Senate Calendar

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UNFINISHED BUSINESS OF FRIDAY, MAY 16, 2025

Third Reading

H. 50.

An act relating to identifying underutilized State buildings and land.

Proposal of amendment to H. 50 to be offered by Senators Douglass, Harrison, Ingalls, Major, Plunkett and Watson before Third Reading

Senators Douglass, Harrison, Ingalls, Major, Plunkett and Watson move to amend the Senate proposal of amendment by striking out subsection (g) in its entirety and inserting in lieu thereof a new subsection (g) to read as follows:

(g) The head of each agency shall prepare and forward to the Commissioner of Buildings and General Services ~~when requested by the Commissioner~~ annually in a format prescribed by the Commissioner an inventory of~~:~~ square footage available for use; square footage in actual use; square footage not in use; square footage used for storage; square footage that is unfinished; cost per square foot for rent; cost per square foot for operation and maintenance; and the source of funds for rent, operation, and maintenance, including the act and section numbers of a legislative directive if applicable. The head of each agency shall additionally indicate in its inventory in a format prescribed by the Commissioner whether any building is vacant and whether any land is unnecessary for the statutory purpose of the agency.

UNFINISHED BUSINESS OF WEDNESDAY, MAY 21, 2025

Second Reading

Favorable with Proposal of Amendment

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~~, 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~~ 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~~ 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. 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:

If the tax classification of the property subject to taxation is:	then the statewide education tax rate is multiplied by a factor of:
Homestead	1.0
Nonhomestead, Apartment	1.0
Nonhomestead, Nonresidential	1.0
Nonhomestead, Residential	1.0

(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 (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 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:~~

~~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~~ 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~~

* * *

(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 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:

If household income (rounded to the nearest dollar) is:	then the claimant is entitled to a homestead property tax exemption against the first $425,000.00 in housesite value of this percent:
$0.00 — 9,999.00	99.00
$10,000.00 — 14,999.00	97.00
$15,000.00 — 24,999.00	95.00
$25,000.00 — 39,999.00	90.00
$40,000.00 — 44,999.00	85.00
$45,000.00 — 49,999.00	80.00

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:
$50,000.00 — 54,999.00	75.00
$55,000.00 — 59,999.00	65.00
$60,000.00 — 64,999.00	55.00
$65,000.00 — 69,999.00	45.00
$70,000.00 — 74,999.00	35.00
$75,000.00 — 79,999.00	25.00
$80,000.00 — 84,999.00	20.00
$85,000.00 —89,999.00	15.00
$90,000.00 —94,999.00	10.00
$95,000.00 — 100,000.00	5.00

~~(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:~~

~~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)

NEW BUSINESS

Third Reading

H. 105.

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

H. 106.

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

Second Reading

Favorable with Proposal of Amendment

H. 91.

An act relating to the Vermont Homeless Emergency Assistance and Responsive Transition to Housing Program.

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:

* * * Findings and Legislative Intent * * *

Sec. 1. FINDINGS

The General Assembly finds that:

(1) according to the U.S. Department of Housing and Urban Development's 2024 Annual Homelessness Assessment Report, Vermont had

the fourth highest rate of homelessness in 2024 in that 53 of every 10,000 Vermonters are experiencing homelessness, with only Hawaii, New York, and Oregon experiencing higher rates;

(2) in 2023, according to the same Annual Homelessness Assessment Report, 51 of every 10,000 Vermonters were experiencing homelessness;

(3) according to the Vermont 2024 Point-in-Time Count, there were approximately 3,458 unhoused individuals in Vermont, which represents a 300 percent increase over the 1,110 unhoused individuals prior to the COVID-19 pandemic in 2020;

(4) of the 3,458 unhoused individuals in Vermont identified by the Vermont 2024 Point-in-Time Count, 166 experienced unsheltered homelessness, which is the highest count of unsheltered homeless individuals in Vermont within the past decade;

(5) according to the Vermont 2024 Point-in-Time Count, over 35 percent of those Vermonters experiencing homelessness were unhoused for more than one year and over 72 percent were unhoused for more than 90 days;

(6) according to the Vermont 2024 Point-in-Time Count, 737 of those Vermonters experiencing homelessness were children and youth under 18 years of age and 646 were 55 years of age or older;

(7) according to the Vermont 2024 Point-in-Time Count, Black Vermonters are 5.6 times more likely to be unhoused as compared to white Vermonters;

(8) the 2024 Vermont Housing Needs Assessment notes that 36,000 primary homes are needed in Vermont between 2025–2029, 3,295 of which are needed to address homelessness;

(9) the 2024 Vermont Housing Needs Assessment notes that "[h]alf of all Vermont renters are cost-burdened, and one-in-four pay more than 50 [percent] of their income on housing costs, putting them at high risk of eviction," which "is heightened by Vermont's rental vacancy rate of 3 [percent], which is well below the 5 [percent] rate of a healthy market"; and

(10) since 2020, the Vermont Housing and Conservation Board has constructed 170 new single-family homeownership units and 269 new shelter beds.

Sec. 2. LEGISLATIVE INTENT

(a) It is the intent of the General Assembly that unsheltered homelessness be eliminated and that homelessness in Vermont be rare, brief, and nonrecurring.

(b) It is the intent of the General Assembly that the Vermont Homeless Emergency Assistance and Responsive Transition to Housing Program established in 33 V.S.A. chapter 22 is a step toward ensuring that:

(1) homelessness be reduced in Vermont and interim shelter opportunities be available to provide a stable pathway to permanent housing for all Vermonters experiencing homelessness, including safe shelter options for individuals living in unsheltered homelessness;

(2) Vermont increase the supply of emergency shelter as well as permanent supportive housing that meets the specific needs of individuals;

(3) community components of all shelter types are integrated in a systemic manner;

(4) time limits, night-by-night shelter, relocation between interim shelter sites, and other disruptions in housing stability be eliminated to the extent possible;

(5) Vermont's emergency housing statutes, rules, policies, procedures, and practices be modeled on Housing First principles where appropriate;

(6) noncongregate shelter be used to the extent possible; and

(7) Vermont reduce reliance on the inefficient use of hotel and motel rooms to shelter participating households and expand the use of emergency shelters throughout the State for this purpose.

(c) It is the intent of the General Assembly that the Vermont Homeless Emergency Assistance and Responsive Transition to Housing Program established in 33 V.S.A. chapter 22 replaces the provision of emergency housing through the General Assistance Program established in 33 V.S.A. chapter 21 beginning in fiscal year 2027 and the Housing Opportunity Grant Program beginning in fiscal year 2028.

* * * Vermont Homeless Emergency Assistance and Responsive Transition to Housing Program; Effective July 1, 2025 * * *

Sec. 3. 33 V.S.A. chapter 22 is added to read:

CHAPTER 22. VERMONT HOMELESS EMERGENCY ASSISTANCE AND RESPONSIVE TRANSITION TO HOUSING PROGRAM

§ 2201. SHORT TITLE

The Program established in this chapter may be cited as "VHEARTH" or the "VHEARTH Program."

§ 2202. PURPOSE

It is the purpose of the General Assembly to:

(1) replace the provision of emergency housing through the General Assistance Program established in chapter 21 of this title and use funds and resources previously attributed to this program, and any other identified State and federal monies, to fund the Vermont Homeless Emergency Assistance and Responsive Transition to Housing Program established in this chapter;

(2) reduce reliance on the inefficient use of hotel and motel rooms to shelter participating households and expand the use of emergency shelters throughout the State for this purpose; and

(3) assist in maintaining housing for households at-risk of homelessness and transition households experiencing homelessness to permanent housing.

§ 2203. DEFINITIONS

As used in this chapter:

(1) "At-risk of homelessness" means precariously housed without sufficient income, resources, or support to prevent homelessness.

(2) "Community action agency" means an agency designated pursuant to 3 V.S.A. chapter 59.

(3) "Community-based shelter" means a shelter that meets the Department's standards for the operation of shelters.

(4) "Department" means the Department for Children and Families.

(5) "Extreme weather event" means extreme hot or cold temperatures or weather events, such as hurricanes, flooding, or blizzards, that create hazardous conditions for outdoor habitation by humans.

(6) "Homeless" means:

(A) lacking a fixed, regular, and adequate nighttime residence;

(B) facing imminent loss of primary nighttime residence;

(C) fleeing or attempting to flee domestic violence; or

(D) otherwise defined as homeless under federal law.

(7) "Household" means an individual and any dependents for whom the individual is legally responsible who are domiciled in Vermont as evidenced by an intent to dwell in Vermont and to return to Vermont if temporarily absent, coupled with an act or acts consistent with that intent. "Household" includes individuals who reside together as one economic unit, including those who are married, parties to a civil union, or unmarried.

(8) "Unsheltered homelessness" means sleeping in a location not designed for or ordinarily used as a regular sleeping accommodation.

§ 2204. REGIONAL ADVISORY COUNCILS

(a) Each community action agency shall convene a regional advisory council whose membership reflects, to the extent possible, the growing diversity among Vermonters, including individuals who are Black, Indigenous, and Persons of Color, as well as with regards to socioeconomic status, geographic location, gender, sexual identity, and disability status. Members of an advisory council shall include organizations providing services in the region, the Department, and representatives of the Agency and each department of the Agency, as needed. A regional advisory council may collaborate with individuals with lived experience of homelessness, community partners, State partners, housing providers, local housing coalitions, statewide homelessness organizations, providers of coordinated entry, continuums of care, faith-based organizations, and municipalities in the region served by the community action agency.

(b) Each regional advisory council shall provide advice and recommendations to the community action agency in its region regarding the design and implementation of the Program. The work of each regional advisory council shall be informed by regional planning commissions' housing targets.

(c) Each regional advisory council shall meet on at least a quarterly basis.

(d) The regional advisory councils shall have the legal and technical support of the Department.

* * * Vermont Homeless Emergency Assistance and Responsive Transition to Housing Program; Effective July 1, 2026 * * *

Sec. 4. 33 V.S.A. chapter 22 is amended to read:

CHAPTER 22. VERMONT HOMELESS EMERGENCY ASSISTANCE AND RESPONSIVE TRANSITION TO HOUSING PROGRAM

* * *

§ 2203. DEFINITIONS

As used in this chapter:

* * *

(2) "Community action agency" means an agency designated pursuant to 3 V.S.A. chapter 59 or the entity or entities otherwise authorized by the

Department pursuant to section 2205 of this chapter to fulfill the duties of a community action agency under this chapter.

* * *

§ 2204. ESTABLISHMENT; VERMONT HOMELESS EMERGENCY ASSISTANCE AND RESPONSIVE TRANSITION TO HOUSING PROGRAM

The Vermont Homeless Emergency Assistance and Responsive Transition to Housing Program is established in the Department to provide services to households that are homeless or at risk of becoming homeless, to the extent funds exist.

(1) The Department shall select and enter into an agreement with a statewide organization that has population-specific service experience to provide or cause to be provided supportive services and shelter to those households that are experiencing or that have experienced domestic or sexual violence.

(2) All other participating households shall be served by or through a community action agency responsible for a geographically distinct region of the State. Community action agencies participating in the Program shall provide or cause to be provided supportive services, extreme weather event shelter, and emergency shelter.

§ 2205. AUTHORIZATION PROCESS; REAUTHORIZATION REVIEW

(a) The Department shall select and enter into an agreement with a statewide organization to provide or cause to be provided supportive services and shelter to those households that are experiencing or that have experienced domestic or sexual violence. The Department shall conduct regular reviews of the statewide organization to ensure compliance with this chapter. The statewide organization may be subject to corrective actions by the Department if, within the constraint of appropriated resources, it no longer meets the requirements of this chapter or has failed to adequately meet the needs of households that are experiencing or that have experienced domestic or sexual violence. If the statewide organization cannot fulfill its responsibilities under this chapter, the Department shall work with another entity to ensure that there is not a gap in services.

(b)(1) The Department shall authorize a community action agency to serve or cause to be served households that are homeless or at risk of becoming homeless in a geographically distinct region of the State if it meets the criteria in this section. If a community action agency cannot fulfill its responsibilities under this chapter, the Department shall work with other community action

agencies or other appropriate community entities to ensure that there is not a gap in services in a community action agency's region.

(2) A community action agency providing or causing to provide services in accordance with this chapter shall have:

(A) existing or planned infrastructure to support households in the region, including an established leadership team, a human resources staff, and the ability to receive grant funding and issue subgrants;

(B) the ability to meet the Department's reporting requirements, including having a past history of reporting compliance;

(C) the capacity to perform the core services required pursuant to section 2206 of this chapter;

(D) the capacity to seek and accept charitable contributions, grants, and services of volunteers, including money, clothing, and furniture;

(E) any outcome measures established in this chapter;

(F) community connections with other providers in the region, including local housing coalitions, housing providers, providers of coordinated entry, continuums of care, faith-based organizations, and providers of services to individuals who are older Vermonters; individuals who have disabilities, a substance use disorder, or a mental health condition; individuals reentering the community after incarceration; individuals transitioning from the care and custody of the Commissioner for Children and Families; and families with children; and

(G) the ability to provide plain language communications to households receiving services.

(3) Not less than every three years, the Department shall conduct a reauthorization review of each community action agency providing or causing to provide services pursuant to this chapter. An organization may be subject to corrective actions by the Department if, within the constraint of appropriated resources, it no longer meets the requirements in subdivision (2) of this subsection or has failed to adequately meet the needs of households in its region that are homeless or at risk of homelessness. Lack of compliance may result in the Department deciding not to reauthorize the community action agency. The Department may review progress of any previously required corrective actions and may review community action agency performance between reauthorization reviews.

§ 2206. VHEARTH CORE SERVICES

(a) The Department shall enter into an agreement with a statewide organization with population-specific experience serving households that are experiencing or that have experienced domestic or sexual violence. The organization shall provide or cause to be provided various shelter and case management services that support households.

(b) Each community action agency shall offer or cause to be offered, in collaboration with community partners, each of the following services within its region:

(1) supportive services, including:

(A) intake assessments and services for diversion from homelessness, which shall include regional intake shelters;

(B) household needs assessments;

(C) individualized household plans to address identified needs;

(D) housing navigation and retention services;

(E) assistance obtaining and retaining housing, including financial assistance;

(F) landlord-tenant outreach, education, and conflict resolution;

(G) navigation to other services and supports as identified in the household's housing plan, including economic benefits, peer-supported services, job training and employment services, services related to disability and independent living, and referral to health care assistance such as treatment for mental health conditions and substance use disorder as provided by the designated and specialized services agencies and preferred providers, respectively;

(H) advocacy; and

(I) progress monitoring and interventions; and

(2) the operation of extreme weather event shelters, which may include time-limited congregate accommodations and may be provided through agreements with municipalities or other entities, utilizing available data and considering geographic access to prioritize funding for this purpose; and

(3) the operation of emergency shelters in a manner that builds upon the federally required community planning process and prioritizes households in need of the services of an emergency shelter, which may include community-based shelters, temporary use of hotels or motels, lease agreements for full or

partial use of an existing building, need-specific shelter arrangements, master grant leases, the development of shelter capacity, or other arrangements or combinations of arrangements that comply with the intent of this chapter.

§ 2207. USE OF HOTEL AND MOTEL ROOMS

(a) It is the intent of the General Assembly to decrease reliance on hotel and motel rooms for emergency housing. Annually, as shelter capacity increases in each region of the State, the use of hotel and motel rooms for emergency housing in that region shall decrease. Annually, as part of the Department's budget presentation, the Department shall set goals for increased housing capacity, including shelter beds, permanent supportive housing, and permanent affordable housing, in addition to proposed corresponding decreases in the use of hotel and motel rooms. The Department shall provide data pertaining to the percentage of increased shelter capacity from the previous fiscal year in each region and how that increase impacts the corresponding hotel and motel room usage for emergency housing in each region pursuant to this subsection for the purpose of informing regional planning and expectations.

(b) If hotels and motels are used to provide emergency shelter pursuant to this chapter, the hotel and motel operators shall comply with Program rules and the following rules:

(1) Department of Health, Licensed Lodging Establishment Rule (CVR 13-140-023); and

(2) Department of Public Safety, Vermont Fire and Building Safety Code (CVR 28-070-001).

(c) Annually, the Department shall propose hotel and motel rates as part of its budget presentation for approval by the General Assembly. A community action agency shall not pay or cause to be paid with State monies a per room, per night basis that exceeds the rate approved by the General Assembly.

(d) If a hotel or motel is being utilized, a community action agency:

(1) shall enter into agreements for the use of blocks of hotel and motel rooms and negotiate the conditions of use for those blocks, including access for providers of case management or other supportive services;

(2) shall prioritize the use of hotel and motel room agreements over individual per room, per night hotel or motel room use, unless it is not appropriate to a household's needs; and

(3) may use strategic placements to the extent certain populations are not isolated from the wider community served through the Program.

§ 2208. VHEARTH; DUTIES OF THE DEPARTMENT

(a) The Department and the Agency of Human Services shall have statewide responsibility for meeting the intent of this chapter, including statewide planning, system development, proposing adequate funding, and the involvement of all the Agency's departments.

(b) For the purpose of providing administrative oversight and monitoring of the Program established in this chapter, the Department shall:

(1)(A) maintain guidance regarding when extreme weather event shelters shall be operated, including flexibility for regional weather conditions; and

(B) maintain a website with the locations of all extreme weather event shelters;

(2) include as part of any review of a community action agency required pursuant to 3 V.S.A. chapter 59 the community action agency's ability to perform the requirements of this chapter;

(3)(A) consult with the community action agencies and the statewide organization serving households that are experiencing or that have experienced domestic or sexual violence to develop appropriate resource allocations and methods for adjustment that take into account available data, the presence of community-based providers, and customary resource allocation methods, economic indicators, rate of homelessness, rental vacancy rates, and other variables, as appropriate; and

(B) annually, distribute funding to each community action agency and the statewide organization serving households that are experiencing or that have experienced domestic or sexual violence using the allocation formula developed pursuant to subdivision (A) of this subdivision (b)(3), or if the Department and community action agencies agree, disperse a joint allocation for all community action agencies, which the community action agencies shall determine how to distribute amongst themselves;

(4) provide support and technical assistance to the community action agencies, other community partners, and the statewide organization serving households that are experiencing or that have experienced domestic or sexual violence;

(5) identify specific administrative resources that could be transitioned to community operations;

(6) develop and maintain standards for the core services listed in section 2206 of this chapter, including the operation of community-based shelters; and

(7) adopt rules pursuant to 3 V.S.A. chapter 25, in consultation with the community action agencies and the statewide organization serving households that are experiencing or that have experienced domestic or sexual violence, as appropriate, for the implementation of this chapter, including accommodations for individuals with a disability.

§ 2209. REGIONAL PLANNING; NEEDS ASSESSMENTS

(a) As part of the plan required every three years pursuant to 3 V.S.A. § 3904 and the federally required planning and needs assessments for the continuums of care, the community action agencies shall develop a regional needs assessment and planning process, in collaboration with community and State partners, for use in each community action agency's region to inform future plans addressing housing and homelessness in each region of the State. The regional needs assessment and planning process plans shall include:

(1) addressing progress in reducing the number of households experiencing homelessness in a region;

(2) assessing the rate households placed in permanent housing return to homelessness and the underlying reasons;

(3) identifying resources developed and utilized in the region to address homelessness and efforts to improve the equitable distribution of these resources in the region;

(4) reporting the rate of household participation with coordinated entry processes and case management services;

(5) identifying system gaps and the funding needed to address those gaps, including periodic inflationary adjustments; and

(6) utilizing data, including Vermont's Point-in-Time Count, coordinated entry assessment results, and community conversations.

(b) Every three years, each community action agency shall submit plans developed pursuant to this section to the Department in a format prescribed by the Department. Upon receipt of the plans, the Department shall consolidate the results of these reports and submit the consolidated report to the House Committee on Human Services and to the Senate Committee on Health and Welfare.

§ 2210. REPORTING REQUIREMENTS

On or before the last day of every third month, the Department shall submit a report, in consultation with the community action agencies and the statewide organization serving households experiencing domestic or sexual violence, to

the House Committee on Human Services, the Senate Committee on Health and Welfare, and the Joint Fiscal Committee addressing:

(1) the number of households served through the Program, by household size and, if applicable, by eligibility category, region, service provider, and type of service;

(2) the number of household members employed on a part-time and full-time basis and the number of household members receiving Supplemental Security Income or Social Security disability insurance;

(3) changes in capacity for shelter beds, nursing homes, and residential care homes since the previous reporting period;

(4) the number of diversions made during the previous reporting period;

(5) the number of households whose intake assessment indicated a potential need for services from each department within the Agency;

(6) the number of households that have been successfully transitioned to permanent housing since the previous reporting period, the types of housing settings in which they have been placed, and any supportive services they are receiving in conjunction with their housing;

(7) the number of households that may be transitioned to permanent housing in the coming months;

(8) any State rules and local regulations and ordinances that are impeding the timely development of safe, decent, affordable housing in Vermont communities in order to:

(A) identify areas in which flexibility or discretion are available; and

(B) advise whether the temporary suspension of relevant State rules and local regulations and ordinances, or the adoption or amendment of State rules, would facilitate faster and less costly revitalization of existing housing and construction of new housing units; and

(9) an inventory of all subgrants issued by the statewide organization serving households experiencing or who have experienced domestic or sexual violence and by each community action agency.

§ ~~2204~~ 2211. REGIONAL ADVISORY COUNCILS

(a) Each community action agency shall convene a regional advisory council whose membership reflects, to the extent possible, the growing diversity among Vermonters, including individuals who are Black, Indigenous, and Persons of Color, as well as with regards to socioeconomic status, geographic location, gender, sexual identity, and disability status. Members of

an advisory council shall include organizations providing services in the region, the Department, and representatives of the Agency and each department of the Agency, as needed. A regional advisory council may collaborate with individuals with lived experience of homelessness, community partners, State partners, housing providers, local housing coalitions, statewide homelessness organizations, providers of coordinated entry, continuums of care, faith-based organizations, and municipalities in the region served by the community action agency.

* * *

* * * Vermont Homeless Emergency Assistance and Responsive Transition to Housing Program; Effective July 1, 2027 * * *

Sec. 5. 33 V.S.A. § 2202 is amended to read:

§ 2202. PURPOSE

It is the purpose of the General Assembly to:

(1) replace the provision of emergency housing through the General Assistance Program established in chapter 21 of this title and the Housing Opportunity Grant Program and use funds and resources previously attributed to those programs, and any other identified State and federal monies, to fund the Vermont Homeless Emergency Assistance and Responsive Transition to Housing Program established in this chapter; and

(2) reduce reliance on the use of hotel and motel rooms to shelter participating households and expand the use of emergency shelters throughout the State for this purpose.

* * * Implementation Planning and Initial Regional Assessments * * *

Sec. 6. VHEARTH IMPLEMENTATION PLANNING

(a) On or before October 1, 2025, the Department for Children and Families, in collaboration with the community action agencies, and the statewide organization serving households that are experiencing or that have experienced domestic or sexual violence, shall submit the first of two written implementation plans to the House Committee on Human Services, the Senate Committee on Health and Welfare, and the Joint Fiscal Committee outlining its initial plans for the implementation of the Vermont Homeless Emergency Assistance and Responsive Transition to Housing Program established by 33 V.S.A. chapter 22 on or before July 1, 2026. Specifically, the first implementation plan shall include:

(1) a process that community action agencies, in coordination with the Department, shall use to conduct regularly occurring regional needs

assessments and develop future regional plans, including consideration of municipal needs;

(2) recommended performance measures to evaluate the community action agencies and the statewide organization serving households that are experiencing or that have experienced domestic or sexual violence in carrying out their duties under 33 V.S.A. chapter 22, including:

(A) the provision of any previously agreed upon information to enable the Department to evaluate the services provided through grant funds, the effect on households receiving services, and an accounting of expended grant funds; and

(B) performance measures that may be specific to an individual region of the State or provider;

(3) recommended eligibility for each of the services offered through 33 V.S.A. chapter 22;

(4) guidance regarding when extreme weather event shelters shall be operated, including flexibility for regional weather conditions;

(5) a timeline for the implementation of core services listed in 33 V.S.A. § 2206 for the first six months of fiscal year 2027;

(6) recommended intake and assessment processes to determine appropriate shelter and services for households based on Program eligibility; and

(7) a recommended process to enable an unwilling community action agency to opt-out of participation in the Program in a manner that gives the State adequate notice.

(b) On or before January 15, 2026, the Department for Children and Families, in collaboration with the community action agencies, regional advisory councils established pursuant to 33 V.S.A. § 2204, and the statewide organization serving households that are experiencing or that have experienced domestic or sexual violence, shall submit the second of two written implementation plans to the House Committee on Human Services and the Senate Committee on Health and Welfare outlining its initial plans for the implementation of the Vermont Homeless Emergency Assistance and Responsive Transition to Housing Program established by 33 V.S.A. chapter 22 on or before July 1, 2026. Specifically, the second implementation plan shall include recommendations on the following:

(1) funding allocations among the community action agencies and other providers, including for services specific to households that are experiencing or that have experienced domestic or sexual violence;

(2) additional State and federal funding and other resources identified for the Program;

(3) establishing an appeals process that includes a hearing before the Human Services Board and an option for an expedited appeals process;

(4) the role of 211 within the intake system;

(5) whether access to all or some services should include an expectation regarding household participation in case management services or other expectations such as night limits on the use of hotels and motels, and, if so, what elements and in what circumstances participation in case management services or other expectations should be applied;

(6) whether the use of emergency shelter should include financial participation, and, if so, what that participation should include;

(7) whether intake and assessment processes should include verification of residency, homelessness, and household income;

(8) how to best ensure that there is equitable access to shelter and supportive services for households experiencing homelessness;

(9) the number of housing vouchers that Vermont lost in the past year, if the data is available; and

(10) any anticipated challenges requiring a legislative solution.

Sec. 7. INTERIM AND FINAL NEEDS ASSESSMENT PLANS

Prior to the enactment of the Vermont Homeless Emergency Assistance and Responsive Transition to Housing Program on July 1, 2026, the statewide organization serving households experiencing or that have experienced domestic or sexual violence and community action agencies shall conduct initial needs assessments in accordance with the process developed in Sec. 6(a)(1) of this act. On or before January 15, 2026, the community action agencies shall submit one comprehensive progress report and the statewide organization shall submit a separate report to the House Committees on Appropriations and on Human Services and the Senate Committees on Appropriations and on Health and Welfare, including estimated fiscal year 2027 budget proposals, estimated costs of administering the Program, and an analysis of any barriers to generating additional shelter and permanent housing in the region. On or before April 1, 2026, the statewide organization shall submit a report and the community action agencies shall submit a separate

comprehensive report detailing the results of each region's needs assessment and implementation plans, which shall not exceed the budgetary proposals provided in the January 15, 2026 progress report, to the House Committees on Appropriations and on Human Services and the Senate Committees on Appropriations and on Health and Welfare. The initial needs assessment conducted pursuant to this section shall include:

(1) addressing progress in reducing the number of households experiencing homelessness in a region;

(2) assessing the rate households placed in permanent housing return to homelessness and the underlying reasons;

(3) identifying resources developed and utilized in the region to address homelessness and efforts to improve the equitable distribution of these resources in the region;

(4) reporting the rate of household participation with coordinated entry processes and case management services;

(5) identifying system gaps and the funding needed to address those gaps, including periodic inflationary adjustments; and

(6) utilizing data, including Vermont's Point-in-Time Count, coordinated entry assessment results, and community conversations.

Sec. 8. ACCELERATED IMPLEMENTATION PATHWAY

On or before November 1, 2025, the Department for Children and Families shall submit for consideration a detailed written plan, including a timeline, to accelerate implementation of the Vermont Homeless Emergency Assistance and Responsive Transition to Housing Program as part of the fiscal year 2026 budget adjustment process to the Joint Fiscal Committee, to the House Committees on Appropriations and on Human Services, and to the Senate Committees on Appropriations and on Health and Welfare. The plan shall address the readiness of community providers to implement the Program prior to July 1, 2026, fiscal estimates for the remainder of fiscal year 2026, and an assessment as to whether the Program is anticipated to be operable on or before July 1, 2026.

* * * Community Action Agencies * * *

Sec. 9. 3 V.S.A. chapter 59 is amended to read:

CHAPTER 59. COMMUNITY ~~SERVICES~~ ACTION AGENCIES

§ 3901. FINDINGS AND PURPOSE

(a) Recognizing that the economic well-being and social equity of every Vermonter has long been a fundamental concern of the State, it remains evident that ~~poverty continues to be the lot of~~ a substantial number of Vermont's population continues to experience poverty. It is the policy of ~~this~~ the State to help develop the full potential of each of its citizens so they can contribute to the fullest extent possible to the life of our communities and the State as a whole.

(b) It is the purpose of this chapter to strengthen, supplement, and coordinate efforts that further this policy through:

(1) the strengthening of community capabilities for planning, coordinating, and managing federal, State, and other sources of assistance related to the problem of poverty;

(2) the better organization and utilization of a range of services related to the needs of ~~the poor~~ individuals with low income; and

(3) the broadening of the resource base of programs to secure a more active role in assisting ~~the poor~~ individuals with low income from business, labor, and other groups from the private sector.

§ 3902. OFFICE OF ECONOMIC OPPORTUNITY

(a) The Director of the Office of Economic Opportunity is hereby authorized to allocate available financial assistance for community ~~services~~ action agencies and programs in accordance with State and federal law and regulation.

(b) The Director may provide financial assistance to community ~~services~~ action agencies for the planning, conduct, administration, and evaluation of community ~~service~~ action programs to provide a range of services and activities having a measurable and potentially major impact on causes of poverty in the community or in areas of the community where poverty is a particularly acute problem. Components of those services and activities may involve, without limitation of other activities and supporting facilities designed to assist ~~low income~~ participants with low income:

(1) to secure and retain meaningful employment;

(2) to obtain adequate education;

(3) to make better use of available income;

(4) to ~~provide and maintain adequate housing and a suitable living environment~~ have access to safe, secure, permanent housing;

(5) to obtain prevention, intervention, treatment, and recovery services for ~~the prevention of narcotics addiction, alcoholism, and for the rehabilitation of narcotic addicts and alcoholics~~ individuals with substance use disorder;

(6) to obtain emergency assistance through loans and grants to meet immediate and urgent individual and family needs, including the need for health services, nutritious food, housing, and unemployment-related assistance;

(7) to remove obstacles and solve personal and family problems ~~which~~ that block achievement of self-sufficiency;

(8) to achieve greater participation in the affairs of the community;

(9) to make more frequent and effective use of other programs related to the purposes of this chapter; and

(10) to coordinate and establish linkages between governmental and other social service programs to ~~assure~~ ensure the effective delivery of such services to ~~low-income~~ persons~~;~~ with low income and to encourage the use of entities in the private sector of the community in efforts to ameliorate poverty in the community.

(c) The Director is authorized to adopt rules pursuant to chapter 25 of this title appropriate to the carrying out of this chapter and the purposes thereof.

§ 3903. DESIGNATION OF AGENCIES TO PROVIDE SERVICES AND ACTIVITIES TO AMELIORATE OR ELIMINATE POVERTY

The Director shall designate private nonprofit ~~community based~~ community-based organizations ~~who~~ that have demonstrated or ~~who~~ that can demonstrate the ability to provide services and activities as defined in subsection 3902(b) of this title as community ~~services~~ action agencies.

§ 3904. COMMUNITY ~~SERVICES~~ ACTION AGENCY PLAN

Each designated community ~~services~~ action agency shall determine the need for activities and services within the area served by the agency and shall thereafter prepare a community services plan ~~which~~ that describes the method by which the agency will provide those services. The plan shall include a schedule for the anticipated provision of new or additional services and shall specify the resources ~~which~~ that are needed by and available to the agency to implement the plan. The community services plan shall be completed every three years and updated annually. The plan shall include the regional needs assessment required under 33 V.S.A. § 2209.

§ 3905. COMMUNITY ~~SERVICES~~ ACTION AGENCIES; ADMINISTRATION

(a) Each community ~~services~~ action agency shall administer its programs as set out in the community services plan and as approved by its board of directors.

(b) Each board of a nonprofit ~~community based~~ community-based organization that is designated a community ~~services~~ action agency under section 3903 of this chapter shall have an executive committee of not more than seven members who shall be representative of the composition of the board and the board shall be so constituted that:

* * *

(2) one-third of the members of the board are persons chosen in accordance with election procedures adequate to ~~assure~~ ensure that they are representative of ~~the poor~~ individuals with low income in the area served; and

(3) the remainder of the members of the board are officials or members of business, industry, labor, religious, welfare, education, or other major groups and interests in the community.

(c) Each member of ~~the~~ a board selected to represent a specific geographic area within a community shall reside in the area ~~he or she~~ the member represents. ~~No person selected under subdivisions (2) or (3) of subsection (b) as a member of a board shall serve on such board for more than five consecutive years, or more than a total of 10 years~~ Each board shall adopt term limits to govern its members.

* * * Appropriations * * *

Sec. 10. APPROPRIATION; TRANSITION PLANNING

In fiscal year 2026, $10,000,000.00 of one-time funding is appropriated from the General Fund as follows:

(1) $5,085,000.00 to the Department for Children and Families to plan for the implementation of the Vermont Homeless Emergency Assistance and Responsive Transition to Housing Program as needed, which may be distributed to entities such as the community action agencies;

(2) $400,000.00 to the Department for Children and Families for distribution to the statewide organization serving households experiencing or who have experienced domestic or sexual violence;

(3) $515,000.00 to the Department of Health for distribution to Bridges to Health for services to individuals who are experiencing homelessness or at risk of becoming homeless;

(4) $1,000,000.00 to the Department for Children and Families for the distribution of grants to municipalities planning and implementing services for households that are at risk of homelessness or experiencing homelessness, in collaboration with the community action agency serving a municipality's region; and

(5) $3,000,000.00 to the Department for Children and Families to enhance capacity for the creation and expansion of emergency shelters and permanent supportive housing capacity, a subset of which shall be distributed to the Vermont Housing and Conservation Board for infrastructure investments and administered in consultation with the Department to ensure new investments are paired with appropriate support services.

Sec. 11. FUTURE APPROPRIATIONS; LEGISLATIVE INTENT

It is the intent of the General Assembly that:

(1) in fiscal year 2027 and thereafter, funds and resources previously appropriated for General Assistance emergency housing be redesignated for the Vermont Homeless Emergency Assistance and Responsive Transition to Housing Program pursuant to 33 V.S.A. chapter 22; and

(2) in fiscal year 2028 and thereafter, funds and resources previously appropriated for the Housing Opportunity Grant program be redesignated for the Vermont Homeless Emergency Assistance and Responsive Transition to Housing Program pursuant to 33 V.S.A. chapter 22.

Sec. 12. TRANSITION; HOUSING OPPORTUNITY GRANT PROGRAM

As part of its fiscal year 2028 budget presentation, the Department for Children and Families shall present a plan for transitioning Housing Opportunity Grant Program funding and duties to the Vermont Homeless Emergency Assistance and Responsive Transition to Housing Program established in 33 V.S.A. chapter 22.

* * * Effective Dates * * *

Sec. 13. EFFECTIVE DATES

This act shall take effect on July 1, 2025, except that:

(1) Secs. 4 (Vermont Homeless Emergency Assistance and Responsive Transition to Housing Program) and 9 (community action agencies) shall take effect on July 1, 2026;

(2) Sec. 5 (Vermont Homeless Emergency Assistance and Responsive Transition to Housing Program) shall take effect on July 1, 2027; and

(3) the Department for Children and Families shall commence the rulemaking process prior July 1, 2026 in order to have rules in place on that date.

(Committee vote: 3-2-0)

(For House amendments, see House Journal of April 1, 2025, pages 796-811)

Reported favorably by Senator Lyons for the Committee on Appropriations.

The Committee recommends that the bill ought to pass in concurrence with proposal of amendment as recommended by the Committee on Health and Welfare.

(Committee vote: 6-0-1)

NOTICE CALENDAR

Second Reading

Favorable with Proposal of Amendment

H. 231.

An act relating to technical corrections to fish and wildlife statutes.

Reported favorably with recommendation of proposal of amendment by Senator Hardy for the Committee on Natural Resources and Energy.

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. 10 V.S.A. § 4001 is amended to read:

§ 4001. DEFINITIONS

Words and phrases used in this part, unless otherwise provided, shall be construed to mean as follows:

* * *

(6) ~~Pickerel: the great northern pike, chain pickerel, or muskellunge.~~ [Repealed.]

(7) ~~Pike perch: walleyed or yellow pike.~~ [Repealed.]

* * *

Sec. 2. 10 V.S.A. § 4905 is amended to read:

§ 4905. BIRDS' NESTS AND EGGS; DESTROYING OR ROBBING

A person shall not take or ~~wilfully~~ willfully destroy the nests or eggs of wild birds, other than rock pigeons, ~~the English sparrow, starling, or purple grackle~~ house sparrows, or European starlings, except when necessary to protect buildings and the nests to be removed contain no eggs or chicks and are no longer being used by birds for feeding, or when taken as provided in section 4152 of this title.

Sec. 3. 10 V.S.A. § 4502 is amended to read:

§ 4502. UNIFORM POINT SYSTEM; REVOCATION OF LICENSE

(a) A uniform point system that assigns points to those convicted of a violation of a provision of this part is established. The conviction report from the court shall be prima facie evidence of the points assessed. In addition to other penalties assessed for violation of fish and wildlife statutes, the Commissioner shall suspend licenses issued under this part that are held by a person who has accumulated 10 or more points in accordance with the provisions of subsection (c) of this section.

(b) A person violating provisions of this part shall receive points for convictions in accordance with the following schedule (all sections are in this title of the Vermont Statutes Annotated):

(1) Except for biological collection violations determined to be nonpoint violations under the rules of the Board, five points shall be assessed for any violation of statutes or rules adopted under this part except those listed in subdivisions (2) and (3) of this subsection.

(2) Ten points shall be assessed for:

* * *

(I) ~~§ 4706. Snaring animals~~ [Repealed.]

* * *

(Y) Appendix § 2~~; Appendix § 33, section 14.3~~. Reporting of big game

* * *

(II) Appendix § 37, ~~as it applies to annual deer limits~~ section 10. Novice season

(JJ) § 4742a. Youth deer hunting weekend. The points shall be assessed solely against the adult who is accompanying the youth hunter.

(KK) § 4908. Youth turkey hunting weekend. The points assessed against the adult accompanying the youth hunter.

(LL) § 4256. Mentored hunting license. The points shall be assessed against the licensed adult who is accompanying the individual holding the mentored hunting license.

(MM) § 4827a. Feeding a black bear

(NN) § 4826. Taking deer doing damage

(OO) § 22a. Taking turkey doing damage

(PP) § 35. Taking moose doing damage

(QQ) ~~Appendix § 22, section 6.7; Appendix § 33, section 13.1(g); Appendix § 37, section 7.7. Possession or transport of a cocked crossbow in or on a motor vehicle, motorboat, airplane, snowmobile, or other motor-propelled vehicle~~ [Repealed.]

(RR) ~~Appendix § 7, section 6.3(b). Hunting bear with any dog not listed on the permit~~ [Repealed.]

* * *

(3) Twenty points shall be assessed for:

(A) ~~§ 4192. General powers and duties; failure to obey warden~~ [Repealed.]

* * *

(I) § 4745. Taking ~~deer~~ big game out of season prohibited

* * *

(O) Appendix § 7, sections 4.2, ~~5.1, 5.2,~~ 5.3, 6.1, 6.2, 6.3(b), 6.3(d), 6.3(e), ~~6.4, 6.5(c), 6.5(d),~~ 7.1, ~~and~~ 7.2, 7.3, and 7.4. Bear, unauthorized taking

(P) Appendix § 22. Turkey season, excluding: requirements for youth turkey hunting season; ~~section 6.2,~~ and size of shot used or possessed~~; and section 6.7, transport of cocked crossbow~~

* * *

(U) Appendix § 37. Deer management rule, excluding requirements for youth deer hunting weekend; requirements for novice season; limitations on feeding of deer; ~~section 7.7, transport of cocked crossbow;~~ reporting big game; and section 11.0, ban of urine and other natural lures

* * *

(W) ~~§ 4711. Crossbow hunting~~ [Repealed.]

(X) ~~Appendix § 4. Hunting with a crossbow without a permit or license~~ [Repealed.]

* * *

(Z) Appendix § 44~~, section 4.6~~. Use of tooth jawed traps

(AA) Appendix § 44~~, section 4.11~~. Taking furbearers with poison

(BB) Appendix § 44~~, section 4.12~~. Taking furbearers from a den

(CC) § 4716. Holding or conducting a coyote-hunting competition

(DD) § 4706. Snaring animals

* * *

Sec. 4. 10 V.S.A. § 4705 is amended to read:

§ 4705. SHOOTING FROM MOTOR VEHICLES OR AIRCRAFT; SHOOTING FROM OR ACROSS HIGHWAY; PERMIT

(a) A person shall not take or attempt to take a wild animal by shooting from a motor vehicle, motorboat, airplane, snowmobile, or other motor-propelled craft or any vehicle drawn by a motor-propelled vehicle except as permitted under subsection (e) of this section.

(b)(1) A person shall not carry or possess while in or on a vehicle propelled by mechanical power or drawn by a vehicle propelled by mechanical power within the right-of-way of a public highway any of the following:

(A) a rifle, air rifle, arrow rifle, pre-charged pneumatic rifle, or shotgun containing a loaded cartridge ~~or~~, shell, or other projectile in the chamber, mechanism, or in a magazine, or clip within a rifle or shotgun~~, or~~;

(B) a muzzle-loading rifle or muzzle-loading shotgun that has been charged with powder and projectile and the ignition system of which has been enabled by having an affixed or attached percussion cap, primer, battery, or priming powder, except as permitted under subsections (d) and (e) of this section~~.~~; and

(C) unless it is uncocked, a crossbow in or on a motor vehicle, motorboat, airplane, snowmobile, or other motor-propelled craft or any vehicle drawn by a motor-propelled vehicle except as permitted under subsection (e) of this section.

(2) A person who possesses a rifle, crossbow, or shotgun, including a muzzle-loading rifle or muzzle-loading shotgun, in or on a vehicle propelled by mechanical power, or drawn by a vehicle propelled by mechanical power

within a right-of-way of a public highway shall upon demand of an enforcement officer exhibit the firearm for examination to determine compliance with this section.

(3) As used in this subsection:

(A) "Air rifle" means a .22 or larger caliber device that fires a bullet solely by the use of unignited compressed gas as the propellant.

(B) "Arrow rifle" means a device that fires an arrow or bolt solely by the use of unignited compressed gas as the propellant.

(C) "Pre-charged pneumatic rifle" means an air rifle or arrow rifle for which the propellant is supplied or introduced by means of a source that is physically separate from the air gun or arrow gun.

* * *

Sec. 5. 23 V.S.A. § 3317(b) is amended to read:

(b) Penalty or fine; $300.00 or $1,000.00 maximum. A person who violates a requirement under 10 V.S.A. § 1454 shall be subject to enforcement under 10 V.S.A. § 8007 or 8008 or a fine under this chapter, provided that the person shall be assessed a penalty or fine of not more than $1,000.00 for each violation. A person who violates a rule adopted under 10 V.S.A. § 1424 shall be subject to enforcement under 10 V.S.A. chapter 201 or a fine under this chapter, provided that the person shall be assessed a penalty of not more than $300.00 for each violation. A person who violates any of the following sections of this title shall be subject to a penalty of not more than $300.00 for each violation:

* * *

Sec. 6. 4 V.S.A. § 1102 is amended to read:

§ 1102. JUDICIAL BUREAU; JURISDICTION

(a) The Judicial Bureau is created within the Judicial Branch under the supervision of the Supreme Court.

(b) The Judicial Bureau shall have jurisdiction of the following matters:

* * *

(19) Violations of rules adopted under 10 V.S.A. § 1424, relating to the use of public waters.

Sec. 7. 10 V.S.A. § 4255 is amended to read:

§ 4255. LICENSE FEES

(a) Vermont residents may apply for licenses on forms provided by the Commissioner. Fees for each license shall be:

* * *

(c) A permanent or free license may be secured on application to the Department by a person qualifying as follows:

* * *

(2) A person who is legally blind who is a Vermont resident may receive a free permanent fishing license upon submittal of proper proof of blindness as the Commissioner shall require. A person who is legally blind who is a resident in a state that provides a reciprocal privilege for Vermont residents may receive a free one-year fishing license.

(3) A Vermont resident with paraplegia as defined in subdivision 4001(30) of this title or a permanent, severe, physical mobility disability certified by a physician may receive a free permanent fishing license or, if the person qualifies for a hunting license, a free combination hunting and fishing license. A person with paraplegia or a person certified by a physician to have permanent, severe, physical mobility disability who is a resident of a state that provides a reciprocal privilege for Vermont residents may receive a free one-year fishing license or, if the person qualifies for a hunting license, a free one-year combination fishing and hunting license.

(4) A Vermont resident who is a veteran of the U.S. Armed Forces and who is, or ever has been, 60 percent disabled as a result of a service-connected disability may receive a free fishing, hunting, or combination hunting and fishing license that shall include all big game licenses, except for a moose license, upon presentation of a certificate issued by the veterans' administration so certifying. A resident of a state that provides a reciprocal privilege for Vermont veterans and who would qualify for a free license under this subdivision if the person were a Vermont resident may receive a free one-year fishing, hunting, or combination hunting and fishing license.

(5) A person participating in a fishing tournament for Special Olympics may receive a free fishing license valid for that event.

* * *

(7) A certified citizen of a Native American Indian tribe that has been recognized by the State pursuant to 1 V.S.A. chapter 23 may receive free of charge one or all of the permanent fishing, hunting, or trapping licenses set forth in subdivisions (1)(A)–(D) of this subsection if qualified for the license and upon submission of a current and valid tribal identification card.

(8) A person with developmental disabilities who is a Vermont resident may receive a free permanent fishing license upon submission to the Commissioner of a statement signed by the person's treating health care provider, as that term is defined in 18 V.S.A. § 9402, certifying that the person meets the definition of a person with development disabilities. "A person with developmental disabilities" has the same meaning as in 18 V.S.A. § 9302.

* * *

(n) The Commissioner shall maintain an accounting of lost revenue due to the issuance of free licenses. The Commissioner annually on or before January 15 shall submit to the Senate Committees on Appropriations and on Finance and the House Committees on Appropriations and on Ways and Means an accounting of lost revenue from the previous calendar year due to the issuance of free licenses.

Sec. 8. 10 V.S.A. § 4251 is amended to read:

§ 4251. TAKING WILD ANIMALS AND FISH; LICENSE

(a) Except as provided in sections 4253 and 4254b of this title, a person shall not take wild animals or fish without first having procured a license therefor; provided, however, that a person under 15 years of age may take fish in accordance with this part and regulations of the Board, without first having procured a license therefor.

(b) The Commissioner of Fish and Wildlife may designate two days each calendar year as "free fishing days" for which no license shall be required. One day shall occur in the open water fishing season and one day shall occur during the ice fishing season.

(c) The Commissioner of Fish and Wildlife may designate Labor Day weekend each year as "free mentored fishing weekend," during which one unlicensed angler can fish with one licensed angler throughout this three-day period.

Sec. 9. 10 V.S.A. § 4613 is amended to read:

§ 4613. FISHING TOURNAMENTS

(a) No person or organization shall hold a fishing tournament on the waters of the State without first obtaining a permit from the Department of Fish and Wildlife. Tournaments held on the Connecticut River, excluding Moore and Comerford Reservoirs, that do not utilize an access area in Vermont are not required to obtain a permit from the Department of Fish and Wildlife.

(b) A fishing tournament means a contest in which anglers pay a fee to enter and in which the entrants compete for a prize based on the quality or size

of the fish they catch. A contest may run multiple days, but the days must be consecutive for that contest to be considered a single event. A tournament that limits the entrants to people below 15 years of age or a tournament held as part of a Special Olympics program shall be exempt from paying the fee required under subsection (d) of this section.

(c) The Commissioner shall adopt rules that establish the procedure for implementation of this section. The rules shall include a provision that an angler may not enter a fish that was caught and confined to an enclosed area prior to the beginning of the tournament.

(d) The Commissioner shall charge a fee ~~of $50.00~~ based on the number of participants for each permit issued under this section and shall deposit the fee collected into the Fish and Wildlife Fund. Tournaments with up to 25 participants shall pay a fee of $10.00; tournaments with 26 to 50 participants shall pay a fee of $30.00; and tournaments with more than 50 participants shall pay a fee of $100.00.

Sec. 10. 10 V.S.A. § 4518 is amended to read:

§ 4518. BIG GAME VIOLATIONS; THREATENED AND ENDANGERED SPECIES; SUSPENSION; VIOLATIONS

(a) Whoever violates a provision of this part or orders or rules of the Board ~~relating to taking, possessing, transporting, buying, or selling of big game; relating to threatened or endangered species; or relating to the trade in covered animal parts or products~~ that constitutes a big game violation shall be fined not more than ~~$1,000.00~~ $2,000.00 nor less than ~~$400.00~~ $500.00 or imprisoned for not more than 60 days, or both. Upon a second and all subsequent convictions or any conviction while under license suspension related to the requirements of part 4 of this title, the violator shall be fined not more than ~~$4,000.00~~ $5,000.00 nor less than $2,000.00 or imprisoned for not more than ~~60~~ 180 days, or both.

(b) As used in this section, "big game violation" means:

(1) violations relating to taking, possessing, transporting, buying, or selling of big game;

(2) violations of chapter 123 of this title and the rules related to threatened and endangered species;

(3) violation of section 4280 of this title relating to criminal suspensions;

(4) violations of chapter 124 of this title relating to the trade in covered animal parts or products;

(5) interference with hunting, fishing, or trapping in violation of section 4708 of this title; or

(6) illegal commercial importation or possession of wild animals in violation of section 4709 of this title.

Sec. 11. 10 V.S.A. § 4552 is amended to read:

§ 4552. JURISDICTION; VENUE

The Vermont Criminal Division of the Superior Court shall have exclusive jurisdiction over fish and wildlife violations with the exception of violations related to section 4572 and chapters 123 and 124 of this title. Venue for adjudicating fish and wildlife violations shall be the unit of the Criminal Division of the Superior Court having jurisdiction over the geographical area where the offense is stated to have occurred.

Sec. 12. 10 V.S.A. § 4572 is amended to read:

§ 4572. DEFINITIONS

(a) As used in this subchapter, a minor fish and wildlife violation means:

(1) a violation of 10 V.S.A. § 4145 (violation of access and landing area rules);

(2) a violation of 10 V.S.A. § 4251 (taking wild animals and fish without a license);

(3) a violation of 10 V.S.A. § 4266 (failure to carry a license on person or failure to exhibit license);

(4) a violation of 10 V.S.A. § 4267 (false statements in license application; altering license; transferring license to another person; using another person's license; or guiding an unlicensed person);

(5) a violation of 10 V.S.A. § 4713 (tree or ground stands or blinds); ~~or~~

(6) [Repealed.]

(7) a violation of a biological collection rule adopted by the Board under part 4 of this title; or

(8) except for big game offenses and under revocation offenses, any fish and wildlife violation as defined by 10 V.S.A § 4551 and not otherwise listed in this section shall be charged as a minor violation, provided that:

(A) the offender has no prior history of fish and wildlife violations;

(B) no evidence was seized in relation to the violation;

(C) a criminal warrant was not used in relation to the

violation; and

(D) there is no possibility of forfeiture.

(b) "Bureau" means the Judicial Bureau as created in 4 V.S.A. § 1102.

Sec. 13. 10 V.S.A. § 4085 is added to read:

§ 4085. REPTILES AND AMPHIBIANS; TAKING; POSSESSION

(a) A person shall not intentionally take a reptile or amphibian in the State unless authorized by rules adopted under subsection (b) of this section.

(b) The Commissioner may establish requirements for the following by rule:

(1) the collection or possession for commercial use, export, or sale of reptiles and amphibians specified by the Commissioner;

(2) the taking of reptiles or amphibians that have been classified as common, widespread, and abundant, known as S5 ranked species, with stable or increasing populations indicated by data collected or compiled by the Department of Fish and Wildlife;

(3) the taking of a reptile or amphibian that due to population, risk to other native species, or risk to ecosystems has been identified as requiring a reduction in population; or

(4) under specified criteria, the taking, collection, or possession of a specified reptile or amphibian for scientific, educational, or noncommercial cultural or ceremonial purposes.

(c) Rules adopted by the Commissioner of Fish and Wildlife under this section shall be designed to maintain the best health, population, and utilization levels of the regulated reptile or amphibian.

Sec. 14. IMPORT, POSSESSION, AND SALE OF REPTILES AND AMPHIBIANS; ENDORSEMENTS

(a)(1) A person shall not import, possess, or sell in the State a pond slider turtle (Trachemys scripta), provided that:

(A) a person may continue to possess a turtle that was legally acquired as a pet prior to July 1, 2025 or that was legally acquired from a pet dealer or commercial collection permittee authorized to sell turtles under subdivision (1)(B) of this subsection; or

(B) a person with a valid pet dealer permit or commercial collection permit may possess and sell a turtle that the person can document they had possession of prior to July 1, 2025.

(2) A person is prohibited from releasing to the wild a pond slider retained as a pet under this subsection. A violation of the prohibition under this section shall be subject to enforcement as a fish and wildlife violation under Title 10 part 4.

(b) Subsection (a) of this section shall be repealed on the effective date of a rule adopted by the Commissioner of Fish and Wildlife under 10 V.S.A. § 4085 regulating the import, possession, or sale of the pond slider turtle (Trachemys scripta).

(c) When the Commissioner of Fish and Wildlife under 10 V.S.A. § 4085(b) authorizes the taking of a reptile or amphibian by hunting, a hunting license issued under 10 V.S.A. part 4 that authorizes the taking of reptiles and amphibians under the license shall include an endorsement indicating the authorized taking.

Sec. 15. 10 V.S.A. § 4709 is amended to read:

§ 4709. TRANSPORT, IMPORTATION, POSSESSION, AND STOCKING OF WILD ANIMALS; POSSESSION OF WILD BOAR OR FERAL SWINE

(a) A person shall not bring into, transport into, transport within, transport through, or possess in the State any live wild bird or animal of any kind, including reptiles, amphibians, or any manner of feral swine, without authorization from the Commissioner or ~~his or her~~ the Commissioner's designee. The importation permit may be granted under ~~such regulations therefor as~~ rules, requirements, or conditions that the Commissioner shall prescribe and only after the Commissioner has made such investigation and inspection of the birds or animals as ~~she or he~~ the Commissioner may deem necessary. The Department may dispose of unlawfully possessed or imported wildlife as it may judge best, and the State may collect treble damages from the violator of this subsection for all expenses incurred.

(b) No person shall bring into the State from another country, state, or province wildlife illegally taken, transported, or possessed contrary to the laws governing the country, state, or province from which the wildlife originated.

(c) No person shall place a Vermont-issued tag on wildlife taken outside the State. No person shall report big game in Vermont when the wildlife is taken outside the State.

(d) Nothing in this section shall prohibit the Commissioner or duly authorized agents of the Department of Fish and Wildlife from bringing into the State for the purpose of planting, introducing, or stocking or from planting, introducing, or stocking in the State any wild bird or animal.

(e) Any person who violates this section may be subject to the penalties set forth in section 4518 of this title and also may be required to pay additional penalties based on reasonable mitigation and potential economic benefit associated with commercial trade.

(f) The Commissioner may bring an action in the unit of the Criminal Division of the Superior Court having jurisdiction over the geographical area where the offense is stated to have occurred, or the Environmental Division of the Superior Court, to compel reasonable mitigation and recover economic benefits for commercial collection and trade violations under this subsection.

(g) Applicants shall pay a permit fee of $100.00.

~~(f)~~(i)(1) The Commissioner shall not issue a permit under this section for the importation or possession of the following live species, a hybrid or genetic variant of the following species, offspring of the following species, or offspring or a hybrid of a genetically engineered variant of the following species: feral swine, including wild boar, wild hog, wild swine, feral pig, feral hog, old world swine, razorback, Eurasian wild boar, or Russian wild boar (Sus scrofo Linnaeus). A feral swine is:

* * *

Sec. 16. 10 V.S.A. § 5403(a) is amended to read:

(a) Except as authorized under this chapter, a person shall not:

(1) take, possess, or transport wildlife or wild plants that are members of a threatened or endangered species; ~~or~~

(2) destroy or adversely impact critical habitat;

(3) sell or offer for sale in intrastate commerce a threatened or endangered species;

(4) deliver, receive, carry, transport, or ship a threatened or endangered species in intrastate commerce; or

(5) import a threatened or endangered species into or export a threatened or endangered species from Vermont.

Sec. 17. 10 V.S.A. § 5408 is amended to read:

§ 5408. AUTHORIZED TAKINGS; INCIDENTAL TAKINGS; DESTRUCTION OF CRITICAL HABITAT

(a) Authorized taking. Notwithstanding any provision of this chapter, after obtaining the advice of the Endangered Species Committee, the Secretary may permit, under such terms and conditions as the Secretary may require as

necessary to carry out the purposes of this chapter, the taking of a threatened or endangered species, the destruction of or adverse impact on critical habitat, or any act otherwise prohibited by this chapter if done for any of the following purposes:

(1) scientific purposes;

(2) to enhance the propagation or survival of a threatened or endangered species;

(3) zoological exhibition;

(4) educational purposes;

(5) noncommercial cultural or ceremonial purposes; or

(6) special purposes consistent with the purposes of the federal Endangered Species Act.

(b) Incidental taking. After obtaining the advice of the Endangered Species Committee, the Secretary may permit, under such terms and conditions as necessary to carry out the purposes of this chapter, the incidental taking of a threatened or endangered species or the destruction of or adverse impact on critical habitat if:

(1) the taking is necessary to conduct an otherwise lawful activity;

(2) the taking is attendant or secondary to, and not the purpose of, the lawful activity;

(3) the impact of the permitted incidental take is minimized; and

(4) the incidental taking will not impair the conservation or recovery of any endangered species or threatened species.

* * *

(k) Public notice. ~~Prior~~ Except for threatened and endangered species listed by the Secretary in accordance with subsection 5410(b) of this title, prior to issuing a permit for an incidental taking and prior to the initial issuance or amendment of a general permit under this section, the Secretary shall provide for public notice of ~~no~~ not fewer than 30 days~~,~~ opportunity for written comment~~,~~ and opportunity to request a public informational hearing. ~~The~~ Except for threatened and endangered species listed by the Secretary in accordance with subsection 5410(b) of this title, the Secretary shall post permit applications, permit decisions, and the initial or amended general permits on the website of the Agency of Natural Resources. ~~The~~ Except for threatened and endangered species listed by the Secretary in accordance with subsection 5410(b) of this title, the Secretary also shall provide notice to interested

persons who request notice of permit applications, permit decisions, and proposed general permits or proposed amendments to general permits.

(l) General permits.

(1) The Secretary may issue general permits for activities that will not affect the continued survival or recovery of a threatened or endangered species.

* * *

(6) ~~Prior~~ Except for threatened and endangered species listed by the Secretary in accordance with subsection 5410(b) of this title, prior to issuing an initial or amended general permit under this subsection, the Secretary shall:

(A) post a draft of the general permit on the Agency website;

(B) provide public notice of at least 30 days; and

(C) provide for written comments or a public hearing, or both.

(7) For applications for coverage under the terms of an issued general permit, the applicant shall provide notice on a form provided by the Secretary. ~~The~~ Except for threatened and endangered species listed by the Secretary in accordance with subsection 5410(b) of this title, the Secretary shall post notice of the application on the Agency website and shall provide an opportunity for written comment, regarding whether the application complies with the terms and conditions of the general permit, for ~~ten~~ 10 days following receipt of the application.

* * *

Sec. 18. 10 V.S.A. § 5410 is amended to read:

§ 5410. LOCATION CONFIDENTIAL

(a) The Secretary shall not disclose information regarding the specific location of threatened or endangered species sites or habitats except ~~that the Secretary shall disclose information regarding the location of the threatened or endangered species to~~:

(1) to the owner of land upon which the species is located;

(2) to a potential buyer of land upon which the species is located who has a bona fide contract to buy the land and applies to the Secretary for disclosure of threatened or endangered species information; ~~or~~

(3) to qualified individuals or organizations, public agencies, and nonprofit organizations for scientific research or for preservation and planning

purposes when the Secretary determines that the preservation of the species is not further endangered by the disclosure; or

(4) during regulatory processes with the exception of threatened or endangered species listed under subsection (b) of this section.

(b) The Secretary shall maintain a subset list of threatened and endangered species whose specific names shall not be included in regulatory planning. The subset list shall include threatened or endangered species for which the species names and locations shall not be disclosed because of the risk that the species will be significantly harmed by unauthorized take, such as illegal collection, commercial trade, human-caused mortality, or destruction of habitat. The list shall be based on the rarity of the species, known collection and commercial trade activities in Vermont and other states or countries, incidents of human-caused mortality or destruction of habitat, and other factors that present a threat to the continued existence of the species.

(c) When the Secretary issues a permit under this chapter to take a threatened or endangered species or destroy or adversely impact critical habitat and when the Secretary designates critical habitat by rule under section 5402a of this title, the Secretary shall disclose only the municipality and general location where the threatened or endangered species or designated critical habitat is located. When the Secretary designates critical habitat under section 5402a of this title, the Secretary shall notify the municipality in which the critical habitat is located and shall disclose the general location of the designated critical habitat.

Sec. 19. 10 V.S.A. § 4829 is amended to read:

§ 4829. ~~PERSON SUFFERING DAMAGE BY DEER OR BLACK BEAR~~

~~(a) A person engaged in the business of farming who suffers damage by deer to the person's crops, fruit trees, or crop-bearing plants on land not posted against the hunting of deer, or a person engaged in the business of farming who suffers damage by black bear to the person's cattle, sheep, swine, poultry, or bees or bee hives on land not posted against hunting or trapping of black bear is entitled to reimbursement for the damage up to an amount not to exceed $5,000.00 per year, and may apply to the Department of Fish and Wildlife within 72 hours of the occurrence of the damage for reimbursement for the damage. As used in this section, "post" means any signage that would lead a reasonable person to believe that hunting is prohibited on the land.~~

~~(b) As used in this section, a person is "engaged in the business of farming" if he or she earns at least one-half of the farmer's annual gross~~

~~income from the business of farming, as that term is defined in the Internal Revenue Code, 26 C.F.R. § 1.175-3.~~ [Repealed.]

Sec. 20. EFFECTIVE DATES

This act shall take effect on July 1, 2025, except that:

(1) Sec. 7 (free fishing license; person with developmental disabilities) shall take effect on January 1, 2026; and

(2) in Sec. 13, 10 V.S.A. § 4085(a) (related to the taking of reptiles and amphibians) shall take effect on January 1, 2027.

(Committee vote: 5-0-0)

(For House amendments, see House Journal of March 18, 2025, pages 442 to 448)

Reported favorably by Senator Mattos 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 Natural Resources and Energy.

(Committee vote: 4-0-3)

H. 319.

An act relating to miscellaneous environmental subjects.

Reported favorably with recommendation of proposal of amendment by Senator Watson for the Committee on Natural Resources and Energy.

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:

* * * Battery Extended Producer Responsibility * * *

Sec. 1. 2024 Acts and Resolves No. 152, Sec. 3 is amended to read:

Sec. 3. ANR BATTERY ASSESSMENT

(a) On or before July 1, ~~2026, the Secretary of Natural Resources~~ 2027, the stewardship organization formed pursuant to 10 V.S.A. chapter 168 shall complete an assessment of the opportunities, challenges, and feasibility of establishing mandatory end-of-life management programs for the following battery types:

(1) batteries used in hybrid and electric vehicles;

(2) battery energy storage systems; and

(3) batteries that are not easily removable from the products they power.

(b) The assessment required by this section shall include:

(1) a summary of the work and progress other states have made in establishing end-of-life management programs for the three battery types listed under subsection (a) of this section; and

(2) policy recommendations on whether mandatory end-of-life management programs are necessary for the battery types listed under subsection (a) of this section.

(c) The assessment required by this section shall be provided to the Secretary of Natural Resources, the House Committee on Environment ~~and Energy,~~ and the Senate Committee on Natural Resources and Energy.

* * * Fuel Storage Tanks * * *

Sec. 2. 10 V.S.A. § 1927(d) is amended to read:

(d) No person shall deliver a regulated substance to a category one tank that is ~~visibly~~ designated by the Agency as not having a valid permit or not meeting standards adopted by the Secretary ~~related to corrosion protection, spill prevention, leak detection, financial responsibility, or overfill protection~~ that may result in the tank releasing a regulated substance to the environment.

* * * Household Hazardous Waste Extended Producer Responsibility * * *

Sec. 3. 10 V.S.A. § 7181 is amended to read:

§ 7181. DEFINITIONS

As used in this chapter:

* * *

(4)(A) "Covered household hazardous product" means a consumer product offered for retail sale that is contained in the receptacle in which the product is offered for retail sale, if the product has any of the following characteristics:

(i) the product or a component of the product is a hazardous waste under subchapter 2 of the Vermont Hazardous Waste Management Regulations, regardless of the status of the generator of the hazardous waste; or

(ii) the product is a gas cylinder.

(B) "Covered household hazardous product" does not mean any of the following:

* * *

(iv) ~~architectural paint~~ paint products as that term is defined in section 6672 of this title;

* * *

Sec. 4. 10 V.S.A. § 7182 is amended to read:

§ 7182. SALE OF COVERED HOUSEHOLD HAZARDOUS PRODUCTS; STEWARDSHIP ORGANIZATION REGISTRATION; MANUFACTURER REGISTRATION

(a) Sale prohibited.

(1) A manufacturer of a covered household hazardous product shall not sell, offer for sale, or deliver to a retailer for subsequent sale a covered household hazardous product without registering with the stewardship organization pursuant to subsection (c) of this section.

(2) Beginning six months after a final decision on the adequacy of a collection plan by the Secretary, a manufacturer of a covered household hazardous product shall not sell, offer for sale, or deliver to a retailer for subsequent sale a covered household hazardous product unless all the following have been met:

~~(1)~~(A) The manufacturer is participating in a stewardship organization implementing an approved collection plan.

~~(2)~~(B) The name of the manufacturer, the manufacturer's brand, and the name of the covered household hazardous product are submitted to the Agency of Natural Resources by a stewardship organization and listed on the stewardship organization's website as covered by an approved collection plan.

~~(3)~~(C) The stewardship organization in which the manufacturer participates has submitted an annual report consistent with the requirements of section 7185 of this title.

~~(4)~~(D) The stewardship organization in which the manufacturer participates has conducted a plan audit consistent with the requirements of subsection 7185(b) of this title.

(b) Stewardship organization registration requirements.

(1) On or before July 1, 2025 ~~and annually thereafter~~, a stewardship organization shall file a registration form with the Secretary. The Secretary shall provide the registration form to the stewardship organization. The registration form shall include:

~~(A) a list of the manufacturers participating in the stewardship organization;~~

~~(B) a list of the brands of each manufacturer participating in the stewardship organization;~~

~~(C) a list of the covered household hazardous products of each manufacturer participating in the stewardship organization;~~

~~(D) the name, address, and contact information of a person responsible for ensuring compliance with this chapter;~~

~~(E)~~ a description of how the stewardship organization meets the requirements of subsection 7184(b) of this title, including any reasonable requirements for participation in the stewardship organization; and

~~(F)~~(B) the name, address, and contact information of a person for a nonmember manufacturer to contact regarding how to participate in the stewardship organization to satisfy the requirements of this chapter.

(2) ~~A renewal of a registration without changes may be accomplished through notifying the Agency of Natural Resources on a form provided by the Agency~~ Beginning on July 1, 2026 and annually thereafter, a stewardship organization shall renew its registration with the Secretary. A renewal registration shall include the following:

(A) a list of the manufacturers participating in the stewardship organization;

(B) a list of the brands of each manufacturer participating in the stewardship organization;

(C) a list of the covered household hazardous products of each manufacturer participating in the stewardship organization;

(D) the name, address, and contact information of a person responsible for ensuring compliance with this chapter;

(E) a description of how the stewardship organization meets the requirements of subsection 7184(b) of this title, including any reasonable requirements for participation in the stewardship organization; and

(F) the name, address, and contact information of a person for a nonmember manufacturer to contact regarding how to participate in the stewardship organization to satisfy the requirements of this chapter.

(c) Manufacturer registration. On or before November 1, 2025, a manufacturer of a covered household hazardous product shall register with the

stewardship organization in a manner proscribed by the stewardship organization.

Sec. 5. 10 V.S.A. § 7183 is amended to read:

§ 7183. COLLECTION PLANS

(a) Collection plan required. ~~Prior to July 1, 2025~~ On or before July 1, 2026, any stewardship organization registered with the Secretary as representing manufacturers of covered household hazardous products shall coordinate and submit to the Secretary for review one collection plan for all manufacturers.

(b) Collection plan; minimum requirements. ~~Each collection plan shall include, at a minimum, all of the following requirements:~~

(1) Initial plan. The initial plan shall last for a period not to exceed three years and contain, at a minimum, the following requirements:

(A) List of participants. A list of the manufacturers, brands, and products participating in the collection plan and a methodology for adding and removing manufacturers and notifying the Agency of new participants.

~~(2)~~(B) Free statewide collection of covered household hazardous products. The collection program shall ~~provide~~ reimburse municipalities when a municipality provides for free, convenient, and accessible ~~statewide~~ opportunities for the collection from covered entities of covered household hazardous products, including orphan covered products. ~~A stewardship organization shall accept all covered household hazardous products collected from a covered entity and shall not refuse the collection of a covered household hazardous product, including orphan covered household products, based on the brand or manufacturer of the covered household hazardous product unless specifically exempt from this requirement.~~ The collection program shall also provide for the payment of collection, processing, and end-of-life management of the covered household hazardous products. Collection costs include facility costs, equipment costs, labor, supplies, maintenance, events costs, and event contractor costs, including collection event set-up fees, environmental service fees, insurance fees, and shipping containers and materials.

~~(3) Convenient collection location. The stewardship organization shall develop a collection program that allows all municipal household hazardous waste collection programs to opt to be a part of the collection plan, including collection events and facilities offered by solid waste planning entities. The plan shall make efforts to site points of collection equitably across all regions~~

~~of the State to allow for convenient and reasonable access of all Vermonters to collection facilities or collection events.~~

~~(4) Public education and outreach. The collection plan shall include an education and outreach program that shall include a website and may include media advertising, retail displays, articles and publications, and other public educational efforts. Outreach and education shall be suitable for the State's diverse ethnic populations, through translated and culturally appropriate materials, including in-language and targeted outreach. Public education and outreach should include content to increase meaningful participation by environmental justice focus populations as required by 3 V.S.A. chapter 72. During the first year of program implementation and two years after adoption of the collection plan, each stewardship organization shall carry out a survey of public awareness regarding the requirements of the program established under this chapter that can identify communities that have disparities in awareness and need more outreach. Each stewardship organization shall share the results of the public awareness surveys with the Secretary. If multiple stewardship organizations are implementing plans approved by the Secretary, the stewardship organizations shall coordinate in carrying out their education and outreach responsibilities under this subdivision and shall include in their annual reports to the Secretary a summary of their coordinated education and outreach efforts. The education and outreach program and website shall notify the public of the following:~~

~~(A) that there is a free collection program for covered household hazardous products;~~

~~(B) the location and hours of operation of collection points and how a covered entity can access this collection program;~~

~~(C) the special handling considerations associated with covered household hazardous products; and~~

~~(D) source reduction information for consumers to reduce leftover covered household products.~~

~~(5) Compliance with appropriate environmental standards. In implementing a collection plan, a stewardship organization shall comply with all applicable laws related to the collection, transportation, and disposal of hazardous waste. A stewardship organization shall comply with any special handling or disposal standards established by the Secretary for covered household hazardous products or for the collection plan of the manufacturer.~~

~~(6) Method of disposition. The collection plan shall describe how covered household hazardous products will be managed in the most~~

~~environmentally and economically sound manner, including following the waste-management hierarchy. The management of covered household hazardous products under the collection plan shall use management activities in the following priority order: source reduction, reuse, recycling, energy recovery, and disposal. Collected covered household hazardous products shall be recycled when technically and economically feasible.~~

~~(7) Performance goals. A collection plan shall include:~~

~~(A) A performance goal for covered household hazardous products determined by the number of total participants at collection events and facilities listed in the collection plan during a program year divided by the total number of households. The number of households shall include seasonal households. The calculation methodology for the number of households shall be included in the plan.~~

~~(B) At a minimum, the collection performance goal for the first approved plan shall be an annual participation rate of five percent of the households for every collection program based on the number of households the collection program serves. After the initial approved program plan, the stewardship organization shall propose performance goals for subsequent program plans. The Secretary shall approve the performance goals for the plan at least every five years. The stewardship organization shall use the results of the most recent waste composition study required under 6604 of this title and other relevant factors to propose the performance goals of the collection plan. If a stewardship organization does not meet its performance goals, the Secretary may require the stewardship organization to revise the collection plan to provide for one or more of the following: additional public education and outreach, additional collection events, or additional hours of operation for collection sites. A stewardship organization is not authorized to reduce or cease collection, education and outreach, or other activities implemented under an approved plan on the basis of achievement of program performance goals.~~

~~(8)~~(C) Collection plan funding. The collection plan shall describe how the stewardship organization will fund the implementation of ~~the collection plan and collection activities under the plan, including the costs for education and outreach, collection, processing, and end-of-life management of the covered household hazardous product~~ all municipal collection offered to the public in a base program year. A base program year shall be based on the services provided in calendar year 2024 and any other collection facilities or events approved by the Secretary. Collection costs include facility costs, equipment costs, labor, supplies, maintenance, events costs, and event contractor costs, including collection event set-up fees, environmental service

fees, insurance fees, and shipping containers and materials. The collection plan shall include how municipalities will be compensated for all costs attributed to collection of covered household hazardous products. The Secretary shall resolve disputes relating to compensation.

(2) Subsequent plans. After the expiration of the initial plan approved by the Secretary, the collection plan shall include, at a minimum, the following:

(A) List of participants. A list of the manufacturers, brands, and products participating in the collection plan and a methodology for adding and removing manufacturers and notifying the Agency of new participants.

(B) Free statewide collection of covered household hazardous products. The collection program shall provide for free, convenient, and accessible statewide opportunities for the collection from covered entities of covered household hazardous products, including orphan covered products. A stewardship organization shall accept all covered household hazardous products collected from a covered entity and shall not refuse the collection of a covered household hazardous product, including orphan covered household products, based on the brand or manufacturer of the covered household hazardous product unless specifically exempt from this requirement. The collection program shall also provide for the payment of collection, processing, and end-of-life management of the covered household hazardous products. Collection costs include facility costs, equipment costs, labor, supplies, maintenance, events costs, and event contractor costs, including collection event set-up fees, environmental service fees, insurance fees, and shipping containers and materials.

(C) Convenient collection location. The stewardship organization shall develop a collection program that allows all municipal household hazardous waste collection programs to opt to be a part of the collection plan, including collection events and facilities offered by solid waste planning entities. The plan shall make efforts to site points of collection equitably across all regions of the State to allow for convenient and reasonable access of all Vermonters to collection facilities or collection events.

(D) Public education and outreach. The collection plan shall include an education and outreach program that shall include a website and may include media advertising, retail displays, articles and publications, and other public educational efforts. Outreach and education shall be suitable for the State's diverse ethnic populations, through translated and culturally appropriate materials, including in-language and targeted outreach. Public education and outreach should include content to increase meaningful

participation by environmental justice focus populations as required by 3 V.S.A. chapter 72. During the second approved plan, each stewardship organization shall carry out a survey of public awareness regarding the requirements of the program established under this chapter that can identify communities that have disparities in awareness and need more outreach. Each stewardship organization shall share the results of the public awareness surveys with the Secretary. If multiple stewardship organizations are implementing plans approved by the Secretary, the stewardship organizations shall coordinate in carrying out their education and outreach responsibilities under this subdivision (D) and shall include in their annual reports to the Secretary a summary of their coordinated education and outreach efforts. The education and outreach program and website shall notify the public of the following:

(i) that there is a free collection program for covered household hazardous products;

(ii) the location and hours of operation of collection points and how a covered entity can access this collection program;

(iii) the special handling considerations associated with covered household hazardous products; and

(iv) source reduction information for consumers to reduce leftover covered household products.

(E) Compliance with appropriate environmental standards. In implementing a collection plan, a stewardship organization shall comply with all applicable laws related to the collection, transportation, and disposal of hazardous waste. A stewardship organization shall comply with any special handling or disposal standards established by the Secretary for covered household hazardous products or for the collection plan of the manufacturer.

(F) Method of management. The collection plan shall describe how covered household hazardous products will be managed in the most environmentally and economically sound manner, including following the waste-management hierarchy. The management of covered household hazardous products under the collection plan shall use management activities in the following priority order: source reduction, reuse, recycling, energy recovery, and disposal. Collected covered household hazardous products shall be recycled when technically and economically feasible.

(G) Performance goals. A collection plan shall include:

(i) A performance goal for covered household hazardous products determined by the number of total participants at collection events and

facilities listed in the collection plan during a program year divided by the total number of households. The number of households shall include seasonal households. The calculation methodology for the number of households shall be included in the plan.

(ii) At a minimum, the collection performance goal for the initial plan approved pursuant to subdivision (1) of this subsection (b) shall be an annual participation rate of seven percent of the households for every collection program based on the number of households the collection program serves. After the initial approved program plan, the stewardship organization shall propose performance goals for subsequent program plans. The Secretary shall approve the performance goals for the plan at least every five years. The stewardship organization shall use the results of the most recent waste composition study required under 6604 of this title and other relevant factors to propose the performance goals of the collection plan. If a stewardship organization does not meet its performance goals, the Secretary may require the stewardship organization to revise the collection plan to provide for one or more of the following: additional public education and outreach, additional collection events, or additional hours of operation for collection sites. A stewardship organization is not authorized to reduce or cease collection, education and outreach, or other activities implemented under an approved plan on the basis of achievement of program performance goals.

(H) Collection plan funding. The collection plan shall describe how the stewardship organization will fund the implementation of the collection plan and collection activities under the plan, including the costs for education and outreach, collection, processing, and end-of-life management of the covered household hazardous product. Collection costs include facility costs, equipment costs, labor, supplies, maintenance, events costs, and event contractor costs, including collection event set-up fees, environmental service fees, insurance fees, and shipping containers and materials. The collection plan shall include how municipalities will be compensated for all costs attributed to collection of covered household hazardous products. The Secretary shall resolve disputes relating to compensation.

(c) Term of collection plan. A collection plan approved by the Secretary under section 7187 of this title shall have a term not to exceed five years, provided that the stewardship organization remains in compliance with the requirements of this chapter and the terms of the approved collection plan.

(d) Collection plan implementation. Stewardship organizations shall implement the collection plan on or before six months after the date of a final decision by the Secretary on the adequacy of the collection plan.

Sec. 6. 10 V.S.A. § 7184 is amended to read:

§ 7184. STEWARDSHIP ORGANIZATIONS

(a) Participation in a stewardship organization. A manufacturer shall meet the requirements of this chapter by participating in a stewardship organization that undertakes the responsibilities under sections 7182, 7183, and 7185 of this title.

(b) Qualifications for a stewardship organization. To qualify as a stewardship organization under this chapter, an organization shall:

(1) commit to assume the responsibilities, obligations, and liabilities of all manufacturers participating in the stewardship organization;

(2) not create unreasonable barriers for participation in the stewardship organization; and

(3) maintain a public website that lists all manufacturers and manufacturers' brands and products covered by the stewardship organization's approved collection plan.

(c) A stewardship organization is authorized to charge its members reasonable fees for the organization, administration, and implementation of the programs required by this chapter.

Sec. 7. 10 V.S.A. § 7187 is amended to read:

§ 7187. AGENCY RESPONSIBILITIES

(a) Review and approve collection plans. The Secretary shall review and approve or deny collection plans submitted under section 7183 of this title according to the public notice and comment requirements of section 7714 of this title.

* * *

(g) Agency collection plan. If no stewardship organization is formed on or before July 1, 2025 or the stewardship organization fails to submit a plan or submits a plan that does not meet the requirements of this chapter, the Secretary shall adopt and administer a plan that meets the requirements of section 7183 of this title. If the Secretary administers the plan adopted under section 7183, the Secretary shall charge each manufacturer the prorated costs of plan administration, the Agency's oversight costs, and an additional hazardous waste reduction assessment of 10 percent of the plan's total cost to be deposited in the Solid Waste Management Assistance Account of the Waste Management Assistance Fund, for the purpose of providing grants to municipalities and small businesses to prevent pollution and reduce the

generation of hazardous waste in the State. When determining a manufacturer's assessment under this section, the Agency may allocate costs to a manufacturer of covered household hazardous products based on the sales of covered household hazardous products nationally prorated to the population of Vermont.

Sec. 8. 10 V.S.A. § 6621a is amended to read:

§ 6621a. LANDFILL DISPOSAL REQUIREMENTS

(a) In accordance with the following schedule, no person shall knowingly dispose of the following materials in solid waste or in landfills:

* * *

(12) Covered household hazardous products after July 1, ~~2025~~ 2026.

* * *

Sec. 9. SOLID WASTE PLAN; FLEXIBILITY

(a) Notwithstanding the municipal household hazardous waste (HHW) collection requirements under the State Solid Waste Plan adopted pursuant to 10 V.S.A. § 6604, the Secretary of Natural Resources may grant a variance from the requirement to conduct at least two household hazardous waste collection events in that municipality. The variance shall allow a municipality to meet its obligations, as follows:

(1) the municipality has partnered with another municipality to allow its residents the ability to access a permanent HHW facility in the same manner as the municipality that operates the permanent HHW facility;

(2) the municipality has partnered with a nearby municipality to offer collection events to members in both municipalities; or

(3) the municipality has demonstrated that it has made reasonable efforts to provide alternate collection opportunities identified under subdivisions (1) and (2) of this subsection and was unable and that the cost of a collection event is unreasonable. In such circumstances the Secretary of Natural Resources may reduce the required collection events to one per year.

(b) This section shall be repealed on July 1, 2027.

* * * Paint Product Stewardship Program * * *

Sec. 10. 10 V.S.A. chapter 159, subchapter 4 is amended to read:

Subchapter 4. Paint Product Stewardship Program

§ 6671. PURPOSE

The purpose of this subchapter is to establish an environmentally sound, cost-effective Paint Product Stewardship Program in the State that will undertake responsibility for the development and implementation of strategies to reduce the generation of postconsumer paint; promote the reuse of postconsumer paint; and collect, transport, and process postconsumer paint, including reuse, recycling, energy recovery, and disposal. The Paint Product Stewardship Program will follow the waste management hierarchy for managing and reducing postconsumer paint in the order as follows: reduce consumer generation of postconsumer paint, reuse, recycle, provide for energy recovery, and dispose. The Paint Product Stewardship Program will provide more opportunities for consumers to manage properly their postconsumer paint, provide fiscal relief for local government in managing postconsumer paint, keep paint out of the waste stream, and conserve natural resources.

§ 6672. DEFINITIONS

As used in this subchapter:

(1) "Aerosol coating product" means a pressurized coating product containing pigments or resins dispensed by means of a propellant and packaged and sold in a disposable aerosol container for handheld application, or for use in specialized equipment for ground traffic or marking applications.

(2) "Architectural paint" means interior and exterior architectural coatings, including interior or exterior water- and oil-based coatings, primers, sealers, or wood coatings, that are sold in containers of five gallons or less. "Architectural paint" does not mean industrial coatings, original equipment coatings, or specialty coatings.

(3) "Coating-related product" means a product used as a paint additive, paint thinner, paint colorant, paint remover, surface sealant, surface preparation, or surface adhesive, and sold for home improvement. "Coating-related product" does not mean original equipment manufacturer products or industrial products.

~~(2)~~(4) "Distributor" means a company that has a contractual relationship with one or more producers to market and sell ~~architectural~~ paint to retailers in Vermont.

~~(3)~~(5) "Energy recovery" means recovery in which all or a part of the solid waste materials are processed in order to use the heat content or other forms of energy of or from the material.

~~(4)~~(6) "Environmentally sound management practices" means policies to be implemented by a producer or a stewardship organization to ensure

compliance with all applicable laws and also addressing such issues as adequate record keeping, tracking and documenting the fate of materials within the State and beyond, and adequate environmental liability coverage for professional services and for the operations of the contractors working on behalf of the producer organization.

~~(5)~~(7) "Municipality" means a city, town, or a village.

~~(6) "Paint stewardship assessment" means a one-time charge that is:~~

~~(A) added to the purchase price of architectural paint sold in Vermont;~~

~~(B) passed from the producer to the wholesale purchaser to the retailer and then to a retail consumer; and~~

~~(C) necessary to cover the cost of collecting, transporting, and processing the postconsumer paint managed through the statewide Program.~~

(8) "Nonindustrial coating" means arts and crafts paint, automotive refinish paint, driveway sealer, faux finish or glaze, furniture oil, furniture paint, lime wash, lime paint, marine paint, antifouling paint, road and traffic marking paint, two-component paint, wood preservative, fire retardant paint, dry fog paint, chalkboard paint, and conductive paint, sold in containers of five gallons or less for commercial and homeowner use, but does not include coatings purchased for industrial or original equipment manufacturer use.

(9)(A) "Paint product" includes:

(i) architectural paint;

(ii) aerosol coating products;

(iii) coating-related products; and

(iv) nonindustrial coatings.

(B) "Paint product" does not include a health and beauty product.

~~(7)~~(10) "Postconsumer paint" means ~~architectural~~ a paint product and its containers not used and no longer wanted by a purchaser.

~~(8)~~(11) "Producer" means a manufacturer of ~~architectural~~ paint products who sells, offers for sale, or distributes that paint in Vermont under the producer's own name or brand.

~~(9)~~(12) "Recycling" means any process by which discarded products, components, and by-products are transformed into new usable or marketable materials in a manner in which the original products may lose their identity but does not include energy recovery or energy generation by means of

combusting discarded products, components, and by-products with or without other waste products.

~~(10)~~(13) "Retailer" means any person that offers ~~architectural~~ a paint product for sale at retail in Vermont.

~~(11)~~(14) "Reuse" means the return of a product into the economic stream for use in the same kind of application as originally intended, without a change in the product's identity.

~~(12)~~(15) "Secretary" means the Secretary of Natural Resources.

~~(13)~~(16) "Sell" or "sale" means any transfer of title for consideration, including remote sales conducted through sales outlets, catalogues, or the ~~Internet~~ internet or any other similar electronic means.

~~(14)~~(17) "Stewardship organization" means a nonprofit corporation or nonprofit organization created by a producer or group of producers to implement the Paint Product Stewardship Program required under this subchapter.

§ 6673. PAINT PRODUCT STEWARDSHIP PROGRAM

(a) A producer or a stewardship organization representing producers shall submit ~~a~~ an amended plan for the establishment of a Paint Product Stewardship Program to the Secretary for approval ~~by December 1, 2013~~. The plan shall address the following:

(1) Provide a list of participating producers and brands covered by the Program.

(2) Provide specific information on the ~~architectural~~ paint products covered under the Program, such as interior or exterior water- and oil-based coatings, primers, sealers, or wood coatings.

(3) Describe how the Program proposed under the plan will collect, transport, recycle, and process postconsumer paint products for end-of-life management, including recycling, energy recovery, and disposal, using environmentally sound management practices.

(4) Describe the Program and how it will provide for convenient and available statewide collection of postconsumer ~~architectural~~ paint products in urban and rural areas of the State. The producer or stewardship organization shall use the existing household hazardous waste collection infrastructure when selecting collection points for postconsumer ~~architectural~~ paint products. A paint retailer shall be authorized as a paint collection point of postconsumer architectural paint for a Paint Product Stewardship Program if the paint retailer

volunteers to act as a ~~paint~~ collection point and complies with all applicable laws, rules, and regulations.

(5) Provide geographic information modeling to determine the number and distribution of sites for collection of postconsumer architectural paint based on the following criteria:

(A) at least 90 percent of Vermont residents shall have a permanent collection site within a 15-mile radius; and

(B) one additional permanent site will be established for every 10,000 residents of a municipality and additional sites shall be distributed to provide convenient and reasonably equitable access for residents within each municipality, unless otherwise approved by the Secretary.

(6) Establish goals to reduce the generation of postconsumer paint products, to promote the reuse of postconsumer paint products, and for the proper management of postconsumer paint products as practical based on current household hazardous waste program information. The goals may be revised by the producer or stewardship organization based on the information collected for the annual report.

(7) Describe how postconsumer paint products will be managed in the most environmentally and economically sound manner, including following the waste-management hierarchy. The management of paint under the Program shall use management activities that promote source reduction, reuse, recycling, energy recovery, and disposal.

(8) Describe education and outreach efforts to inform consumers of collection opportunities for postconsumer paint products and to promote the source reduction and recycling of ~~architectural~~ paint products for each of the following: consumers, contractors, and retailers.

(b) The producer or stewardship organization shall submit a budget for the Program proposed under subsection (a) of this section, and for any amendment to the plan that would affect the Program's costs. The budget shall include a funding mechanism under which each ~~architectural~~ paint product producer remits to a stewardship organization payment of a paint product stewardship assessment for each ~~container of architectural paint~~ product it sells in this State. Prior to submitting the proposed budget and assessment to the Secretary, the producer or stewardship organization shall provide the budget and assessment to a third-party auditor agreed upon by the Secretary. The third-party auditor shall provide a recommendation as to whether the proposed budget and assessment is cost-effective, reasonable, and limited to covering the cost of the Program. The paint product stewardship assessment shall be added

to the cost of all ~~architectural~~ paint products sold in Vermont. To ensure that the funding mechanism is equitable and sustainable, a uniform paint product stewardship assessment shall be established for all ~~architectural~~ paint products sold. The paint stewardship assessment shall be ~~approved by the Secretary and shall be sufficient to recover, but not exceed, the costs of the Paint Stewardship Program~~ the amount established in section 6681 of this title.

(c) ~~Beginning no later than July 1, 2014, or three~~ Six months after approval of the plan for a Paint Product Stewardship Program required under subsection (a) of this section, ~~whichever occurs later,~~ a producer of ~~architectural~~ paint products sold at retail or a stewardship organization of which a producer is a member shall implement the approved plan for a Paint Product Stewardship Program.

(d) A producer or a stewardship organization of which a producer is a member shall promote a Paint Product Stewardship Program and provide consumers with educational and informational materials describing collection opportunities for postconsumer paint products Statewide and promotion of waste prevention, reuse, and recycling. The educational and informational program shall make consumers aware that the funding for the operation of the Paint Product Stewardship Program has been added to the purchase price of all ~~architectural~~ paint products sold in the State.

(e) A plan approved under this section shall provide for collection of postconsumer ~~architectural~~ paint at no cost to the person from whom the ~~architectural~~ paint product is collected. The program plan also shall provide for the payment of municipalities for collection, processing, and end-of-life management of aerosol coating products, coating-related products, and nonindustrial coatings contained in the receptacle in which the product is offered for retail sale. Collection costs include facility costs, equipment costs, labor, supplies, maintenance, events costs, and event contractor costs, including collection event set-up fees, environmental service fees, insurance fees, and shipping containers and materials.

(f) When a plan or amendment to an approved plan is submitted under this section, the Secretary shall make the proposed plan or amendment available for public review and comment for at least 30 days.

(g) A producer or paint stewardship organization shall submit to the Secretary for review, in the same manner as required under subsection 6675(a) of this title, an amendment to an approved plan when there is:

(1) ~~a change to a paint stewardship assessment under the plan;~~

~~(2)~~ an addition to or removal of a category of products covered under the Program; or

~~(3)~~(2) a revision of the product stewardship organization's goals.

(h) A plan approved by the Secretary under section 6675 of this title shall have a term not to exceed five years, provided that the producer remains in compliance with the requirements of this chapter and the terms of the approved plan.

(i) In addition to the requirements specified in subsection (a) of this section, a stewardship organization shall notify the Secretary in writing within 30 days ~~of~~ after any change to:

(1) the number of collection sites for postconsumer ~~architectural~~ paint products identified under this section as part of the plan;

(2) the producers identified under this section as part of the plan;

(3) the brands of ~~architectural~~ paint products identified under this section as part of the plan; and

(4) the processors that manage postconsumer ~~architectural~~ paint products identified under this section as part of the plan.

(j) Upon submission of a plan to the Secretary under this section, a producer or a stewardship organization shall pay the fee required by 3 V.S.A. § 2822(j)(31). Thereafter, the producer or stewardship organization shall pay the fee required by 3 V.S.A. § 2822(j)(31) annually ~~by~~ on or before July 1 of each year.

§ 6674. RETAILER RESPONSIBILITY

(a) A producer or retailer may not sell or offer for sale ~~architectural~~ a paint product to any person in Vermont unless the producer ~~of that architectural paint brand~~ or a stewardship program ~~of which the producer of that architectural paint brand is a member~~ that the producer is a member of is implementing an approved plan for a Paint Product Stewardship Program as required by section 6673 of this title. A retailer complies with the requirements of this section if, on the date the ~~architectural~~ paint product was ordered from the producer or its agent, the producer or paint brand is listed on the Agency of Natural Resources' website as a producer or brand participating in an approved plan for a Paint Product Stewardship Program.

(b) At the time of sale to a consumer, a producer, a stewardship organization, or a retailer selling or offering ~~architectural~~ paint products for sale shall provide the consumer with information regarding available management options for postconsumer paint products collected through the

Paint Product Stewardship Program or a brand of paint being sold under the Program.

§ 6675. AGENCY RESPONSIBILITY

(a)(1) Within 90 days ~~of~~ after receipt of a plan submitted under section 6673 of this title, the Secretary shall review the plan and make a determination whether or not to approve the plan. The Secretary shall issue a letter of approval for a submitted plan if:

(A) the submitted plan provides for the establishment of a Paint Product Stewardship Program that meets the requirements of subsection 6673(a) of this subchapter; and

(B) the Secretary determines that the plan:

(i) achieves convenient collection for consumers;

(ii) educates the public on proper paint product management; and

(iii) manages waste paint products in a manner that is environmentally safe and promotes reuse and recycling~~; and~~

~~(iv) is cost-effective~~.

(2) If the Secretary does not approve a submitted plan, the Secretary shall issue to the paint product stewardship organization a letter listing the reasons for the disapproval of the plan. If the Secretary disapproves a plan, a paint product stewardship organization intending to sell or continue to sell ~~architectural~~ paint products in the State shall submit a new plan within 60 days ~~of~~ after receipt of the letter of disapproval.

~~(b)(1) The Secretary shall review and approve the stewardship assessment proposed by a producer pursuant to subsection 6673(b) of this title. The Secretary shall only approve the Program budget and any assessment if the applicant has demonstrated that the costs of the Program and any proposed assessment are reasonable and the assessment does not exceed the costs of implementing an approved plan.~~

~~(2) If an amended plan is submitted under subsection 6673(g) of this title that proposes to change the cost of the Program or proposes to change the paint stewardship assessment under the plan, the disapproval of any proposed new assessment or the failure of an approved new assessment to cover the total costs of the Program shall not relieve a producer or stewardship organization of its obligation to continue to implement the approved plan under the originally approved assessment.~~

~~(c)~~ Facilities solely collecting paint products for the Paint Product Stewardship Program that would not otherwise be subject to solid waste certification requirements shall not be required to obtain a solid waste certification. Persons solely transporting paint for the Paint Product Stewardship Program that would not otherwise be subject to solid waste hauler permitting requirements shall not be required to obtain a solid waste hauler's permit.

§ 6676. ANTICOMPETITIVE CONDUCT

(a) A producer or an organization of producers that manages postconsumer paint products, including collection, transport, recycling, and processing of postconsumer paint products, as required by this subchapter may engage in anticompetitive conduct to the extent necessary to implement the plan approved by the Secretary and is immune from liability for the conduct relating to antitrust, restraint of trade, unfair trade practices, and other regulation of trade or commerce.

(b) The activity authorized and the immunity afforded under subsection (a) of this section shall not apply to any agreement among producers or paint product stewardship organizations:

(1) establishing or affecting the price of paint products, ~~except for the paint stewardship assessment approved under subsection 6675(b) of this title~~;

(2) setting or limiting the output or production of paint products;

(3) setting or limiting the volume of paint products sold in a geographic area;

(4) restricting the geographic area where paint products will be sold; or

(5) restricting the customers to whom paint products will be sold or the volume of paint products that will be sold.

§ 6677. PRODUCER REPORTING REQUIREMENTS

~~No later than October 15, 2015, and annually thereafter,~~ Annually, a producer or a stewardship program of which the producer is a member shall submit to the Secretary a report describing the Paint Product Stewardship Program that the producer or Stewardship Program is implementing as required by section 6673 of this title. At a minimum, the report shall include:

(1) a description of the methods the producer or Stewardship Program used to reduce, reuse, collect, transport, recycle, and process postconsumer paint products statewide in Vermont;

(2) the volume and type of postconsumer paint products collected by the producer or Stewardship Program at each collection center in all regions of Vermont;

(3) the volume of postconsumer paint products collected by the producer or Stewardship Program in Vermont by method of disposition, including reuse, recycling, energy recovery, and disposal;

(4) an independent financial audit of the Paint Product Stewardship Program implemented by the producer or the Stewardship Program;

(5) the prior year's actual direct and indirect costs for each Program element and the administrative and overhead costs of administering the approved Program; and

(6) samples of the educational materials that the producer or stewardship program provided to consumers of architectural paint.

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§ 6680. UNIVERSAL WASTE DESIGNATION FOR POSTCONSUMER PAINT

(a) The requirements of Subchapter 9 of the Vermont Hazardous Waste Management Rules, which allow certain categories of hazardous waste to be managed as universal waste, shall apply to postconsumer paint products until the postconsumer paint is discarded, provided that:

(1) the postconsumer paint product is collected as a part of a stewardship plan approved under this subchapter; and

(2) the collected postconsumer paint product is or includes a paint product that is a hazardous waste as defined and regulated by the Vermont Hazardous Waste Management Rules.

(b) When postconsumer paint product is regulated as universal waste under subsection (a) of this section, small and large quantity handlers of the postconsumer paint shall manage the postconsumer paint products in a manner that prevents releases of any universal waste or component of the universal waste to the environment. Postconsumer paint products regulated as universal waste shall, at a minimum, be contained in one or more of the following:

(1) a container that remains closed, structurally sound, and compatible with the postconsumer paint products and that lacks evidence of leakage, spillage, or damage that could cause leakage under reasonably foreseeable conditions; or

(2) a container that does not meet the requirements of subdivision (1) of this subsection, provided that the unacceptable container is overpacked in a container that meets the requirements of subdivision (1).

(c) Containers holding postconsumer paint products that ~~is~~ are regulated as universal waste shall be clearly labeled to clearly identify the contents of the container, such as "Paint-Related Waste," "Universal Waste Paint," "Used Paint," or "Waste Paint."

(d) Unless otherwise provided by statute, the definitions of the Vermont Hazardous Waste Management Rules shall apply to this section.

§ 6681. PAINT CONSUMER FEES

(a) The paint product stewardship assessment shall be sufficient to implement and sustain the Paint Product Stewardship Program. If at any time the stewardship assessments established in this section are not sufficient to implement and sustain the Paint Product Stewardship Program, the Paint Product Stewardship Program shall propose new stewardship assessments that are sufficient to implement and sustain the Program.

(b) A retailer shall charge an assessment on paint products, based on current material management costs of the Paint Product Stewardship Program, in the following amounts for architectural paint:

(1) Half pint or smaller:	No fee.
(2) Greater than a half pint to one gallon:	$0.65.
(3) Greater than one gallon to two gallons:	$1.35.
(4) Greater than two gallons to five gallons:	$2.45.

Sec. 11. IMPLEMENTATION; FEE REPORT

(a) The requirements for the sale of paint products under 10 V.S.A. § 6673 shall apply to architectural paint beginning on July 1, 2013 and all paint products beginning on July 1, 2026.

(b) The requirement under 10 V.S.A. § 6673 for an architectural paint producer to submit a stewardship plan to the Secretary of Natural Resources currently applies to producers of architectural paint as required beginning on July 1, 2013 and shall also apply to producers of paint related products beginning on July 1, 2026.

(c) The requirement under 10 V.S.A. § 6677 that an architectural paint producer annually report to the Secretary of Natural Resources currently applies to producers of architectural paint as required beginning on July 1,

2013 and shall also apply to producers of paint related products beginning on March 1, 2027.

(d) On or before December 15, 2025, the Secretary of Natural Resources shall submit to the Senate Committees on Natural Resources and Energy and on Finance and the House Committees on Environment and on Ways and Means a report recommending a paint consumer fee or fees to be charged for paint products that are not architectural paint.

* * * Healthy Homes Initiative * * *

Sec. 12. 2024 Acts and Resolves No. 78, Sec. B.1103 is amended to read:

Sec. B.1103 CLIMATE AND ENVIRONMENT – FISCAL YEAR 2024 ONE-TIME APPROPRIATIONS

* * *

(j)(1) In fiscal year 2024, the amount of $6,100,000 American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds is appropriated to the Department of Environmental Conservation for the Healthy Homes Initiative. Funds shall be used to make repairs or improvements to drinking water, wastewater, or stormwater systems for Vermonters who have low to moderate income or who live in manufactured housing communities, or both.

(2) All information submitted to or compiled by the Department of Environmental Conservation related to the issuance of individual funding awards under the Healthy Homes Initiative shall be considered confidential unless the person providing the information designates that it is not confidential. This shall include all personal information of applicants that request or receive funding. Notwithstanding 1 V.S.A. § 214, this subdivision shall take effect on passage and shall apply retroactively to July 1, 2023.

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* * * Flood Safety * * *

Sec. 13. 2024 Act and Resolves No. 121, Sec. 3 is amended to read:

Sec. 3. DEPARTMENT OF ENVIRONMENTAL CONSERVATION; RIVER CORRIDOR BASE MAP; INFILL MAPPING; EDUCATION AND OUTREACH

(a) On or before January 1, ~~2026~~ 2027, the Department of Environmental Conservation, in consultation with the Agency of Commerce and Community Development and the regional planning commissions, shall amend by procedure the statewide River Corridor Base Map to identify areas suitable for development that are located within existing settlements and that will not cause

or contribute to increases in fluvial erosion hazards.

(b) Beginning on January 1, 2025 and ending on January 1, ~~2027~~ 2028, the Department of Environmental Conservation shall conduct an education and outreach program to consult with and collect input from municipalities, environmental justice focus populations, the Environmental Justice Advisory Council, businesses, property owners, farmers, and other members of the public regarding how State permitting of development in mapped river corridors will be implemented, including potential restrictions on the use of land within mapped river corridors. The Department shall develop educational materials for the public as part of its charge under this section. The Department shall collect input from the public regarding the permitting of development in mapped river corridors as proposed by this act. On or before January 15, ~~2027~~ 2028 and until permitting of development in mapped river corridors begins under 10 V.S.A. § 754, the Department shall submit to the Senate Committee on Natural Resources and Energy, the House Committee on Environment ~~and Energy~~, and the Environmental Justice Advisory Council a report that shall include:

(1) a summary of the public input it received regarding State permitting of development in mapped river corridors during the public education and outreach required under this section;

(2) recommendations, based on the public input collected, for changes to the requirements for State permitting of development in mapped river corridors;

(3) an analysis and summary of State permitting of development in mapped river corridors on environmental justice populations; and

(4) a summary of the Department's progress in adopting the rules required under 10 V.S.A. § 754 for the regulation of development in mapped river corridors.

Sec. 14. 10 V.S.A. § 754 is amended to read:

§ 754. MAPPED RIVER CORRIDOR RULES

(a) Rulemaking authority.

(1) On or before ~~July 1, 2027~~ July 15, 2028, the Secretary shall adopt rules pursuant to 3 V.S.A. chapter 25 that establish requirements for issuing and enforcing permits for:

(A) all development within a mapped river corridor in the State; and

(B) for development exempt from municipal regulation in flood hazard areas.

(2) The Secretary shall not adopt rules under this subsection that regulate agricultural activities without the consent of the Secretary of Agriculture, Food and Markets, provided that the Secretary of Agriculture, Food and Markets shall not withhold consent under this subdivision when lack of such consent would result in the State's noncompliance with the National Flood Insurance Program.

(3) The Secretary shall seek the guidance of the Federal Emergency Management Agency in developing and drafting the rules required by this section in order to ensure that the rules are sufficient to meet eligibility requirements for the National Flood Insurance Program.

* * *

(e) Permit requirement. Beginning on ~~January 1, 2028~~ July 1, 2029, a person shall not commence or conduct development exempt from municipal regulation in a flood hazard area or commence or conduct any development in a mapped river corridor without a permit issued under the rules required under subsection (a) of this section by the Secretary or by a State agency delegated permitting authority under subsection (f) of this section. When an application is filed under this section, the Secretary or delegated State agency shall proceed in accordance with chapter 170 of this title.

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Sec. 15. 2024 Acts and Resolves 121, Sec. 10 is amended to read:

Sec. 10. STUDY COMMITTEE ON STATE ADMINISTRATION OF THE NATIONAL FLOOD INSURANCE PROGRAM

* * *

(e) Report. On or before August 15, ~~2025~~ 2026, the Study Committee shall submit a written report to the General Assembly with its findings and any recommendations for legislative action. Any recommendation for legislative action shall be as draft legislation.

* * *

Sec. 16. 2024 Acts and Resolves 121, Sec. 11(a) is amended to read:

(a) The Secretary of Natural Resources shall initiate rulemaking, including pre-rulemaking, for the rules required in Sec. 5 of this act, 10 V.S.A. § 754 (river corridor development), not later than July 1, 2025. The rules shall be adopted on or before July 1, ~~2027~~ 2028.

Sec. 17. 2024 Acts and Resolves No. 121, Sec. 29(b) is amended to read:

(b) All other sections shall take effect July 1, 2024, except that:

(1) Secs. 6a, 7, 8, 8a, and 9 (conforming amendments to municipal river corridor planning) shall take effect on January 1, 2028, except that in Sec. 9, 24 V.S.A. § 4424(a)(2)(B)(i) (municipal compliance with the State Flood Hazard Area Standards) shall take effect on January 1, ~~2026~~ 2028;

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* * * Wetlands * * *

Sec. 18. 10 V.S.A. § 918 is amended to read:

§ 918. NET GAIN OF WETLANDS; STATE GOAL; RULEMAKING

(a) On or before ~~July 1~~ December 1, 2025, the Secretary of Natural Resources shall amend the Vermont Wetlands Rules pursuant to 3 V.S.A. chapter 25 to clarify that the goal of wetlands regulation and management in the State is the net gain of wetlands to be achieved through protection of existing wetlands and restoration of wetlands that were previously adversely affected. This condition shall not apply to wetland, river, and flood plain restoration projects, including dam removals.

* * *

(c) At a minimum, the Wetlands Rules shall be revised to:

(1) Require an applicant for a wetland permit that authorizes adverse impacts to more than 5,000 square feet of wetlands to compensate for those impacts through restoration, enhancement, or creation of wetland resources.

(2) Incorporate the net gain rule into requirements for permits issued after ~~September 1~~ December 1, 2025.

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* * * Dams * * *

Sec. 19. 2024 Acts and Resolves No. 121, Sec. 22 is amended to read:

Sec. 22. STUDY COMMITTEE ON DAM EMERGENCY OPERATIONS PLANNING

(a) Creation. There is created the Study Committee on Dam Emergency Operations Planning to review and recommend how to improve regional emergency action planning for hazards caused by dam failure, including how to shift responsibility for emergency planning from individual municipalities to regional authorities, how to improve regional implementation of dam emergency response plans, and how to fund dam emergency action planning at the regional level.

* * *

(e) Report. On or before December 15, ~~2024~~ 2025, the Study Committee shall submit a written report to the General Assembly with its findings and any recommendations for legislative action. Any recommendation for legislative action shall be submitted as draft legislation.

(f) Meetings.

(1) The Secretary of Natural Resources or designee shall call the first meeting of the Study Committee.

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

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

(4) The Study Committee shall cease to exist on March 1, ~~2025~~ 2026.

* * *

Sec. 20. 2024 Acts and Resolves No. 121, Sec. 24(f) is amended to read:

(f) On or before ~~January 15~~ September 1, 2025, the Agency of Natural Resources shall complete its analysis of the capital and ongoing operations and maintenance costs of the Green River Dam, as authorized in 2022 Acts and Resolves No. 83, Sec. 46, and shall submit the results of the analysis to the House Committees on Environment ~~and Energy~~ and on Appropriations and the Senate Committees on Natural Resources and Energy and on Appropriations.

* * * Resilience Implementation Strategy; Climate Superfund Act * * *

Sec. 21. 10 V.S.A. § 599a is amended to read:

§ 599a. REPORTS; RULEMAKING

(a) On or before January 15, 2025, the Agency, in consultation with the State Treasurer, shall submit a report to the General Assembly detailing the feasibility and progress of carrying out the requirements of this chapter, including any recommendations for improving the administration of the Program.

(b) The Agency shall adopt rules necessary to implement the requirements of this chapter, including:

(1) adopting methodologies using available science and publicly available data to identify responsible parties and determine their applicable share of covered greenhouse gas emissions; and

(2) requirements for registering entities that are responsible parties and issuing notices of cost recovery demands under the Program~~; and~~

~~(3) the Resilience Implementation Strategy, which shall include:~~

~~(A) practices utilizing nature-based solutions intended to stabilize floodplains, riparian zones, lake shoreland, wetlands, and similar lands;~~

~~(B) practices to adapt infrastructure to the impacts of climate change;~~

~~(C) practices needed to build out early warning mechanisms and support fast, effective response to climate-related threats;~~

~~(D) practices that support economic and environmental sustainability in the face of changing climate conditions; and~~

~~(E) criteria and procedures for prioritizing climate change adaptation projects eligible to receive monies from the Climate Superfund Cost Recovery Program~~.

(c) On or before September 15, 2025, the Secretary shall submit to the House Committee on Environment and the Senate Committee on Natural Resources and Energy a report summarizing the Agency of Natural Resources' adoption of the Resilience Implementation Strategy. The Strategy shall include:

(1) practices utilizing nature-based solutions intended to stabilize floodplains, riparian zones, lake shoreland, wetlands, and similar lands;

(2) practices to adapt infrastructure to the impacts of climate change;

(3) practices needed to build out early warning mechanisms and support fast, effective response to climate-related threats;

(4) practices that support economic and environmental sustainability in the face of changing climate conditions; and

(5) criteria and procedures for prioritizing climate change adaptation projects eligible to receive monies from the Climate Superfund Cost Recovery Program.

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

(1) consult with the Environmental Justice Advisory Council;

(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;

(3) identify major potential, proposed, and ongoing climate change adaptation projects throughout the State;

(4) identify opportunities for alignment with existing federal, State, and local funding streams;

(5) consult with stakeholders, including local governments, businesses, environmental advocates, relevant subject area experts, and representatives of environmental justice focus populations;

(6) consider components of the Vermont Climate Action Plan required under section 592 of this title that are related to adaptation or resilience, as defined in section 590 of this title; and

(7) conduct public engagement in areas and communities that have the most significant exposure to the impacts of climate change, including disadvantaged, low-income, and rural communities and areas.

~~(d)~~(e) Nothing in this section shall be construed to limit the existing authority of a State agency, department, or entity to regulate greenhouse gas emissions or establish strategies or adopt rules to mitigate climate risk and build resilience to climate change.

Sec. 22. 2024 Acts and Resolves No. 122, Sec. 3 is amended to read:

Sec. 3. IMPLEMENTATION

(a) ~~On or before July 1, 2025, the Agency of Natural Resources pursuant to 3 V.S.A. § 837 shall file with the Interagency Committee on Administrative Rules the proposed rule for the adoption of the Resilience Implementation Strategy required pursuant to 10 V.S.A § 599a(b)(3). On or before January 1, 2026, the Agency of Natural Resources shall adopt the final rule establishing the Resilience Implementation Strategy required pursuant to 10 V.S.A § 599a(b)(3).~~ [Repealed.]

(b) On or before July 1, ~~2026~~ 2027, the Agency of Natural Resources pursuant to 3 V.S.A. § 837 shall file with the Interagency Committee on Administrative Rules the proposed rules required pursuant to 10 V.S.A. § 599a(b)(1) and (b)(2). On or before January 1, ~~2027~~ 2028, the Agency of Natural Resources shall adopt the final rule rules required pursuant to 10 V.S.A. § 599a(b)(1) and (b)(2).

Sec. 23. 10 V.S.A. § 596 is amended to read:

§ 596. DEFINITIONS

* * *

(7) "Covered greenhouse gas emissions" means the total quantity of greenhouse gases released into the atmosphere ~~during the covered period~~,

expressed in metric tons of carbon dioxide equivalent, resulting from the use of fossil fuels extracted or refined by an entity during the covered period.

* * *

(22) "Responsible party" means any entity or a successor in interest to an entity that during any part of the covered period was engaged in the trade or business of extracting fossil fuel or refining crude oil and is determined by the Agency attributable to for more than one billion metric tons of covered greenhouse gas emissions ~~during the covered period~~. The term responsible party does not include any person who lacks sufficient connection with the State to satisfy the nexus requirements of the U.S. Constitution.

* * *

Sec. 24. 10 V.S.A. § 598(b) is amended to read:

(b) With respect to each responsible party, the cost recovery demand shall be equal to an amount that bears the same ratio to the cost to the State of Vermont and its residents, as calculated by the State Treasurer pursuant to section 599c of this title, from ~~the emission of~~ covered greenhouse ~~gases during the covered period~~ gas emissions as the responsible party's applicable share of covered greenhouse gas emissions bears to the aggregate applicable shares of covered greenhouse gas emissions ~~resulting from the use of fossil fuels extracted or refined during the covered period~~.

Sec. 25. 10 V.S.A. § 599c is amended to read:

§ 599c. STATE TREASURER REPORT ON THE COST TO VERMONT OF COVERED GREENHOUSE GAS EMISSIONS

On or before January 15, ~~2026~~ 2027, the State Treasurer, after consultation with the Interagency Advisory Board to the Climate Action Office, and with any other person or entity whom the State Treasurer decides to consult for the purpose of obtaining and utilizing credible data or methodologies that the State Treasurer determines may aid the State Treasurer in making the assessments and estimates required by this section, shall submit to the Senate Committees on Appropriations, on Finance, on Agriculture, and on Natural Resources and Energy and the House Committees on Appropriations; on Ways and Means; on Agriculture, Food Resiliency, and Forestry; and on Environment ~~and Energy~~ an assessment of the cost to the State of Vermont and its residents ~~of the emission~~ of covered greenhouse ~~gases for the period that began on January 1, 1995 and ended on December 31, 2024~~ gas emissions. The assessment shall include:

* * *

(3) a categorized calculation of the costs that have been incurred and are projected to be incurred in the future within the State of Vermont to abate the effects of covered greenhouse gas emissions ~~from between January 1, 1995 and December 31, 2024~~ on the State of Vermont and its residents.

* * * Agency of Natural Rules; Federal Reference * * *

Sec. 26. AGENCY OF NATURAL RESOURCES' RULES; FEDERAL REFERENCE

(a) Any federal regulation incorporated by reference into an Agency of Natural Resources' Rule as of January 1, 2025 shall continue in effect as an Agency rule until January 31, 2029 or when the Agency rule is next amended, whichever is sooner, regardless of whether the federal regulation was later repealed or amended.

(b) The Secretary of Natural Resources shall provide notice of any incorporated federal regulations by posting them on the Agency of Natural Resources' website.

(c) Nothing in this section shall prevent the Secretary of Natural Resources from adopting or amending a rule pursuant to 3 V.S.A. chapter 25, including through emergency rulemaking.

* * * Commercial Salt Application * * *

Sec. 27. PURPOSE

It is the purpose of Secs. 28—32 of this act to establish the accepted standards of care for the application of salt and salt alternatives in an effective and efficient manner that provides safe conditions for pedestrians and motor vehicles on traveled surfaces while also reducing the impacts of salt and salt alternatives on the quality of the waters of the State.

Sec. 28. 10 V.S.A. chapter 47, subchapter 3A is added to read:

Subchapter 3A. Chloride Contamination Reduction Program

§ 1351. DEFINITIONS

As used in this subchapter:

(1) "Apply salt" or "application of salt" means to apply salt or a salt alternative to roadways, parking lots, or sidewalks for the purpose of winter maintenance or for summer dust control. "Apply salt" or "application of salt" does not mean the application of salt to a transportation infrastructure construction project.

(2) "Commercial salt applicator" means any individual who for compensation applies salt but does not include municipal or State employees.

(3) "Master commercial salt applicator" means any individual who employs and is responsible for individuals who for compensation apply salt but does not include municipal or State employees.

(4) "Salt" means sodium chloride, calcium chloride, magnesium chloride, or any other substance containing chloride used for the purpose of deicing, anti-icing, or dust control.

(5) "Salt alternative" means any substance not containing chloride used for the purpose of deicing, anti-icing, or dust control.

(6) "Secretary" means the Secretary of Natural Resources.

(7) "Transportation infrastructure construction project" means a project that involves the construction of roadways, parking lots, sidewalks, or other construction activities at transportation facilities or within transportation rights-of-way.

§ 1352. CHLORIDE CONTAMINATION REDUCTION PROGRAM

(a) The Secretary of Natural Resources, after consultation with the Secretary of Transportation and other states with similar chloride reduction programs, shall establish the Chloride Contamination Reduction Program for the voluntary education, training, and certification of commercial salt applicators regarding effective and efficient application of salt and salt alternatives to provide safe conditions for pedestrians and motor vehicles on traveled surfaces while also reducing the impacts of salt and salt alternatives on the quality of the waters of the State.

(b) As part of the Program, the Secretary of Natural Resources, on or before July 1, 2026, shall adopt by rule best management practices for application of salt or salt alternatives by commercial salt applicators. The best management practices may be based on practices currently implemented by the Agency of Transportation or other entities. The best management practices shall:

(1) establish measures or techniques to increase efficiency in the application of salt or salt alternatives so that the least amount of salt or salt alternatives are used while maintaining safe conditions for pedestrians and motor vehicles on traveled surfaces;

(2) establish standards for when and how salt and salt alternatives are applied in order to prevent salt or salt alternatives from entering waters of the State, including:

(A) salt alternatives that are cost-effective and less harmful to water quality while maintaining safe conditions for pedestrians and motor vehicles on traveled surfaces;

(B) whether and how to implement equipment to calibrate, monitor, or meter application of salt or salt alternatives; and

(C) when sand is an appropriate alternative to salt or salt alternatives for deicing or dust control, particularly in regard to when application of sand will be less harmful to water quality;

(3) establish record-keeping requirements for commercial salt applicators, including records of training and records describing the type and rate of application of salt or salt alternatives, the dates of use, weather conditions requiring use of salt or salt alternatives, and any other factors that the Secretary of Natural Resources deems necessary for the purposes of the Program;

(4) create and circulate a model form for record-keeping information required under this section;

(5) establish requirements for certification under this subchapter, including frequency of training and manner of training;

(6) establish a testing requirement for applicators to complete prior to receiving an initial certification under the Program; and

(7) establish other requirements deemed necessary by the Secretary to achieve the purposes of the Program.

(c)(1) The Program shall offer training for commercial applicators in the implementation of the best management practices required under subsection (b) of this section. Upon completion of training, a commercial salt applicator shall be designated a certified commercial salt applicator. The term of a commercial salt applicator certification issued under the Program shall be for two years from the date of issuance of certification.

(2) A business that employs multiple commercial salt applicators may apply to the Secretary for certification of the business owner or other designated employee as a master commercial salt applicator. A certified master commercial salt applicator shall ensure that all persons employed by the business to apply salt or salt alternatives are trained to comply with the best management practices established under subsection (b) of this section.

(d)(1) A certified commercial salt applicator shall submit an annual summary of total winter salt usage to the Secretary of Natural Resources.

(2) The Secretary of Natural Resources shall establish methods to estimate and track the amount of salt applied by certified commercial salt applicators.

(e) The Secretary may revoke a certification issued under this subchapter after notice and opportunity for a hearing for a violation of the requirements of this subchapter, the rules of this subchapter, or the provisions of a certification issued under this subchapter.

(f)(1) The Program shall include requirements for certification of a master commercial salt applicator.

(2) The Program shall specifically exclude salt applications related to transportation infrastructure construction projects.

(3) The Secretary may elect to implement the Program with State agency staff or through a third-party vendor, or some combination.

§ 1353. AFFIRMATIVE DEFENSE; SALT APPLICATION;

(a) A commercial salt applicator or an owner, occupant, or lessee of real property maintained by a certified commercial salt applicator shall have an affirmative defense against a claim for damages resulting from a hazard caused by snow or ice if:

(1) the claimed damages were caused solely by snow or ice; and

(2) any failure or delay in removing or mitigating the hazard is the result of the certified commercial salt applicator's implementation of the best management practices established under section 1352 of this title for application of salt or salt alternatives.

(b) The affirmative defense provided under subsection (a) shall not apply when the civil damages are due to gross negligence or reckless disregard of the hazard.

(c) The affirmative defense provided under this section is not exclusive and is in addition to any other defenses or immunities provided under State law.

(d) In order to assert the affirmative defense provided under subsection (a) of this section, a commercial salt applicator or an owner, occupant, or lessee of real property maintained by a certified commercial salt applicator shall keep a record describing its road, parking lot, and property maintenance practices, consistent with the requirements determined by the Secretary under this subchapter. The record shall include the type and rate of application of salt and salt alternatives used, the dates of treatment, and the weather conditions for each event requiring deicing. Such records shall be retained by the applicator for a period of three years.

§ 1354. ENFORCEMENT; PRESUMPTION OF COMPLIANCE; WATER QUALITY

(a) A certified commercial salt applicator or a commercial salt applicator employed by a certified master commercial salt applicator is entitled to a rebuttable presumption that the certified commercial salt applicator or commercial salt applicator is in compliance with the requirements of sections 1263 and 1264 of this title when applying salt or salt alternatives according to the best management practices established under section 1352 of this title. The rebuttable presumption under this subsection shall not apply to requirements of a total maximum daily load plan required under this chapter or the requirements of a municipal separate storm sewer system permit required under section 1264 of this title.

(b) The Secretary may revoke a certification issued under this subchapter after notice and opportunity for a hearing for a violation of the requirements of this subchapter, the rules of this subchapter, or the provisions of a certification issued under this subchapter.

§ 1355. EDUCATION AND OUTREACH

The Secretary of Natural Resources, through the staff of the Chloride Contamination Reduction Program, shall conduct education and outreach to inform:

(1) commercial salt applicators of the existence of the Chloride Contamination Reduction Program and the training and affirmative defense offered under the Program; and

(2) members of the public who purchase salt or salt alternatives for use on driveways, sidewalks, private roads, and other paved surfaces of the potential harm to water quality, pets, and wildlife from excessive application of salt and salt alternatives and how to decrease the potential harm.

Sec. 29. ANR REPORT ON MANAGEMENT OF SALT AND SAND STORAGE FACILITIES

On or before January 15, 2026, the Secretary of Natural Resources shall submit to the Senate Committees on Natural Resources and Energy and on Transportation and the House Committees on Environment and on Transportation a report regarding the management of State and municipal facilities (facilities) for the storage of salt, salt and sand mixtures, and sand that is not mixed with salt. The report shall include:

(1) an inventory of facilities in the State used for the storage of salt, salt and sand mixtures, or sand that is not mixed with salt;

(2) an estimated number of facilities that are currently covered;

(3) an estimate of the number of facilities that are not covered and are within 100 yards of a surface water or drinking water source;

(4) an estimate of the number of facilities that are not covered and are more than 100 yards from a surface water or drinking water source; and

(5) an estimate of the total cost to cover or move facilities for the storage of salt, salt and sand mixtures, or sand that is not mixed with salt, including a proposed annual amount of funding that would be required to meet the timelines for cover or management.

Sec. 30. MUNICIPAL SALT APPLICATORS; VERMONT LOCAL ROADS CURRICULUM; AFFIRMATIVE DEFENSE

(a)(1) On or before November 1, 2026, the Secretary of Natural Resources, in collaboration with the Secretary of Transportation, shall identify and make changes to the Vermont Local Roads curriculum needed to support municipal salt applicators in meeting the purpose of this act, including training for best management practices for spreading salt on roads, parking lots, and sidewalks.

(2) As used in this subsection, "municipal salt applicator" means any individual who applies or supervises others who apply salt in the applicator's capacity as an employee or agent of a town or a municipality but does not include State employees.

(b) Notwithstanding 24 V.S.A. § 901a to the contrary, a municipal employee shall have an affirmative defense against a claim for damages resulting from a hazard caused by snow or ice if:

(1) the municipal salt applicator completed the Vermont Local Roads curriculum providing best management practices for spreading salt on roads, parking lots, and sidewalks in that calendar year;

(2) the claimed damages were caused solely by snow or ice; and

(3) any failure or delay in removing or mitigating the hazard is the result of the certified commercial salt applicator's implementation of the best management practices learned under the Vermont Local Roads curriculum.

(c) The affirmative defense provided under subsection (b) of this section shall not apply when the civil damages are due to gross negligence or reckless disregard of the hazard.

(d) The affirmative defense provided under this section is not exclusive and is in addition to any other defenses or immunities provided under State law.

(e) In order to assert the affirmative defense provided under subsection (b) of this section, a municipality shall keep a record describing its road, parking lot, and property maintenance practices, consistent with the requirements determined by the Secretary under this subchapter. The record shall include the type and rate of application of salt and salt alternatives used, the dates of treatment, and the weather conditions for each event requiring deicing. Such records shall be retained by the applicator for a period of three years.

Sec. 31. FEE REPORT

On or before January 15, 2026, the Secretary of Natural Resources shall solicit interest from third-party vendors for training and certifying commercial salt applicators under 10 V.S.A. chapter 47, subchapter 3A. The Secretary shall recommend to the Senate Committees on Natural Resources and Energy and on Finance and the House Committees on Environment and on Ways and Means a fee to be charged either by the State or by a third-party vendor for certification of commercial salt applicators under 10 V.S.A. chapter 47, subchapter 3A. Any fee charged to commercial salt applicators by the State or a third-party vendor for certification under the Chloride Contamination Reduction Program shall be approved by the General Assembly.

Sec. 32. CONTINGENT IMPLEMENTATION; FUNDING

The duty of the Agency of Natural Resources to implement Secs. 28 (Chloride Contamination Reduction Program), 30 (municipal salt applicators), and 31 (fee report) of this act is contingent upon an appropriation from the General Fund for the specific purposes described in Secs. 28, 30, and 31 of this act.

* * * Renewable Power Portfolio * * *

Sec. 33. 30 V.S.A. § 8009 is amended to read:

§ 8009. BASELOAD RENEWABLE POWER PORTFOLIO REQUIREMENT

* * *

(d) On or before November 1, ~~2027~~ 2028, the Commission shall determine, for the period beginning on November 1, ~~2026~~ 2028 and ending on November 1, 2032, the price to be paid to a plant used to satisfy the baseload renewable power portfolio requirement. The Commission shall not be required to make this determination as a contested case under 3 V.S.A. chapter 25. The price shall be the avoided cost of the Vermont composite electric utility system. As used in this subsection, the term "avoided cost" means the incremental cost to retail electricity providers of electric energy or capacity, or both, that, but for the purchase from the plant proposed to satisfy the baseload renewable power

portfolio requirement, such providers would obtain from a source using the same generation technology as the proposed plant. For the purposes of this subsection, the term "avoided cost" also includes the Commission's consideration of each of the following:

* * *

(k) Collocation and efficiency requirements.

(1) The owner of the plant used to satisfy the baseload renewable power portfolio requirement shall cause the plant's overall efficiency to be increased by at least 50 percent relative to the 12-month period preceding July 1, 2022. In achieving this efficiency, the owner shall comply with the requirements of this subsection.

(2) On or before ~~July~~ October 1, ~~2023~~ 2025, the owner of the plant shall submit to the Commission and the Department:

(A) A signed contract providing for the construction of a facility at the plant that utilizes the excess thermal heat generated at the plant for a beneficial purpose. As used in this subdivision (A), beneficial purpose may include the displacement of fossil fuel use for the sustainable production of a product or service or more efficient or less costly generation of electricity.

(B) A certification by a qualified professional engineer that the construction of the facility shall meet the requirement of subdivision (1) of this subsection (k).

(3) On or before October 1, ~~2025~~ 2026, the owner of the plant shall submit to the Commission and the Department a certification that the main components of the facility used to meet the requirement of subdivision (1) of this subsection have been manufactured and that the construction plans for the facility have been completed.

(4) If the contract and certification required under subdivision (2) of this subsection are not submitted to the Commission and Department on or before ~~July~~ October 1, ~~2023~~ 2025 or if the certification required under subdivision (3) is not submitted to the Commission and Department on or before October 1, ~~2025~~ 2026, then the obligation under this section for each Vermont retail electricity provider to purchase a pro rata share of the baseload renewable power portfolio requirement shall cease on November 1, ~~2025~~ 2026, and the Commission is not required to conduct the rate determination provided for in subsection (d) of this section.

(5) On or before September 1, ~~2026~~ 2027, the Department shall investigate and submit a recommendation to the Commission on whether the plant has achieved the requirement of subdivision (1) of this subsection. If the

Department recommends that the plant has not achieved the requirement of subdivision (1) of this subsection, the obligation under this section shall cease on November 1, ~~2026~~ 2027, and the Commission is not required to conduct the rate determination provided for in subsection (d) of this section.

(6) After November 1, ~~2027~~ 2028, the owner of the plant shall report annually to the Department and the Department shall verify the overall efficiency of the plant for the prior 12-month period. If the overall efficiency of the plant falls below the requirement of subdivision (1) of this subsection, the report shall include a plan to return the plant to the required efficiency within one year.

(7) If, after implementing the plan in subdivision (6) of this subsection, the owner of the plant does not achieve the efficiency required in subdivision (1) of this subsection, the Department shall request that the Commission commence a proceeding to terminate the obligation under this section.

* * *

* * * Effective Date * * *

Sec. 34. EFFECTIVE DATE

This act shall take effect on passage.

(Committee vote: 5-0-0)

(For House amendments, see House Journal of March 21, 2025, pages 655 to 673)

Reported favorably by Senator Beck 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 Natural Resources and Energy.

(Committee vote: 7-0-0)

Reported favorably by Senator Watson for the Committee on Appropriations.

The Committee recommends that the bill ought to pass in concurrence with proposal of amendment as recommended by the Committee on Natural Resources and Energy.

(Committee vote: 7-0-0)

Amendment to proposal of amendment of the Committee on Natural Resources and Energy to H. 319 to be offered by Senator Brennan

Senator Brennan moves to amend the proposal of amendment of the Committee on Natural Resources and Energy by striking out Sec. 34, effective date, and its reader assistance heading in their entireties and inserting in lieu thereof six new sections to be Secs. 34–39 and their related reader assistance headings to read:

* * * Wetlands * * *

Sec. 34. 10 V.S.A. § 902 is amended to read:

§ 902. DEFINITIONS

Wherever used or referred to in this chapter, unless a different meaning clearly appears from the context:

* * *

(7) "Class II wetland" means a wetland other than a Class I or Class III wetland that:

(A) is a mapped wetland identified on the Vermont significant wetlands inventory maps; or

(B) is an unmapped wetland that the Secretary determines to merit protection, pursuant to section 914 of this title, based upon an evaluation of the extent to which it serves the functions and values set forth in subdivision 905b(18)(A) of this title and the rules of the Department.

(8) "Class III wetland" means a wetland that is neither a Class I wetland nor a Class II wetland.

(9) "Buffer zone" means an area contiguous to a significant wetland that protects the wetland's functions and values.

(A) ~~The~~ Except as provided in subdivision (B) of this subdivision (9):

(i) the buffer zone for a Class I wetland shall extend at least 100 feet from the border of the wetland~~,~~ unless the Department determines otherwise under section 915 of this title~~. The~~; and

(ii) the buffer zone for a Class II wetland shall extend at least 50 feet from the border of the wetland unless the Secretary determines otherwise under section 914 of this title.

(B) The buffer zone of a Class II wetland shall be 25 feet when the wetland is located in:

(i) an industrial park, as that term is defined in subdivision 212(7) of this title, that is permitted under chapter 151 of this title;

(ii) designated centers designated under 24 V.S.A. chapter 76A;

(iii) Tier 1A and Tier 1B areas approved by the Land Use Review Board; or

(iv) locations meeting the requirements established in subsection 6081(z) of this title as eligible for an interim exemption from the permit or permit amendment requirements of chapter 151 of this title.

(10) ~~"Panel" means the Water Resources Panel of the Agency of Natural Resources.~~

~~(11)~~ "Significant wetland" means any Class I or Class II wetland.

~~(12)~~(11) "Secretary" means the Secretary of Natural Resources or the Secretary's authorized representative.

~~(13)~~(12) "Dam removal" has the same meaning as in section 1080 of this title.

Sec. 35. 10 V.S.A. § 913 is amended to read:

§ 913. PROHIBITION

(a) Except for allowed uses adopted by the Department by rule, no person shall conduct or allow to be conducted an activity in a significant wetland or buffer zone of a significant wetland except in compliance with a permit, conditional use determination, or order issued by the Secretary.

(b) A permit shall not be required under this section for:

(1) any activity that occurred before the effective date of this section unless the activity occurred within:

(A) an area identified as a wetland on the Vermont significant wetlands inventory maps;

(B) a wetland that was contiguous to an area identified as a wetland on the Vermont significant wetlands inventory maps; or

(C) the buffer zone of a wetland referred to in subdivision (A) or (B) of this subdivision (1);

(2) any construction within a wetland that is identified on the Vermont significant wetlands inventory maps or within the buffer zone of such a wetland, provided that the construction was completed prior to February 23, 1992, and no action for which a permit is required under the rules of the Department was taken or caused to be taken on or after February 23, 1992; or

(3) any construction or activity in an unmapped Class II wetland located in:

(A) an industrial park, as that term is defined in subdivision 212(7) of this title, that is permitted under chapter 151 of this title;

(B) designated centers designated under 24 V.S.A. chapter 76A;

(C) Tier 1A and Tier 1B areas approved by the Land Use Review Board; or

(D) locations meeting the requirements established in subsection 6081(z) of this title as eligible for an interim exemption from the permit or permit amendment requirements of chapter 151 of this title.

Sec. 36. 10 V.S.A. § 914 is amended to read:

§ 914. WETLANDS DETERMINATIONS

(a) The Secretary may, upon a petition or on ~~his or her~~ the Secretary's own motion, determine whether any wetland is a Class II or Class III wetland. ~~Such~~ The Secretary's determinations shall be based on an evaluation of the functions and values set forth in subdivision 905b(18)(A) of this title and the rules of the Department.

(b) The Secretary may establish the necessary width of the buffer zone of any Class II wetland as part of any wetland determination pursuant to the rules of the Department, except that the buffer zone of a Class II wetland shall be 25 feet when the wetland is located in:

(1) an industrial park, as that term is defined in subdivision 212(7) of this title, that is permitted under chapter 151 of this title;

(2) designated centers designated under 24 V.S.A. chapter 76A;

(3) Tier 1A and Tier 1B areas approved by the Land Use Review Board; or

(4) locations meeting the requirements established in subsection 6081(z) of this title as eligible for an interim exemption from the permit or permit amendment requirements of chapter 151 of this title.

* * *

Sec. 37. 10 V.S.A. § 918 is amended to read:

§ 918. NET GAIN OF WETLANDS; STATE GOAL; RULEMAKING

(a) On or before July 1, ~~2025~~ 2026, the Secretary of Natural Resources shall amend the Vermont Wetlands Rules pursuant to 3 V.S.A. chapter 25 to clarify that the goal of wetlands regulation and management in the State is the

net gain of wetlands to be achieved through protection of existing wetlands and restoration of wetlands that were previously adversely affected. ~~This condition shall not apply to wetland, river, and flood plain restoration projects, including dam removals.~~

(b)(1) The Vermont Wetlands Rules shall prioritize the protection of existing intact wetlands from adverse effects.

(2) Where a permitted activity in a wetland will cause more than 5,000 square feet of adverse effects that cannot be avoided, the Secretary shall mandate that the permit applicant restore, enhance, or create wetlands or buffers to compensate for the adverse effects on a wetland. The amount of wetlands to be restored, enhanced, or created shall be calculated, at a minimum, by determining the acreage or square footage of wetlands permanently drained or filled as a result of the permitted activity and multiplying that acreage or square footage by two, to result in a ratio of 2:1 restoration to wetland loss, except that a ratio of 1:1 restoration to wetland loss shall apply in:

(A) an industrial park, as that term is defined in subdivision 212(7) of this title, that is permitted under chapter 151 of this title;

(B) designated centers designated under 24 V.S.A. chapter 76A;

(C) Tier 1A and Tier 1B areas approved by the Land Use Review Board; or

(D) locations meeting the requirements established in subsection 6081(z) of this title as eligible for an interim exemption from the permit or permit amendment requirements of chapter 151 of this title.

(3) Establishment of a buffer zone contiguous to a wetland shall not substitute for the restoration, enhancement, or creation of wetlands. Adverse impacts to wetland buffers shall be compensated for based on the effects of the impact on wetland function.

* * *

Sec. 38. 10 V.S.A. § 919 is amended to read:

§ 919. WETLANDS PROGRAM REPORTS

(a) On or before April 30, 2025, and annually thereafter, the Secretary of Natural Resources shall submit to the House Committee on Environment ~~and Energy~~ and to the Senate Committee on Natural Resources and Energy a report on annual losses and gains of significant wetlands in the State. The report shall include:

(1) the location and acreage of Class II wetland and buffer losses permitted by the Agency in accordance with section 913 of this title, for which construction of the permitted project has commenced;

(2) the acreage of Class II wetlands and buffers gained through permit-related enhancement and restoration, and an estimate of wetlands gained through wetlands, river, and floodplain restoration projects, including dam removals;

(3) the number of site visits and technical assistance calls conducted by the Agency of Natural Resources, the number of permits processed by the Agency, and any enforcement actions that were taken by the Agency or the Office of the Attorney General in the previous year for violations of this chapter; and

(4) an updated mitigation summary of the extent of wetlands restored on-site compared with compensation performed off-site, in-lieu fees paid, or conservation.

* * *

(c) On or before December 15, 2025, the Agency of Natural Resources shall publish on its website and submit to the House Committee on Environment and to the Senate Committee on Natural Resources and Energy wetland guidance on the mitigation and compensation sequence contemplated in the Vermont Wetland Rules subsections 9.5(b) and (c). The guidance shall clearly identify the process applicants should follow and the information and proof necessary to demonstrate a project has practicably avoided and minimized wetland impacts and is eligible for mitigation during the State wetland permit application process.

* * * Effective Dates * * *

Sec. 39. EFFECTIVE DATE

This act shall take effect on passage.

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 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. ~~Thereafter such~~ 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)

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 Government Operations, with further recommendation of proposal of amendment as follows:

Sec. 22a. 2023 Acts and Resolves No. 72, Sec. 37 is amended to read:

Sec. 37. TAX INCREMENT FINANCING DISTRICT; CITY OF BARRE; EXTENSION; INCREMENT

(a) Notwithstanding 2021 Acts and Resolves No. 73, Sec. 26a, amending 2020 Acts and Resolves No. 175, Sec. 29, or any other provision of law, the authority of the City of Barre to incur indebtedness is hereby extended to March 31, ~~2026~~ 2028.

(b) Notwithstanding any other provision of law, the authority of the City of Barre to retain municipal and education tax increment is hereby extended until June 30, 2039.

(Committee vote: 4-0-3)

H. 472.

An act relating to professions and occupations regulated by the Office of Professional Regulation.

Reported favorably with recommendation of proposal of amendment by Senator White 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:

* * * OPR Fees and Fund Management * * *

Sec. 1. 3 V.S.A. § 118 is amended to read:

§ 118. COLLECTION AND DISPOSITION OF REVENUE

(a) There is hereby created a Secretary of State Services Fund. The Fund shall be used to provide appropriations for the operations of the Office of the Secretary of State, with the exception of those operations provided for in chapter 5, subchapter 3 of this title. The Fund shall be administered as a special fund pursuant to 32 V.S.A. chapter 7, subchapter 5. At the end of each fiscal year, the unobligated balance in this Fund shall be transferred to the General Fund.

(b) All revenues collected by the Secretary of State shall be deposited into the Secretary of State Services Fund except for the following revenues:

(1) any revenues collected by the Office of Professional Regulation set forth in chapter 5, subchapter 3 of this title; and

(2) any revenues collected pursuant to subsection 117(k) of this title.

(c) The Secretary of State shall have the authority to collect and deposit into the Secretary of State Services Fund revenues generated from optional

services offered in the normal course of business, including for one-time or periodic sales of data by subscription or other contractual basis.

Sec. 2. 3 V.S.A. § 125 is amended to read:

§ 125. FEES

(a) In addition to the fees otherwise authorized by law, a board or advisor profession may charge the following fees:

(1) Verification of license, ~~$20.00~~ $30.00.

* * *

(b) Unless otherwise provided by law, the following fees shall apply to all professions regulated by the Director in consultation with advisor appointees under Title 26:

* * *

(4) Biennial renewal, $275.00, except biennial renewal for:

* * *

(W) Electrology shop, $200.00.

* * *

(9) Apprenticeship application, $50.00.

(10) Specialty or endorsement to existing license application, $100.00.

(11) Disciplinary action surcharge, $250.00.

(c) ~~Notwithstanding any provisions of law to the contrary, a board shall not require payment of renewal fees for years during which a license was lapsed.~~ [Repealed.]

* * *

* * * 2027 Fee Increase; Peer Support Providers * * *

Sec. 3. 3 V.S.A. § 125 is amended to read:

§ 125. FEES

* * *

(b) Unless otherwise provided by law, the following fees shall apply to all professions regulated by the Director in consultation with advisor appointees under Title 26:

* * *

(4) Biennial renewal, $275.00, except biennial renewal for:

* * *

(V) Peer support providers or peer recovery support specialists, ~~$50.00~~ $75.00.

* * *

* * * OPR Duties and Disciplinary Authority * * *

Sec. 4. 3 V.S.A. § 123 is amended to read:

§ 123. DUTIES OF OFFICE

* * *

(k) For any profession attached to it, the Office shall provide a pre-application determination of an individual's criminal background. This determination shall not be binding on the Office in a future application if the individual violates probation or parole or is convicted of another crime following the determination.

* * *

(2) The individual shall submit this request online, accompanied by the fee for preapplication determinations set forth in section 125 of this subchapter. ~~If the individual thereafter applies for licensure, this preapplication fee shall be deducted from that license application fee.~~

* * *

(m) The provisions of subsection 116a(b) of this title shall not apply to the Office. The Office shall utilize the procedures within 26 V.S.A. chapter 57 to review whether regulation of a profession is still necessary.

Sec. 5. 3 V.S.A. § 127 is amended to read:

§ 127. UNAUTHORIZED PRACTICE

* * *

(b)(1) A person practicing a regulated profession without authority or an employer permitting such practice may, upon the complaint of the Attorney General or a State's Attorney or an attorney assigned by the Office of Professional Regulation, be enjoined therefrom by the Superior Court where the violation occurred or the Washington County Superior Court and may be assessed a civil penalty of not more than $5,000.00.

(2)(A) The Attorney General or an attorney assigned by the Office of Professional Regulation may elect to bring an action seeking only a civil penalty of not more than ~~$2,500.00~~ $5,000.00 for practicing or permitting the practice of a regulated profession without authority before the board having

regulatory authority over the profession or before an administrative law officer.

* * *

Sec. 6. 3 V.S.A. § 129 is amended to read:

§ 129. POWERS OF BOARDS OR OF DIRECTOR IN ADVISOR PROFESSIONS; DISCIPLINE PROCESS

(a) In addition to any other provisions of law, a board or the Director, in the case of professions that have advisor appointees, may exercise the following powers:

* * *

(3) Issue warnings or reprimands, suspend, revoke, limit, condition, deny, or prevent renewal of licenses, after disciplinary hearings or, in cases requiring emergency action, immediately suspend, as provided by section 814 of this title. In a case involving noncompliance with a statute or rule relating to administrative duties not related to patient, client, or customer care, a board or hearing officer may determine that ordering a monetary civil penalty does not constitute a finding of unprofessional conduct. After a finding of unprofessional conduct, a respondent shall pay a disciplinary action surcharge pursuant to subdivision 125(b)(12) of this title. The proceeds from the disciplinary action surcharge shall be deposited into the Professional Regulatory Fee Fund.

* * *

* * * Cosmetology Certificate of Approval * * *

Sec. 7. 26 V.S.A. § 281 is amended to read:

§ 281. POSTSECONDARY SCHOOL OF BARBERING AND COSMETOLOGY; CERTIFICATE OF APPROVAL

(a) A school of barbering or cosmetology shall not be granted a certificate of approval unless the school:

* * *

(4) Requires a school term of training consistent with formal training requirements established by rule, which shall include practical demonstrations and theoretical studies in sanitation, sterilization, the use of antiseptics, and the use of appliances, devices, treatments, ~~and~~ preparations relevant to the field of licensure, and training on the care, styling, and treatment of textured hair. For purposes of this subdivision, "textured hair" means hair that is coiled, curly, or

wavy. The training on the care, styling, and treatment of textured hair shall include:

(A) techniques for cutting, styling, and chemical treatments for textured hair;

(B) knowledge of products and tools specifically designed for textured hair;

(C) best practices for hair health and scalp care for clients with textured hair; and

(D) cultural competency and historical education on the significance of textured hair in diverse communities.

* * *

* * * Nursing Assistants; License Renewal * * *

Sec. 8. 26 V.S.A. 1645 is amended to read:

§ 1645. RENEWAL

(a) To renew a license, a nursing assistant shall meet ongoing practice requirements set by the Board by rule.

(b) The Board shall credit as ongoing practice those activities, regardless of title or obligation to hold a license, that reasonably tend to reinforce the training and skills of a licensee.

(c)(1) A licensee seeking to renew an expired or lapsed license after fewer than five years of absence from practice shall repeat and pass the competency examinations approved by the Department of Disabilities, Aging, and Independent Living before licensure renewal.

(2) A licensee who does not pass the competency examinations shall repeat a nursing assistant education program and competency examination.

* * * Repeals; Funeral Service Escrow Agents; Motor Vehicle Racing * * *

Sec. 9. 3 V.S.A. § 122 is amended to read:

§ 122. OFFICE OF PROFESSIONAL REGULATION

The Office of Professional Regulation is created within the Office of the Secretary of State. The Office shall have a director who shall be qualified by education and professional experience to perform the duties of the position. The Director of the Office of Professional Regulation shall be a classified position with the Office of the Secretary of State. The following boards or professions are attached to the Office of Professional Regulation:

* * *

(21) ~~Motor Vehicle Racing~~ [Repealed.]

* * *

Sec. 10. 26 V.S.A. § 1272 is amended to read:

§ 1272. RULES; PREPAID FUNERAL FUNDS

The Director shall adopt rules to carry out the provisions of this subchapter to ensure the proper handling of all funds paid pursuant to a prepaid funeral agreement and to protect consumers in the event of default. The rules shall include provisions relating to the following:

* * *

(2) ~~The appointment of an escrow agent who may be a bank or other category of individual such as an attorney, a local elected official, next of kin, or the executor of a buyer's estate. All prepaid arrangement funds shall be paid directly to the escrow agent and not to the funeral director or establishment.~~ [Repealed.]

* * *

Sec. 11. REPEALS

(a) 26 V.S.A. § 1275 (prepaid funeral expenses; duties of escrow agents) is repealed.

(b) 26 V.S.A. chapter 93 (motor vehicle racing) is repealed.

* * * Position; Executive Officer for the Regulation of Mental Health Professions * * *

Sec. 12. OFFICE OF PROFESSIONAL REGULATION; POSITION; APPROPRIATION

(a) The position of one new, permanent, full-time, exempt Executive Officer for the Regulation of Mental Health Professions is created in the Office of Professional Regulation.

(b) The sum of $170,000.00 is appropriated to the Office of Professional Regulation from the General Fund in fiscal year 2026 for the creation of the position of Executive Officer for the Regulation of Mental Health Professions in the Office of Professional Regulation.

* * * Report; Massage Therapy Establishments * * *

Sec. 13. OFFICE OF PROFESSIONAL REGULATION; REPORT; MASSAGE THERAPY ESTABLISHMENTS

On or before November 15, 2025, the Office of Professional Regulation, in consultation with interested stakeholders, including representatives from the Vermont Chapter of the American Association of Massage Therapists, the Vermont Network Against Domestic and Sexual Violence, the Department of State's Attorneys and Sheriffs, and other Vermont law enforcement agencies, shall submit to the House Committee on Government Operations and Military Affairs and the Senate Committee on Government Operations proposed legislation for the regulation, which may include licensure, of massage therapy establishments, as defined in 26 V.S.A. § 5401(2)(A).

* * * Licensure of Early Childhood Educators Serving in Programs Regulated by the Child Development Division * * *

Sec. 14. 3 V.S.A. § 122 is amended to read:

§ 122. OFFICE OF PROFESSIONAL REGULATION

The Office of Professional Regulation is created within the Office of the Secretary of State. The Office shall have a director who shall be qualified by education and professional experience to perform the duties of the position. The Director of the Office of Professional Regulation shall be a classified position with the Office of the Secretary of State. The following boards or professions are attached to the Office of Professional Regulation:

(1) Board of Architects

* * *

(53) Peer Recovery Support Specialists

(54) Early Childhood Educators

Sec. 15. 26 V.S.A. chapter 111 is added to read:

CHAPTER 111. EARLY CHILDHOOD EDUCATORS EMPLOYED IN PROGRAMS REGULATED BY THE CHILD DEVELOPMENT DIVISION

§ 6211. CREATION OF BOARD

(a) The Vermont Board of Early Childhood Educators is created.

(b) The Board shall consist of nine members appointed for five-year terms by the Governor pursuant to 3 V.S.A. §§ 129b and 2004 as follows: two public members; two each of individuals licensed as an Early Childhood Educator I, an Early Childhood Educator II, and an Early Childhood Educator

III; and one Family Child Care Provider. All members shall be Vermont residents. The members who are early childhood educators shall have been in active practice in Vermont for not less than the preceding three years and shall be in active practice during their incumbency. The public member shall be a person who has no financial interest personally or through a spouse, parent, child, or sibling in the activities regulated under this chapter, other than as a consumer or a possible consumer of its services. Appointments shall be made without regard to political affiliation and on the basis of integrity and demonstrated ability.

(c) Vacancies shall be filled in the same manner as initial appointments.

(d) Board members shall not serve more than two consecutive terms.

§ 6212. BOARD PROCEDURES

(a) Annually, the Board shall meet to elect a chair, vice chair, and a secretary.

(b) Meetings shall be warned and conducted in accordance with 1 V.S.A. chapter 5.

(c) A majority of the members of the Board shall constitute a quorum.

(d) All business may be transacted by a majority vote of the members present and voting, unless otherwise provided by statute.

§ 6213. POWERS AND DUTIES OF THE BOARD

(a) The Board shall:

(1) adopt rules, pursuant to 3 V.S.A. chapter 25, that are necessary for the performance of its duties in accordance with this chapter, including activities that must be completed by an applicant in order to fulfill the educational and experiential requirements established by this chapter;

(2) provide general information to applicants for licensure as early childhood educators;

(3) explain appeal procedures to licensees and applicants and complaint procedures to the public; and

(4) use the administrative and legal services provided by the Office of Professional Regulation under 3 V.S.A. chapter 5.

(b) The Board may conduct hearings as provided in 3 V.S.A. chapter 5.

Sec. 16. 26 V.S.A. chapter 111 is amended to read:

CHAPTER 111. EARLY CHILDHOOD EDUCATORS EMPLOYED IN PROGRAMS REGULATED BY THE CHILD DEVELOPMENT DIVISION

Subchapter 1. General Provisions

§ 6201. DEFINITIONS

As used in this chapter:

(1) "Board" means the Vermont Board of Early Childhood Educators.

(2) "Early childhood educator" means an individual licensed under this chapter to provide early childhood education pursuant to section 6202 of this chapter in a program regulated by the Child Development Division.

(3) "Family child care provider" means an individual approved to operate a family child care home regulated by the Child Development Division at the time of application and who is responsible for providing developmentally appropriate care, education, protection, and supervision for children from birth through eight years of age at the family child care home.

(4) "Guidance" means direct or indirect consultative support in which an Early Childhood Educator III provides feedback to an Early Childhood Educator II.

(5) "Supervision" means on-site, direct oversight in which an Early Childhood Educator II or III observes the practice of an Early Childhood Educator I and provides feedback, support, and direction to an Early Childhood Educator I.

§ 6202. SCOPE OF PRACTICE

(a)(1) An early childhood educator licensed pursuant to this chapter shall provide care and educational instruction to children from birth through eight years of age in a variety of programs regulated by the Child Development Division, including:

(A) planning and implementing intentional, developmentally appropriate learning experiences that promote the social-emotional, physical, language, and cognitive development and health of each child served;

(B) establishing and maintaining a safe, caring, inclusive, and healthy learning environment;

(C) observing, documenting, and assessing children's learning and development;

(D) developing reciprocal, culturally responsive relationships with families and communities; and

(E) engaging in reflective practice and continuous learning.

(2) An early childhood educator licensed pursuant to this chapter does not include exempt teachers licensed under 16 V.S.A. chapter 51 by the Agency of Education with an early childhood endorsement, early childhood special education endorsement, or elementary education endorsement as provided in section 6204 of this chapter.

(b) An early childhood educator licensed pursuant to this chapter shall have the following responsibilities as determined by license type:

(1) Early Childhood Educator I shall be authorized to be on an early childhood education team in a family child care home as defined in 33 V.S.A. § 3511 or a center-based child care and preschool program as defined by the Department for Children and Families in rule for children from birth through eight years of age. Early Childhood Educator I shall serve under the supervision of an Early Childhood Educator II or III or a teacher who is exempt from this chapter and licensed under 16 V.S.A. chapter 51 by the Agency of Education with an early childhood education endorsement or early childhood special education endorsement.

(2) Early Childhood Educator II, in addition to the responsibilities and authorities of an Early Childhood Educator I, shall be authorized to be in a lead educator role in a family child care home as defined in 33 V.S.A. § 3511 or a center-based child care and preschool program as defined by the Department for Children and Families in rule for children from birth through eight years of age, providing supervision to individuals licensed as an Early Childhood Educator I and receiving guidance from individuals licensed as an Early Childhood Educator III.

(3) Early Childhood Educator III, in addition to the responsibilities and authorities of an Early Childhood Educator I and II, shall be authorized to be a lead educator role in a family child care home as defined in 33 V.S.A. § 3511 or a center-based child care and preschool program as defined by the Department for Children and Families in rule for children from birth through eight years of age, providing supervision to individuals licensed as an Early Childhood Educator I and guidance to individuals licensed as an Early Childhood Educator II.

(4) A Family Child Care Provider shall be authorized to be a lead educator role in a family child care home as defined in 33 V.S.A. § 3511 for children from birth through eight years of age.

(c) An early childhood educator licensed pursuant to this chapter may serve in a supporting role only, and not as a lead educator, in the provision of prekindergarten services provided in accordance with 16 V.S.A. § 829.

§ 6203. PROHIBITIONS

(a) An individual shall not hold themselves out as an early childhood educator in this State unless the individual is licensed under this chapter or exempt from this chapter pursuant to section 6204 of this chapter.

(b) An individual shall not use in connection with the individual's name any letters, words, or insignia indicating that the individual is an early childhood educator unless the individual is licensed under this chapter or exempt from this chapter pursuant to section 6204 of this chapter.

§ 6204. EXEMPTIONS

(a) The provisions of this chapter shall not apply to the following persons acting within the scope of their respective professional practices:

(1) a teacher actively licensed under 16 V.S.A. chapter 51 by the Agency of Education with an early childhood education endorsement, an early childhood special education endorsement, or an elementary education endorsement;

(2) an individual who provides care in an afterschool child care program that is regulated by the Child Development Division or any other child care program that is exempt from regulation by the Child Development Division; and

(3) an individual who provides consultation services in this State, performs research, or participates in or instructs regular or continuing education courses, provided the individual does not otherwise practice in this State.

(b) This chapter shall not be construed to limit or restrict in any manner the right of a practitioner of another profession or occupation from carrying on in the usual manner any of the functions incidental to that profession or occupation.

Subchapter 2. Board of Early Childhood Educators

§ 6211. CREATION OF BOARD

* * *

Subchapter 3. Licensure Requirements

§ 6221. QUALIFICATIONS

(a) To qualify for licensure as an early childhood educator in a program regulated by the Child Development Division, an applicant shall have attained the age of majority and shall have a high school diploma or successful completion of a General Education Development (GED) test or an equivalent credential. An applicant shall have additional education and experience in accordance with this subsection for each of the following license types:

(1) Early Childhood Educator I shall have completed an approved certificate or credential program in early childhood education requiring a minimum of 120 hours and field experience.

(2) Early Childhood Educator II shall have completed an approved associate's degree program in:

(A) early childhood education or a related field:

(i) requiring a minimum of 60 college credits and field experience; and

(ii) offering college credit based upon an assessment of the individual's competencies acquired through experience working in the profession; or

(B) any unrelated field and a minimum of 21 approved college credits in the core early childhood education competency areas identified in rule in addition to field experience.

(3) Early Childhood Educator III shall have completed an approved bachelor's degree program in:

(A) early childhood education or a related field requiring a minimum of 120 college credits and field experience; or

(B) any unrelated field and a minimum of 21 approved college credits in the core early childhood education competency areas identified in rule in addition to field experience.

(4) A Family Child Care Provider shall currently operate a family child care home as defined in 33 V.S.A. § 3511 that is regulated and in good standing with the Child Development Division as of January 1, 2028. The Board shall not accept Family Child Care Provider applications after January 1, 2028.

(b) In addition to the requirements of subsection (a) of this section, applicants shall pass any examination that may be required by rule.

§ 6222. LICENSE RENEWAL

(a) Licenses shall be renewed every two years upon application and payment of the required fee. Failure to comply with the provisions of this section shall result in suspension of all privileges granted by the license beginning on the expiration date of the license. A license that has lapsed shall be reinstated upon payment of the biennial renewal fee and the late renewal penalty pursuant to 3 V.S.A. § 127, except a Family Child Care Provider license shall not be renewed after a lapse of two or more years.

(b) The Board may adopt rules necessary for the protection of the public to assure the Board that an applicant whose license has lapsed for more than five years is professionally qualified before reinstatement may occur. Conditions imposed under this subsection shall be in addition to the requirements of subsection (a) of this section.

(c) In addition to the provisions of subsection (a) of this section, an applicant for renewal shall have satisfactorily completed continuing education as required by the Board. For purposes of this subsection, the Board may require, by rule, not more than 24 hours of approved continuing education as a condition of renewal.

§ 6223. FEES

Applicants and persons regulated under this chapter shall pay the following fees:

(1) Early Childhood Educator I:

(A) Application for initial license, $125.00.

(B) Biennial renewal, $225.00.

(2) Early Childhood Educator II:

(A) Application for initial license, $175.00.

(B) Biennial renewal, $250.00.

(3) Early Childhood Educator III:

(A) Application for initial license, $225.00.

(B) Biennial renewal, $275.00.

(4) Family Child Care Provider:

(A) Application for initial license, $175.00.

(B) Biennial renewal, $250.00.

§ 6224. UNPROFESSIONAL CONDUCT

As used in this chapter, "unprofessional conduct" means:

(1) conduct prohibited by this section, by 3 V.S.A. § 129a, or by other statutes relating to early childhood education, whether that conduct is by a licensee, an applicant, or an individual who later becomes an applicant;

(2) conduct that results in a licensee, applicant, or an individual who later becomes an applicant being placed on the Child Protection Registry pursuant to 33 V.S.A. chapter 49; or

(3) conduct that is not in accordance with the professional standards and competencies for Early Childhood Educators published by the National Association for the Education of Young Children.

§ 6225. VARIANCES; TRANSITIONAL LICENSURE

(a) The Board shall issue a transitional Early Childhood Educator II and III license to a teacher or director operating a registered or licensed family child care home as defined in 33 V.S.A. § 3511 or licensed center-based child care and preschool program as defined by the Department for Children and Families in rule and who does not meet the educational and experiential licensure requirements in this chapter. Transitional licenses shall be valid for a two-year period and shall be renewed by the Board for an otherwise qualified applicant for an additional two-year period with satisfactory supporting documentation of the individual's ongoing work to obtain the required educational and experiential qualifications for licensure under this chapter.

(b) At the conclusion of three two-year transitional licensure periods, the Board, at its discretion, may issue one final two-year transitional license for an otherwise qualified applicant if the licensee can demonstrate extenuating circumstances for not having attained the educational and experiential requirements in this chapter and ongoing work to attain these requirements.

§ 6226. DISCLOSURE BY LICENSEES

An early childhood educator licensed pursuant to this chapter shall post and provide to current and prospective families the following:

(1) all available license types regulated by the Office of Professional Regulation pursuant to this chapter;

(2) a description of the Office of Professional Regulation's regulatory authority over licensees in programs regulated by the Child Development Division and how to make complaints;

(3) a description of the Agency of Education's regulatory authority over teachers providing prekindergarten services pursuant to 16 V.S.A. § 829 and how to make complaints; and

(4) a description of the Child Development Division's regulatory authority over regulated child care programs and how to make complaints.

Sec. 17. REPEAL; TRANSITIONAL LICENSE

26 V.S.A. § 6225 (variances; transitional licensure) is repealed on July 1, 2035.

Sec. 18. OFFICE OF PROFESSIONAL REGULATION; LICENSURE OF EARLY CHILDHOOD EDUCATORS SERVING IN PROGRAMS REGULATED BY THE CHILD DEVELOPMENT DIVISION; APPROPRIATION

(a)(1) The establishment of the following two new permanent positions is authorized in the Office of Professional Regulation in fiscal year 2026:

(A) one full-time, classified executive officer for the Vermont Board of Early Childhood Educators; and

(B) one full-time, exempt staff attorney.

(2) In fiscal year 2026, the amount of $262,000.00 is appropriated from the General Fund to the Office of Professional Regulation to be used for the licensure of early childhood educators in accordance with this act.

(b)(1) The establishment of the following three new permanent positions is authorized in the Office of Professional Regulation in fiscal year 2027:

(A) one full-time, classified licensing staff;

(B) one full-time, classified enforcement staff; and

(C) one full-time, classified administrative staff.

(2) In fiscal year 2027, the amount of $628,867.00 is appropriated from the General Fund to the Office of Professional Regulation to be used for the licensure of early childhood educators in accordance with this act.

(c) In fiscal year 2027, $1,400,000.00 shall be distributed from the Child Care Financial Assistance Program to the Office of Professional Regulation for the first licensure and licensure renewal fees for early childhood educators serving in programs regulated by the Child Development Division pursuant to 26 V.S.A. chapter 111.

* * * Accessibility and Confidentiality of Disciplinary Matters * * *

Sec. 19. 3 V.S.A. § 131 is amended to read:

§ 131. ACCESSIBILITY AND CONFIDENTIALITY OF DISCIPLINARY MATTERS

* * *

(c) The Secretary of State, through the Office of Professional Regulation, shall prepare and maintain a register of all complaints, which shall be a public record and which shall show:

(1) with respect to all complaints, the following information:

(A) the date and the nature of the complaint, but not including the identity of the licensee or the complainant; and

(B) a summary of the completed investigation; and

(2) only with respect to complaints resulting in filing of disciplinary charges or stipulations or the taking of disciplinary action, the following additional information:

(A) the name and ~~business addresses~~ public address of the licensee ~~and complainant~~;

(B) formal charges, provided that they have been served or a reasonable effort to serve them has been made, and all subsequent pleadings filed by the parties;

(C) the findings, conclusions, rulings, and orders of the board or administrative law officer;

(D) the transcript of the hearing, if one has been made, and exhibits admitted at the hearing;

(E) stipulations filed with the board or administrative law officer; and

(F) final disposition of the matter by the appellate officer or the courts.

* * *

* * * Effective Dates * * *

Sec. 20. EFFECTIVE DATES

This act shall take effect on July 1, 2025, except that Sec. 3 (fees; peer support providers), Sec. 16 (early childhood educators) and Sec. 17 (repeal; transitional license) shall take effect on July 1, 2027.

(Committee vote: 4-1-0)

(For House amendments, see House Journal of March 26, 2025, pages 744-745)

Reported favorably by Senator Hardy 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 Government Operations.

(Committee vote: 7-0-0)

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 proposal of amendment as recommended by the Committee on Government Operations, with further recommendation of proposal of amendment as follows:

First: By striking out Sec. 18, Office of Professional Regulation; licensure of early childhood educators serving in programs regulated by the Child Development Division; appropriation, in its entirety and inserting in lieu thereof a new Sec. 18 to read as follows:

Sec. 18. [Deleted.]

Second: By striking out Sec. 20, effective dates, in its entirety and inserting in lieu thereof a new Sec. 20 to read as follows:

Sec. 20. EFFECTIVE DATES

This act shall take effect on July 1, 2025, except that:

(1) Sec. 3 (fees; peer support providers) shall take effect on July 1, 2027; and

(2) Sec. 16 (early childhood educators) and Sec. 17 (repeal; transitional license) shall take effect on July 1, 2027 contingent on a fiscal year 2027 appropriation to implement 26 V.S.A. chapter 111.

(Committee vote: 7-0-0)

H. 479.

An act relating to housing.

Reported favorably with recommendation of proposal of amendment by Senator Ram Hinsdale 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:

* * * Vermont Rental Housing Improvement Program * * *

Sec. 1. 10 V.S.A. § 699 is amended to read:

§ 699. VERMONT RENTAL HOUSING IMPROVEMENT PROGRAM

(a) Creation of Program.

* * *

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

(B) Solely with regards to actions undertaken pursuant to this subdivision, entities carrying out the provisions of this section, including grantees, subgrantees, and contractors of the State, shall be exempt from the provisions of 8 V.S.A. chapter 73 (licensed lenders, mortgage brokers, mortgage loan originators, sales finance companies, and loan solicitation companies).

* * *

(d) Program requirements applicable to grants and forgivable loans.

(1)(A) A grant or loan shall not exceed~~:~~

~~(i) $70,000.00 per unit, for rehabilitation or creation of an eligible rental housing unit meeting the applicable building accessibility requirements under the Vermont Access Rules; or~~

~~(ii)~~ $50,000.00 per unit, for rehabilitation or creation of any other eligible rental housing unit. Up to an additional $20,000.00 per unit may be made available for specific elements that collectively bring the unit to the visitable standard outlined in the rules adopted by the Vermont Access Board.

* * *

(e) Program requirements applicable to grants and five-year forgivable loans. For a grant or five-year forgivable loan awarded through the Program, the following requirements apply for a minimum period of five years:

(1) A landlord shall coordinate with nonprofit housing partners and local ~~coordinated entry~~ homelessness service organizations approved by the Department to identify potential tenants.

(2)(A) Except as provided in subdivision (2)(B) of this subsection (e), a landlord shall lease the unit to a household that is:

(i) exiting homelessness, including any individual under 25 years of age who secures housing through a master lease held by a youth service provider on behalf of individuals under 25 years of age;

(ii) actively working with an immigrant or refugee resettlement program; ~~or~~

(iii) composed of at least one individual with a disability who receives or is ~~eligible~~ approved to receive Medicaid-funded ~~home and community based~~ home- and community-based services or Social Security Disability Insurance;

(iv) displaced due to a natural disaster; or

(v) with approval from the Department in writing, an organization that will hold a master lease that explicitly states the unit will be used in service of the populations described in this subsection (e).

* * *

(4)(A) A landlord may convert a grant to a forgivable loan upon approval of the Department and the housing organization that approved the grant.

(B) A landlord who converts a grant to a forgivable loan shall receive a ~~10-percent~~ prorated credit for loan forgiveness for each year in which the landlord participates in the Program.

(f) Requirements applicable to 10-year forgivable loans. For a 10-year forgivable loan awarded through the Program, the following requirements apply for a minimum period of 10 years:

(1) ~~A landlord shall coordinate with nonprofit housing partners and local coordinated entry organizations to identify potential tenants~~ The total cost of rent for the unit, including utilities not covered by rent payments, shall not exceed the applicable fair market rent established by the Department of Housing and Urban Development, except that a landlord may accept a housing voucher that exceeds fair market rent, if available.

(2)~~(A) Except as provided in subdivision (2)(B) of this subsection (f), a landlord shall lease the unit to a household that is:~~

~~(i) exiting homelessness, including any individual under 25 years of age who secures housing through a master lease held by a youth service provider on behalf of individuals under 25 years of age;~~

~~(ii) actively working with an immigrant or refugee resettlement program; or~~

~~(iii) composed of at least one individual with a disability who is eligible to receive Medicaid-funded home and community based services.~~

~~(B) If, upon petition of the landlord, the Department or the housing organization that issued the grant determines that a household under subdivision (2)(A) of this subsection (f) is not available to lease the unit, then the landlord shall lease the unit:~~

~~(i) to a household with an income equal to or less than 80 percent of area median income; or~~

~~(ii) if such a household is unavailable, to another household with the approval of the Department or housing organization.~~

~~(3)(A)~~ A landlord shall accept any housing vouchers that are available to pay all, or a portion of, the tenant's rent and utilities.

~~(B) If no housing voucher or federal or State subsidy is available, the cost of rent for the unit, including utilities not covered by rent payments, shall not exceed the applicable fair market rent established by the Department of Housing and Urban Development.~~

~~(4)~~(3) The Department shall forgive ~~10 percent of the~~ a prorated amount of a forgivable loan for each year a landlord participates in the loan program.

(g) Minimum funding for grants and five-year forgivable loans.

(1) Annually, the Department shall establish a minimum allocation of funding set aside to be used for five-year grants or forgivable loans to serve eligible households pursuant to subsection (e) of this section. Remaining funds may be used for either five-year grants or forgivable loans or 10-year forgivable loans pursuant to subsection (f) of this section. The set aside shall be a minimum of 30 percent of funds disbursed annually.

(2) The Department shall consult with the Agency of Human Services to evaluate factors in establishing the amount of the set aside, including:

(A) the availability of housing vouchers;

(B) the current need for housing for eligible households;

(C) the ability and desire of landlords to house eligible households;

(D) the support services available for landlords; and

(E) the prior uptake and success rates for participating landlords.

(3) The Department shall coordinate with the local Coordinated Entry Lead Agencies and HomeOwnership Centers to direct referrals for those individuals or families prioritized to be housed pursuant to the five-year grants or forgivable loans.

(4) Funds from the set aside not utilized after nine months shall become available for 10-year forgivable loans.

(5) The Department shall annually publish the amount of the set aside on its website.

* * *

(i) Creation of the Vermont Rental Housing Improvement Program Fund. Funds repaid or returned to the Department from forgivable loans or grants funded by the Program shall return to the Vermont Rental Housing Improvement Program Fund to be used for Program expenditures and administrative costs at the discretion of the Department.

(j) Annual report. Annually, the Department shall submit a report to the House Committees on Human Services and on General and Housing and the Senate Committee on Economic Development, Housing and General Affairs regarding the following:

(1) separately, the number of units funded and the number of units rehabilitated through grants, through a five-year forgivable loan, and through a 10-year forgivable loan;

(2) for grants and five-year forgivable loans, for the first year after the expiration of the lease requirements outlined in subdivision (e)(2)(A) of this section, whether the unit is still occupied by a tenant who meets the qualifications of that subdivision;

(3) for each program, for the first year after the expiration of the applicable lease requirements outlined in this section, the amount of rent charged by the landlord and how that rent compares to fair market rent established by the Department of Housing and Urban Development; and

(4) the rate of turnover for tenants housed utilizing grants or five-year forgivable loans and 10-year forgivable loans separately.

* * * MHIR * * *

Sec. 2. 10 V.S.A. § 700 is added to read:

§ 700. VERMONT MANUFACTURED HOME IMPROVEMENT AND REPAIR PROGRAM

(a) There is created within the Department of Housing and Community Development the Manufactured Home Improvement and Repair Program. The Department shall design and implement the Program to award funding to statewide or regional nonprofit housing organizations, or both, to provide financial assistance or awards to manufactured homeowners and manufactured home park owners to improve existing homes, incentivize new slab placement for prospective homeowners, and incentivize park improvements for infill of more homes.

(b) The following projects are eligible for funding through the Program:

(1) The Department may award up to $20,000.00 to owners of manufactured housing communities to complete small-scale capital needs to help infill vacant lots with homes, including disposal of abandoned homes, lot grading and preparation, the siting and upgrading of electrical boxes, enhancing E-911 safety issues, transporting homes out of flood zones, and improving individual septic systems. Costs awarded under this subdivision may also cover legal fees and marketing to help make it easier for home-seekers to find vacant lots around the State.

(2) The Department may award funding to manufactured homeowners for which the home is their primary residence to address habitability and accessibility issues to bring the home into compliance with safe living conditions.

(3) The Department may award up to $15,000.00 per grant to a homeowner to pay for a foundation or federal Department of Housing and Urban Development-approved slab, site preparation, skirting, tie-downs, and utility connections on vacant lots within a manufactured home community.

(c) The Department may adopt rules, policies, and guidelines to aid in enacting the Program.

* * * Vermont Infrastructure Sustainability Fund * * *

Sec. 3. 24 V.S.A. chapter 119, subchapter 6 is amended to read:

Subchapter 6. Special Funds

* * *

§ 4686. VERMONT INFRASTRUCTURE SUSTAINABILITY FUND

(a) Creation. There is created the Vermont Infrastructure Sustainability Fund within the Vermont Bond Bank.

(b) Purpose. The purpose of the Fund is to provide capital to extend and increase capacity of water and sewer service and other public infrastructure in

municipalities where lack of extension or capacity is a barrier to housing development.

(c) Administration. The Vermont Bond Bank may administer the Fund in coordination with and support from other State agencies, government component parts, and quasi-governmental agencies.

(d) Program parameters.

(1) The Vermont Bond Bank, in consultation with the Department of Housing and Community Development, shall develop program guidelines to effectively implement the Fund.

(2) The program shall provide low-interest loans or purchase bonds from municipalities to expand infrastructure capacity. Eligible activities include:

(A) preliminary engineering and planning;

(B) engineering design and bid specifications;

(C) construction for municipal water and wastewater systems;

(D) transportation investments, including those required by municipal regulation, the municipality's official map, designation requirements, or other planning or engineering identifying complete streets and transportation and transit related improvements, including improvements to existing streets; and

(E) other eligible activities as determined by the guidelines produced by the Vermont Bond Bank in consultation with the Department of Housing and Community Development.

(e) Application requirements. Eligible project applications shall demonstrate:

(1) the project will create reserve capacity necessary for new housing unit development;

(2) the project has a direct link to housing unit production; and

(3) the municipality has a commitment to own and operate the project throughout its useful life.

(f) Application criteria. In addition to any criteria developed in the program guidelines, project applications shall be evaluated using the following criteria:

(1) whether there is a direct connection to proposed or in-progress housing development with demonstrable progress toward regional housing targets;

(2) whether the project is an expansion of an existing system and the proximity to a designated area;

(3) the project readiness and estimated time until the need for financing; and

(4) the demonstration of financing for project completion or completion of a project component.

(g) Award terms. The Vermont Bond Bank, in consultation with the Department of Housing and Community Development, shall establish award terms that may include:

(1) the maximum loan or bond amount;

(2) the maximum term of the loan or bond amount;

(3) the time by which amortization shall commence;

(4) the maximum interest rate;

(5) whether the loan is eligible for forgiveness and to what percentage or amount;

(6) the necessary security for the loan or bond; and

(7) any additional covenants required to further secure the loan or bond.

(h) Revolving fund.

(1) Any funds repaid or returned from the Infrastructure Sustainability Fund shall be deposited into the Fund and used to continue the program established in this section.

(2) The Bank may use the funds in conjunction with other Bank programs to accomplish the policy objectives outlined in this section.

* * * VHFA Rental Housing Revolving Loan Program * * *

Sec. 4. 2023 Acts and Resolves No. 47, Sec. 38 is amended to read:

Sec. 38. RENTAL HOUSING REVOLVING LOAN PROGRAM

(a) Creation; administration. The Vermont Housing Finance Agency shall design and implement a Rental Housing Revolving Loan Program and shall create and administer a revolving loan fund to provide subsidized loans for rental housing developments that serve middle-income households.

(b) Loans; eligibility; criteria.

* * *

(7) The Agency shall use one or more legal mechanisms to ensure that:

(A) a subsidized unit remains affordable to a household earning the applicable percent of area median income for the longer of:

(i) seven years; or

(ii) full repayment of the loan plus three years; and

(B) during the affordability period determined pursuant to subdivision (A) of this subdivision (7), the annual increase in rent for a subsidized unit does not exceed three percent or an amount otherwise authorized by the Agency.

* * *

* * * Housing and Residential Services Planning Committee * * *

Sec. 5. STATE HOUSING AND RESIDENTIAL SERVICES PLANNING COMMITTEE; REPORT

(a) Creation. There is created the State Housing and Residential Services Planning Committee to generate a State plan to develop housing for individuals with developmental disabilities.

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

(1) one current member of the House of Representatives, who shall be appointed by the Speaker of the House;

(2) one current member of the Senate, who shall be appointed by the Committee on Committees;

(3) the Secretary of Human Services or designee;

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

(5) the Commissioner of Housing and Community Development or designee;

(6) the State Treasurer or designee;

(7) one member, appointed by the Developmental Disabilities Housing Initiative;

(8) the Executive Director of the Vermont Developmental Disabilities Council;

(9) one member, appointed by Green Mountain Self-Advocates;

(10) one member, appointed by Vermont Care Partners;

(11) one member, appointed by the Vermont Housing and Conservation Board; and

(12) one member, appointed by the Associated General Contractors of Vermont.

(c) Powers and duties. The Committee shall create an actionable plan to develop housing for individuals with developmental disabilities that reflects the diversity of needs expressed by those individuals and their families, including individuals with high-support needs who require 24-hour care and those with specific communication needs. The plan shall include:

(1) a schedule for the creation of at least 600 additional units of service-supported housing;

(2) the number and description of the support needs of individuals with developmental disabilities anticipated to be served annually;

(3) anticipated funding needs; and

(4) recommendations for changes in State laws or policies that are obstacles to the development of housing needed by individuals with Medicaid-funded home-and community-based services.

(d) Assistance.

(1) The Committee shall have the administrative, technical, and legal assistance of the Department of Housing and Community Development.

(2) Upon request of the Committee, the Department of Disabilities, Aging, and Independent Living shall provide an analysis of the current state of housing in Vermont for individuals with development disabilities and, to the extent available, an analysis of the level of community support needed for these individuals.

(e) Report. On or before November 15, 2025, the Committee shall submit a written report to the House Committees on General and Housing and on Human Services and the Senate Committees on Economic Development, Housing and General Affairs and on Health and Welfare with its findings and any recommendations for legislative action.

(f) Meetings.

(1) The Secretary of Human Services shall call the first meeting of the Committee to occur on or before July 15, 2025.

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

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

(4) The Committee shall cease to exist on November 30, 2025.

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

(2) Members of the Committee who are not otherwise compensated for their time shall be entitled to per diem compensation as permitted under 32 V.S.A. § 1010 for not more than six meetings. These payments shall be made from monies appropriated to the Department of Housing and Community Development for that purpose.

(h) Intent to appropriate. Notwithstanding subsection (g)(2) of this section, per diems for the cost of attending meetings shall only be available in the event an appropriation is made in fiscal year 2026 from the General Fund to the Department of Housing and Community Development for that purpose.

* * * Tax Department Housing Data Access * * *

Sec. 6. 32 V.S.A. § 5404 is amended to read:

§ 5404. DETERMINATION OF EDUCATION PROPERTY TAX GRAND LIST

* * *

(b) Annually, on or before August 15, the clerk of a municipality, or the supervisor of an unorganized town or gore, shall transmit to the Director in an electronic or other format as prescribed by the Director: education and municipal grand list data, including exemption information and grand list abstracts; tax rates; an extract of the assessor database also referred to as a Computer Assisted Mass Appraisal (CAMA) system or Computer Assisted Mass Appraisal database; and the total amount of taxes assessed in the town or unorganized town or gore. The data transmitted shall identify each parcel by a parcel identification number assigned under a numbering system prescribed by the Director. Municipalities may continue to use existing numbering systems in addition to, but not in substitution for, the parcel identification system

prescribed by the Director. If changes or additions to the grand list are made by the listers or other officials authorized to do so after such abstract has been so transmitted, such clerks shall forthwith certify the same to the Director.

* * *

* * * Landlord Certificate * * *

Sec. 7. REPEAL; ACT 181 PROSPECTIVE LANDLORD CERTIFICATE CHANGES

2024 Acts and Resolves No. 181, Secs. 98 (landlord certificate amendments) and 114(5) (effective date of landlord certificate amendments) are repealed.

Sec. 8. 32 V.S.A. § 6069 is amended to read:

§ 6069. LANDLORD CERTIFICATE

* * *

(b) The owner of each rental property shall, on or before January 31 of each year, furnish a certificate of rent to the Department of Taxes.

(c) A certificate under this section shall be in a form prescribed by the Commissioner and shall include the following:

(1) the name of ~~the~~ each renter~~,~~;

(2) the address and ~~any property tax parcel identification number of the homestead, the information required under subsection (f) of this section,~~ the School Property Account Number of the rental property;

(3) the name of the owner or landlord of the rental property;

(4) the phone number, email address, and mailing address of the owner or landlord of the rental property, as available;

(5) the type or types of rental units on the rental property;

(6) the number of rental units on the rental property;

(7) the number of ADA-accessible units on the rental property; and

(8) any additional information that the Commissioner determines is appropriate.

* * *

(f) ~~Annually on or before October 31, the Department shall prepare and make available to a member of the public upon request a database in the form of a sortable spreadsheet that contains the following information for each~~

~~rental unit for which the Department received a certificate pursuant to this section:~~

~~(1) name of owner or landlord;~~

~~(2) mailing address of landlord;~~

~~(3) location of rental unit;~~

~~(4) type of rental unit;~~

~~(5) number of units in building; and~~

~~(6) School Property Account Number.~~ Annually on or before December 15, the Department shall submit a report on the aggregated data collected under this section to the House Committee on General and Housing and the Senate Committee on Economic Development, Housing and General Affairs.

* * * Land Bank Report * * *

Sec. 9. DHCD LAND BANK REPORT

(a) On or before November 1, 2026, the Department of Housing and Community Development shall issue a report to the House Committee on General and Housing and the Senate Committee on Economic Development, Housing and General Affairs outlining a legal framework for implementation of a State land bank. The report shall include proposed legislative language specific to:

(1) the creation and ongoing administration of a statewide land bank;

(2) the authorization of regional or municipal land banks; and

(3) the identification of funding proposals to support the establishment and sustainability of each separate model.

(b) The report shall include an analysis on which option, the creation of a statewide land bank or the authorization of regional or municipal land banks, best serves the interest of Vermont communities, including rural communities.

(c) On or before January 15, 2026, the Department of Housing and Community Development shall provide a written update to the House Committee on General and Housing and the Senate Committee on Economic Development, Housing and General Affairs on progress made, including a preliminary assessment of the information required in the final report.

* * * Housing and Public Accommodations Protections * * *

Sec. 10. 9 V.S.A. § 4456a is amended to read:

§ 4456a. RESIDENTIAL RENTAL APPLICATION ~~FEES; PROHIBITED~~

(a) A landlord or a landlord's agent shall not charge an application fee to any individual in order to apply to enter into a rental agreement for a residential dwelling unit. This ~~section~~ subsection shall not be construed to prohibit a person from charging a fee to a person in order to apply to rent commercial or nonresidential property.

(b)(1) In order to conduct a background or credit check, a landlord may request a Social Security number from a residential rental applicant.

(2) In the event an applicant does not have a Social Security number, a landlord shall accept one of the following:

(A) an original or a copy of any unexpired form of government-issued identification; or

(B) an Individual Taxpayer Identification Number.

Sec. 11. 9 V.S.A. § 4501 is amended to read:

§ 4501. DEFINITIONS

As used in this chapter:

* * *

(12)(A) "Harass" means to engage in unwelcome conduct that detracts from, undermines, or interferes with a person's:

(i) use of a place of public accommodation or any of the accommodations, advantages, facilities, or privileges of a place of public accommodation because of the person's race, creed, color, national origin, citizenship, immigration status, marital status, sex, sexual orientation, gender identity, or disability; or

(ii) terms, conditions, privileges, or protections in the sale or rental of a dwelling or other real estate, or in the provision of services or facilities in connection with a dwelling or other real estate, because of the person's race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability, or because the person intends to occupy a dwelling with one or more minor children, or because the person is a recipient of public assistance, or because the person is a victim of abuse, sexual assault, or stalking.

* * *

Sec. 12. 9 V.S.A. § 4502 is amended to read:

§ 4502. PUBLIC ACCOMMODATIONS

(a) An owner or operator of a place of public accommodation or an agent or employee of such owner or operator shall not, because of the race, creed, color, national origin, citizenship, immigration status, marital status, sex, sexual orientation, or gender identity of any person, refuse, withhold from, or deny to that person any of the accommodations, advantages, facilities, and privileges of the place of public accommodation.

* * *

Sec. 13. 9 V.S.A. § 4503 is amended to read:

§ 4503. UNFAIR HOUSING PRACTICES

(a) It shall be unlawful for any person:

(1) To refuse to sell or rent, or refuse to negotiate for the sale or rental of, or otherwise make unavailable or deny, a dwelling or other real estate to any person because of the race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person intends to occupy a dwelling with one or more minor children, or because a person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking.

(2) To discriminate against, or to harass, any person in the terms, conditions, privileges, and protections of the sale or rental of a dwelling or other real estate, or in the provision of services or facilities in connection with a dwelling or other real estate, because of the race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person intends to occupy a dwelling with one or more minor children, or because a person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking.

(3) To make, print, or publish, or cause to be made, printed, or published any notice, statement, or advertisement, with respect to the sale or rental of a dwelling or other real estate that indicates any preference, limitation, or discrimination based on race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person intends to occupy a dwelling with one or more minor children, or because a person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking.

(4) To represent to any person because of the race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national

origin, citizenship, immigration status, or disability of a person, or because a person intends to occupy a dwelling with one or more minor children, or because a person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking, that any dwelling or other real estate is not available for inspection, sale, or rental when the dwelling or real estate is in fact so available.

* * *

(6) To discriminate against any person in the making or purchasing of loans or providing other financial assistance for real-estate-related transactions or in the selling, brokering, or appraising of residential real property, because of the race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person intends to occupy a dwelling with one or more minor children, or because a person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking.

(7) To engage in blockbusting practices, for profit, which may include inducing or attempting to induce a person to sell or rent a dwelling by representations regarding the entry into the neighborhood of a person or persons of a particular race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person intends to occupy a dwelling with one or more minor children, or because a person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking.

(8) To deny any person access to or membership or participation in any multiple listing service, real estate brokers' organization, or other service, organization, or facility relating to the business of selling or renting dwellings, or to discriminate against any person in the terms or conditions of such access, membership, or participation, on account of race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, or disability of a person, or because a person is a recipient of public assistance, or because a person is a victim of abuse, sexual assault, or stalking.

* * *

(12) To discriminate in land use decisions or in the permitting of housing because of race, sex, sexual orientation, gender identity, age, marital status, religious creed, color, national origin, citizenship, immigration status, disability, the presence of one or more minor children, income, or because of

the receipt of public assistance, or because a person is a victim of abuse, sexual assault, or stalking, except as otherwise provided by law.

* * *

(d) If required by federal law, the verification of immigration status or differential treatment on the basis of citizenship or immigration status shall not constitute a violation of subsection (a) of this section with respect to the sale and rental of dwellings.

(e) For purposes of subdivision (a)(6) of this section, it shall not constitute unlawful discrimination for a lender to consider a credit applicant's immigration status to the extent such status has bearing on the lender's rights and remedies regarding loan repayment and further provided such consideration is consistent with any applicable federal law or regulation.

* * * Housing Appeals * * *

Sec. 14. 10 V.S.A. § 8502 is amended to read:

§ 8502. DEFINITIONS

As used in this chapter:

* * *

(7) "Person aggrieved" means a person who alleges an injury to a particularized interest protected by the provisions of law listed in section 8503 of this title, attributable to an act or decision by a district coordinator, District Commission, the Secretary, an appropriate municipal panel, or the Environmental Division that can be redressed by the Environmental Division or the Supreme Court. For purposes of appeals pursuant to 24 V.S.A. chapter 117, the injury alleged shall be to a particularized interest protected by 24 V.S.A. § 4302(c).

* * *

(9) "Appropriate municipal panel" has the same meaning as 24 V.S.A. § 4303(3).

Sec. 15. 10 V.S.A. § 8504 is amended to read:

§ 8504. APPEALS TO THE ENVIRONMENTAL DIVISION

* * *

(b) Planning and zoning chapter appeals.

(1) Within 30 days ~~of~~ following the date of the act or decision, an interested person, as defined in 24 V.S.A. § 4465, or a person aggrieved owning or occupying property in the immediate neighborhood of a property

that is the subject of the decision or act, who has participated as defined in 24 V.S.A. § 4471 in the municipal regulatory proceeding under that chapter may appeal to the Environmental Division an act or decision made under that chapter by ~~a board of adjustment, a planning commission, or a development review board~~ the appropriate municipal panel; provided, however, that decisions of a development review board under 24 V.S.A. § 4420 with respect to local Act 250 review of municipal impacts are not subject to appeal but shall serve as presumptions under chapter 151 of this title. An aggrieved person shall not appeal an act or decision on a permit application filed on or before June 30, 2025.

* * *

(h) De novo hearing. The Environmental Division, applying the substantive standards that were applicable before the tribunal appealed from, shall hold a de novo hearing on those issues that have been appealed, except in the case of:

(1) a decision being appealed on the record pursuant to 24 V.S.A. chapter 117; or

(2) a decision of the Commissioner of Forests, Parks and Recreation under section 2625 of this title being appealed on the record, in which case the court shall affirm the decision, unless it finds that the Commissioner did not have reasonable grounds on which to base the decision.

* * *

(k) Limitations on appeals. Notwithstanding any other provision of this section:

(1) there shall be no appeal from a District Commission decision when the Commission has issued a permit and no hearing was requested or held, or no motion to alter was filed following the issuance of an administrative amendment;

(2) a municipal decision regarding whether a particular application qualifies for a recorded hearing under 24 V.S.A. § 4471(b) shall not be subject to appeal;

(3) if a District Commission issues a partial decision under subsection 6086(b) of this title, any appeal of that decision must be taken within 30 days following the date of that decision; ~~and~~

(4) it shall be the goal of the Environmental Division to issue a decision on a case regarding an appeal of an appropriate municipal panel decision under 24 V.S.A. chapter 117 within 90 days following the close of the hearing; and

(5) except for cases the court considers of greater importance, appeals of an appropriate municipal panel decision under 24 V.S.A. chapter 117 involving housing development take precedence on the docket over other cases and shall be assigned for hearing and trial or for argument accordingly.

* * *

Sec. 16. 24 V.S.A. § 4465 is amended to read:

§ 4465. APPEALS OF DECISIONS OF THE ADMINISTRATIVE OFFICER

(a) An interested person may appeal any decision or act taken by the administrative officer in any municipality by filing a notice of appeal with the secretary of the board of adjustment or development review board of that municipality or with the clerk of that municipality if no such secretary has been elected. This notice of appeal must be filed within 15 days following the date of that decision or act, and a copy of the notice of appeal shall be filed with the administrative officer.

(b) As used in this chapter, an "interested person" means any one of the following:

(1) A person owning title to property, or a municipality or solid waste management district empowered to condemn it or an interest in it, affected by a bylaw, who alleges that the bylaw imposes on the property unreasonable or inappropriate restrictions of present or potential use under the particular circumstances of the case.

(2) The municipality that has a plan or a bylaw at issue in an appeal brought under this chapter or any municipality that adjoins that municipality.

(3) A person owning or occupying property in the immediate neighborhood of a property that is the subject of any decision or act taken under this chapter, who can demonstrate a particularized physical or environmental ~~impact on~~ injury to the person's interest under the criteria reviewed, and who alleges that the decision or act, if confirmed, will not be in accord with the policies, purposes, or terms of the plan or bylaw of that municipality.

(4) Any 20 persons who may be any combination of voters, residents, or real property owners within a municipality listed in subdivision (2) of this subsection who, by signed petition to the appropriate municipal panel of a municipality, the plan or a bylaw of which is at issue in any appeal brought under this title, allege that any relief requested by a person under this title, if granted, will not be in accord with the policies, purposes, or terms of the plan or bylaw of that municipality. This petition to the appropriate municipal panel must designate one person to serve as the representative of the petitioners

regarding all matters related to the appeal. For purposes of this subdivision, an appeal shall not include the character of the area affected if the project has a residential component that includes affordable housing.

(5) Any department and administrative subdivision of this State owning property or any interest in property within a municipality listed in subdivision (2) of this subsection, and the Agency of Commerce and Community Development of this State.

(c) For purposes of an appeal of any act or decision by an appropriate municipal panel pursuant to subchapters 10 and 11, "interested person" shall not include subdivision (b)(4) of this section.

(d) In the exercise of its functions under this section, a board of adjustment or development review board shall have the following powers, in addition to those specifically provided for elsewhere in this chapter:

(1) To hear and decide appeals taken under this section, including where it is alleged that an error has been committed in any order, requirement, decision, or determination made by an administrative officer under this chapter in connection with the administration or enforcement of a bylaw.

(2) To hear and grant or deny a request for a variance under section 4469 of this title.

Sec. 17. 24 V.S.A. § 4441 is amended to read:

§ 4441. PREPARATION OF BYLAWS AND REGULATORY TOOLS; AMENDMENT OR REPEAL

* * *

(i) Notwithstanding this section and any other law to the contrary, for bylaw amendments that are required to comply with amendments to this chapter, no hearings are required to be held on the bylaw amendments.

* * * LURB Study * * *

Sec. 18. 2024 Acts and Resolves No. 181, Sec. 11a is amended to read:

Sec. 11a. ACT 250 APPEALS STUDY

(a) On or before ~~January 15, 2026~~ November 15, 2025, the Land Use Review Board shall issue a report evaluating whether to transfer appeals of permit decisions and jurisdictional opinions issued pursuant to 10 V.S.A. chapter 151 to the Land Use Review Board or whether they should remain at the Environmental Division of the Superior Court. The Board shall convene a stakeholder group that at a minimum shall be composed of a representative of environmental interests, attorneys that practice environmental and

development law in Vermont, the Vermont League of Cities and Towns, the Vermont Association of Planning and Development Agencies, the Vermont Chamber of Commerce, the Land Access and Opportunity Board, the Office of Racial Equity, the Vermont Association of Realtors, a representative of non-profit housing development interests, a representative of for-profit housing development interests, a representative of commercial development interests, an engineer with experience in development, the Agency of Commerce and Community Development, and the Agency of Natural Resources in preparing the report. The Board shall provide notice of the stakeholder meetings on its website and each meeting shall provide time for public comment.

(b) The report shall at minimum recommend:

(1) whether to allow consolidation of appeals at the Board, or with the Environmental Division of the Superior Court, and how, including what resources the Board would need, if transferred to the Board, appeals of permit decisions issued under 24 V.S.A. chapter 117 and the Agency of Natural Resources can be consolidated with Act 250 appeals;

(2) how to prioritize and expedite the adjudication of appeals related to housing projects, including the use of hearing officers to expedite appeals and the setting of timelines for processing of housing appeals;

(3) procedural rules to govern the Board's administration of Act 250 and the adjudication of appeals of Act 250 decisions. These rules shall include procedures to create a firewall and eliminate any potential for conflicts with the Board managing appeals and issuing permit decisions and jurisdictional opinions; and

(4) other actions the Board should take to promote the efficient and effective adjudication of appeals, including any procedural improvements to the Act 250 permitting process and jurisdictional opinion appeals.

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

* * * Brownfields * * *

Sec. 19. 10 V.S.A. § 6604c is amended to read:

§ 6604c. MANAGEMENT OF DEVELOPMENT SOILS

(a) Management of development soils. Notwithstanding any other requirements of this chapter to the contrary, development soils may be managed at a location permitted pursuant to an insignificant waste event

approval authorization issued pursuant to the Solid Waste Management Rules that contains, at a minimum, the following:

(1) the development soils are generated from a hazardous materials site managed pursuant to a corrective action plan or a soil management plan approved by the Secretary;

(2) the development soils have been tested for arsenic, lead, and polyaromatic hydrocarbons pursuant to a monitoring plan approved by the Secretary that ensures that the soils do not leach above groundwater enforcement standards;

(3) the location where the soils are managed is appropriate for the amount and type of material being managed;

(4) the soils are capped in a manner approved by the Secretary;

(5) any activity that may disturb the development soils at the permitted location shall be conducted pursuant to a soil management plan approved by the Secretary; and

(6) the permittee files a record notice of where the soils are managed in the land records.

* * *

Sec. 20. REPORT ON THE STATUS OF MANAGEMENT OF DEVELOPMENT SOILS

(a) As part of the biennial report to the House Committee on Environment and the Senate Committee on Natural Resources and Energy under 10 V.S.A. § 6604(c), the Secretary of Natural Resources shall report on the status of the management of development soils in the State under 10 V.S.A. § 6604c. The report shall include:

(1) the number of insignificant waste event approval authorizations issued by the Secretary in the previous two years for the management of development soils;

(2) the number of certified categorical solid waste facilities operating in the State for the management of development soils;

(3) a summary of how the majority of development soils in the State are being managed;

(4) an estimate of the cost to manage development soils, depending on management method; and

(5) any additional information the Secretary determines relevant to the management of development soils in the State.

(b) As used in this section, "development soil" has the same meaning as in 10 V.S.A. § 6602(39).

Sec. 21. 10 V.S.A. § 6641 is amended to read:

§ 6641. BROWNFIELD PROPERTY CLEANUP PROGRAM; CREATION; POWERS

(a) There is created the Brownfield Property Cleanup Program to enable certain interested parties to request the assistance of the Secretary to review and oversee work plans for investigating, abating, removing, remediating, and monitoring a property in exchange for protection from certain liabilities under section 6615 of this title. The Program shall be administered by the Secretary who shall:

* * *

(c) When conducting any review required by this subchapter, the Secretary shall prioritize the review of remediation at a site that contains housing or that is planned for the construction or rehabilitation of single-family or multi-family housing.

Sec. 22. BROWNFIELDS PROCESS IMPROVEMENT; REPORT

On or before November 1, 2025, the Secretary of Natural Resources shall report to the House Committees on Environment and on General and Housing and the Senate Committees on Economic Development, Housing and General Affairs and on Natural Resources and Energy with proposals to make the Program established pursuant to 10 V.S.A. chapter 159, subchapter 3 (brownfields reuse and liability limitation) substantially more efficient. At a minimum, the report shall include both of the following:

(1) A survey of stakeholders in the brownfields program to identify areas that present challenges to the redevelopment of contaminated properties, with a focus on redevelopment for housing. The Secretary shall provide recommendations to resolve these challenges.

(2) An analysis of strengths and weaknesses of implementing a licensed site professional program within the State. The Secretary shall make a recommendation on whether such a program should be implemented. If the Secretary recommends implementation, the report shall include any changes to statute or budget needed to implement this program.

Sec. 23. FISCAL YEAR 2026 ENVIRONMENTAL CONTINGENCY FUND DISBURSEMENT FOR BROWNFIELDS

In fiscal year 2026, the Secretary of Natural Resources is authorized to disburse up to $2,000,000.00 from the Environmental Contingency Fund for the assessment, planning, and cleanup of brownfields sites.

* * * Smoke and Carbon Monoxide Alarms * * *

Sec. 24. 9 V.S.A. chapter 77 is amended to read:

CHAPTER 77. SMOKE ~~DETECTORS~~ ALARMS AND CARBON MONOXIDE ~~DETECTORS~~ ALARMS

§ 2881. DEFINITIONS

As used in this chapter:

* * *

(2) "Smoke ~~detector~~ alarm" means a device that detects visible or invisible particles of combustion and sounds a warning alarm, is operated from a power supply within the unit or wired to it from an outside source, and is approved or listed for the purpose by Underwriters Laboratory or by another nationally recognized independent testing laboratory.

(3) "Carbon monoxide ~~detector~~ alarm" means a device with an assembly that incorporates a sensor control component and an alarm notification that detects elevations in carbon monoxide levels and sounds a warning alarm, is operated from a power supply within the unit or wired to it from an outside source, and is approved or listed for the purpose by Underwriters Laboratory or by another nationally recognized independent testing laboratory.

§ 2882. INSTALLATION

(a) A person who constructs a single-family dwelling shall install ~~photoelectric-only-type~~ photoelectric-type or UL 217 compliant smoke ~~detectors~~ alarms in the vicinity of any bedrooms and on each level of the dwelling, and one or more carbon monoxide ~~detectors~~ alarms in the vicinity of any bedrooms in the dwelling in accordance with the manufacturer's instructions. In a dwelling provided with electrical power, ~~detectors~~ alarms shall be powered by the electrical service in the building and by battery.

(b) Any single-family dwelling when transferred by sale or exchange shall contain ~~photoelectric-only-type~~ photoelectric-type or UL 217 compliant smoke ~~detectors~~ alarms in the vicinity of any bedrooms and on each level of the dwelling installed in accordance with the manufacturer's instructions and one or more carbon monoxide ~~detectors~~ alarms installed in accordance with the manufacturer's instructions. A single-family dwelling constructed before January 1, 1994 may contain smoke ~~detectors~~ alarms powered by the electrical service in the building or by battery, or by a combination of both. In a single-

family dwelling newly constructed after January 1, 1994 that is provided with electrical power, smoke ~~detectors~~ alarms shall be powered by the electrical service in the building and by battery. In a single-family dwelling newly constructed after July 1, 2005 that is provided with electrical power, carbon monoxide ~~detectors~~ alarms shall be powered by the electrical service in the building and by battery.

(c) Nothing in this section shall require an owner or occupant of a single-family dwelling to maintain or use a smoke ~~detector~~ alarm or a carbon monoxide ~~detector~~ alarm after installation.

§ 2883. REQUIREMENTS FOR TRANSFER OF DWELLING

(a) The seller of a single-family dwelling, including one constructed for first occupancy, whether the transfer is by sale or exchange, shall certify to the buyer at the closing of the transaction that the dwelling is provided with ~~photoelectric-only-type~~ photoelectric-type or UL 217 compliant smoke ~~detectors~~ alarms and carbon monoxide ~~detectors~~ alarms in accordance with this chapter. This certification shall be signed and dated by the seller.

(b) If the buyer notifies the seller within 10 days by certified mail from the date of conveyance of the dwelling that the dwelling lacks any ~~photoelectric-only-type~~ photoelectric-type or UL 217 compliant smoke ~~detectors~~ alarms, or any carbon monoxide ~~detectors~~ alarms, or that any ~~detector~~ alarm is not operable, the seller shall comply with this chapter within 10 days after notification.

* * *

Sec. 25. 20 V.S.A. § 2731 is amended to read:

§ 2731. RULES; INSPECTIONS; VARIANCES

* * *

(j) ~~Detectors~~ Alarms. Rules adopted under this section shall require that information written, approved, and distributed by the Commissioner on the type, placement, and installation of ~~photoelectric~~ photoelectric-type or UL 217 compliant smoke ~~detectors~~ alarms and carbon monoxide ~~detectors~~ alarms be conspicuously posted in the retail sales area where the ~~detectors~~ alarms are sold.

* * *

* * * Positive Rental Payment Pilot Program * * *

Sec. 26. POSITIVE RENTAL PAYMENT CREDIT REPORTING PILOT

(a) Definitions. As used in this section:

(1) "Contractor" means the third-party vendor that the State Treasurer's Office contracts with to administer the pilot program described in this section.

(2) "Dwelling unit" has the same meaning as in 9 V.S.A. § 4451(3).

(3) "Participant property owner" means a landlord that has agreed in writing to participate in the pilot program and has satisfied the requirements described in subsection (c) of this section.

(4) "Participant tenant" means a tenant that has elected to participate in the pilot program and whose landlord is a participant property owner.

(5) "Rental payment information" means information concerning a participating tenant's timely payment of rent. "Rent payment information" does not include information concerning a participating tenant's payment or nonpayment of fees.

(b) Pilot program creation.

(1) The State Treasurer shall create and implement a two-year positive rental payment reporting pilot program to facilitate the reporting of rent payment information from participating tenants to consumer reporting agencies.

(2) On or before May 1, 2026, the State Treasurer shall contract with a third party to administer a positive rental payment pilot program and facilitate the transmission of rent reporting information from a participant property owner to a consumer reporting agency. The third-party administrator shall be required to:

(A) enter into an agreement with one or more participant property owners in the State in accordance with the requirements of this section for participation in the pilot program;

(B) ensure that information to a credit reporting agency includes only rent payment information after the date on which the participant tenant elected to participate in the pilot program;

(C) develop and implement a process for removal of participant tenants for failure to comply with program requirements, including failure make timely rental payments;

(D) establish a standard form for a participant tenant to use to elect to participate or cease participation in the pilot program, which shall include a statement that the tenant's participation is voluntary and that a participant may cease participating in the pilot program at any time and for any reason by providing notice to the participant's landlord and that the tenant may be

removed from the program for failure to comply with program requirements, including failure to make timely rental payments; and

(E) offer an optional financial education course for participant tenants.

(c) Program agreements. A participant property owner shall agree in writing:

(1) to participate in the pilot program for the duration of the program;

(2) not to charge a participant tenant for participation in the pilot program;

(3) to comply with the requirements of the program;

(4) to provide information as required by the State Treasurer concerning the implementation of the pilot program; and

(5) to assist in the recruitment of tenants to participate in the pilot program.

(d) Program participants. On or before June 1, 2026, the Contractor shall, in coordination with the State Treasurer, recruit not more than 10 participant property owners and, to the extent practicable, not less than 100 participant tenants, to participate in the pilot program. The Contractor shall seek to select participant tenants from populations that are under-served and under-represented in home ownership. The Contractor shall also seek to recruit participant landlords who offer:

(1) a variety of types of dwelling units for rent, including dwelling units of various sizes;

(2) dwelling units for rent that are located in geographically diverse areas of the State; and

(3) at least five dwelling units for rent.

(e) Termination. The State Treasurer may terminate the pilot program at any time in the Treasurer's sole discretion or terminate participation of a participant property owner for failure to comply with the requirements of the program.

(f) Reports.

(1) On or before November 1, 2027, the State Treasurer shall submit an interim report to the Senate Committee on Economic Development, Housing and General Affairs and the House Committee on General and Housing regarding the findings of the pilot program. The report shall include:

(A) the number of participant tenants, including information regarding the demographic makeup of participant tenants, such as race, ethnicity, gender, income, and age, as voluntarily provided by the participant;

(B) the number of participant tenants who ceased participating in the program voluntarily;

(C) the number of participant tenants who were removed from the program and the reasons why;

(D) a breakdown of costs of administering the program, including the monthly costs associated with rent reporting;

(E) a description of challenges faced by the participating property owners and participating tenants during the pilot program;

(F) an analysis of the outcomes of rent reporting on participant tenant's credit scores; and

(G) recommendations for legislative action, including proposed statutory language and an appropriation for associated costs.

(2) On or before November 1, 2028, the State Treasurer shall submit a final report to the Senate Committee on Economic Development, Housing and General Affairs and the House Committee on General and Housing regarding the findings of the pilot program. The report shall include an update to the information required in the interim report.

Sec. 26a. POSITIVE RENTAL PAYMENT CREDIT REPORTING PILOT; IMPLEMENTATION

The duty to implement Sec. 26 of this act shall be contingent upon an appropriation of funds in fiscal year 2026 from the General Fund to the Office of the State Treasurer for the purposes of carryout that section.

* * * Tax Increment Financing * * *

Sec. 27. 24 V.S.A. chapter 53, subchapter 7 is added to read:

Subchapter 7. Community and Housing Infrastructure Program

§ 1906. DEFINITIONS

As used in this subchapter:

(1) "Brownfield" means a property on which the presence or potential presence of a hazardous material, pollutant, or contaminant complicates the expansion, development, redevelopment, or reuse of the property.

(2) "Committed" means pledged and appropriated for the purpose of the current and future payment of financing and related costs.

(3) "Developer" means the person undertaking to construct a housing development.

(4) "Financing" means debt, including principal, interest, and any fees or charges directly related to that debt, incurred by a sponsor, or other instruments or borrowing used by a sponsor, to pay for a housing infrastructure project and, in the case of a sponsor that is a municipality, authorized by the municipality pursuant to section 1910a of this subchapter.

(5) "Housing development" means the construction of one or more buildings that includes housing.

(6) "Housing development site" means the parcel or parcels encompassing a housing development as authorized by a municipality pursuant to section 1908 of this subchapter.

(7) "Housing infrastructure agreement" means a legally binding agreement to finance and develop a housing infrastructure project and to construct a housing development among a municipality, a developer, and, if applicable, a third-party sponsor.

(8) "Housing infrastructure project" means one or more improvements authorized by a municipality pursuant to section 1908 of this subchapter.

(9) "Improvements" means:

(A) the installation or construction of infrastructure that will serve a public good and fulfill the purpose of housing infrastructure tax increment financing as stated in section 1907 of this subchapter, including utilities, digital infrastructure, transportation, public recreation, parking, public facilities and amenities, land and property acquisition and demolition, brownfield remediation, site preparation, and flood remediation and mitigation; and

(B) the funding of debt service interest payments for a period of up to four years, beginning on the date on which the debt is first incurred.

(10) "Legislative body" means the mayor and alderboard, the city council, the selectboard, and the president and trustees of an incorporated village, as appropriate.

(11) "Municipality" means a city, town, or incorporated village.

(12) "Original taxable value" means the total valuation as determined in accordance with 32 V.S.A. chapter 129 of all taxable real property located within a housing development site as of its creation date, provided that no parcel within the housing development site shall be divided or bisected.

(13) "Related costs" means expenses incurred and paid by a municipality, exclusive of the actual cost of constructing and financing improvements, that are directly related to the creation and implementation of the municipality's housing infrastructure project, including reimbursement of sums previously advanced by the municipality for those purposes. Related costs may include direct municipal expenses such as departmental or personnel costs related to creating or administering the housing infrastructure project to the extent they are paid from the tax increment realized from municipal and not education taxes and using only that portion of the municipal increment above the percentage required for serving debt as determined in accordance with subsection 1910c(c) of this subchapter.

(14) "Sponsor" means the person undertaking to finance a housing infrastructure project. Any of a municipality, a developer, or an independent agency that meets State lending standards may serve as a sponsor for a housing infrastructure project.

§ 1907. PURPOSE

The purpose of housing infrastructure tax increment financing is to provide revenues for improvements and related costs to encourage the development of primary residences for households of low or moderate income.

§ 1908. CREATION OF HOUSING INFRASTRUCTURE PROJECT AND HOUSING DEVELOPMENT SITE

(a) The legislative body of a municipality may create within its jurisdiction a housing infrastructure project, which shall consist of improvements that stimulate the development of housing, and a housing development site, which shall consist of the parcel or parcels on which a housing development is installed or constructed and any immediately contiguous parcels.

(b) To create a housing infrastructure project and housing development site, a municipality, in coordination with stakeholders, shall:

(1) develop a housing development plan, including:

(A) a description of the proposed housing infrastructure project, the proposed housing development, and the proposed housing development site;

(B) identification of a sponsor;

(C) a tax increment financing plan meeting the standards of subsection 1910(f) of this subchapter;

(D) a pro forma projection of expected costs of the proposed housing infrastructure project;

(E) a projection of the tax increment to be generated by the proposed housing development; and

(F) a development schedule that includes a list, a cost estimate, and a schedule for the proposed housing infrastructure project and the proposed housing development;

(2) develop a plan describing the housing development site by its boundaries and the properties therein, entitled "Proposed Housing Development Site (municipal name), Vermont";

(3) hold one or more public hearings, after public notice, on the proposed housing infrastructure project, including the plans developed pursuant to this subsection; and

(4) adopt by act of the legislative body of the municipality the plan developed under subdivision (2) of this subsection, which shall be recorded with the municipal clerk and lister or assessor.

(c) The creation of a housing development site shall occur at 12:01 a.m. on April 1 of the calendar year in which the Vermont Economic Progress Council approves the use of tax increment financing for the housing infrastructure project pursuant to section 1910 of this subchapter.

§ 1909. HOUSING INFRASTRUCTURE AGREEMENT

(a) The housing infrastructure agreement for a housing infrastructure project shall:

(1) clearly identify the sponsor for the housing infrastructure project;

(2) clearly identify the developer and the housing development for the housing development site;

(3) obligate the tax increments retained pursuant to section 1910c of this subchapter for not more than the financing and related costs for the housing infrastructure project; and

(4) provide for performance assurances to reasonably secure the obligations of all parties under the housing infrastructure agreement.

(b) A municipality shall provide notice of the terms of the housing infrastructure agreement for the municipality's housing infrastructure project to the legal voters of the municipality and shall provide the same information as set forth in subsection 1910a(e) of this subchapter.

§ 1910. HOUSING INFRASTRUCTURE PROJECT APPLICATION; VERMONT ECONOMIC PROGRESS COUNCIL

(a) Application. A municipality, upon approval of its legislative body, may apply to the Vermont Economic Progress Council to use tax increment financing for a housing infrastructure project.

(b) Review. The Vermont Economic Progress Council may approve only applications that:

(1) meet the process requirements, the project criterion, and any of the location criteria of this section; and

(2) are submitted on or before December 31, 2035.

(c) Process requirements. The Vermont Economic Progress Council shall review a municipality's housing infrastructure project application to determine whether the municipality has:

(1) created a housing infrastructure project and housing development site pursuant to section 1908 of this subchapter;

(2) executed a housing infrastructure agreement for the housing infrastructure project adhering to the standards of section 1909 of this subchapter with a developer and, if the municipality is not financing the housing infrastructure project itself, a sponsor; and

(3) approved or pledged to use incremental municipal tax revenues for the housing infrastructure project in the proportion provided for municipal tax revenues in section 1910c of this subchapter.

(d) Project criterion. The Vermont Economic Progress Council shall review a municipality's housing infrastructure project application to determine whether the projected housing development includes housing.

(e) Location criteria. The Vermont Economic Progress Council shall review a municipality's housing infrastructure project application to determine whether the housing development site is located within one of the following areas:

(1) an area designated Tier 1A or Tier 1B pursuant to 10 V.S.A. chapter 151 (State land use and development plans) or an area exempt from the provisions of that chapter pursuant to 10 V.S.A. § 6081(dd) (interim housing exemptions);

(2) an area designated Tier 2 pursuant to 10 V.S.A. chapter 151 (State land use and development plans) or an area in which the housing development site is compatible with regional and town land use plans as evidenced by a

letter of support from the regional planning commission for the municipality; or

(3) an existing settlement or an area within one-half mile of an existing settlement, as that term is defined in 10 V.S.A. § 6001(16).

(f) Tax increment financing plan. The Vermont Economic Progress Council shall approve a municipality's tax increment financing plan prior to a sponsor's incurrence of debt for the housing infrastructure project, including, if the sponsor is a municipality, prior to a public vote to pledge the credit of the municipality under section 1910a of this subchapter. The tax increment financing plan shall include:

(1) a statement of costs and sources of revenue;

(2) estimates of assessed values within the housing development site;

(3) the portion of those assessed values to be applied to the housing infrastructure project;

(4) the resulting tax increments in each year of the financial plan;

(5) the amount of bonded indebtedness or other financing to be incurred;

(6) other sources of financing and anticipated revenues; and

(7) the duration of the financial plan.

§ 1910a. INDEBTEDNESS

(a) A municipality approved for tax increment financing under section 1910 of this subchapter may incur indebtedness against revenues of the housing development site at any time during a period of up to five years following the creation of the housing development site. The Vermont Economic Progress Council may extend this debt incursion period by up to three years. If no debt is incurred for the housing infrastructure project during the debt incursion period, whether by the municipality or sponsor, the housing development site shall terminate.

(b) Notwithstanding any provision of any municipal charter, each instance of borrowing by a municipality to finance or otherwise pay for a housing infrastructure project shall occur only after the legal voters of the municipality, by a majority vote of all voters present and voting on the question at a special or annual municipal meeting duly warned for the purpose, authorize the legislative body to pledge the credit of the municipality, borrow, or otherwise secure the debt for the specific purposes so warned.

(c) Any indebtedness incurred under this section may be retired over any period authorized by the legislative body of the municipality.

(d) The housing development site shall continue until the date and hour the indebtedness is retired or, if no debt is incurred, five years following the creation of the housing development site.

(e) A municipal legislative body shall provide information to the public prior to the public vote required under subsection (b) of this section. This information shall include the amount and types of debt and related costs to be incurred, including principal, interest, and fees; terms of the debt; the housing infrastructure project to be financed; the housing development projected to occur because of the housing infrastructure project; and notice to the voters that if the tax increment received by the municipality from any property tax source is insufficient to pay the principal and interest on the debt in any year, the municipality shall remain liable for the full payment of the principal and interest for the term of the indebtedness. If interfund loans within the municipality are used, the information must also include documentation of the terms and conditions of the loan.

(f) If interfund loans within the municipality are used as the method of financing, no interest shall be charged.

(g) The use of a bond anticipation note shall not be considered a first incurrence of debt pursuant to subsection (a) of this section.

§ 1910b. ORIGINAL TAXABLE VALUE; TAX INCREMENT

(a) As of the date the housing development site is created, the lister or assessor for the municipality shall certify the original taxable value and shall certify to the legislative body in each year thereafter during the life of the housing development site the amount by which the total valuation as determined in accordance with 32 V.S.A. chapter 129 of all taxable real property within the housing development site has increased or decreased relative to the original taxable value.

(b) Annually throughout the life of the housing development site, the lister or assessor shall include not more than the original taxable value of the real property in the assessed valuation upon which the treasurer computes the rates of all taxes levied by the municipality and every other taxing district in which the housing development site is situated, but the treasurer shall extend all rates so determined against the entire assessed valuation of real property for that year.

(c) Annually throughout the life of the housing development site, a municipality shall remit not less than the aggregate education property tax due on the original taxable value to the Education Fund.

(d) Annually throughout the life of the housing development site, the municipality shall hold apart, rather than remit to the taxing districts, that proportion of all taxes paid that year on the real property within the housing development site that the excess valuation bears to the total assessed valuation. The amount held apart each year is the "tax increment" for that year. The tax increment shall only be used for financing and related costs.

(e) Not more than the percentages established pursuant to section 1910c of this subchapter of the municipal and State education tax increments received with respect to the housing development site and committed for the payment for financing for improvements and related costs shall be segregated by the municipality in a special tax increment financing account and in its official books and records until all capital indebtedness incurred for the housing infrastructure project has been fully paid. The final payment shall be reported to the treasurer, who shall thereafter include the entire assessed valuation of the housing development site in the assessed valuations upon which the municipal and other tax rates are computed and extended, and thereafter no taxes from the housing development site shall be deposited in the special tax increment financing account.

(f) Notwithstanding any charter provision or other provision, all property taxes assessed within a housing development site shall be subject to the provisions of this section. Special assessments levied under chapter 76A or 87 of this title or under a municipal charter shall not be considered property taxes for the purpose of this section if the proceeds are used exclusively for operating expenses related to properties within the housing development site and not for improvements within the housing development site.

§ 1910c. USE OF TAX INCREMENT; RETENTION PERIOD

(a) Uses of tax increments. A municipality may apply tax increments retained pursuant to this subchapter to debt incurred within the period permitted under section 1910a of this subchapter, to related costs, and to the direct payment of the cost of a housing infrastructure project. Any direct payment shall be subject to the same public vote provisions of section 1910a of this subchapter as apply to debt.

(b) Education property tax increment. Up to 80 percent of the education property tax increment may be retained for up to 20 years, beginning the first year in which debt is incurred for the housing infrastructure project. Upon incurring the first debt, a municipality shall notify the Department of Taxes

and the Vermont Economic Progress Council of the beginning of the retention period of the education property tax increment.

(c) Municipal property tax increment. Not less than 100 percent of the municipal property tax increment may be retained, beginning the first year in which debt is incurred for the housing infrastructure project.

(d) Excess tax increment.

(1) Of the municipal and education property tax increments received in any tax year that exceed the amounts committed for the payment of the financing and related costs for a housing infrastructure project, equal portions of each increment may be retained for the following purposes:

(A) to prepay principal and interest on the financing;

(B) to place in a special tax increment financing account required pursuant to subsection 1910b(e) of this subchapter and use for future financing payments; or

(C) to use for defeasance of the financing.

(2) Any remaining portion of the excess education property tax increment shall be distributed to the Education Fund. Any remaining portion of the excess municipal property tax increment shall be distributed to the city, town, or village budget in the proportion that each budget bears to the combined total of the budgets unless otherwise negotiated by the city, town, or village.

§ 1910d. INFORMATION REPORTING

(a) A municipality with an active housing infrastructure project shall:

(1) develop a system, segregated for the housing infrastructure project, to identify, collect, and maintain all data and information necessary to fulfill the reporting requirements of this section;

(2) provide timely notification to the Department of Taxes and the Vermont Economic Progress Council of any housing infrastructure project debt, public vote, or vote by the municipal legislative body immediately following the debt incurrence or public vote on a form prescribed by the Council, including copies of public notices, agendas, minutes, vote tally, and a copy of the information provided to the public pursuant to subsection 1910a(e) of this subchapter; and

(3) annually on or before February 15, submit on a form prescribed by the Vermont Economic Progress Council an annual report to the Council and the Department of Taxes, including the information required by subdivision (2)

of this subsection if not previously submitted, the information required for annual audit under section 1910e of this subchapter, and any information required by the Council or the Department of Taxes for the report required pursuant to subsection (b) of this section.

(b) Annually on or before April 1, the Vermont Economic Progress Council and the Department of Taxes shall submit a report to the Senate Committees on Economic Development, Housing and General Affairs and on Finance and the House Committees on Commerce and Economic Development and on Ways and Means on housing infrastructure projects approved pursuant to this subchapter, including for each of the following:

(1) the date of approval;

(2) a description of the housing infrastructure project;

(3) the original taxable value of the housing development site;

(4) the scope and value of projected and actual improvements and developments in the housing development site, including the number of housing units created;

(5) the number and types of housing units for which a permit is being pursued under 10 V.S.A. chapter 151 (State land use and development plans) and, for each applicable housing development, the current stage of the permitting process;

(6) projected and actual incremental revenue amounts;

(7) the allocation of incremental revenue; and

(8) projected and actual financing.

(c) On or before January 15, 2035, the Vermont Economic Progress Council shall submit a report to the Senate Committees on Economic Development, Housing and General Affairs and on Finance and the House Committees on Commerce and Economic Development and on Ways and Means evaluating the success of the Community and Housing Infrastructure Program in achieving its purpose, as stated in section 1907 of this chapter, including by identifying the amount and kinds of housing produced through the Program and by determining whether housing development pursued through the Program meets the project criterion and location criteria of section 1910 of this chapter.

§ 1910e. AUDITING

Annually on or before April 1 until the year following the end of the period for retention of education property tax increment, a municipality with a

housing infrastructure project approved under this subchapter shall ensure that the special tax increment financing account required by section 1910b of this subchapter is subject to the annual audit prescribed in section 1681 or 1690 of this title and submit a copy to the Vermont Economic Progress Council. If an account is subject only to the audit under section 1681 of this title, the Council shall ensure a process is in place to subject the account to an independent audit. Procedures for the audit must include verification of the original taxable value and annual and total municipal and education property tax increments generated, expenditures for financing and related costs, and current balance.

§ 1910f. GUIDANCE

(a) The Secretary of Commerce and Community Development, after reasonable notice to a municipality and an opportunity for a hearing, may issue decisions to a municipality on questions and inquiries concerning the administration of housing infrastructure projects, statutes, rules, noncompliance with this subchapter, and any instances of noncompliance identified in audit reports conducted pursuant to section 1910e of this subchapter.

(b) The Vermont Economic Progress Council shall prepare recommendations for the Secretary of Commerce and Community Development prior to any decision issued pursuant to subsection (a) of this section. The Council may prepare recommendations in consultation with the Commissioner of Taxes, the Attorney General, and the State Treasurer. In preparing recommendations, the Council shall provide a municipality with a reasonable opportunity to submit written information in support of its position.

(c) The Secretary of Commerce and Community Development shall review the recommendations of the Council and issue a final written decision on each matter within 60 days following receipt of the recommendations. The Secretary may permit an appeal to be taken by any party to a Superior Court for determination of questions of law in the same manner as the Supreme Court may by rule provide for appeals before final judgment from a Superior Court before issuing a final decision.

(d) The Vermont Economic Progress Council may adopt rules that are reasonably necessary to implement this subchapter.

Sec. 28. 32 V.S.A. § 3325 is amended to read:

§ 3325. VERMONT ECONOMIC PROGRESS COUNCIL

(a) Creation. The Vermont Economic Progress Council is created to exercise the authority and perform the duties assigned to it, including its authority and duties relating to:

(1) the Vermont Employment Growth Incentive Program pursuant to subchapter 2 of this chapter; ~~and~~

(2) tax increment financing districts pursuant to 24 V.S.A. chapter 53, subchapter 5 and section 5404a of this title; and

(3) housing infrastructure tax increment financing pursuant to 24 V.S.A. chapter 53, subchapter 7.

* * *

(g) Decisions not subject to review. A decision of the Council to approve or deny an application under subchapter 2 of this chapter, ~~or~~ to approve or deny a tax increment financing district pursuant to 24 V.S.A. chapter 53, subchapter 5 and section 5404a of this title, or to approve or deny a housing infrastructure project pursuant to 24 V.S.A. chapter 53, subchapter 7 is an administrative decision that is not subject to the contested case hearing requirements under 3 V.S.A. chapter 25 and is not subject to judicial review.

* * * Effective Dates * * *

Sec. 29. EFFECTIVE DATES

This act shall take effect on July 1, 2025, except that Sec. 4 (Rental Housing Revolving Loan Program), Sec. 7 (repeal; Act 181 prospective landlord certificate changes), and this section shall take effect on passage.

(Committee vote: 4-1-0)

(For House amendments, see House Journal of March 26, 2025, pages 738-742)

Reported favorably with recommendation of proposal of amendment by Senator Watson for the Committee on Natural Resources and Energy.

The Committee recommends that the bill ought to pass in concurrence with proposal of amendment as recommended by the Committee on Economic Development, Housing and General Affairs, with further recommendation of proposal of amendment as follows:

First: By striking out Secs. 14 (10 V.S.A. § 8502), 15 (10 V.S.A. § 8504), 16 (24 V.S.A. § 4465), and 17 (24 V.S.A. § 4441) and their reader assistance heading in their entireties and by renumbering the remaining sections to be numerically correct.

Second: By adding a reader assistance heading and a new section to be Sec. 23a to read as follows:

* * * ANR Report Surface Water Discharges * * *

Sec. 23a. ANR REPORT ON SURFACE WATER DISCHARGES

On or before November 15, 2025, the Secretary of Natural Resources shall submit a report to the General Assembly investigating the steps currently necessary to permit new surface water direct discharges of domestic wastewater in Vermont, identifying funding sources available to support the construction of such projects, and any recommendations for improving or streamlining the process.

(Committee vote: 4-0-1)

Reported favorably by Senator Chittenden 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 Economic Development, Housing and General Affairs, and Natural Resources and Energy.

(Committee vote: 4-0-3)

H. 480.

An act relating to miscellaneous amendments to education law.

Reported favorably with recommendation of proposal of amendment by Senator Weeks 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:

* * * School Safety * * *

Sec. 1. 2023 Acts and Resolves No. 29, Secs. 5 and 6 are amended to read:

Sec. 5. BEHAVIORAL THREAT ASSESSMENT TEAMS; IMPLEMENTATION

* * *

(b) Establishment of behavioral threat assessment teams; training.

(1) School districts and independent schools not already using behavioral threat assessment teams shall ~~take all actions necessary to establish a team~~ establish a team and identify team members not later than July 1, 2025~~, including:~~.

(2) School districts and independent schools shall take all actions necessary to implement comprehensive behavioral threat assessment and management programs not later than October 1, 2025, including:

(A) identifying and training team members, which shall include group bias training and the training requirements contained in 16 V.S.A. § 1485(d);

(B) adopting a behavioral threat assessment team policy;

(C) establishing procedures for proper, fair, and effective use of behavioral threat assessment teams;

(D) updating and exercising emergency operations plans; and

(E) providing education to the school community on the purpose and use of behavioral threat assessment teams.

~~(2)~~(3) School districts and independent schools currently using behavioral threat assessment teams shall certify compliance with the training requirements contained in 16 V.S.A. § 1485(d) on or before the first day of the 2023–2024 school year.

~~(3)~~(4) The Agency of Education and Department of Public Safety shall issue guidance and offer training necessary to assist school districts and independent schools with implementation of this subsection.

(c) ~~The Agency of Education shall establish guidelines necessary to collect the data required pursuant to 16 V.S.A. § 1485(e). Each supervisory union, supervisory district, and independent school using behavioral threat assessment teams as of July 1, 2023 shall comply with the data collection requirements under 16 V.S.A. § 1485(e) beginning in the 2023 2024 school year.~~ [Repealed.]

* * *

Sec. 6. EFFECTIVE DATES

* * *

(c) Sec. 2 (16 V.S.A. § 1480) shall take effect on July 1, ~~2024~~ 2025.

(d) Sec. 4 (16 V.S.A. § 1485) shall take effect on July 1, 2025, except that subdivision (b)(3) shall take effect on October 1, 2025 and subsection (e) shall take effect on July 1, 2027.

Sec. 2. 16 V.S.A. § 1485 is amended to read:

§ 1485. BEHAVIORAL THREAT ASSESSMENT TEAMS

* * *

(b) Policy.

* * *

(3) Each school district and each approved or recognized independent school shall develop, adopt, and ensure implementation of a policy and procedures for use of behavioral threat assessment teams that is consistent with and at least as comprehensive as the model policy and procedures developed by the Secretary. Any school board or independent school that fails to adopt such a policy ~~or procedures~~ shall be presumed to have adopted the most current model policy ~~and procedures~~ published by the Secretary. Any superintendent or independent school that fails to adopt such procedures shall be presumed to have adopted the most current model procedures published by the Secretary.

* * *

* * * Postsecondary Schools Chartered in Vermont * * *

Sec. 3. 16 V.S.A. § 176(d) is amended to read:

(d) Exemptions. The following are exempt from the requirements of this section except for the requirements of subdivision (c)(1)(C) of this section:

* * *

(4) Postsecondary schools that are accredited. The following postsecondary institutions are accredited, meet the criteria for exempt status, and are authorized to operate educational programs beyond secondary education, including programs leading to a degree or certificate: Bennington College, Champlain College, ~~College of St. Joseph, Goddard College, Green Mountain College,~~ Landmark College, ~~Marlboro College,~~ Middlebury College, ~~New England Culinary Institute,~~ Norwich University, Saint Michael's College, SIT Graduate Institute, ~~Southern Vermont College,~~ Sterling College, Vermont College of Fine Arts, and Vermont Law and Graduate School. This authorization is provided solely to the extent necessary to ensure institutional compliance with federal financial aid-related regulations, and it does not affect, rescind, or supersede any preexisting authorizations, charters, or other forms of recognition or authorization.

* * *

* * * Nutrition Contracts and Public Bids * * *

Sec. 4. 16 V.S.A. § 559 is amended to read:

§ 559. PUBLIC BIDS

* * *

(e) Application of this section. Any contract entered into or purchase made in violation of the provisions of this section shall be void; provided, however, that:

(1) The provisions of this section shall not apply to contracts for the purchase of books or other materials of instruction.

(2) A school board may name in the specifications and invitations for bids under this section the particular make, kind, or brand of article or articles to be purchased or contracted.

(3) Nothing in this section shall apply to emergency repairs.

(4) ~~Nothing in this section shall be construed to prohibit a school board from awarding a school nutrition contract after using any method of bidding or requests for proposals permitted under federal law for award of the contract. Notwithstanding the monetary amount in subsection (a) of this section for which a school board is required to advertise publicly or invite three or more bids or requests for proposal, a school board is required to publicly advertise or invite three or more bids or requests for proposal for purchases made from the nonprofit school food service account for purchases in excess of the federal simplified acquisition threshold when purchasing food or in excess of $25,000.00 when purchasing nonfood items, unless a municipality sets a lower threshold for purchases from the nonprofit school food service account.~~ The provisions of this section shall not apply to contracts for the purchase of food made from a nonprofit school food services account.

* * *

* * * Virtual Learning * * *

Sec. 5. 16 V.S.A. § 948 is added to read:

§ 948. VIRTUAL LEARNING

(a) The Agency of Education shall maintain access to and oversight of a virtual learning provider for the purpose of offering virtual learning opportunities to Vermont students.

(b) A student may enroll in virtual learning if:

(1) the student is enrolled in a Vermont public school, including a Vermont career technical center;

(2) virtual learning is determined to be an appropriate learning pathway outlined in the student's personalized learning plan; and

(3) the student's learning experience occurs under the supervision of an appropriately licensed educator and aligns with State expectations and

standards, as adopted by the Agency and the State Board of Education, as applicable.

(c) A school district shall count a student enrolled in virtual learning in the school district's average daily membership, as defined in section 4001 of this title, if the student meets all of the criteria in subsection (b) of this section.

Sec. 6. 16 V.S.A. § 942(13) is amended to read:

(13) "Virtual learning" means ~~learning in which the teacher and student communicate concurrently through real-time telecommunication. "Virtual learning" also means online learning in which communication between the teacher and student does not occur concurrently and the student works according to his or her own schedule~~ an intentionally designed learning environment for online teaching and learning using online design principles and teachers trained in the delivery of online instruction. This instruction may take place either in a self-paced environment or a real-time environment.

* * * BOCES Start-up Grant Program * * *

Sec. 7. 2024 Acts and Resolves No. 168, Sec. 4 is amended to read:

Sec. 4. BOCES GRANT PROGRAM; APPROPRIATION

(a) There is established the Boards of Cooperative Education Services Start-up Grant Program, to be administered by the Agency of Education, from funds appropriated for this purpose, to award grants to enable the formation of boards of cooperative education services (BOCES) formed pursuant to 16 V.S.A. chapter 10 after July 1, 2024. ~~BOCES~~ Supervisory unions shall be eligible for a single $10,000.00 grant after ~~the Secretary of Education approves the applicant's initial articles of agreement pursuant to 16 V.S.A. § 603(b)~~ two or more boards vote to explore the advisability of forming a board of cooperative education services pursuant to 16 V.S.A. § 603(a). Grants may be used for start-up and formation costs ~~and may include reimbursement to member supervisory unions for costs incurred during the exploration and formation of the BOCES and articles of agreement~~, including the development of proposed articles of agreement. Grants shall be awarded to only one supervisory union within each group of supervisory unions exploring the formation of a BOCES.

(b) Notwithstanding any provision of 16 V.S.A. § 4025 to the contrary, the sum of $70,000.00 is appropriated from the Education Fund to the Agency of Education in fiscal year 2025 to fund the Boards of Cooperative Education Services Start-up Grant Program created in subsection (a) of this section. Unexpended appropriations shall carry forward into the subsequent fiscal year and remain available for use for this purpose.

* * * Military-Related Postsecondary Opportunities * * *

Sec. 8. 16 V.S.A. § 941 is amended to read:

§ 941. FLEXIBLE PATHWAYS INITIATIVE

(a) There is created within the Agency a Flexible Pathways Initiative:

(1) to encourage and support the creativity of school districts as they develop and expand high-quality educational experiences that are an integral part of secondary education in the evolving ~~21st Century~~ 21st-century classroom;

(2) to promote opportunities for Vermont students to achieve postsecondary readiness through high-quality educational experiences that acknowledge individual goals, learning styles, and abilities; and

(3) to increase the rates of secondary school completion and postsecondary continuation and retention in Vermont.

(b) The Secretary shall develop, publish, and regularly update guidance, in the form of technical assistance, sharing of best practices and model documents, legal interpretations, and other support designed to assist school districts:

(1) ~~to~~ To identify and support secondary students who require additional assistance to succeed in school and to identify ways in which individual students would benefit from flexible pathways to graduation~~;~~.

(2) ~~to~~ To work with every student in grade ~~7~~ seven through grade 12 in an ongoing personalized learning planning process that:

(A) identifies the student's emerging abilities, aptitude, and disposition;

(B) includes participation by families and other engaged adults;

(C) guides decisions regarding course offerings and other high-quality educational experiences; ~~and~~

(D) identifies career and postsecondary planning options using resources provided pursuant to subdivision (4) of this subsection (b); and

(E) is documented by a personalized learning plan~~;~~.

(3) ~~to~~ To create opportunities for secondary students to pursue flexible pathways to graduation that:

(A) increase aspiration and encourage postsecondary continuation of training and education;

(B) are an integral component of a student's personalized learning plan; and

(C) include:

(i) applied or work-based learning opportunities, including career and career technical education and internships;

(ii) virtual learning and blended learning;

(iii) dual enrollment opportunities as set forth in section 944 of this title;

(iv) early college programs as set forth in subsection 4011(e) of this title; and

(v) [Repealed.]

(vi) adult education and secondary credential opportunities as set forth in section 945 of this title~~; and~~.

(4) ~~to~~ To provide students, beginning ~~no~~ not later than in grade ~~7~~ seven, with career development and postsecondary planning resources to ensure that they are able to take full advantage of the opportunities available within the flexible pathways to graduation and to achieve their career and postsecondary education and training goals. Resources provided pursuant to this subdivision shall include information regarding the admissions process and requirements necessary to proceed with any and all military-related opportunities.

(c) Nothing in this subchapter shall be construed as discouraging or limiting the authority of any school district to develop or continue to provide educational opportunities for its students that are otherwise permitted, including the provision of Advanced Placement courses.

(d) An individual entitlement or private right of action shall not arise from creation of a personalized learning plan.

* * * Secretary of Education Search * * *

Sec. 9. 3 V.S.A. § 2702 is amended to read:

§ 2702. SECRETARY OF EDUCATION

(a) With the advice and consent of the Senate, the Governor shall appoint a Secretary of Education from among ~~no~~ not fewer than three candidates proposed by the State Board of Education. The Secretary shall serve at the pleasure of the Governor.

(1) Not later than 30 days after public notification of a vacancy or anticipated vacancy in the position of Secretary of Education, the Governor

shall send a letter to the Chair of the State Board of Education asking the Board to initiate the candidate selection process for a new Secretary of Education. The Governor's letter shall include direction as to the Governor's preferred candidate qualifications and experience.

(2) The State Board shall begin a national search process not later than 60 days after receipt of a letter from the Governor issued pursuant to subdivision (1) of this subsection.

(3) The State Board may request from the Agency of Education the funds necessary to utilize outside resources for the search process required pursuant to this subsection.

(b) The Secretary shall report directly to the Governor and shall be a member of the Governor's Cabinet.

(c) At the time of appointment, the Secretary shall have expertise in education management and policy and demonstrated leadership and management abilities.

* * * Supplemental Reading Instruction * * *

Sec. 10. 16 V.S.A. § 2903 is amended to read:

§ 2903. ~~PREVENTING EARLY SCHOOL FAILURE; READING INSTRUCTION~~ FOUNDATION FOR LITERACY

(a) Statement of policy. The ability to read is critical to success in learning. Children who fail to read by the end of the first grade will likely fall further behind in school. The personal and economic costs of reading failure are enormous both while the student remains in school and long afterward. All students need to receive systematic and explicit evidence-based reading instruction in the early grades from a teacher who is skilled in teaching the foundational components of reading, including phonemic awareness, phonics, fluency, vocabulary, and comprehension. Students who require intensive supplemental instruction tailored to the unique difficulties encountered shall be provided those additional supports by an appropriately trained education professional.

* * *

(c) Reading instruction. A public school or approved independent school that is eligible to receive public tuition that offers instruction in grades kindergarten, one, two, or three shall provide systematic and explicit evidence-based reading instruction to all students. In addition, ~~such~~ for students in grades kindergarten through 12, public schools and approved independent schools that are eligible to receive public tuition shall provide supplemental

reading instruction to any enrolled student whose reading proficiency falls significantly below proficiency standards for the student's grade level or whose reading proficiency prevents progress in school. Schools shall provide support and information to ~~the~~ parents and legal guardians ~~of such students regarding the student's current level of reading proficiency, which shall be based on valid and reliable assessments~~.

* * * Vermont National Guard Tuition Benefit Program * * *

Sec. 11. 16 V.S.A. § 2857 is amended to read:

§ 2857. VERMONT NATIONAL GUARD TUITION BENEFIT PROGRAM

(a) Program creation. The Vermont National Guard Tuition Benefit Program (Program) is created, under which a member of the Vermont National Guard (member) who meets the eligibility requirements in subsection (c) of this section is entitled to the following tuition benefit for up to full-time attendance:

(1) For courses at any Vermont State College institution or the University of Vermont and State Agricultural College (UVM), the benefit shall be the in-state residence tuition rate for the relevant institution.

(2) For courses at any eligible Vermont private postsecondary institution, the benefit shall be the in-state tuition rate charged by UVM.

(3) For courses at an eligible training institution offering nondegree, certificate training, or continuing education programs, the benefit shall be the lower of the institution's standard tuition or the in-state tuition rate charged by UVM.

(4) For courses at a non-Vermont approved postsecondary education institution approved for federal Title IV funding where the degree program is not available in Vermont, the benefit shall be the in-state tuition rate charged by UVM.

(b) Tuition benefit.

(1) The tuition benefit provided under the Program shall be paid on behalf of the member by the Vermont Student Assistance Corporation (VSAC), subject to the appropriation of funds by the General Assembly specifically for this purpose. An eligible Vermont postsecondary institution that accepts or receives the tuition benefit on behalf of a member shall charge the member the tuition rate for an in-state student. The amount of tuition for a member who attends an educational institution under the Program on less than a full-time basis shall be reduced to reflect the member's course load in a manner determined by VSAC under subdivision (f)(1) of this section.

(2) The tuition benefit shall be conditioned upon the member's executing a promissory note obligating the member to repay the member's tuition benefit, in whole or in part, if the member fails to complete the period of Vermont National Guard service required in subsection (d) of this section, or if the member's benefit is terminated pursuant to subdivision (e)(1) of this section.

(c) Eligibility.

(1) To be eligible for the Program, an individual, whether a resident or nonresident, shall satisfy all of the following requirements:

(A) be an active member of the Vermont National Guard;

(B) have successfully completed basic training;

(C) be enrolled:

(i) at UVM, a Vermont State College, or any other college or university located in Vermont in a program that leads to an undergraduate certificate ~~or~~, an undergraduate degree, or a graduate degree;

(ii) at an eligible training institution in a program that leads to a certificate or other credential recognized by VSAC; or

(iii) at a non-Vermont approved postsecondary education institution approved for Title IV funding only when the degree program is not available in Vermont;

(D) ~~have not previously earned an undergraduate bachelor's degree;~~ [Repealed.]

(E) continually demonstrate satisfactory academic progress as determined by criteria established by the Vermont National Guard and VSAC, in consultation with the educational institution at which the individual is enrolled under the Program;

(F) have used available post-September 11, 2001 tuition benefits and other federally funded military tuition assistance; provided, however, that this subdivision shall not apply to:

(i) tuition benefits and other federally funded military tuition assistance for which the individual has not yet earned the full amount of the benefit or tuition;

(ii) Montgomery GI Bill benefits;

(iii) post-September 11, 2001 educational program housing allowances;

(iv) federal educational entitlements;

(v) National Guard scholarship grants;

(vi) loans under section 2856 of this title; and

(vii) other nontuition benefits; and

(G) have submitted a statement of good standing to VSAC signed by the individual's commanding officer within 30 days prior to the beginning of each semester.

(2) An individual may receive more than one undergraduate certificate, undergraduate degree, graduate degree, or other credential recognized by VSAC under the Program, provided that the cost of all certificates, degrees, and credentials received by the individual under the Program does not exceed an amount equal to twice the full-time in-state tuition rate charged by UVM for completion of an undergraduate baccalaureate degree.

(d) Service commitment.

(1) For each full academic year of attendance under the Program, a member shall be required to serve two years in the Vermont National Guard in order to receive the full tuition benefit under the Program.

(2) If a member's service with the Vermont National Guard terminates before the member fulfills this two-year service commitment, other than for good cause as determined by the Vermont National Guard, the individual shall reimburse VSAC a pro rata portion of the tuition paid under the Program pursuant to the terms of an interest-free reimbursement promissory note signed by the individual at the time of entering the Program.

(3) For members participating in the Program on a less than full-time basis, the member's service commitment shall be at the rate of one month of Vermont National Guard service commitment for each credit hour, not to exceed 12 months of service commitment for a single semester.

(e) Termination of tuition benefit.

(1) The Office of the Vermont Adjutant and Inspector General may terminate the tuition benefit provided an individual under the Program if:

(A) the individual's commanding officer revokes the statement of good standing submitted pursuant to subdivision (c)(7) of this section as a result of an investigation or disciplinary action that occurred after the statement of good standing was issued;

(B) the individual is dismissed from the educational institution in which the individual is enrolled under the Program for academic or disciplinary reasons; or

(C) the individual withdraws without good cause from the educational institution in which the individual is enrolled under the Program.

(2) If an individual's tuition benefit is terminated pursuant to subdivision (1) of this subsection, the individual shall reimburse VSAC for the tuition paid under the Program, pursuant to the terms of an interest-free reimbursement promissory note signed by the individual at the time of entering the Program; shall be responsible on a pro rata basis for the remaining tuition cost for the current semester or any courses in which the individual is currently enrolled; and shall be ineligible to receive future tuition benefits under the Program.

(3) If an individual is dismissed for academic or disciplinary reasons from any postsecondary educational institution before receiving tuition benefits under the Program, the Office of the Adjutant and Inspector General may make a determination regarding the individual's eligibility to receive tuition benefits under the Program.

(f) Adoption of policies, procedures, and guidelines.

(1) VSAC, in consultation with the Office of the Adjutant and Inspector General, shall adopt policies, procedures, and guidelines necessary to implement the provisions of this section, which shall include eligibility, application, and acceptance requirements, proration of service requirements for academic semesters or attendance periods shorter than one year, data sharing guidelines, and the criteria for determining "good cause" as used in subdivisions (d)(2) and (e)(1)(C) of this section.

(2) Each educational institution participating in the Program shall adopt policies and procedures for the enrollment of members under the Program. These policies and procedures shall be consistent with the policies, procedures, and guidelines adopted by VSAC under subdivision (1) of this subsection.

(g) Reports.

(1) On or before November 1 of each year, the President, Chancellor, or equivalent position of each educational institution that participated in the Program during the immediately preceding school year shall report to the Vermont National Guard and VSAC regarding the number of members enrolled at its institution during that school year who received tuition benefits under the Program and, to the extent available, the courses or program in which the members were enrolled.

(2) On or before January 15 of each year, the Vermont National Guard and VSAC shall report these data and other relevant performance factors, including information pertaining to the achievement of the goals of this entitlement program and the costs of the Program to date, to the Governor, the House and Senate Committees on Education, and the House Committees on Appropriations and on ~~General, Housing, and Military Affairs~~ Government Operations and Military Affairs. The provisions of 2 V.S.A. § 20(d), expiration of reports, shall not apply to the reports to be made under this subsection

* * * Cardiac Emergency Response Plans * * *

Sec. 12. 16 V.S.A. § 1480 is amended to read:

§ 1480. EMERGENCY OPERATIONS PLANS

* * *

(d) The template maintained by the Vermont School Safety Center shall include, at a minimum, hazard-specific provisions for:

(1) acute cardiac events in schools, including protocols that address:

(A) the use and maintenance of automated external defibrillator (AED) devices;

(B) the specific steps to reduce death from cardiac arrest during school activities or within school or district facilities, which shall be consistent with nationally recognized, evidence-based standards;

(C) the appropriate use of school personnel to respond to incidents involving an individual experiencing sudden cardiac arrest or a similar life-threatening emergency while on school grounds;

(D) implementation of AED placement and routine maintenance within each school or district facility, which shall be consistent with applicable nationally recognized, evidence-based standards, and which shall include a requirement for clearly marked and easily accessible AEDs at each athletic venue where practices or competitions are held;

(E) required staff training in CPR and AED use and practice drills regarding the cardiac response plan; and

(2) an athletic emergency action plan (AEAP) for all public or approved and recognized independent schools with an athletic department or organized athletic program. The AEAP shall detail the steps to be taken in response to a serious or life-threatening injury of a student participating in sports or other athletic activities. The AEAP established by public and independent schools

pursuant to this subdivision shall be consistent with the athletic emergency action plans policy established by the Vermont Principals' Association.

Sec. 13. IMPLEMENTATION

School districts and independent schools shall have a cardiac emergency response plan developed and ready for implementation beginning in the 2026–2027 school year.

* * * Energy Performance Contracting * * *

Sec. 14. 16 V.S.A. § 3448f is amended to read:

§ 3448f. ENERGY PERFORMANCE CONTRACTING; AUTHORIZATION; STATE AID

* * *

(b) Authorization. Notwithstanding any provision of law to the contrary, a district may enter into a performance contract pursuant to this section for a period not to exceed 20 years. Cost-saving measures implemented under the contract shall comply with all State and local building codes.

(c) Selection of qualified contractor.

(1) Request for proposals. The district shall issue a request for proposals from individuals or entities interested in entering into a performance contract (who shall become the "contractor"), shall consider the proposals, and shall select a qualified contractor to engage in final contract negotiations. In developing the request for proposals and in selecting a qualified contractor, the district should make use of any assistance available from Efficiency Vermont, the School Energy Management Program of the Vermont Superintendents Association, and other similar entities. Factors to be considered in the final selection shall include contract terms, comprehensiveness of the proposal, comprehensiveness of cost-saving measures, experience of the contractor, quality of technical approach, and overall benefits to the district.

(2) Financial grade audit. The person selected pursuant to this subsection shall prepare a financial grade energy audit that, upon acceptance by the district, shall be part of the final performance contract executed with the district. If after preparation of the financial grade energy audit the district decides not to execute a performance contract with the contractor, the district shall pay the qualified contractor for costs incurred in preparing the financial grade energy audit. If, however, the district decides to execute a performance contract with the contractor, the costs of the financial grade energy audit shall be part of the costs of the performance contract.

(3) ~~Voter approval of proposed performance contract. If the terms of the proposed performance contract permit the district to make payments to the contractor over a period of time exceeding 10 years, then the district shall not enter into a final performance contract until it receives approval from the electorate to do so.~~ [Repealed.]

* * *

* * * School Library Material Selection Procedures * * *

Sec. 15. 16 V.S.A. § 1624 is amended to read:

§ 1624. SCHOOL LIBRARY MATERIAL SELECTION POLICY

(a) Each school board and each approved independent school shall develop, adopt, ensure the enforcement of, and make available in the manner described under subdivision 563(1) of this title a library material selection policy ~~and~~. Each superintendent and head of school of an approved independent school shall develop and implement procedures for the reconsideration and retention of materials. The policy and procedures shall affirm the importance of intellectual freedom and be guided by the First Amendment to the U.S. Constitution, the Civil Rights Act of 1964, Vermont laws prohibiting discrimination in places of public accommodation, the 2004 American Library Association's Freedom to Read Statement, ~~Vermont's~~ the 2024 Vermont Freedom to Read Statement, and reflect Vermont's diverse people and history, including diversity of race, ethnicity, sex, gender identity, sexual orientation, disability status, religion, and political beliefs.

* * *

* * * Exception to Moratorium on New Approved Independent Schools * * *

Sec. 16. 2023 Acts and Resolves No. 78, Sec. E.511.1 is amended to read:

Sec. E.511.1 MORATORIUM ON APPROVAL OF NEW APPROVED INDEPENDENT SCHOOLS

(a) Notwithstanding any provision of law to the contrary, the State Board of Education shall be prohibited from approving an application for initial approval of an approved independent school until further direction by the General Assembly.

(b) Notwithstanding subsection (a) of this section, a change in either tax status or conversion to a nonprofit organization by a therapeutic approved independent school, absent any other changes, shall not effect the approval status of the school.

* * * Cell Phone and Social Media Use in Schools * * *

Sec. 17. 16 V.S.A. chapter 9, subchapter 7 is added to read:

Subchapter 7. Cell Phone, Personal Electronic Device, and Social Media Use in Schools

§ 581. INTENT

It is the intent of the General Assembly for all students in Vermont to access the benefits of a phone- and social media-free school environment, which promotes focus, improved mental health, and increased social cohesion.

§ 582. DEFINITIONS

As used in this subchapter:

(1) "Cell phone" means any device capable of using cellular technology to facilitate voice service through a commercial telecommunications company, regardless of whether the device can access internet services and electronic mail.

(2) "Individualized health care plan" means a written document developed by a school nurse, in collaboration with parents, students, and other relevant professionals, to outline specific health care needs and management strategies tailored to the unique health condition of a student.

(3) "Parent" means a parent of a student and includes legal guardians who are legally authorized to make education decisions for the student.

(4) "School" means any public school, approved independent school, or career and technical education center located in Vermont.

(5) "Student" means an individual currently enrolled in or registered at a school located in Vermont, as defined under subdivision (4) of this section.

§ 583. STUDENT USE OF CELL PHONES AND PERSONAL ELECTRONIC DEVICES IN SCHOOLS

(a) Model policy.

(1) The Secretary of Education, in consultation with the Vermont School Boards Association, the Vermont Independent School Association, and a representative from the Vermont Coalition for Phone and Social Media Free Schools, shall develop, and review at least annually, a policy to, subject to the exceptions in subdivision (2) of this subsection, prohibit student use of cell phones and non-school-issued personal electronic devices that connect to cellular networks, the internet, or have wireless capabilities at school from arrival to dismissal.

(2) The model policy shall provide exceptions for students to use a cell phone or personal electronic device if such use is:

(A) required as part of a student's individualized health care plan, individualized education program, or 504 plan, which shall be documented according to applicable State and federal law; provided, however, that if such use is required to meet an international student's special education needs or as part of a disability accommodation, and the international student does not have an individualized education program or 504 plan, the need for such use shall be documented in a manner the school deems appropriate;

(B) approved by an administrator for an academic, athletic, or co-curricular purpose, for the most limited use reasonably possible; or

(C) required for compliance with the McKinney-Vento Homeless Assistance Act, 42 U.S.C. §§ 11431–11435.

(b) Policy adoption.

(1) Beginning with the 2026–2027 school year, each school board shall develop, adopt, ensure the enforcement of, and make available in the manner described under subdivision 563(1) of this title a student cell phone and personal electronic device use policy that shall be at least as stringent as the model policy developed by the Secretary. Any school board that fails to adopt a policy shall be presumed to have adopted the most current model policy published by the Secretary.

(2) Beginning with the 2026–2027 school year, each approved independent school shall develop, adopt, and ensure the enforcement of a student cell phone and personal electronic device use policy that shall be at least as stringent as the model policy developed by the Secretary. Any approved independent school that fails to adopt a policy shall be presumed to have adopted the most current model policy published by the Secretary.

§ 584. USE OF SOCIAL MEDIA PLATFORMS IN EDUCATION

Schools, school districts, and supervisory unions shall be prohibited from:

(1) utilizing social media for communication with students directly unless the program or platform is approved for such communication by the school district or independent school; provided, however, that any approved communication program or platform shall allow school officials to archive all communications and prevent all communications from being edited or deleted once a communication has been sent; and

(2) requiring students to use social media for out-of-school academic work, school sports, extracurricular clubs, or any other out-of-school school-sponsored activities.

Sec. 18. CELL PHONE AND PERSONAL ELECTRONIC DEVICE POLICY IMPLEMENTATION

(a) On or before January 1, 2026, the Agency of Education shall develop and publish a model student cell phone and personal electronic device use policy pursuant to Sec. 2 of this act.

(b) On or before July 1, 2026, school boards and approved independent schools shall adopt student cell phone and personal electronic device use policies as required pursuant to Sec. 2 of this act, to be effective in the 2026–2027 school year.

* * * Effective Dates * * *

Sec. 19. EFFECTIVE DATES

(a) Secs. 8 (military-related postsecondary opportunities) and 13 (cardiac emergency response plans implementation) shall take effect on July 1, 2025.

(b) Sec. 12 (16 V.S.A. § 1480(d)) shall take effect on July 1, 2026.

(c) This section and the remainder of this act shall take effect on passage.

(Committee vote: 6-0-0)

(No House amendments)

Reported favorably by Senator Watson for the Committee on Appropriations.

The Committee recommends that the bill ought to pass in concurrence with proposal of amendment as recommended by the Committee on Education.

(Committee vote: 7-0-0)

Amendment to proposal of amendment of the Committee on Education to H. 480 to be offered by Senators Ram Hinsdale and Williams

Senators Ram Hinsdale and Williams move to amend the proposal of amendment of the Committee on Education in Sec. 17, 16 V.S.A. chapter 9, subchapter 7, cell phone and social media use in schools, in section 583, in subdivision (a)(2)(B), following "approved by an administrator for an academic," by inserting "school-sponsored"

Amendment to proposal of amendment of the Committee on Education to H. 480 to be offered by Senators Hardy, Collamore, Heffernan, Weeks and Williams

Senators Hardy, Collamore, Heffernan, Weeks and Williams move to amend the proposal of amendment of the Committee on Education by adding a new section to be Sec. 18a and its reader assistance heading to read as follows:

* * * CTE Attendance Outside Service Region * * *

Sec. 18a. STUDENTS ATTENDING A CTE CENTER OUTSIDE THEIR SERVICE REGION

(a) As used in this section:

(1) "Receiving district" means a school district receiving tuition on behalf of a student to whom it provides career technical education.

(2) "Sending district" means a school district paying tuition on behalf of a student to a school district that provides CTE courses.

(b) Secondary students may apply for enrollment into programs offered at CTE centers outside their service region when the center in their service region does not offer the program in which they wish to enroll or they are not able to enroll in the program of their choice. The school district of the students' residence shall pay tuition for that enrollment pursuant to an agreement between the sending district and the receiving district that specifies how costs for such enrollments shall be covered.

(c) Beginning in the 2025–2026 school year, a regional CTE center may provide transportation to and from the technical center for students residing outside the technical center's service region if the student is attending pursuant to subsection (b) of this section.

(d) Any changes in the tuition charged by a career and technical center due to the acceptance of students residing outside of the CTE center's service region shall be reconciled through the tuition reconciliation process outlined in State Board of Education rule 2393, Agency of Education, Career and Technical Education State Board Regulations (22-000-007).

(e) A school district that maintains a secondary school shall provide the requested directory information of enrolled students to a CTE center located outside the school district's assigned CTE service region, for the limited purpose of the CTE center providing information to students and their parents about CTE center offerings in the following situations:

(1) the school district's assigned CTE center has a waitlist for enrollment;

(2) students were denied entry to their assigned CTE center or a program operated by their assigned CTE center; or

(3) when a student has interest in a program not offered at the student's assigned CTE center.

House Proposal of Amendment

S. 53.

An act relating to certification of community-based perinatal doulas and Medicaid coverage for doula services.

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

First: By striking out Sec. 7, state plan amendment, in its entirety and inserting in lieu thereof a new Sec. 7 to read as follows:

Sec. 7. STATE PLAN AMENDMENT

Not later than July 1, 2026, the Department of Vermont Health Access shall seek a state plan amendment from the Centers for Medicare and Medicaid Services to allow Vermont's Medicaid program to provide coverage for doula services in accordance with 33 V.S.A. § 1901n, as added by this act.

Second: In Sec. 8, effective dates, by striking out subsection (b) in its entirety and inserting in lieu thereof a new subsection (b) to read as follows:

(b) Sec. 5 (33 V.S.A. § 1901n; Medicaid coverage for doula services) shall take effect on the later of July 1, 2026 or approval of the state plan amendment requested pursuant to Sec. 7 of this act.

S. 109.

An act relating to miscellaneous judiciary procedures.

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. 3 V.S.A. § 164 is amended to read:

§ 164. ADULT COURT DIVERSION PROGRAM

(a) Purpose.

(1) The Attorney General shall develop and administer an adult court diversion program, for both pre-charge and post-charge referrals, available in all counties.

(2) The program shall be designed to provide a restorative option for persons alleged to have caused harm in violation of a criminal statute or who have been charged with violating a criminal statute as well as for victims or

those acting on a victim's behalf who have been allegedly harmed by the ~~responsible party~~ person referred to the program. The diversion program can accept referrals to the program as follows:

* * *

(c) Adult diversion program policy and referral requirements.

* * *

(3) Adult post-charge diversion requirements. Each State's Attorney, in cooperation with the Office of the Attorney General and the adult post-charge diversion program, shall develop clear criteria for deciding what types of offenses and offenders will be eligible for diversion; however, the State's Attorney shall retain final discretion over the referral of each case for diversion. All adult post-charge diversion programs receiving financial assistance from the Attorney General shall adhere to the following:

(A) The post-charge diversion program for adults shall only accept persons against whom charges have been filed and the court has found probable cause, but are not adjudicated.

(B) A prosecutor may refer a person to diversion either before or after arraignment and shall notify in writing the diversion program and the court of the prosecutor's ~~of the~~ referral to diversion.

* * *

Sec. 2. 4 V.S.A. § 71 is amended to read:

§ 71. APPOINTMENT AND TERM OF SUPERIOR JUDGES

(a) ~~There shall be 34 Superior judges, whose term of office shall,~~ The number of Superior Judges shall be as determined by the General Assembly. The term of office of a Superior Judge shall, except in the case of an appointment to fill a vacancy or unexpired term, begin on April 1 in the year of their appointment or retention and continue for six years.

* * *

Sec. 3. 4 V.S.A. § 1102 is amended to read:

§ 1102. JUDICIAL BUREAU; JURISDICTION

(a) The Judicial Bureau is created within the Judicial Branch under the supervision of the Supreme Court.

(b) The Judicial Bureau shall have jurisdiction of the following matters:

* * *

(4) Violations of 7 V.S.A. § 1005, relating to possession and procurement of tobacco products by a person under 21 years of age.

* * *

Sec. 4. 4 V.S.A. § 1106 is amended to read:

§ 1106. HEARING

* * *

(d) ~~A~~ Unless otherwise provided by law, a law enforcement officer may void or amend a complaint issued by that officer by so marking the complaint and returning it to the Bureau, regardless of whether the amended complaint is a lesser included violation. At the hearing, a law enforcement officer may, unless otherwise provided by law, void or amend a complaint issued by that officer in the discretion of that officer.

* * *

Sec. 5. 7 V.S.A. § 1005(c) is amended to read:

(c) A person under 21 years of age who misrepresents ~~his or her~~ the person's age by presenting false identification to purchase tobacco products, tobacco substitutes, or tobacco paraphernalia shall be ~~fined~~ subject to a civil penalty of not more than $50.00 or provide up to 10 hours of community service, or both.

Sec. 6. 12 V.S.A. § 5 is amended to read:

§ 5. DISSEMINATION OF ELECTRONIC CASE RECORDS

(a) The Court shall not permit public access via the ~~Internet~~ internet to criminal, family, or probate case records. The Court may permit criminal justice agencies, as defined in 20 V.S.A. § 2056a, ~~Internet~~ internet access to criminal case records for criminal justice purposes, as defined in 20 V.S.A. § 2056a.

(b) Notwithstanding subsection (a) of this section, the Court shall provide licensed Vermont attorneys in good standing with access via the internet, through the Judiciary's public portal website or otherwise, to nonconfidential criminal, family, and probate case records.

(c) This section shall not be construed to prohibit the Court from providing electronic access to:

(1) court schedules of the Superior Court or opinions of the Criminal Division of the Superior Court;

(2) State agencies in accordance with data dissemination contracts entered into under Rule 12 of the Vermont Rules for Public Access to Court Records; or

(3) decisions, recordings of oral arguments, briefs, and printed cases of the Supreme Court.

Sec. 7. 12 V.S.A. § 4937 is amended to read:

§ 4937. ATTORNEY'S FEES

When a mortgage contains an agreement on the part of the mortgagor to pay the mortgagee, in the event of foreclosure, the attorney's fees incident thereto, and claim is made therefor in the complaint, ~~upon hearing,~~ the court in which the complaint is brought shall allow such fee as in its judgment is just.

Sec. 8. 13 V.S.A. § 4013 is amended to read:

§ 4013. ZIP GUNS~~; SWITCHBLADE KNIVES~~

A person who possesses, sells, or offers for sale a weapon commonly known as a "zip" gun~~, or a weapon commonly known as a switchblade knife, the blade of which is three inches or more in length,~~ shall be imprisoned not more than 90 days or fined not more than $100.00, or both.

Sec. 9. EXPUNGEMENT OF CRIMINAL HISTORY RECORDS

The court shall order the expungement of criminal history records of convictions of 13 V.S.A. § 4013 for possessing, selling, or offering for sale a switchblade knife that occurred prior to July 1, 2025. The process and effect for expungement of these records shall be as provided for in 13 V.S.A. § 7606 and shall be completed by the court and all entities subject to the order not later than July 1, 2026.

Sec. 10. 13 V.S.A. § 5351(7) is amended to read:

(7) "Victim" means:

(A) a person who sustains injury or death as a direct result of the commission or attempted commission of a crime;

(B) an intervenor who is physically injured or killed in an attempt to assist the person described in subdivision (A) of this subdivision (7) or ~~the police~~ a protected professional as defined in subdivision 1028(d)(1) of this title;

(C) a surviving immediate family member of a homicide victim, including a spouse, domestic partner, parent, sibling, child, grandparent, or other survivor who may suffer severe emotional harm as a result of the

victim's death as determined on a case-by-case basis in the discretion of the Board; or

(D) a resident of this State who is injured or killed as the result of a crime committed outside the United States.

Sec. 11. 13 V.S.A. § 7282 is amended to read:

§ 7282. SURCHARGE

* * *

(c) ~~SIU surcharge.~~ In addition to any penalty or fine imposed by the court for a criminal offense committed after July 1, 2009, the clerk of the court shall levy an additional surcharge of $100.00 to be deposited in the General Fund, in support of the Specialized Investigative Unit Grants Board created in 24 V.S.A. § 1940(c), and used to pay for the costs of Specialized Investigative Units.

Sec. 12. 14 V.S.A. § 2 is amended to read:

§ 2. DEPOSIT OF WILL FOR SAFEKEEPING; DELIVERY; FINAL DISPOSITION

(a) A will may be deposited for safekeeping in the Probate Division of the Superior Court for the district in which the testator resides on payment to the court of the applicable fee required by ~~32 V.S.A. § 1434(a)(17)~~ 32 V.S.A. § 1434(a)(18). The register shall give to the testator a receipt, shall safely keep each will so deposited, and shall keep an index of the wills so deposited.

* * *

Sec. 13. 14 V.S.A. § 3068 is amended to read:

§ 3068. HEARING

* * *

(e)(1) If upon completion of the hearing and consideration of the record the court finds that the respondent is not a person in need of guardianship, it shall dismiss the petition and seal the records of the proceeding.

(2) If a motion to withdraw the petition is made before the final hearing, the court shall dismiss the petition and seal the records of the proceeding.

(f) If upon completion of the hearing and consideration of the record the court finds that the petitioner has proved by clear and convincing evidence that the respondent is a person in need of guardianship or will be a person in need of guardianship on attaining 18 years of age, it shall enter judgment specifying

the powers of the guardian pursuant to sections 3069 and 3070 of this title and the duties of the guardian pursuant to section 3071 of this title.

(g) Any party to the proceeding before the court may appeal the court's decision in the manner provided in section 3080 of this title.

Sec. 14. 14 V.S.A. § 4051 is amended to read:

§ 4051. STATUTORY FORM POWER OF ATTORNEY

A document substantially in the following form may be used to create a statutory form power of attorney that has the meaning and effect prescribed by this chapter.

VERMONT STATUTORY FORM POWER OF ATTORNEY IMPORTANT INFORMATION

* * *

GRANT OF SPECIFIC AUTHORITY (OPTIONAL)

My agent MAY NOT do any of the following specific acts for me UNLESS I have INITIALED the specific authority listed below:

(CAUTION: Granting any of the following will give your agent the authority to take actions that could significantly reduce your property or change how your property is distributed at your death. INITIAL ONLY the specific authority you WANT to give your agent.)

( ) An agent who is not an ancestor, spouse, or descendant may exercise authority under this power of attorney to create in the agent or in an individual to whom the agent owes a legal obligation of support an interest in my property whether by gift, rights of survivorship, beneficiary designation, disclaimer, or otherwise

( ) Create, amend, revoke, or terminate an inter vivos, family, living, irrevocable, or revocable trust

( ) Consent to the modification or termination of a noncharitable irrevocable trust under 14A V.S.A. § 411

( ) Make a gift, subject to the limitations of 14 V.S.A. § 4047 (gifts) and any special instructions in this power of attorney

~~( ) Consent to the modification or termination of a noncharitable irrevocable trust under 14A V.S.A. § 411~~

( ) Create, amend, or change rights of survivorship

( ) Create, amend, or change a beneficiary designation

( ) Waive the principal's right to be a beneficiary of a joint and survivor annuity, including a survivor benefit under a retirement plan

( ) Exercise fiduciary powers that the principal has authority to delegate

( ) Authorize another person to exercise the authority granted under this power of attorney

( ) Disclaim or refuse an interest in property, including a power of appointment

( ) Exercise authority with respect to elective share under 14 V.S.A. § 319

( ) Exercise waiver rights under 14 V.S.A. § 323

( ) Exercise authority over the content and catalogue of electronic communications and digital assets under 14 V.S.A. chapter 125 (Vermont Revised Uniform Fiduciary Access to Digital Assets Act)

( ) Exercise authority with respect to intellectual property, including, without limitation, copyrights, contracts for payment of royalties, and trademarks

( ) Convey, or revoke or revise a grantee designation, by enhanced life estate deed pursuant to 27 V.S.A. chapter 6 or under common law.

* * *

Sec. 15. 14A V.S.A. § 1316 is amended to read:

§ 1316. OFFICE OF TRUST DIRECTOR

Unless the terms of a trust provide otherwise, the rules applicable to a trustee apply to a trust director regarding the following matters:

(1) acceptance under section 701 of this title;

(2) giving of bond to secure performance under section 702 of this title;

(3) reasonable compensation under section 708 of this title;

(4) resignation under section 705 of this title;

(5) removal under section 706 of this title; and

(6) vacancy and appointment of successor under section 704 of this title.

Sec. 16. 33 V.S.A. § 5204(b)(2)(A) is amended to read:

(2)(A)(i) The Family Division of the Superior Court shall hold a hearing under subsection (c) of this section to determine whether jurisdiction should be transferred to the Criminal Division under subsection (a) of this section if the delinquent act set forth in the petition is:

(I) [Repealed.]

(II) human trafficking or aggravated human trafficking in violation of 13 V.S.A. § 2652 or 2653;

(III) defacing a firearm's serial number in violation of ~~13 V.S.A. § 4024~~ 13 V.S.A. § 4026; or

(IV) straw purchasing of firearm in violation of 13 V.S.A. § 4025; and

(ii) the child had attained 16 years of age but not 19 years of age at the time the act was alleged to have occurred.

Sec. 17. 33 V.S.A. § 5225 is amended to read:

§ 5225. PRELIMINARY HEARING; RISK ASSESSMENT

(a) Preliminary hearing. A preliminary hearing shall be held at the time and date specified on the citation or as otherwise ordered by the court. If a child is taken into custody prior to the preliminary hearing, the preliminary hearing shall be at the time of the temporary care hearing. Counsel for the child shall be assigned prior to the preliminary hearing.

(b) Risk and needs screening.

(1) Prior to the preliminary hearing, the child shall be afforded an opportunity to undergo a risk and needs screening, which shall be conducted by the Department or by a community provider that has contracted with the Department to provide risk and need screenings for children alleged to have committed delinquent acts.

(2) If the child participates in such a screening, the Department or the community provider shall report the risk level result of the screening, the number and source of the collateral contacts made, and the recommendation for charging or other alternatives to the State's Attorney. The State's Attorney shall consider the results of the risk and needs screening in determining whether to file a charge. In lieu of filing a charge, the State's Attorney may refer a child directly to a youth-appropriate community-based provider that has been approved by the Department, which may include pre-charge diversion pursuant to 3 V.S.A. § 163, a community justice center, or a balanced and restorative justice program. Referral to a community-based provider pursuant to this subsection shall not require the State's Attorney to file a charge. If the community-based provider does not accept the case or if the child fails to complete the program in a manner deemed satisfactory and timely by the provider, the child's case shall return to the State's Attorney for charging consideration.

* * *

Sec. 18. 27 V.S.A. § 348 is amended to read:

§ 348. INSTRUMENTS CONCERNING REAL PROPERTY VALIDATED

(a) When an instrument of writing shall have been on record in the office of the clerk in the proper town for a period of 15 years, and there is a defect in the instrument because it omitted to state any consideration or was not sealed, witnessed, acknowledged, validly acknowledged, or because a license to sell was not issued or is defective, the instrument shall, from and after the expiration of 15 years from the filing thereof for record, be valid. Nothing in this section shall be construed to affect any rights acquired by grantees, assignees, or encumbrancers under the instruments described in the preceding sentence, nor shall this section apply to conveyances or other instruments of writing, the validity of which is brought in question in any suit now pending in any courts of the State.

* * *

(d) A release, discharge, or assignment of mortgage interest executed by a commercial lender with respect to a one- to four-family residential real property, including a residential unit in a condominium or in a common interest community as defined in Title 27A, that recites authority to act on behalf of the record holder of the mortgage under a power of attorney but where the power of attorney is not of record shall have the same effect as if executed by the record holder of the mortgage unless, within three years after the instrument is recorded, an action challenging the release, discharge, or assignment is commenced and a copy of the complaint is recorded in the land records of the town where the release, discharge, or assignment is recorded. This subsection shall not apply to releases, discharges, or assignments obtained by fraud or forgery.

(e) A power of attorney made for the purpose of conveying, leasing, mortgaging, or affecting any interest in real property that has been acknowledged and signed in the presence of at least one witness shall be valid, notwithstanding its failure to comply with 14 V.S.A. § 3503 or the requirements of the Emergency Administrative Rules for Remote Notarial Acts adopted by the Vermont Secretary of State, unless within three years after recording, an action challenging its validity is commenced and a copy of the complaint is recorded in the land records of the town where the power of attorney is recorded. This subsection shall not apply to a power of attorney obtained by fraud or forgery.

(f) Notwithstanding section 305 of this title, a deed, mortgage, lease, or other instrument executed for the purpose of conveying or encumbering real property executed by a person purporting to act as the agent or attorney-in-fact for the party named in the deed, mortgage, lease, or other instrument that has been recorded for at least 15 years in the land records where the real property is located shall be valid even if no power of attorney authorizing and empowering an agent or attorney-in-fact appears of record, unless, within 15 years after recording, an action challenging the validity of the deed, mortgage, lease, or other instrument is commenced and a copy of the complaint is recorded in the land records of the town where the property is located. This subsection shall not apply to an instrument obtained by fraud or forgery.

Sec. 19. 32 V.S.A. § 1003 is amended to read:

§ 1003. STATE OFFICERS

* * *

(c) The officers of the Judicial Branch named in this subsection shall be entitled to annual salaries as follows:

	Annual Salary as of July 14, 2024	Annual Salary as of July 13, 2025
(1) Chief Justice of Supreme Court	$214,024	$225,581
(2) Each Associate Justice	$204,264	$215,294
(3) ~~Administrative~~ Chief Superior Judge	$204,264	$215,294
(4) Each Superior Judge	$194,185	$204,671
(5) [Repealed.]		
(6) Each Magistrate	$146,413	$154,319
(7) Each Judicial Bureau hearing officer	$146,413	$154,319

* * *

Sec. 20. 2023 Acts and Resolves No. 27, Sec. 5 (forensic facility report) is amended to read:

Sec. 5. [Deleted.]

Sec. 21. 2023 Acts and Resolves No. 40, Sec. 4 is amended to read:

Sec. 4. REPEALS

* * *

(c) 28 V.S.A. § 126 (Coordinated Justice Reform Advisory Council) is repealed on ~~July 1, 2028~~ July 1, 2025.

Sec. 22. [Deleted.]

Sec. 23. [Deleted.]

Sec. 24. FIREARM SURRENDER ORDER COMPLIANCE WORKING GROUP; REPORT

(a) Creation. The Office of the Attorney General shall convene a Firearm Surrender Order Compliance Working Group to develop a uniform process to ensure compliance with court orders to surrender firearms. The Working Group shall examine the statutory or policy changes necessary to create a uniform process to monitor compliance, support entities charged with storing and returning surrendered firearms pursuant to court orders, and identify a stable and reliable funding source for any additional resources needed to monitor compliance.

(b) Membership. The Working Group shall be composed of the following members:

(1) the Attorney General or designee, who shall be the chair;

(2) the Chief Superior Court Judge or designee;

(3) the Defender General or designee;

(4) one State's Attorney or designee, appointed by the Department of State's Attorneys and Sheriffs;

(5) a member, appointed by the Vermont Network Against Domestic and Sexual Violence;

(6) a member of the Vermont State Police, appointed by the Commissioner of Public Safety;

(7) a police chief, appointed by the Vermont Association of Chiefs of Police; and

(8) a federal firearms licensee, appointed by the Attorney General.

(c) Consultation. The Working Group shall consult with stakeholders including:

(1) the Commissioner of Corrections;

(2) family law practitioners;

(3) victim advocates;

(4) advocates from culturally specific advocacy organizations that work with domestic violence victims;

(5) the Vermont Federation of Sportsmen's Clubs;

(6) the Vermont Office of the Bureau of Alcohol Tobacco and Firearms;

(7) the Vermont Medical Society;

(8) the Commissioner of Mental Health;

(9) the Vermont Center for Crime Victim Services;

(10) the Vermont Council on Domestic Violence; and

(11) the Commissioner of Fish and Wildlife.

(d) Report. On or before November 15, 2025, the Working Group shall report its recommendations to the House and Senate Committees on Judiciary and to the Joint Legislative Justice Oversight Committee. The report shall include:

(1) a workable statewide compliance model that is adaptable to both the Family and Criminal Divisions of the Superior Courts and that ensures:

(A) accountability of respondents and defendants while addressing safety needs of the plaintiffs and victims; and

(B) proper storage and return of firearms surrendered pursuant to court orders; and

(2) recommendations for any legislative changes necessary to support the model.

(e) Meetings. The Working Group shall meet not more than six times.

(f) Compensation and reimbursement. Members of the Working Group who are not employees of the State of Vermont or who are not otherwise compensated or reimbursed for their attendance shall be entitled to compensation and reimbursement of expenses pursuant to 32 V.S.A. § 1010 for not more than six meetings.

Sec. 25. 15A V.S.A. § 3-504 is amended to read:

§ 3-504. GROUNDS FOR TERMINATING RELATIONSHIP OF PARENT AND CHILD

(a) If a respondent answers or appears at the hearing and asserts parental rights, the court shall proceed with the hearing expeditiously. If the court finds, upon clear and convincing evidence, that any one of the following grounds exists and that termination is in the best interests of the minor, the court shall order the termination of any parental relationship of the respondent to the minor:

* * *

(2) In the case of a minor over six months of age at the time the petition is filed, the respondent did not exercise parental responsibility for a period of at least six months immediately preceding the filing of the petition. In making a determination under this subdivision, the court shall consider all relevant factors, which may include the respondent's failure to:

(A) make reasonable and consistent payments, in accordance with the respondent's financial means, for the support of the minor, although legally obligated to do so;

(B) regularly communicate or visit with the minor; or

(C) during any time the minor was not in the physical custody of the other parent, manifest an ability and willingness to assume legal and physical custody of the minor.

* * *

Sec. 25a. 33 V.S.A. § 5231(d) is amended to read:

(d) Termination of parental rights. If the Commissioner or the attorney for the child seeks an order terminating parental rights of one or both parents and transfer of custody to the Commissioner without limitation as to adoption, the court shall consider the best interests of the child in accordance with section 5114 of this title. The Department's Family Services Division shall not consider payment of child support to the Family Services Division to offset the cost of foster care as a factor in a petition to terminate parental rights.

Sec. 25b. 33 V.S.A. § 5317(d) is amended to read:

(d) Termination of parental rights. If the Commissioner or the attorney for the child seeks an order at disposition terminating the parental rights of one or both parents and transfer of legal custody to the Commissioner without limitation as to adoption, the court shall consider the best interests of the child in accordance with section 5114 of this title. The Department's Family Services Division shall not consider payment of child support to the Family Services Division to offset the cost of foster care as a factor in a petition to terminate parental rights.

Sec. 26. Sec. 1. 15 V.S.A. § 202 is amended to read:

§ 202. PENALTY FOR DESERTION OR NONSUPPORT

A married person who, without just cause, shall desert or willfully neglect or refuse to provide for the support and maintenance of ~~his or her~~ the person's spouse and children, leaving them in destitute or necessitous circumstances or a parent who, without lawful excuse, shall desert or willfully neglect or refuse to provide for the support and maintenance of ~~his or her~~ the child ~~or an adult child possessed of sufficient pecuniary or physical ability to support his or her parents, who unreasonably neglects or refuses to provide such support when the parent is destitute, unable to support himself or herself, and resident in this State,~~ shall be imprisoned not more than two years or fined not more than $300.00, or both. Should a fine be imposed, the court may order the same to be paid in whole or in part to the needy spouse~~, parent,~~ or to the guardian, custodian, or trustee of the child. The Office of Child Support attorneys, in addition to any other duly authorized person, may prosecute cases under this section in Vermont Superior Court.

Sec. 27. 2023 Acts and Resolves No. 19, Sec. 5 is amended to read:

Sec. 5. [Deleted.]

Sec. 28. 2023 Acts and Resolves No. 19, Sec. 6 is amended to read:

Sec. 6. EFFECTIVE DATES

* * *

(b) ~~Sec. 5 (marriage licenses; 32 V.S.A. § 1712) shall take effect on July 1, 2025.~~ [Deleted.]

* * *

Sec. 29. 13 V.S.A. § 7556 is amended to read:

§ 7556. APPEAL FROM CONDITIONS OF RELEASE OR BAIL REVOCATION DENIAL

(a) A person who is detained, or whose release on a condition requiring ~~him or her~~ the person to return to custody after specified hours is continued, after review of ~~his or her~~ the person's application pursuant to subsection 7554(d) or (e) of this title by a judicial officer, other than a judge of the court having original jurisdiction over the offense with which ~~he or she~~ the person is charged or a Justice of the Supreme Court, may move the court having original jurisdiction over the offense with which ~~he or she~~ the person is charged to amend the order. The motion shall be determined promptly.

(b) When a person is detained after a court denies a motion under subsection (a) of this section or when conditions of release have been imposed or amended by the judge of the court having original jurisdiction over the offense charged, an appeal may be taken to a single Justice of the Supreme Court who may hear the matter or at ~~his or her~~ the Justice's discretion refer it to the entire Supreme Court for hearing. No further appeal may lie from the ruling of a single Justice in matters to which this subsection applies. Any order so appealed shall be affirmed if it is supported by the proceedings below. If the order is not supported, the Supreme Court or single Justice hearing the matter may remand the case for a further hearing or may, with or without additional evidence, order the person released. The appeal shall be determined forthwith.

(c)(1) When a person is released, with or without bail or other conditions of release, an appeal may be taken by the State to a single Justice of the Supreme Court who may hear the matter or at ~~his or her~~ the Justice's discretion refer it to the entire Supreme Court for hearing. No further appeal may lie from the ruling of a single Justice in matters to which this subsection applies. Any order so appealed shall be affirmed if it is supported by the proceedings below. If the order is not supported, the Supreme Court or single Justice hearing the matter may remand the case for a further hearing or may, with or without additional evidence, modify or vacate the order. The appeal shall be determined ~~forthwith~~ promptly.

(2) When a request to revoke bail pursuant to section 7575 of this title is denied, a prosecutor may appeal the court's order in accordance with the procedure outlined in subdivision (1) of this subsection.

(d) A person held without bail under section 7553a of this title prior to trial shall be entitled to an independent, second evidentiary hearing on the merits of the denial of bail, which shall be a hearing de novo by a single Justice of the Supreme Court forthwith. Pursuant to 4 V.S.A. § 22 the Chief Justice may appoint and assign a retired justice or judge with ~~his or her~~ the retired justice's or judge's consent or a Superior judge or District judge to a special assignment on the Supreme Court to conduct that de novo hearing. Such hearing de novo shall be an entirely new evidentiary hearing without regard to the record compiled before the trial court; except, the parties may stipulate to the admission of portions of the trial court record.

(e) A person held without bail prior to trial shall be entitled to review of that determination by a panel of three Supreme Court Justices within seven business days after bail is denied.

Sec. 30. 28 V.S.A. § 818 is amended to read:

§ 818. EARNED TIME; REDUCTION OF TERM

* * *

(b) The earned time program implemented pursuant to this section shall comply with the following standards:

* * *

(4) The Department shall:

(A) ensure that all victims of record are notified of the earned time program at its outset and made aware of the option to receive notifications from the Department pursuant to this subdivision;

(B) provide timely notice not less frequently than every 90 days to the offender, and to any victim who opts to receive the notice, any time the offender receives a reduction in ~~his or her~~ the offender's term of supervision pursuant to this section;

(C) maintain a system that documents and records all such reductions in each offender's permanent record; and

(D) record any reduction in an offender's term of supervision pursuant to this section on a monthly basis and ensure that victims who want information regarding changes in ~~scheduled~~ an offender's minimum release ~~dates~~ date have access to such information.

* * *

Sec. 31. VICTIM NOTIFICATION SYSTEM TASK FORCE; REPORT

(a) Creation. There is created the Victim Notification System Task Force to review and improve the responsiveness of Vermont's victim notification system.

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

(1) the Commissioner of Corrections or designee;

(2) the Executive Director of the Center for Crime Victim Services or designee;

(3) the Executive Director of State's Attorneys and Sheriffs or designee;

(4) a member, appointed by the Vermont Network Against Domestic and Sexual Violence;

(5) the Victims Service Director of the Vermont State Police;

(6) two persons who are either victims or survivors of crimes, appointed by the Center for Crime Victim Services; and

(7) a member, appointed by the Commissioner of Corrections, who is familiar with the capability and technical operations of the VINE system.

(c) Powers and duties. The Task Force shall study the current state of Vermont's victim notification system, including:

(1) improving victims' accessibility to information;

(2) ensuring that the entire notification process is trauma-informed, including all notifications, communications, and informational materials;

(3) expanding the use of automated notification systems in order to increase options and maximize communication choices for victims and survivors; and

(4) recommendations for necessary training and resources.

(d) Assistance. The Task Force shall have the administrative, technical, and legal assistance of the Department of Corrections.

(e) Report. On or before November 15, 2025, the Task Force shall submit its findings and recommendations as a written report in the form of proposed legislation to the Joint Legislative Justice Oversight Committee, the House Committees on Corrections and Institutions and on Judiciary, and the Senate Committees on Institutions and on Judiciary.

(f) Meetings.

(1) The Commissioner of Corrections or designee shall call the first meeting of the Task Force to occur on or before August 1, 2025.

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

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

(4) The Task Force shall cease to exist on February 15, 2026.

Sec. 32. ADULT INVOLUNTARY GUARDIANSHIP WORKING GROUP; REPORT

(a) Creation. Theres is created the Adult Involuntary Guardianship Working Group to study jurisdiction of proceedings involving the involuntary guardianship of adults. The Working Group shall examine the advisability of consolidating adult involuntary guardianships under 14 V.S.A. chapter 111, subchapter 12 ("Title 14 involuntary guardianships") with guardianships for persons with developmental disabilities under 18 V.S.A. chapter 215 ("Title 18

guardianships"), or otherwise amending the statutes to ensure that respondents under Title 18 guardianships have access to voluntary guardianships that is equal to the access to voluntary guardianships available under Title 14.

(b) Membership. The Adult Involuntary Guardianship Working Group shall be composed of the following members:

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

(2) the Chief Superior Court Judge or designee;

(3) the Court Administrator or designee;

(4) a superior judge with experience in Title 18 guardianships, appointed by the Chief Justice;

(5) a probate judge, appointed by the Chief Justice;

(6) a guardian ad litem, appointed by the Court Administrator;

(7) an attorney with experience in adult guardianships, appointed by the Vermont Bar Association;

(8) an attorney with experience in adult guardianships, appointed by Vermont Legal Aid;

(9) an independent mental health evaluator, appointed by the Commissioner of Disabilities, Aging, and Independent Living; and

(10) a member, appointed by the Vermont Center for Independent Living.

(c) Meetings.

(1) The Commissioner of Disabilities, Aging, and Independent Living shall call the first meeting of the Working Group to occur on or before August 1, 2025.

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

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

(d) Report.

(1)(A) On or before December 15, 2025, the Working Group shall report its recommendations, including any proposed legislative changes, to the House and Senate Committees on Judiciary, the House Committee on Human Services, and the Senate Committee on Health and Welfare.

(B) The report shall recommend whether:

(i) Title 14 involuntary guardianship proceedings and Title 18 guardianship proceedings should be consolidated in one division of the Superior Court; or

(ii) Title 14 involuntary guardianship proceedings and Title 18 guardianship proceedings should remain in separate divisions of the Superior Court as provided for in existing law.

(2) With respect to subdivisions (1)(B)(i) and (ii) of this subsection (d), the report shall address:

(A) the judicial resources and oversight that would be required;

(B) whether, notwithstanding 12 V.S.A. § 2553 or 2555, the Vermont Supreme Court should have appellate jurisdiction over guardianship proceedings;

(C) the relationship between guardianships under subdivisions (1)(B)(i) and (ii) of this subsection (d) and voluntary guardianships under 14 V.S.A. § 2671;

(D) any legislative changes that would need to be made under either recommendation to ensure that respondents under Title 18 guardianships have access to voluntary guardianships that is equal to the access to voluntary guardianships available under Title 14; and

(E) any other matters deemed relevant by the Working Group, including any matters not currently under the jurisdiction of Title 14 guardianships or Title 18 guardianships.

Sec. 33. 4 V.S.A. § 39 is amended to read:

§ 39. CAPITAL BUDGET REQUESTS; COUNTY COURTHOUSES

(a) On or before October 1 each year, any county requesting capital funds for its courthouse, or court operations, shall submit a request to the Court Administrator. As used in this subsection, "court operations" does not include operating expenses.

(b) The Court Administrator shall evaluate requests based on the following criteria:

(1) whether the funding request is consistent with a capital program developed pursuant to 24 V.S.A. § 133(e)(3);

(2) whether the project that is the subject of the request has been included in the list of capital projects in the county's budget pursuant to 24 V.S.A. § 133(e)(1), and, if so, the description of the project included in the budget;

(3) whether the county has established a capital reserve fund pursuant to 24 V.S.A. § 133(e)(3), and, if so, the amount of annual contributions the county has made to the fund;

(4) whether the funding request relates to an emergency that will affect the court operations and the administration of justice;

~~(2)~~(5) whether there is a State-owned courthouse in the county that could absorb court activities in lieu of this capital investment;

~~(3)~~(6) whether the county consistently has invested in major maintenance in the courthouse;

~~(4)~~(7) whether the request relates to a State-mandated function;

~~(5)~~(8) whether the request diverts resources of other current Judiciary capital priorities;

~~(6)~~(9) whether the request is consistent with the long-term capital needs of the Judiciary, including providing court services adapted to modern needs and requirements; and

~~(7)~~(10) any other criteria as deemed appropriate by the Court Administrator.

(c) Based on the criteria described in subsection (b) of this section, the Court Administrator shall make a recommendation to the Commissioner of Buildings and General Services regarding whether the county's request should be included as part of the Judiciary's request for capital funding in the Governor's annual proposed capital budget request.

(d) On or before January 15 of each year, the Court Administrator shall advise the House Committee on Corrections and Institutions and the Senate Committee on Institutions of all county requests received and the Court Administrator's recommendations for the proposed capital budget request.

Sec. 34. REPORT

On or before January 15, 2026, the Court Administrator and a representative of the Association of County Judges appointed by the President of that Association shall jointly report to the House Committee on Corrections and Institutions and the Senate Committee on Institutions on the progress made to implement the provisions of Sec. 33 of this act. The report shall include a description of the steps taken and processes considered, and any proposed legislative changes necessary, to ensure that capital budget requests for county courthouses include the information required by Sec. 33 of this act.

Sec. 35. 23 V.S.A. § 1210(c) is amended to read:

(c) Second offense. A person convicted of violating section 1201 of this title who has been convicted of another violation of that section within the last 20 years shall be fined not more than $1,500.00 or imprisoned not more than two years, or both. At least ~~200~~ 80 hours of community service shall be performed, or 60 consecutive hours of the sentence of imprisonment shall be served and may not be suspended or deferred or served as a supervised sentence, except that credit for a sentence of imprisonment may be received for time served in a residential alcohol facility pursuant to sentence if the program is successfully completed.

Sec. 36. REPEAL

Sec. 35 of this act shall be repealed on July 1, 2028.

Sec. 37. FAMILY FORENSIC EVALUATOR RECOMMENDATIONS

(a) The General Assembly requests that the Chief Superior Judge, the Director of the Office of Professional Regulation, and the Executive Director of the Vermont Psychological Association work collaboratively to examine the following:

(1) the extent of the need for and geographic distribution of family forensic evaluators in complex parental rights and responsibilities cases heard in the Family Division;

(2) barriers to increasing the availability of family forensic evaluators in Vermont and whether protections regarding ethical complaints are warranted; and

(3) strategies for increasing the number of family forensic evaluators in Vermont.

(b) The General Assembly requests that the parties listed in subsection (a) of this section submit their recommendations to the General Assembly on or before November 1, 2025.

Sec. 38. CHILD AND PARENT LEGAL REPRESENTATION; TASK FORCE; REPORT

(a) Creation. There is created the Child and Parent Legal Representation Task Force to study the need and viability of an improved legal representation system for children and families who are involved in judicial or administrative proceedings concerning Children in Need of Care or Supervision (CHINS) or substantiations of abuse or neglect.

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

(1) the Chief Justice of the Vermont Supreme Court or designee, who shall be the chair;

(2) the Court Administrator or designee;

(3) the Commissioner for Children and Families or designee;

(4) the Defender General or designee;

(5) the Child, Youth, and Family Advocate or designee;

(6) the Executive Director of Voices for Vermont's Children or designee;

(7) the Executive Director of the Vermont Parent Representation Center, Inc.;

(8) the Attorney General or designee; and

(9) the Executive Director of State's Attorneys and Sheriffs or designee.

(c) Powers and duties. The Task Force shall assess and determine whether reform of Vermont's legal representation for children and families is necessary by exploring the following topics:

(1) standards recommended by the American Bar Association, U.S. Children's Bureau, and the *Study of CHINS Case Processing in Vermont* authored by the National Center for State Courts and published in May of 2021;

(2) compliance with funding and reporting requirements in order for Vermont to leverage funding under Title IV-E of the Social Security Act;

(3) identifying the processes and amounts of Title IV-E funds and other funding sources to support any reformed system;

(4) using an interdisciplinary model of representation, including pay scales, performance measures, supervision and evaluation processes, and recommended caseloads for attorneys, social workers, and other child and family representatives; and

(5) other topics relevant to creating a reformed child and parent representation system.

(d) Assistance. The Task Force shall have administrative, technical, and legal assistance of the Court Administrator's Office.

(e) Report. On or before December 15, 2025, the Task Force shall submit a report that proposes any necessary reforms to the legal representation system for children and families who are involved in CHINS proceedings or substantiations of abuse or neglect, along with proposed legislation to implement such reforms to the Senate Committees on Judiciary and on Health and Welfare and the House Committees on Judiciary and on Human Services.

(f) Meetings.

(1) The Chief Justice of the Supreme Court or designee shall call the first meeting of the Task Force to occur on or before August 1, 2025.

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

(3) The Task Force shall cease to exist on May 15, 2026.

Sec. 39. EFFECTIVE DATES

This act shall take effect on passage, except that Sec. 1 shall take effect on July 2, 2025 and Sec. 33 shall take effect on July 1, 2026.

S. 126.

An act relating to health care payment and delivery system reform.

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:

* * * Purpose of the Act; Goals * * *

Sec. 1. PURPOSE; GOALS

The purpose of this act is to achieve transformation of and structural changes to Vermont's health care system. In enacting this legislation, the General Assembly intends to advance the following goals:

(1) improvements in health outcomes, population health, quality of care, regional access to services, and reducing disparities in access resulting from demographic factors or health status;

(2) an integrated system of care, with robust care coordination and increased investments in primary care, home health care, and long-term care;

(3) stabilizing health care providers, controlling the costs of commercial health insurance, and managing hospital costs based on the total cost of care, beginning with reference-based pricing;

(4) evaluating progress in achieving system transformation and structural changes by creating and applying standardized accountability metrics; and

(5) establishing a health care system that will attract and retain high-quality health care professionals to practice in Vermont and that supports, develops, and preserves the dignity of Vermont's health care workforce.

* * * Hospital Budgets and Payment Reform * * *

Sec. 2. 18 V.S.A. § 9375 is amended to read:

§ 9375. DUTIES

(a) The Board shall execute its duties consistent with the principles expressed in section 9371 of this title.

(b) The Board shall have the following duties:

(1) Oversee the development and implementation, and evaluate the effectiveness, of health care payment and delivery system reforms designed to control the rate of growth in health care costs; promote seamless care, administration, and service delivery; and maintain health care quality in Vermont, including ensuring that the payment reform pilot projects set forth in this chapter are consistent with such reforms.

(A) Implement by rule, pursuant to 3 V.S.A. chapter 25, methodologies for achieving payment reform and containing costs that may include the participation of Medicare and Medicaid, which may include the creation of health care professional cost-containment targets, reference-based pricing, global payments, bundled payments, global budgets, risk-adjusted capitated payments, or other uniform payment methods and amounts for integrated delivery systems, health care professionals, or other provider arrangements.

* * *

(5) Set rates for health care professionals pursuant to section 9376 of this title, to be implemented over time beginning with reference-based pricing as soon as practicable, but not later than hospital fiscal year 2027, and make adjustments to the rules on reimbursement methodologies as needed.

(6) Approve, modify, or disapprove requests for health insurance rates pursuant to 8 V.S.A. § 4062, taking into consideration the requirements in the underlying statutes~~,~~; changes in health care delivery~~,~~; changes in payment methods and amounts, including implementation of reference-based pricing; protecting insurer solvency~~,~~; and other issues at the discretion of the Board.

(7) Review and establish hospital budgets pursuant to chapter 221, subchapter 7 of this title.

* * *

Sec. 3. 18 V.S.A. § 9376 is amended to read:

§ 9376. PAYMENT AMOUNTS; METHODS

(a) Intent. It is the intent of the General Assembly to ensure payments to health care professionals that are consistent with efficiency, economy, and quality of care and will permit them to provide, on a solvent basis, effective and efficient health services that are in the public interest. It is also the intent of the General Assembly to eliminate the shift of costs between the payers of health services to ensure that the amount paid to health care professionals is sufficient to enlist enough providers to ensure that health services are available to all Vermonters and are distributed equitably.

(b) Rate-setting.

(1) The Board shall set reasonable rates for health care professionals, health care provider bargaining groups created pursuant to section 9409 of this title, manufacturers of prescribed products, medical supply companies, and other companies providing health services or health supplies based on methodologies pursuant to section 9375 of this title, in order to have a consistent reimbursement amount accepted by these persons. In its discretion, the Board may implement rate-setting for different groups of health care professionals over time and need not set rates for all types of health care professionals. In establishing rates, the Board may consider legitimate differences in costs among health care professionals, such as the cost of providing a specific necessary service or services that may not be available elsewhere in the State, and the need for health care professionals in particular areas of the State, particularly in underserved geographic or practice shortage areas.

(2) Nothing in this subsection shall be construed to:

(A) limit the ability of a health care professional to accept less than the rate established in subdivision (1) of this subsection (b) from a patient without health insurance or other coverage for the service or services received; or

(B) reduce or limit the covered services offered by Medicare or Medicaid.

(c) Methodologies. The Board shall approve payment methodologies that encourage cost-containment; provision of high-quality, evidence-based health services in an integrated setting; patient self-management; access to primary care health services ~~for underserved individuals, populations, and areas~~; and healthy lifestyles. Such methodologies shall be consistent with payment

reform and with evidence-based practices, and may include fee-for-service payments if the Board determines such payments to be appropriate.

(d) Supervision. To the extent required to avoid federal antitrust violations and in furtherance of the policy identified in subsection (a) of this section, the Board shall facilitate and supervise the participation of health care professionals and health care provider bargaining groups in the process described in subsection (b) of this section.

(e) Reference-based pricing.

(1)(A) The Board shall establish reference-based prices that represent the maximum amounts that hospitals shall accept as payment in full for items provided and services delivered in Vermont. The Board may also implement reference-based pricing for services delivered outside a hospital by setting the minimum amounts that shall be paid for items provided and services delivered by nonhospital-based health care professionals. The Board shall consult with health insurers, hospitals, other health care professionals as applicable, the Office of the Health Care Advocate, and the Agency of Human Services in developing reference-based prices pursuant to this subsection (e), including on ways to achieve all-payer alignment on the design and implementation of reference-based pricing.

(B) The Board shall implement reference-based pricing in a manner that does not allow health care professionals to charge or collect from patients or health insurers any amount in excess of the reference-based amount established by the Board.

(2)(A) Reference-based prices established pursuant to this subsection (e) shall be based on a percentage of the Medicare reimbursement for the same or a similar item or service or on another benchmark, as appropriate, provided that if the Board establishes prices that are referenced to Medicare, the Board may opt to update the prices in the future based on a reasonable rate of growth that is separate from Medicare rates, such as the Medicare Economic Index measure of inflation, in order to provide predictability and consistency for health care professionals and payers and to protect against federal funding pressures that may impact Medicare rates in an unpredictable manner. The Board may also reference to, and update based on, other payment or pricing systems where appropriate.

(B) In establishing reference-based prices for a hospital pursuant to this subsection (e), the Board shall consider the composition of the communities served by the hospital, including the health of the population, demographic characteristics, acuity, payer mix, labor costs, social risk factors,

and other factors that may affect the costs of providing care in the hospital service area, as well as the hospital's role in Vermont's health care system.

(3)(A) The Board shall begin implementing reference-based pricing as soon as practicable but not later than hospital fiscal year 2027 by establishing the maximum amounts that Vermont hospitals shall accept as payment in full for items provided and services delivered. After initial implementation, the Board shall review the reference-based prices for each hospital annually as part of the hospital budget review process set forth in chapter 221, subchapter 7 of this title.

(B) The Board, in collaboration with the Department of Financial Regulation, shall monitor the implementation of reference-based pricing to ensure that any decreases in amounts paid to hospitals also result in decreases in health insurance premiums. The Board shall post its findings regarding the alignment between price decreases and premium decreases annually on its website.

(4) The Board shall identify factors that would necessitate terminating or modifying the use of reference-based pricing in one or more hospitals, such as a measurable reduction in access to or quality of care.

(5) The Green Mountain Care Board, in consultation with the Agency of Human Services and the Comprehensive Primary Health Care Steering Committee established pursuant to section 9407 of this title, may implement reference-based pricing for services delivered outside a hospital, such as primary care services, and may increase or decrease the percentage of Medicare or another benchmark as appropriate, first to enhance access to primary care and later for alignment with the Statewide Health Care Delivery Strategic Plan established pursuant to section 9403 of this title, once established. The Board may consider establishing reference-based pricing for services delivered outside a hospital by setting minimum amounts that shall be paid for the purpose of prioritizing access to high-quality health care services in settings that are appropriate to patients' needs in order to contain costs and improve patient outcomes.

(6) The Board's authority to establish reference-based prices pursuant to this subsection shall not include the authority to set amounts applicable to items provided or services delivered to patients who are enrolled in Medicare or Medicaid.

Sec. 3a. 18 V.S.A. § 9451 is amended to read:

§ 9451. DEFINITIONS

As used in this subchapter:

(1) "Hospital" means a hospital licensed under chapter 43 of this title, except a hospital that is conducted, maintained, or operated by the State of Vermont.

(2) " Hospital network" means a system comprising two or more affiliated hospitals, and may include other health care professionals and facilities, that derives 50 percent or more of its operating revenue, at the consolidated network level, from Vermont hospitals and in which the affiliated hospitals deliver health care services in a coordinated manner using an integrated financial and governance structure.

(3) "Volume" means the number of inpatient days of care or admissions and the number of all inpatient and outpatient ancillary services rendered to patients by a hospital.

Sec. 4. 18 V.S.A. § 9454 is amended to read:

§ 9454. HOSPITALS; DUTIES

* * *

(b) Hospitals shall submit information as directed by the Board in order to maximize hospital budget data standardization and allow the Board to make direct comparisons of hospital expenses across the health care system.

(c) Hospitals shall adopt a fiscal year that shall begin on October 1.

Sec. 5. 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.

(b) In conjunction with budget reviews, the Board shall:

(1) review utilization information;

(2) consider the Statewide Health Care Delivery Strategic Plan developed pursuant to section 9403 of this title, once established, including the total cost of care targets, and consult with the Agency of Human Services to ensure compliance with federal requirements regarding Medicare and Medicaid;

(3) consider the Health Resource Allocation Plan identifying Vermont's critical health needs, goods, services, and resources developed pursuant to section 9405 of this title;

~~(3)~~(4) consider the expenditure analysis for the previous year and the proposed expenditure analysis for the year under review;

~~(4)~~(5) consider any reports from professional review organizations;

(6) for a hospital that operates within a hospital network, review the hospital network's financial operations as they relate to the budget of the individual hospital;

~~(5)~~(7) solicit public comment on all aspects of hospital costs and use and on the budgets proposed by individual hospitals;

~~(6)~~(8) meet with hospitals to review and discuss hospital budgets for the forthcoming fiscal year;

~~(7)~~(9) give public notice of the meetings with hospitals~~,~~ and invite the public to attend and to comment on the proposed budgets;

~~(8)~~(10) consider the extent to which costs incurred by the hospital in connection with services provided to Medicaid beneficiaries are being charged to non-Medicaid health benefit plans and other non-Medicaid payers;

~~(9)~~(11) require each hospital to file an analysis that reflects a reduction in net revenue needs from non-Medicaid payers equal to any anticipated increase in Medicaid, Medicare, or another public health care program reimbursements, and to any reduction in bad debt or charity care due to an increase in the number of insured individuals;

~~(10)~~(12) require each hospital to provide information on administrative costs, as defined by the Board, including specific information on the amounts spent on marketing and advertising costs;

~~(11)~~(13) require each hospital to create or maintain connectivity to the State's Health Information Exchange Network in accordance with the criteria established by the Vermont Information Technology Leaders, Inc., pursuant to subsection 9352(i) of this title, provided that the Board shall not require a hospital to create a level of connectivity that the State's Exchange is unable to support;

~~(12)~~(14) review the hospital's investments in workforce development initiatives, including nursing workforce pipeline collaborations with nursing schools and compensation and other support for nurse preceptors; ~~and~~

~~(13)~~(15) consider the salaries for the hospital's executive and clinical leadership, including variable payments and incentive plans, and the hospital's salary spread, including a comparison of median salaries to the medians of northern New England states and a comparison of the base salaries and total compensation for the hospital's executive and clinical leadership with those of

the hospital's lowest-paid employees who deliver health care services directly to hospital patients; and

(16) consider the number of employees of the hospital whose duties are primarily administrative in nature, as defined by the Board, compared with the number of employees whose duties primarily involve delivering health care services directly to hospital patients.

(c) Individual hospital budgets established under this section shall:

(1) be consistent, to the extent practicable, with the Statewide Health Care Delivery Strategic Plan, once established, including the total cost of care targets, and with the Health Resource Allocation Plan;

(2) reflect the reference-based prices established by the Board pursuant to section 9376 of this title;

(3) take into consideration national, regional, or in-state peer group norms, according to indicators, ratios, and statistics established by the Board;

~~(3)~~(4) promote efficient and economic operation of the hospital and, if a hospital is affiliated with a hospital network, ensure that hospital spending on the hospital network's operations is consistent with the principles for health care reform expressed in section 9371 of this title and with the Statewide Health Care Delivery Strategic Plan, once established;

~~(4)~~(5) reflect budget performances for prior years;

~~(5)~~(6) include a finding that the analysis provided in subdivision ~~(b)(9)~~ (b)(11) of this section is a reasonable methodology for reflecting a reduction in net revenues for non-Medicaid payers; ~~and~~

~~(6)~~(7) demonstrate that they support equal access to appropriate mental health care that meets standards of quality, access, and affordability equivalent to other components of health care as part of an integrated, holistic system of care; and

(8) include meaningful variable payments and incentive plans for hospitals that are consistent with this section and with the principles for health care reform expressed in section 9371 of this title.

(d)(1) Annually, the Board shall establish a budget for each hospital on or before September 15, followed by a written decision by October 1. Each hospital shall operate within the budget established under this section.

* * *

(e)(1) The Board, in consultation with the Vermont Program for Quality in Health Care, shall utilize mechanisms to measure hospital costs, quality, and

access and alignment with the Statewide Health Care Delivery Strategic Plan, once established.

(2)(A) Except as provided in subdivision (D) of this subdivision (e)(2), a hospital that proposes to reduce or eliminate any service in order to comply with a budget established under this section shall provide a notice of intent to the Board, the Agency of Human Services, the Office of the Health Care Advocate, and the members of the General Assembly who represent the hospital service area not less than 45 days prior to the proposed reduction or elimination.

(B) The notice shall explain the rationale for the proposed reduction or elimination and describe how it is consistent with the Statewide Health Care Delivery Strategic Plan, once established, and the hospital's most recent community health needs assessment conducted pursuant to section 9405a of this title and 26 U.S.C. § 501(r)(3).

(C) The Board may evaluate the proposed reduction or elimination for consistency with the Statewide Health Care Delivery Strategic Plan, once established and the community health needs assessment, and may modify the hospital's budget or take such additional actions as the Board deems appropriate to preserve access to necessary services.

(D) A service that has been identified for reduction or elimination in connection with the transformation efforts undertaken by the Board and the Agency of Human Services pursuant to 2022 Acts and Resolves No. 167 does not need to comply with subdivisions (A)–(C) of this subdivision (e)(2).

(3) The Board, in collaboration with the Department of Financial Regulation, shall monitor the implementation of any authorized decrease in hospital services to determine its benefits to Vermonters or to Vermont's health care system, or both.

(4) The Board may establish a process to define, on an annual basis, criteria for hospitals to meet, such as utilization and inflation benchmarks.

(5) The Board may waive one or more of the review processes listed in subsection (b) of this section.

* * *

Sec. 6. 18 V.S.A. § 9458 is added to read:

§ 9458. HOSPITAL NETWORKS; STRUCTURE; FINANCIAL OPERATIONS

(a) The Board may review and evaluate the structure of a hospital network to determine:

(1) whether any network operations should be organized and operated out of a hospital instead of at the network; and

(2) whether the existence and operation of a network provides value to Vermonters, is in the public interest, and is consistent with the principles for health care reform expressed in section 9371 of this title and with the Statewide Health Care Delivery Strategic Plan, once established.

(b) In order to protect the public interest, the Board may, on its own initiative, investigate the financial operations of a hospital network, including compensation of the network's employees and executive leadership.

(c) The Board may recommend any action it deems necessary to correct any aspect of the structure of a hospital network or its financial operations that are inconsistent with the principles for health care reform expressed in section 9371 of this title or with the Statewide Health Care Delivery Strategic Plan, once established.

* * * Health Care Contracts * * *

Sec. 7. 18 V.S.A. § 9418c is amended to read:

§ 9418c. FAIR CONTRACT STANDARDS

* * *

(e)(1) The requirements of subdivision (b)(5) of this section do not prohibit a contracting entity from requiring a reasonable confidentiality agreement between the provider and the contracting entity regarding the terms of the proposed health care contract.

(2) Upon request, a contracting entity or provider shall provide an unredacted copy of an executed or proposed health care contract to the Department of Financial Regulation or the Green Mountain Care Board, or both.

* * * Statewide Health Care Delivery Strategic Plan; Health Care Delivery Advisory Committee; Comprehensive Primary Health Care Steering Committee * * *

Sec. 8. 18 V.S.A. § 9403 is added to read:

§ 9403. STATEWIDE HEALTH CARE DELIVERY STRATEGIC PLAN

(a) The Agency of Human Services, in collaboration with the Green Mountain Care Board, the Department of Financial Regulation, the Vermont Program for Quality in Health Care, the Office of the Health Care Advocate, the Health Care Delivery Advisory Committee established in section 9403a of this title, the Comprehensive Primary Health Care Steering Committee

established pursuant to section 9407 of this title, and other interested stakeholders, shall lead development of an integrated Statewide Health Care Delivery Strategic Plan as set forth in this section.

(b) The Plan shall:

(1) Align with the principles for health care reform expressed in section 9371 of this title.

(2) Identify existing services and promote universal access across Vermont to high-quality, cost-effective acute care; primary care, including primary mental health services; chronic care; long-term care; substance use disorder treatment services; emergency medical services; nonemergency medical services; nonmedical services and supports; and hospital-based, independent, and community-based services.

(3) Define a shared vision and shared goals and objectives for improving access to and the quality, efficiency, and affordability of health care services in Vermont and for reducing disparities in access resulting from demographic factors or health status, including benchmarks for evaluating progress.

(4) Identify the resources, infrastructure, and support needed to achieve established targets, which will ensure the feasibility and sustainability of implementation.

(5) Provide a phased implementation timeline with milestones and regular reporting to ensure adaptability as needs evolve.

(6) Promote accountability and continuous quality improvement across Vermont's health care system through the use of data, scientifically grounded methods, and high-quality performance metrics to evaluate effectiveness and inform decision making.

(7) Provide annual targets for the total cost of care across Vermont's health care system. Using these total cost of care targets, the Plan shall identify appropriate allocations of health care resources and services across the State that balance quality, access, and cost containment. The Plan shall also establish targets for the percentages of overall health care spending that should reflect spending on primary care services, including mental health services, and on preventive care services, which targets shall be aligned with the total cost of care targets.

(8) Build on data and information from:

(A) the transformation planning resulting from 2022 Acts and Resolves No. 167, Secs. 1 and 2;

(B) the expenditure analysis and health care spending estimate developed pursuant to section 9383 of this title;

(C) the State Health Improvement Plan adopted pursuant to subsection 9405(a) of this title;

(D) the Health Resource Allocation Plan published by the Green Mountain Care Board in accordance with subsection 9405(b) of this title;

(E) hospitals' community health needs assessments and strategic planning conducted in accordance with section 9405a of this title;

(F) hospital and ambulatory surgical center quality information published by the Department of Health pursuant to section 9405b of this title;

(G) the statewide quality assurance program maintained by the Vermont Program for Quality in Health Care pursuant to section 9416 of this title;

(H) the 2020 report determining the proportion of health care spending in Vermont that is allocated to primary care, submitted to the General Assembly by the Green Mountain Care Board and the Department of Vermont Health Access in accordance with 2019 Acts and Resolves No. 17, Sec. 2;

(I) the 2024 report on Blueprint for Health payments to patient-centered medical homes, submitted to the General Assembly by the Agency of Human Services in accordance with 2023 Acts and Resolves No. 51, Sec. 5; and

(J) such additional sources of data and information as the Agency and other stakeholders deem appropriate.

(9) Identify:

(A) opportunities to improve the quality of care across the health care delivery system, including exemplars of high-quality care to stimulate best practice dissemination;

(B) gaps in access to care, as well as unnecessary duplication of services, including circumstances in which service closures or consolidations may result in improvements in quality, access, and affordability;

(C) opportunities to reduce administrative burdens;

(D) federal, State, and other barriers to achieving the Plan's goals and, to the extent feasible, how those barriers can be removed or mitigated;

(E) priorities in steps for achieving the goals of the Plan;

(F) barriers to access to appropriate mental health and substance use disorder services that meet standards of quality, access, and affordability equivalent to other components of health care, including any disparities in reimbursement rates;

(G) opportunities to integrate health care services for individuals in the custody of the Department of Corrections as part of Vermont's health care delivery system;

(H) enhancements in quality reporting and data collection to provide a more current and accurate picture of the quality of health care delivery across Vermont; and

(I) systems to ensure that reported data is shared with and is accessible to the health care professionals who are providing care, enabling them to track performance and inform improvement.

(c)(1) On or before January 15, 2027, the Agency shall provide the Plan to the House Committees on Health Care and on Human Services and the Senate Committee on Health and Welfare.

(2) The Agency shall prepare an updated Plan every two years and shall provide it to the General Assembly on or before December 1 of every other year, beginning on December 1, 2029.

Sec. 9. 18 V.S.A. § 9403a is added to read:

§ 9403a. HEALTH CARE DELIVERY ADVISORY COMMITTEE

(a) There is created the Health Care Delivery Advisory Committee to:

(1) establish health care affordability benchmarks;

(2) evaluate and monitor the performance of Vermont's health care system and its impacts on population health outcomes;

(3) collaborate with the Agency of Human Services and other interested stakeholders in the development and maintenance of the Statewide Health Care Delivery Strategic Plan developed pursuant to section 9403 of this title;

(4) advise the Green Mountain Care Board on the design and implementation of an ongoing evaluation process to continuously monitor current performance in the health care delivery system; and

(5) provide coordinated and consensus recommendations to the General Assembly on issues related to health care delivery and population health.

(b)(1) The Advisory Committee shall be composed of the following 19 members:

(A) the Secretary of Human Services or designee;

(B) the Chair of the Green Mountain Care Board or designee;

(C) the Chief Health Care Advocate from the Office of the Health Care Advocate or designee;

(D) a member of the Health Equity Advisory Commission, selected by the Commission's Chair;

(E) one representative of commercial health insurers offering major medical health insurance plans in Vermont, selected by the Commissioner of Financial Regulation;

(F) two representatives of Vermont hospitals, selected by the Vermont Association of Hospitals and Health Systems, who shall represent hospitals that are located in different regions of the State and that face different levels of financial stability;

(G) one representative of Vermont's federally qualified health centers, selected by Bi-State Primary Care Association;

(H) one representative of physicians, selected by the Vermont Medical Society;

(I) one representative of independent physician practices, selected by HealthFirst;

(J) one representative of advanced practice registered nurses, selected by the Vermont Nurse Practitioners Association;

(K) one representative of Vermont's free clinic programs, selected by Vermont's Free & Referral Clinics;

(L) one representative of Vermont's designated and specialized service agencies, selected by Vermont Care Partners;

(M) one preferred provider from outside the designated and specialized service agency system, selected by the Commissioner of Health;

(N) one Vermont-licensed mental health professional from an independent practice, selected by the Commissioner of Mental Health;

(O) one representative of Vermont's home health agencies, selected jointly by the VNAs of Vermont and Bayada Home Health Care;

(P) one representative of long-term care facilities, selected by the Vermont Health Care Association;

(Q) one representative of small businesses, selected by the Vermont Chamber of Commerce; and

(R) the Executive Director of the Vermont Program for Quality in Health Care or designee.

(2) The Secretary of Human Services or designee shall be the Chair of the Advisory Committee.

(3) The Agency of Human Services shall provide administrative and technical assistance to the Advisory Committee.

(c) Members of the Advisory Committee shall not receive per diem compensation or reimbursement of expenses for their participation on the Advisory Committee.

Sec. 9a. 18 V.S.A. § 9407 is added to read:

§ 9407. COMPREHENSIVE PRIMARY HEALTH CARE STEERING COMMITTEE

(a) There is created the Comprehensive Primary Health Care Steering Committee to inform the work of State government, including the Blueprint for Health and the Office of Health Care Reform in the Agency of Human Services, as it relates to access to, delivery of, and payment for primary care services in Vermont.

(b) The Steering Committee shall be composed of the following members:

(1) the Chair of the Department of Family Medicine at the University of Vermont Larner College of Medicine or designee;

(2) the Chair of the Department of Pediatrics at the University of Vermont Larner College of Medicine or designee;

(3) the Associate Dean for Primary Care at the University of Vermont Larner College of Medicine or designee;

(4) the Executive Director of the Vermont Child Health Improvement Program at the University of Vermont Larner College of Medicine or designee;

(5) the President of the Vermont Academy of Family Physicians or designee;

(6) the President of the American Academy of Pediatrics, Vermont Chapter, or designee;

(7) a member of the Green Mountain Care Board's Primary Care Advisory Committee, selected by the Green Mountain Care Board;

(8) the Executive Director of the Blueprint for Health;

(9) a primary care clinician who practices at an independent practice, selected by HealthFirst;

(10) a primary care clinician who practices at a federally qualified health center, selected by Bi-State Primary Care Association;

(11) a primary care physician, selected by the Vermont Medical Society;

(12) a primary care physician assistant, selected by the Physician Assistant Academy of Vermont;

(13) a primary care nurse practitioner, selected by the Vermont Nurse Practitioners Association;

(14) a mental health provider who practices at a community mental health center designated pursuant to section 8907 of this title, selected by Vermont Care Partners;

(15) a licensed independent clinical social worker, selected by the National Association of Social Workers, Vermont Chapter; and

(16) a psychologist, selected by the Vermont Psychological Association.

(c) The Steering Committee shall:

(1) engage in an ongoing assessment of comprehensive primary care needs in Vermont;

(2) provide recommendations for recruiting and retaining high-quality primary care providers, including on ways to encourage new talent to join Vermont's primary care workforce;

(3) develop proposals for sustainable payment models for primary care;

(4) identify methods for enhancing Vermonters' access to primary care;

(5) recommend opportunities to reduce administrative burdens on primary care providers;

(6) recommend mechanisms for measuring the quality of primary care services delivered in Vermont;

(7) provide input into the Statewide Health Care Delivery Strategic Plan as it is developed, updated, and implemented pursuant to section 9403 of this title;

(8) consult with the Green Mountain Care Board in the event that the Board develops reference-based pricing for primary care providers as permitted under subdivision 9376(e)(5) of this title; and

(9) offer additional recommendations and guidance to the Blueprint for Health, the Office of Health Care Reform, the General Assembly, and others in State government on ways to increase access to primary care services and to

improve patient and provider satisfaction with primary care delivery in Vermont.

(d) The Steering Committee shall receive administrative and technical assistance from the Agency of Human Services.

(e)(1) The Executive Director of the Blueprint for Health shall call the first meeting of the Steering Committee to occur on or before September 1, 2025.

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

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

(f) Members of the Steering Committee shall not receive per diem compensation or reimbursement of expenses for their participation on the Steering Committee.

* * * Data Integration; Data Sharing * * *

Sec. 10. INTEGRATION OF HEALTH CARE DATA; REPORT

(a) The Agency of Human Services shall collaborate with the Health Information Exchange Steering Committee to evaluate the potential for developing an integrated statewide system of clinical and claims data. The Agency's analysis shall address:

(1) the feasibility of developing an integrated statewide system of clinical and claims data;

(2) the potential uses of an integrated statewide system of clinical and claims data;

(3) whether and to what extent an integrated statewide system of clinical and claims data would:

(A) improve patient, provider, and payer access to relevant information;

(B) reduce administrative burdens on providers;

(C) increase access to and quality of health care for Vermonters; and

(D) reduce costs and, if so, how to measure such reductions;

(4) appropriate privacy and security safeguards for an integrated statewide system of clinical and claims data; and

(5) any additional considerations regarding an integrated statewide system of clinical and claims data that the Agency and the Health Information Exchange Steering Committee deem appropriate.

(b) On or before January 15, 2026, the Agency of Human Services shall provide its findings and recommendations regarding development of an integrated statewide system of clinical and claims data to the House Committee on Health Care and the Senate Committee on Health and Welfare. In addition to the information required pursuant to subsection (a) of this section, the Agency shall explain the advantages and disadvantages of developing an integrated statewide system of clinical and claims data; provide the Agency's recommendations regarding whether the State should pursue development and implementation of such an integrated system; and describe the value, if any, that such an integrated system would bring to Vermont's health care system. The Agency shall not begin implementation of an integrated statewide system of clinical and claims data unless and until directed to do so by legislation enacted by the General Assembly.

Sec. 11. 18 V.S.A. § 9374 is amended to read:

§ 9374. BOARD MEMBERSHIP; AUTHORITY

* * *

(i)(1) In addition to any other penalties and in order to enforce the provisions of this chapter and empower the Board to perform its duties, the Chair of the Board may issue subpoenas, examine persons, administer oaths, and require production of papers and records. Any subpoena or notice to produce may be served by registered or certified mail or in person by an agent of the Chair. Service by registered or certified mail shall be effective three business days after mailing. Any subpoena or notice to produce shall provide at least six business days' time from service within which to comply, except that the Chair may shorten the time for compliance for good cause shown. Any subpoena or notice to produce sent by registered or certified mail, postage prepaid, shall constitute service on the person to whom it is addressed.

(2) Each witness who appears before the Chair under subpoena shall receive a fee and mileage as provided for witnesses in civil cases in Superior Courts; provided, however, any person subject to the Board's authority shall not be eligible to receive fees or mileage under this section.

(3) The Board may share any information, papers, or records it receives pursuant to a subpoena or notice to produce issued under this section with the Agency of Human Services or the Department of Financial Regulation, or both, as appropriate to the work of the Agency or Department, provided that

the Agency or Department agrees to maintain the confidentiality of any information, papers, or records that are exempt from public inspection and copying under the Public Records Act.

* * *

* * * Health Care Reforms Addressing Exigent Needs * * *

Sec. 11a. HEALTH CARE SPENDING REDUCTIONS; AGENCY OF HUMAN SERVICES; REPORTS

(a)(1) The Agency of Human Services shall facilitate collaboration and coordination among health care providers in order to encourage cooperation in developing rapid responses to the urgent financial pressures facing the health care system and to identify opportunities to increase efficiency, improve the quality of health care services, reduce spending on prescription drugs, and increase access to essential services, including primary care, emergency departments, mental health and substance use disorder treatment services, prenatal care, and emergency medical services and transportation, while reducing hospital spending for hospital fiscal year 2026 by not less than 2.5 percent.

(2) The Agency of Human Services shall facilitate and supervise the participation of hospitals and other health care providers in the process set forth in subdivision (1) of this subsection as necessary for this collaborative process to be afforded state-action immunity under applicable federal and State antitrust laws.

(b) The Agency of Human Services shall report on the proposed reductions that it has approved pursuant to this section, including applicable timing and appropriate accountability measures, to the Health Reform Oversight Committee and the Joint Fiscal Committee on or before July 1, 2025. On or before the first day of each month of hospital fiscal year 2026, beginning on October 1, 2025, the Agency shall provide updates to the Health Reform Oversight Committee and the Joint Fiscal Committee when the General Assembly is not in session, and to the House Committee on Health Care and the Senate Committee on Health and Welfare when the General Assembly is in session, regarding progress in implementing and achieving the hospital spending reductions identified pursuant to this section.

Sec. 11b. HEALTH CARE SYSTEM TRANSFORMATION; AGENCY OF HUMAN SERVICES; REPORTS

(a) The Agency of Human Services shall identify specific outcome measures for determining whether, when, and to what extent each of the

following goals of its health care system transformation efforts pursuant to 2022 Acts and Resolves No. 167 (Act 167) has been met:

(1) reduce inefficiencies;

(2) lower costs;

(3) improve health outcomes;

(4) reduce health inequities; and

(5) increase access to essential services.

(b)(1) On or before July 1, 2025, the Agency of Human Services shall report to the Health Reform Oversight Committee and the Joint Fiscal Committee:

(A) the specific outcome measures developed pursuant to subsection (a) of this section, along with a timeline for accomplishing them;

(B) how the Agency will determine its progress in accomplishing the outcome measures and achieving the transformation goals, including how it will determine the amount of savings attributable to each inefficiency reduced and how it will evaluate increases in access to essential services;

(C) the impact that each transformation decision made by an individual hospital as part of the Act 167 transformation process has or will have on the State's health care system, including on health care costs and on health insurance premiums;

(D) how the Agency is tracking and coordinating the transformation efforts of individual hospitals to ensure that they complement the transformation efforts of other hospitals and other health care providers and that they will contribute in a positive way to a transformed health care system that meets the Act 167 goals; and

(E) the amount of State funds, and federal funds, if applicable, that the Agency has spent on Act 167 transformation efforts to date or has obligated for those purposes and the amount of unspent State funds appropriated for Act 167-related purposes that remain for the Agency's Act 167 transformation efforts.

(2) On or before the first day of each month beginning on August 1, 2025, the Agency shall provide the Health Reform Oversight Committee and the Joint Fiscal Committee when the General Assembly is not in session, and to the House Committee on Health Care and the Senate Committee on Health and Welfare when the General Assembly is in session, with updates on each of the items set forth in subdivisions (1)(A)–(E) of this subsection.

Sec. 11c. HEALTH CARE SYSTEM TRANSFORMATION; INCENTIVES; TELEHEALTH

(a) To encourage hospitals to engage proactively, think expansively, and propose transformation initiatives that will reduce costs to Vermont's health care system without negatively affecting health care quality or jeopardizing access to necessary services, the Agency of Human Services shall award grants to the hospitals in State fiscal year 2026 that actively participate in health care transformation efforts to assist them in building partnerships, reducing hospital costs for hospital fiscal year 2026, and expanding Vermonters' access to health care services, including those delivered using telehealth. It is the intent of the General Assembly that the funds appropriated in Sec. 18(b) of this act should be awarded on a first-come, first-served basis until all of the funds have been distributed.

(b) On or before November 15, 2025, the Agency of Human Services shall report to the Health Reform Oversight Committee and the Joint Fiscal Committee regarding how much of the $2,000,000.00 appropriated to the Agency pursuant to Sec. 18(b) of this act was obligated as of November 1, 2025 and how much had already been disbursed to hospitals as of that date.

Sec. 11d. DEPARTMENT OF FINANCIAL REGULATION; DOMESTIC HEALTH INSURER SUSTAINABILITY; REPORT

On or before November 1, 2025, the Department of Financial Regulation shall provide to the Health Reform Oversight Committee a plan for preserving the sustainability of domestic health insurers in Vermont, which may include utilizing reinsurance.

* * * Retaining Accountable Care Organization Capabilities * * *

Sec. 12. RETAINING ACCOUNTABLE CARE ORGANIZATION CAPABILITIES; REPORT

The Agency of Human Services shall explore opportunities to retain capabilities developed by or on behalf of a certified accountable care organization that were funded in whole or in part using State or federal monies, or both, and that have the potential to make beneficial contributions to Vermont's health care system, such as capabilities related to comprehensive payment reform and quality data measurement and reporting. On or before November 1, 2025, the Agency of Human Services shall report its findings and recommendations to the Health Reform Oversight Committee.

* * * Implementation Updates * * *

Sec. 13. [Deleted.]

Sec. 14. GREEN MOUNTAIN CARE BOARD; IMPLEMENTATION; REPORT

On or before February 15, 2026, the Green Mountain Care Board shall provide an update to the House Committee on Health Care and the Senate Committee on Health and Welfare regarding the Board's implementation of this act, including the status of its efforts to establish methodologies for and begin implementation of reference-based pricing, and the effects of these efforts and activities on increasing access to care, improving the quality of care, and reducing the cost of care in Vermont. The Board shall also report on the potential future use of global hospital budgets, including providing the Board's definition of the term "global hospital budgets"; determining whether it is feasible to develop and implement global hospital budgets for Vermont hospitals and, if so, over what time period; and the advantages and disadvantages of pursuing global hospital budgets.

Sec. 15. 3 V.S.A. § 3027 is amended to read:

§ 3027. HEALTH CARE SYSTEM REFORM; IMPROVING QUALITY AND AFFORDABILITY; REPORT

(a) The Director of Health Care Reform in the Agency of Human Services shall be responsible for the coordination of health care system reform efforts among Executive Branch agencies, departments, and offices, and for coordinating with the Green Mountain Care Board established in 18 V.S.A. chapter 220.

(b) On or before February 15 annually, the Agency of Human Services shall provide an update to the House Committee on Health Care and the Senate Committee on Health and Welfare regarding all of the following:

(1) The status of the Agency's efforts to develop, update, and implement the Statewide Health Care Delivery Strategic Plan in accordance with 18 V.S.A. § 9403. The Agency shall adopt an evaluation framework using an evidence-based approach to assess both the effectiveness of Plan development and implementation and the Plan's overall impact. The evaluation shall include identifying what was accomplished, how well it was executed, and the benefits to specific cohorts within Vermont's health care system, and the Agency shall include updated evaluation results annually as part of its report.

(2) The activities of the Health Care Delivery Advisory Committee established pursuant to 18 V.S.A. § 9403a during the previous calendar year.

(3) The effects of the Statewide Health Care Delivery Strategic Plan, the efforts and activities of the Health Care Delivery Advisory Committee, and

other efforts and activities engaged in or directed by the Agency on increasing access to care, improving the quality of care, and reducing the cost of care in Vermont.

Sec. 16. 18 V.S.A. § 9375(d) is amended to read:

(d) Annually on or before January 15, the Board shall submit a report of its activities for the preceding calendar year to the House Committee on Health Care and the Senate Committee on Health and Welfare.

(1) The report shall include:

* * *

(G) the status of its efforts to establish methodologies for and begin implementation of reference-based pricing and any considerations regarding the future use of global hospital budgets, and the effects of these efforts and activities on increasing access to care, improving the quality of care, and reducing the cost of care in Vermont;

(H) any recommendations for modifications to Vermont statutes; and

~~(H)~~(I) any actual or anticipated impacts on the work of the Board as a result of modifications to federal laws, regulations, or programs.

* * *

* * * Positions; Appropriations * * *

Sec. 17. GREEN MOUNTAIN CARE BOARD; POSITIONS

(a) The establishment of the following three new permanent classified positions is authorized at the Green Mountain Care Board in fiscal year 2026:

(1) one Director, Reference-Based Pricing;

(2) one Project Manager, Reference-Based Pricing; and

(3) one Operations, Procurement, and Contractual Oversight Manager.

(b) These positions shall be transferred and converted from existing vacant positions in the Executive Branch.

Sec. 18. APPROPRIATIONS

(a) The sum of $2,200,000.00 is appropriated from the General Fund to the Agency of Human Services in fiscal year 2026 for use as follows:

(1) $2,000,000.00 for feasibility analysis and transformation plan development with hospitals, designated agencies, primary care organizations, and other community-based providers;

(2) $100,000.00 for development of quality and access measures, targets, and monitoring strategies for the Statewide Health Care Delivery Strategic Plan; and

(3) $100,000.00 to support the development of alternative payment models.

(b) Notwithstanding any provision of 32 V.S.A. § 10301 to the contrary, the sum of $2,000,000.00 is appropriated from the Health IT-Fund to the Agency of Human Services in fiscal year 2026 for grants to hospitals for the collaborative efforts to reduce hospital costs in accordance with Secs. 11a and 11c of this act and to expand access to health care services, such as by enhancing telehealth infrastructure development.

(c)(1) The sum of $1,062,500.00 is appropriated to the Green Mountain Care Board in fiscal year 2026 for use as follows:

(A) $512,500.00 for the positions authorized in Sec. 17 of this act, as set forth in subdivision (2) of this subsection (c);

(B) $500,000.00 from the General Fund for contracts, including contracts for assistance with implementing reference-based pricing in accordance with this act; and

(C) $50,000.00 from the General Fund for a contract with the Vermont Program for Quality in Health Care to engage in quality initiatives in accordance with this act.

(2) Of the funds appropriated in subdivision (1)(A) of this subsection:

(A) $205,000.00 is appropriated from the General Fund; and

(B) $307,500.00 is appropriated from the Green Mountain Care Board Regulatory and Administrative Fund.

(d) Notwithstanding any provision of 32 V.S.A. § 10301 to the contrary, the sum of $150,000.00 is appropriated from the Health IT-Fund to the Green Mountain Care Board in fiscal year 2026 for expenses associated with increased standardization of electronic hospital budget data submissions in accordance with Sec. 4 of this act.

* * * Effective Dates * * *

Sec. 19. EFFECTIVE DATES

(a) Secs. 16 (18 V.S.A. § 9375(d); Green Mountain Care Board annual report), 17 (Green Mountain Care Board; positions), and 18 (appropriations) shall take effect on July 1, 2026.

(b) The remaining sections shall take effect on passage.

CONCURRENT RESOLUTIONS FOR NOTICE

Concurrent Resolutions For Notice Under Joint Rule 16

The following joint concurrent resolutions have been introduced for approval by the Senate and House. They will be adopted by the Senate unless a Senator requests floor consideration before the end of the session of the next legislative day. Requests for floor consideration should be communicated to the Secretary's Office.

H.C.R. 151-154 (For text of Resolutions, see Addendum to House Calendar for May 22, 2025)

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)

Kathleen Keenan of St. Albans - Member of the Employment Security Board - By Senator Brock for the Committee on Economic Development, Housing and General Affairs (May 22, 2025)

David Boulanger of Hinesburg - Member of the State Labor Relations Board - By Senator Chittenden for the Committee on Economic Development, Housing and General Affairs (May 22, 2025)

Corey Mathieu of Westford - Member of the Board of Liquor and Lottery - By Senator Chittenden for the Committee on Economic Development, Housing and General Affairs (May 22, 2025)

Sabina Haskell of Burlington - Executive Director of the Office of Workforce Strategy and Development - By Senator Ram Hinsdale for the Committee on Economic Development, Housing and General Affairs (May 22, 2025)

Amy Richardson (Mynter) of Northfield - Member of the Vermont Housing Conservation Board - By Senator Ram Hinsdale for the Committee on Economic Development, Housing and General Affairs (May 23, 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]