the Commissioner pursuant to section 3108 of this title from the date of payment or, in the case of credit of a municipal property tax bill under section 6066a of this title, from December 1 of the year in which the claim is filed until refunded or paid.

\* \* \*

#### § 6073. ~~REGULATIONS~~ RULES OF THE COMMISSIONER

The Commissioner may, from time to time, issue adopt, amend, and withdraw ~~regulations~~ rules interpreting and implementing this chapter.

#### § 6074. AMENDMENT OF CERTAIN CLAIMS

At any time within three years after the date for filing claims under subsection 6068(a) of this chapter, a claimant who filed a claim by October 15 may file to amend that claim with regard to housesite value, ~~housesite education tax~~, housesite municipal tax, and ownership percentage or to correct the amount of household income reported on that claim.

#### Sec. 43. DEPARTMENT OF TAXES; HOMESTEAD DECLARATION; SAMPLE FORM;

On or before December 15, 2025, the Department of Taxes shall provide to the House Committee on Ways and Means and the Senate Committee on Finance suggestions for updating the homestead declaration under 32 V.S.A. § 5410 to address the implementation of the homestead exemption under section 19 of this act, which may be provided as a sample form.

#### Sec. 44. DEPARTMENT OF TAXES; HOMESTEAD EXEMPTION; REPORT

(a) It is the intent of the General Assembly to transition the way income-based property tax relief is provided to homestead property owners from the existing credit system towards an income-based homestead exemption.

(b) On or before January 15, 2026, the Department of Taxes, in consultation with the Joint Fiscal Office, shall submit a proposal to the House

Committee on Ways and Means and the Senate Committee on Finance designing a homestead exemption structure that minimizes the:

(1) property tax impacts for homestead property owners under the new education tax structure established in this act;

(2) benefit cliffs compared to those in the existing credit system; and

(3) aggregate fiscal impact relative to the existing credit system.

\* \* \* Conforming Revisions; Property Tax Credit Repeal \* \* \*

Sec. 45. 11 V.S.A. § 1608 is amended to read:

§ 1608. ELIGIBILITY FOR PROPERTY TAX RELIEF

Members of cooperative housing corporations shall be eligible to apply for and receive a homestead property tax ~~adjustment~~ exemption and municipal property tax credit under 32 V.S.A. § 6066, subject to the conditions of eligibility set forth therein.

Sec. 46. 32 V.S.A. § 3102(j) is amended to read:

(j) Tax bills prepared by a municipality under subdivision 5402(b)(1) of this title showing only the amount of total tax due shall not be considered confidential return information under this section. For the purposes of calculating ~~credits~~ the homestead property tax exemption and the municipal property tax credit under chapter 154 of this title, information provided by the Commissioner to a municipality under subsection 6066a(a) of this title and information provided by the municipality to a taxpayer under subsection 6066a(f) shall be considered confidential return information under this section.

Sec. 47. 32 V.S.A. § 3206(b) is amended to read:

(b) As used in this section, “extraordinary relief” means a remedy that is within the power of the Commissioner to grant under this title, a remedy that compensates for the result of inaccurate classification of property as homestead or nonhomestead pursuant to section 5410 of this title through no fault of the taxpayer, or a remedy that makes changes to a taxpayer’s homestead property tax exemption, municipal property tax credit, or renter credit claim necessary to remedy the problem identified by the Taxpayer Advocate.

\* \* \* Grand List Parcel Data \* \* \*

Sec. 48. 32 V.S.A. § 4152 is amended to read:

§ 4152. CONTENTS

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

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

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

(3) A brief description of each parcel of taxable real estate in the town. “Parcel” As used in this subdivision, “parcel” means a separate and sellable lot or piece of real estate. Parcels may be combined to represent all contiguous land in the same ownership, together with all improvements thereon.

Sec. 49. PROPERTY TAX CLASSIFICATIONS STUDY;  
IMPLEMENTATION PROPOSAL

On or before December 15, 2025, in consultation with relevant stakeholders, the Commissioner of Taxes shall submit in writing to the House Committee on Ways and Means and the Senate Committee on Finance a report regarding the establishment of a system for property tax classifications that would allow for different tax rates on different classes of property. The report shall include:

(1) one or more ways to define, identify, and classify residential properties based on present-day use;

(2) a proposed method for classifying mixed-use parcels wherein different portions of the same parcel are used for different purposes;

(3) proposed methods for collecting the data necessary to administer the proposed tax classification system, including a description of any new or revised forms;

(4) a proposed method for appeals under the proposed tax classification system; and

(5) proposed methods to ensure taxpayer compliance with the new system, including ways to prevent taxpayers from circumventing the legislative intent to tax properties used primarily as second homes and short-term rentals at a higher rate.

\* \* \* Regional Assessment Districts \* \* \*

Sec. 50. 32 V.S.A. chapter 121, subchapter 1A is added to read:

## Subchapter 1A. Statewide and Regional Property Assessment

### § 3415. LEGISLATIVE INTENT

It is the intent of the General Assembly in adopting this subchapter to create regional assessment districts so that:

- (1) properties on grand lists are regularly reappraised;
- (2) property data collection is consistent and standardized across the State; and
- (3) property valuation is conducted by trained and certified individuals and firms.

### § 3416. REGIONAL ASSESSMENT DISTRICTS; ESTABLISHMENT

(a) There are hereby established 12 regional assessment districts, whose member municipalities shall fully and jointly reappraise their grand lists every six years pursuant to subsection 3417(b) of this subchapter. Member municipalities shall contract jointly with one or more third parties to conduct reappraisals.

(b) Each county shall constitute one regional assessment district, except that Franklin and Grand Isle Counties shall constitute one district and Essex and Orleans Counties shall constitute one district.

### § 3417. STANDARD GUIDELINES; PROCEDURES; RULEMAKING

(a) The Director of Property Valuation and Review shall establish standard guidelines and procedures, and may adopt rules, for regional assessment districts, including:

- (1) guidelines for contracting with third parties to conduct or assist with reappraisals, including standard reappraisal contract terms;
- (2) standards for the collection and recordation of parcel data;
- (3) requirements relating to information technology, including standards for data software contracts and computer-assisted mass appraisal systems; and
- (4) standardized practices for a full reappraisal, including cases in which physical inspections are unnecessary and how technology is to be utilized.

(b) The Director of Property Valuation and Review shall establish a schedule for each regional assessment district to fully reappraise every six years. The Director, at the Director's discretion, may alter the reappraisal schedule for a regional assessment district or for one or more of a regional assessment district's member municipalities.

\* \* \* Transition to Regional Assessment Districts \* \* \*

Sec. 51. TRANSITION; ANNUAL PROGRESS REPORT

(a) Notwithstanding 32 V.S.A. § 4041a or any other provision of law to the contrary:

(1) the Director of Property Valuation and Review shall not order any new municipal reappraisals of grand list properties that is not part of a regionalized reappraisal system on and after January 1, 2027;

(2) a reappraisal order for which a municipality does not have a contract in place before January 1, 2030 shall no longer have the force and effect of law on and after January 1, 2030, except for those that are part of a regionalized reappraisal system; and

(3) a municipality shall not enter into a new reappraisal contract on or after January 1, 2027, except for those that are part of a regionalized reappraisal system.

(b) On or before every January 15 from January 15, 2027 to January 15, 2030, the Commissioner of Taxes shall submit a report to the House Committee on Ways and Means and the Senate Committee on Finance relating to the progress made in preparing for the implementation of regional assessment districts pursuant to this act.

Sec. 52. REGIONAL ASSESSMENT DISTRICT STAKEHOLDER  
WORKING GROUP

On or before January 15, 2026, the Department of Taxes, in consultation with relevant stakeholders, shall submit recommendations to the House Committee on Ways and Means and the Senate Committee on Finance advising on the implementation of regional assessment districts and on the development of guidelines, procedures, and rules needed to effectuate a regionalized reappraisal system. The recommendations will include an analysis of the advantages and disadvantages of having the State take full responsibility for regionalized appraisals. In making its recommendation, the Department of Taxes shall provide suggestions for legislative language that address:

(1) the authority or authorities who will contract for and conduct reappraisals;

(2) the authority or authorities who will hear and decide property valuation appeals;

(3) amendments necessary to conform statute to the change from an April 1 to January 1 grand list assessment date; and

(4) any other recommended revisions to achieve a regionalized reappraisal system.

\* \* \* Miscellaneous Tax \* \* \*

Sec. 53. 32 V.S.A. § 6066a(f)(1) is amended to read:

(f)(1) For taxpayers and amounts stated in the notice to towns on or before July 1, municipalities shall create and send to taxpayers a homestead property tax bill, instead of the bill required under subdivision 5402(b)(1) of this title, providing the total amount allocated to payment of homestead education property tax liabilities and notice of the balance due. Nothing in this subdivision, however, shall be interpreted as altering the requirement under subdivision 5402(b)(2) of this title that the statewide education homestead tax be billed in a manner that is stated clearly and separately from any other tax. Municipalities shall apply the amount allocated under this chapter to current year property taxes in equal amounts to each of the taxpayers' property tax installments that include education taxes. Notwithstanding section 4772 of this title, if a town issues a corrected bill as a result of the notice sent by the Commissioner under subsection (a) of this section, issuance of the corrected new bill does not extend the time for payment of the original bill nor relieve the taxpayer of any interest or penalties associated with the original bill. If the corrected bill is less than the original bill, and there are also no unpaid current year taxes, interest, or penalties, and no past year delinquent taxes or penalties and interest charges, any overpayment shall be reflected on the corrected tax bill and refunded to the taxpayer.

Sec. 54. 32 V.S.A. § 5252 is amended to read:

§ 5252. LEVY AND NOTICE OF SALE; SECURING PROPERTY

(a) When the collector of taxes of a town or of a municipality within it has for collection a tax assessed against real estate in the town and the taxpayer owes a minimum of \$1,500.00 and is delinquent for a period longer than one year, the collector may extend a warrant on such land. However, no warrant shall be extended until a delinquent taxpayer is given an opportunity to enter a written reasonable repayment plan pursuant to subsection (c) of this section. If a collector receives notice from a mobile home park owner pursuant to 10 V.S.A. § 6248(b), the collector shall, within 15 days after the notice, commence tax sale proceedings to hold a tax sale within 60 days after the notice. If the collector fails to initiate such proceedings, the town may initiate tax sale proceedings only after complying with 10 V.S.A. § 6249(f). If the tax collector extends the warrant, the collector shall:

\* \* \*

Sec. 55. 32 V.S.A. § 4465 is amended to read:

§ 4465. APPOINTMENT OF PROPERTY VALUATION HEARING  
OFFICER; OATH; PAY

When an appeal to the Director is not withdrawn or forwarded by the Director to Superior Court pursuant to subsection 4461(a) of this title, the Director shall refer the appeal in writing to a person not employed by the Director, appointed by the Director as hearing officer. The Director shall have the right to remove a hearing officer for inefficiency, malfeasance in office, or other cause. In like manner, the Director shall appoint a hearing officer to fill any vacancy created by resignation, removal, or other cause. Before entering into their duties, persons appointed as hearing officers shall take and subscribe the oath of the office prescribed in the Constitution, which oath shall be filed with the Director. ~~The Director~~ Commissioner of Taxes shall pay each hearing officer ~~a sum not to exceed \$150.00 per diem for each day wherein hearings are held~~ \$38.00 per hour plus a cost-of-living adjustment in an amount equal to any adjustment approved for exempt employees by the Secretary of Administration, together with reasonable expenses as the ~~Director~~ Commissioner may determine. A hearing officer may subpoena witnesses, records, and documents in the manner provided by law for serving subpoenas in civil actions and may administer oaths to witnesses.

Sec. 56. 32 V.S.A. § 5402(c)(2) is amended to read:

(2) The Secretary of Education shall determine each municipality's net nonhomestead education tax payment and its net homestead education tax payment to the State based on grand list information received by the Secretary not later than the March 15 prior to the June 1 net payment. Payment shall be accompanied by a return prescribed by the Secretary of Education. Each municipality may retain 0.225 of one percent of the total education tax collected, only upon timely remittance of net payment to the State Treasurer or to the applicable school district or districts. ~~Each municipality may also retain \$15.00 for each late property tax credit claim filed after April 15 and before September 2, as notified by the Department of Taxes, for the cost of issuing a new property tax bill.~~

\* \* \* Effective Dates \* \* \*

Sec. 57. EFFECTIVE DATES

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

(1) Sec. 1 (intent);

(2) Sec. 2 (Commission on the Future of Public Education);



- (3) Sec. 3 (School District Boundary Task Force);
  - (4) Sec. 33 (transportation reimbursement guidelines);
  - (5) Sec. 34 (inflationary measures; prekindergarten; reports);
  - (6) Sec. 35 (Education Fund Advisory Committee; delay);
  - (7) Sec. 43 (homestead declaration sample form);
  - (8) Sec. 44 (homestead exemption report);
  - (9) Sec. 49 (tax classification study);
  - (10) Sec. 51 (regional assessment district transition);
  - (11) Sec. 52 (RAD stakeholder working group);
  - (12) Sec. 53 (inadvertently removed language);
  - (13) Sec. 54 (minimum debt for tax sales); and
  - (14) Sec. 56 (property tax credit late fee).
- (b) The following sections shall take effect on July 1, 2025:
- (1) Sec. 6 (16 V.S.A. § 3443);
  - (2) Sec. 7 (School Construction Advisory Board sunset);
  - (3) Sec. 13 (16 V.S.A. § 828);
  - (4) Sec. 14 (tuition transition);
  - (5) Sec. 15 (SBE rules; report);
  - (6) Sec. 16 (SBE rule review; appropriation);
  - (7) Sec. 17 (AOE reports);
  - (8) Sec. 18 (special education report);
  - (9) Sec. 19 (AOE special education strategic plan);
  - (10) Sec. 20 (AOE position);
  - (11) Sec. 22 (tuition repeals);
  - (12) Sec. 48 (grand list parcel definition); and
  - (13) Sec. 55 (PVR hearing officer pay).
- (c) The following sections shall take effect on July 1, 2026:
- (1) Sec. 4 (school construction policy);
  - (2) Sec. 5 (16 V.S.A. § 3442);

- (3) Sec. 8 (16 V.S.A. § 3444);
- (4) Sec. 9 (16 V.S.A. § 3445);
- (5) Sec. 10 (16 V.S.A. § 3446);
- (6) Sec. 11 (transfer of rulemaking authority);
- (7) Sec. 12 (school construction program repeals); and
- (8) Sec. 38 (December 1 letter).

(d) Sec. 3a (transitional school boards; transition grants) shall take effect on July 1, 2026 provided that legislation that creates new school district boundaries has been enacted.

(e) The following sections shall take effect on July 1, 2027:

- (1) Sec. 21 (16 V.S.A. § 823);
- (2) Secs. 23, 24, 26, 26a, and 27–32 (transition to foundation formula);
- (3) Secs. 36, 37, 39, 40 (transition to statewide education tax and supplemental district spending tax); and
- (4) Secs. 41, 42, and 45-47 (property tax credit repeal; creation of homestead exemption).

(f) Sec. 25 shall take effect on July 1, 2027, provided that legislation that amends 16 V.S.A. chapter 37 (career technical education) to reflect the governance and policy assumptions underlying the CTE weight of 1.00 has been enacted.

(g) Sec. 50 (regional assessment districts) shall take effect on January 1, 2030.

(Committee vote: 5-2-0)

**Reported favorably with recommendation of proposal of amendment by Senator Perchlik for the Committee on Appropriations.**

The Committee recommends that the bill ought to pass in concurrence with proposals of amendment as recommended by the Committees on Education and Finance, with further recommendation of proposals of amendment as follows:

First: In Sec. 3, School District Boundary Task Force; report; maps, in subsection (h), by striking out “These payments shall be made from monies appropriated to the General Assembly.”

Second: In Sec. 3, School District Boundary Task Force; report; maps, by striking subsection (i) in its entirety and inserting in lieu thereof a new subsection (i) to read as follows:

(i) Appropriations.

(1) The sum of \$100,000.00 is appropriated to the Office of Legislative Counsel from the General Fund in fiscal year 2026 to hire one or more consultants pursuant to subsection (e) of this section.

(2) The sum of \$33,000.00 is appropriated to the General Assembly from the General Fund in fiscal year 2026 for per diem compensation and reimbursement for the Task Force pursuant to subsection (h) of this section.

Third: By adding two new sections and a reader assistance heading to be Sec. 56a and 56b to read as follows:

\* \* \* Agency of Education Transformation Support \* \* \*

Sec. 56a. AGENCY OF EDUCATION; TRANSFORMATION  
APPROPRIATION

The sum of \$3,517,000.00 is appropriated from the General Fund to the Agency of Education in fiscal year 2026 to support education transformation work as follows:

(1) \$200,000.00 to support school boards transitioning to new governance models as contemplated in this act;

(2) \$562,500.00 for positions established in Sec. 56b of this act; and

(3) \$2,754,500.00 for contracted services to support school districts with administrative activities relating to consolidation, including accounting, budget and operational practice, and to support education quality activities including the alignment of curricula, instructional materials, and teaching activities.

Sec. 56b. EDUCATION TRANSFORMATION; POOL POSITIONS

The General Fund appropriation in Sec. 56a of this act shall fund five limited service classified positions taken from the position pool. The pool positions shall be used to establish the following limited service classified positions at the Agency of Education in fiscal year 2026 to support education transformation work:

(1) one Business Operations Support Specialist;

(2) one Data Integration Support Specialist;

(3) one Curriculum and Education Quality Standards Integration Specialist;

(4) one Learning and Teaching Integration Specialist; and

(5) one School Facilities Field Support Specialist.

Fourth: In Sec. 57, effective dates, in subdivision (b)(12), following “(grand list parcel definition);” by striking out the word “and”

Fifth: In Sec. 57, effective dates, in subdivision (b)(13), following “(PVR hearing officer pay)” by striking out “;” and inserting in lieu thereof “;”

Sixth: In Sec. 57, effective dates, in subsection (b), by adding two new subdivisions to be subdivisions (14) and (15) to read as follows:

(14) Sec. 56a (Agency of Education; transformation appropriation); and

(15) Sec. 56b (education transformation; pool positions).

(Committee vote: 4-2-1)

### **CONFIRMATIONS**

The following appointments will be considered by the Senate, as a group, under suspension of the Rules, as moved by the President *pro tempore*, for confirmation together and without debate, by consent thereby given by the Senate. However, upon request of any senator, any appointment may be singled out and acted upon separately by the Senate, with consideration given to the report of the Committee to which the appointment was referred, and with full debate; and further, all appointments for the positions of Secretaries of Agencies, Commissioners of Departments, Judges, Magistrates, and members of the Public Utility Commission, underlined below, shall be fully and separately acted upon.

Gary McQuesten of Plainfield - Member of the Occupational Safety and Health Review Board - By Senator Weeks for the Committee on Economic Development, Housing and General Affairs (May 21, 2025)

### **JFO NOTICE**

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

**JFO #3253:** \$20,000.00 to the Vermont Department of Public Safety, Vermont State Police. Funds will be used by the Vermont Boating Law Administrator, with the support of the Vermont Department of Health, to create a comprehensive boating injury data tracking system.

*[Received May 6, 2025]*

**JFO #3254:** \$994,435.00 to the Vermont Department Public Safety, Vermont Emergency Management from the Federal Emergency Management Agency. Funds for emergency work and repair/replacement of disaster damaged facilities during the severe storm and flooding event in Lamoille County from June 22-24, 2024.

*[Received May 6, 2025]*

**JFO #3255:** \$41,000.00 to the Vermont Agency of Commerce and Community Development, Department of Housing and Community Development. Funds will be used to restore the Baldwin Model K piano, once played by First Lady Grace Coolidge, which now resides in the President Calvin Coolidge State Historic Site in Plymouth, VT.

*[Received May 6, 2025]*