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ACTION CALENDAR

NEW BUSINESS

GOVERNOR'S VETO

S. 183.

An act relating to home improvement and land improvement fraud

Pending question (to be voted by call of the roll): Shall the bill pass, notwithstanding the Governor's refusal to approve the bill? (Two-thirds of the members present required to override the Governor's veto.)

The text of the Communication from His Excellency, The Governor, whereby he *vetoed* and returned unsigned **Senate Bill No. S. 183** to the Senate is as follows:

Text of Communication from Governor

April 22, 2026

The Honorable John Bloomer
Secretary of the Senate
State House
Montpelier, VT 05633

Dear Mr. Bloomer:

Pursuant to Chapter II, Section 11 of the Vermont Constitution, I'm returning S.183, *An act relating to home improvement and land improvement fraud* without my signature because of my objections described herein.

To be clear, I fully support this bill's intent, which makes necessary changes to Vermont's home and land improvement fraud statute to restore the original criminal intent standard — requiring prosecutors to prove a contractor knowingly intended to defraud at the time of contracting — after a 2015 amendment that changed the law in a likely-unconstitutional way that was recently flagged by two Vermont trial courts.

However, this bill was passed with a cross-reference that was struck in error and requires a legislative correction. I understand this error has been flagged for relevant committees of jurisdiction, and a corrected version of S.183 can be added to another bill that is moving through the process.

With several weeks remaining in the legislative session, there is time for the Legislature to make the appropriate correction, either as a new bill or as an

amendment to a bill that is still currently under consideration. Again, to be clear I support this bill's intent and look forward to a version I can sign.

Based on this objection I must return S.183 without my signature pursuant to Chapter II, Section 11 of the Vermont Constitution.

Sincerely,

Philip B. Scott
Governor

Text of bill as passed by Senate and House

S.183

An act relating to home improvement and land improvement fraud

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

Sec. 1. 13 V.S.A. § 2029 is amended to read:

§ 2029. HOME IMPROVEMENT AND LAND IMPROVEMENT FRAUD

(a) As used in this section:

(1) "Home improvement" means the fixing, replacing, remodeling, removing, renovation, alteration, conversion, improvement, demolition, or rehabilitation of or addition to any building, or any portion thereof, including roofs, that is used or designed to be used as a residence or dwelling unit.

(2)(A) "Land improvement" means:

(i) the construction, replacement, installation, paving, or improvement of driveways, sidewalks, trails, roads, or other landscape features;

(ii) site work, including grading, excavation, landscape irrigation, site utility installation, site preparation, and other construction work that is not part of a building on a parcel;

(iii) the limbing, pruning, cutting, or removal of trees or shrubbery; and

(iv) forestry operations, as that term is defined in 10 V.S.A. § 2602, including the construction of trails, roads, and structures associated with forestry operations and the transportation off-site of trees, shrubs, or timber.

(B) "Land improvement" includes activities made in connection with a residence or dwelling or those activities not made in connection with a residence or dwelling.

(b) A person commits the offense of home improvement or land improvement fraud when the person knowingly enters into a contract, ~~or~~ agreement, or change order, written or oral, for $1,000.00 or more, with an owner for home improvement or land improvement, or into several contracts, ~~or~~ agreements, or change orders for $2,500.00 or more in the aggregate, with more than one owner for home improvement or land improvement, and the person knowingly:

(1)~~(A) fails to perform the contract or agreement, in whole or in part; and~~

~~(B) when the owner requests performance, payment, or a refund of payment made, the person fails to either:~~

~~(i) refund the payment;~~

~~(ii) make and comply with a definite plan for completion of the work that is agreed to by the owner; or~~

~~(iii) make the payment~~ promises performance that the person does not intend to perform or knows will not be performed, in whole or in part;

(2) misrepresents a material fact relating to the terms of the contract, ~~or~~ agreement, or change order or to the condition of any portion of the property involved;

(3) uses or employs any unfair or deceptive act or practice in order to induce, encourage, or solicit such person to enter into any contract, ~~or~~ agreement, or change order or to modify the terms of the original contract, ~~or~~ agreement, or change order; or

(4) when there is a declared state of emergency, charges for goods or services related to the emergency a price that exceeds two times the average price for the goods or services and the increase is not attributable to the additional costs incurred in connection with providing those goods or services.

(c) Whenever a person is convicted of home improvement or land improvement fraud or of fraudulent acts related to home improvement or land improvement:

(1) the person shall notify the Office of the Attorney General;

(2) the court shall notify the Office of the Attorney General; and

(3) the Office of the Attorney General shall place the person's name on the Home Improvement and Land Improvement Fraud Registry and shall include on the Registry whether the person has notified the Office of Attorney General under subdivision (e)(1) of this section that they have filed a surety

bond or an irrevocable letter of credit.

(d)(1) A person who violates subsection (b) of this section shall be imprisoned not more than two years or fined not more than $1,000.00, or both, if the loss to a single consumer is less than $1,500.00.

(2) A person who is convicted of a second or subsequent violation of subsection (b) of this section shall be imprisoned not more than three years or fined not more than $5,000.00, or both.

(3) A person who violates subsection (b) of this section shall be imprisoned not more than three years or fined not more than $5,000.00, or both, if:

(A) the loss to a single consumer is $1,500.00 or more; or

(B) the loss to more than one consumer is $2,500.00 or more in the aggregate.

(4) A person who is convicted of a second or subsequent violation of subdivision (b)(3) of this section shall be imprisoned not more than five years or fined not more than $10,000.00, or both.

(5) A person who violates this subsection ~~(c) or (e)~~ or subsection (f) of this section shall be imprisoned for not more than two years or fined not more than $1,000.00, or both.

(e)(1) A person who is sentenced pursuant to subdivision (d)(2), (3), or (4) of this section, or convicted of fraudulent acts related to home improvement or land improvement, may engage in home improvement or land improvement activities for compensation only if:

(A) the work is for a company or individual engaged in home improvement or land improvement activities and the company or individual has not previously committed a violation under this section; the person and the management of the company or the individual are not a family member, a household member, or a current or prior business associate; and the person first notifies the company or individual of the conviction and notifies the Office of the Attorney General of the person's current address and telephone number; the name, address, and telephone number of the company or individual for whom the person is going to work; and the date on which the person will start working for the company or individual; or

(B) the person notifies the Office of the Attorney General of the intent to engage in home improvement or land improvement activities, and that the person has filed a surety bond or an irrevocable letter of credit with the Office in an amount of not less than $250,000.00 and pays on a regular basis

all fees associated with maintaining such bond or letter of credit.

(2) As used in this subsection:

(A) "Business associate" means a person joined together with another person to achieve a common financial objective.

(B) "Family member" means a spouse, child, sibling, parent, next of kin, domestic partner, or legal guardian.

(C) "Household member" means a person who, for any period of time, is living or has lived together, is sharing or has shared occupancy of a dwelling.

(f) The Office of the Attorney General shall release the letter of credit at such time when:

(1) any claims against the person relating to home improvement or land improvement fraud have been paid;

(2) there are no pending actions or claims against the person for home improvement or land improvement fraud; and

(3) the person has not been engaged in home improvement or land improvement activities for at least six years and has signed an affidavit so attesting.

(g) A person convicted of home improvement or land improvement fraud is prohibited from applying for or receiving State grants or from contracting, directly or indirectly, with the State or any of its subdivisions for a period of up to three years following the date of the conviction, as determined by the Commissioner of Buildings and General Services.

(h) A person subject to the financial surety requirements of section 3605 of this title for timber trespass shall not engage in land improvement activities unless the person has satisfied the financial surety requirements for timber trespass.

Sec. 2. EFFECTIVE DATE

<u>This act shall take effect on July 1, 2026.</u>

Third Reading

H. 940.

An act relating to miscellaneous public utility subjects.

Second Reading

Favorable with Proposal of Amendment

H. 46.

An act relating to the Rare Disease Advisory Council.

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

Sec. 1. FINDINGS

The General Assembly finds that:

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

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

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

CHAPTER 19. RARE DISEASES

§ 981. RARE DISEASE ADVISORY COUNCIL

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

(b) Membership.

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

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

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

(C) the Commissioner of Health or designee;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(f) Meetings.

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

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

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

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

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

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

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

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

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

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

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

Sec. 4. EFFECTIVE DATE

This act shall take effect on July 1, 2026.

(Committee vote: 5-0-0)

(For House amendments, see House Journal of May 13, 2025, pages 1531-1534)

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: 7-0-0)

H. 582.

An act relating to adult protective services.

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

The Committee recommends that the Senate propose to the House to amend

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

(Committee vote: 5-0-0)

(For House amendments, see House Journal of March 10, 2026, pages 3166-3169)

H. 778.

An act relating to dam safety.

Reported favorably with recommendation of proposal of amendment by Senator Williams 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. 20 V.S.A. § 10 is amended to read:

§ 10. REQUEST TO GOVERNOR BY MUNICIPAL AUTHORITIES

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

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

(a)(1) The Division of Emergency Management, in coordination with the Department of Environmental Conservation, shall conduct a pilot project under which the Division shall develop a set of emergency operations plans (EOPs) for two State-owned dams that have been classified as high-hazard potential. One of the dams shall have a population at risk of 1,000 or more persons and the other shall have a population at risk of 100 or more but fewer than 1,000 persons.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(B) whether the Division of Emergency Management can complete or contract for completion of the EOPs for municipalities downstream of all State or federal dams with a population at risk of 100 or more persons by 2035;

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

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

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

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

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

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

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

Sec. 3. APPROPRIATIONS

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

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

Sec. 4. EFFECTIVE DATE

This act shall take effect on passage.

(Committee vote: 5-0-0)

(For House amendments, see House Journal of March 24, 2026, pages 3517-3521)

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)

H. 933.

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

Reported favorably with recommendation of proposal of amendment by Senator Cummings for the Committee on Finance.

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:

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

Sec. 1. REPEAL

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

* * * Property Transfer Tax * * *

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

§ 9602. TAX ON TRANSFER OF TITLE TO PROPERTY

A tax is hereby imposed upon the transfer by deed of title to property located in this State, or a transfer or acquisition of a controlling interest in any person with title to property in this State. The amount of the tax equals 1.25 percent of the value of the property transferred, or $1.00, whichever is greater, except as follows:

* * *

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

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

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

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

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

transferee is an entity with a business purpose other than the avoidance of property transfer tax, and any other factor the Commissioner deems relevant.

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

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

§ 3757. LAND USE CHANGE TAX

(a) Land that has been classified as agricultural land or managed forestland pursuant to this chapter shall be subject to a land use change tax upon the development of that land, as defined in section 3752 of this chapter. The tax shall be at the rate of 10 percent of the full fair market value of the changed land determined without regard to the use value appraisal. If changed land is a portion of a parcel, the fair market value of the changed land shall be the fair market value of the changed land as a separate parcel, divided by the common level of appraisal. Such fair market value shall be determined as of the date the land is no longer eligible for use value appraisal. This tax shall be in addition to the annual property tax imposed upon such property. Nothing in this section shall be construed to require payment of an additional land use change tax upon the subsequent development of the same land, nor shall it be construed to require payment of a land use change tax merely because previously eligible land becomes ineligible, provided no development of the land has occurred.

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

(c) For the purposes of the land use change tax, the determination of the fair market value of the land shall be made by the local assessing officials in accordance with ~~the provisions of~~ subsection (b) of this section and divided by the municipality's most recent common level of appraisal as determined by the Director. The determination shall be made within 30 days after the Director notifies the local assessing officials of the date that the owner has petitioned for withdrawal from use value appraisal or that the Director or local assessing official has determined that development has occurred. The local assessing officials shall notify the Director and the owner of their determination~~, and the~~. Failing a determination of the fair market value of the withdrawn portion of

the parcel by the local assessing officials within 30 days as required under this subsection, the Director shall establish the fair market value of the changed land and notify the local assessing officials and the owner of the Director's determination within 30 days. The provisions for appeal relating to property tax assessments in chapter 131 of this title shall apply, except that the owner shall have 30 days to appeal the determination to the municipality or to the Director as applicable under this subsection. If an owner erroneously appeals a municipality's determination to the Director, the Director may forward the appeal to the municipality and, provided the appeal to the Director is made within 30 days as permitted under this subsection, the appeal shall be considered timely filed to the municipality.

(d) The land use change tax shall be due and payable by the owner 30 days after the tax notice is mailed to the ~~taxpayer~~ owner. The tax shall be paid to the Commissioner, who, if the municipality's local assessing officials timely determine fair market value of the withdrawn portion of the parcel pursuant to subsection (c) of this section, shall remit to the municipality the lesser of one-half the tax paid or $2,000.00~~. The Director~~ and shall deposit three-quarters of the remainder of the tax paid in the Education Fund, and one-quarter of the remainder of the tax paid in the General Fund. If the municipality's local assessing officials fail to timely determine fair market value of the withdrawn portion of the parcel pursuant to subsection (c) of this section, the municipality shall forfeit any tax paid and the Commissioner shall deposit three-quarters of the tax paid in the Education Fund, and one-quarter of the tax paid in the General Fund. The Commissioner shall issue a form to the assessing officials that shall provide for a description of the land developed, the amount of tax payable, and the fair market value of the land at the time of development or withdrawal from use value appraisal. The owner shall fill out the form and shall sign it under the penalty of perjury. After receipt of the completed and signed form, the Commissioner shall furnish the owner with one copy, shall retain one copy, and shall forward one copy to the local assessing officials, one copy to the register of deeds of the municipality in which the land is located, and one copy to the Secretary of Agriculture, Food and Markets if the land is agricultural land and in all other cases to the Commissioner of Forests, Parks and Recreation.

* * *

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

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

to the municipality or to the Director as applicable under subsection 3757(c) of this chapter.

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

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

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

§ 4463. OBJECTIONS TO APPEAL

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

Sec. 4c. REPEAL; GRAND LIST CONTENTS

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

* * * Municipal Grand List Stabilization Program * * *

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

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

* * * Communications Property; Inventories * * *

Sec. 6. 32 V.S.A. § 36026 is amended to read:

§ 3602b. COMMUNICATIONS PROPERTY

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

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

(c) As used in this section, "communications property" means tangible personal property used to enable the real-time, two-way, electromagnetic transmission of information, such as audio, video, and data, that is so fitted and attached as to be part of a local, state, national, or international communications network, as well as facilities that are part of a cable television system as defined in 30 V.S.A. § 501(2). The term includes wires, cables, conduit, pipes, antennas, poles, and wireless towers. The term does not include property used solely for one-way, broadcast radio or television transmission serving the general public and owned and operated by a licensed broadcaster.

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

(2) On or before March 31 of each year, each communications service provider shall submit to the Division a sworn inventory of all its taxable communications property in a form that identifies the valuation of its property in each municipality. If the communications service provider fails to submit the inventory on or before April 15 and in the form prescribed, the Commissioner may fine the provider not more than $100.00 for each violation, unless the provider's failure is due to factors beyond the provider's control.

(3) The Division shall prescribe the form of the inventory required under subdivision (2) of this subsection and the officer or officers who shall submit the sworn inventory. If a communications service provider willfully omits to make, swear to, and submit an inventory, or to answer any interrogatory therein, or makes a false answer or statement therein, then the Division shall ascertain the amount and fair market value of the provider's communications property using the best information available to the Division. In addition to the fine under subdivision (2) of this subsection, the provider

shall be barred from any statutory appeal under this chapter or chapter 129 or 131 of this title of the value set by the Division under this subdivision.

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

* * * Equalization Study * * *

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

(a) Annually, on or before April 1, the Commissioner shall determine the equalized education property tax grand list and coefficient of dispersion for each municipality in the State; provided, however, that for purposes of equalizing grand lists pursuant to this section, the equalized education property tax grand list of a municipality that establishes a tax increment financing district or a housing development site under 24 V.S.A. chapter 53, subchapter 7 shall include the fair market value of the property in the district or site and not the original taxable value of the property, and further provided that the unified towns and gores of Essex County may be treated as one municipality for the purpose of determining an equalized education property grand list and a coefficient of dispersion, if the Director determines that all such entities have a uniform appraisal schedule and uniform appraisal practices.

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

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

* * *

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

* * * Health IT Fund Sunset Extension * * *

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

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

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

Sec. 105. EFFECTIVE DATES

* * *

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

* * * Inflation Index Updates * * *

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

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

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

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

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

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

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

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

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

(b) For each fiscal year, the base education amount shall be $6,800.00, increased by the most recent ~~New England Economic Project Cumulative Price Index~~ National Income and Product Accounts (NIPA) implicit price deflator, as of November 15, for state and local government ~~purchases of goods and services~~ consumption expenditures and gross investment published by the U.S. Department of Commerce, Bureau of Economic Analysis, from fiscal year 2005 through the fiscal year for which the amount is being determined, plus an additional one-tenth of one percent.

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

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

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

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

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

* * *

(3) the property tax of a claimant who is a joint tenant with a former spouse and who has possession of the homestead pursuant to the joint owners'

final divorce decree is the property tax for which the claimant is responsible under the joint owners' final divorce decree or any modifying orders; ~~and~~

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

(5) the property tax of a claimant who is a joint tenant or tenant by the entirety with a spouse who is not a member of the household, and who is party to a divorce or separation proceeding in a court of law, shall be 100 percent of the property tax.

* * * Estate Tax * * *

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

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

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

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

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

(h) Credit allocation; Down Payment Assistance Program.

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

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

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

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

Sec. 18. FINDINGS

The General Assembly finds:

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

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

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

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

§ 24. GOVERNOR'S LIST OF SCHOLARSHIP GRANTING ORGANIZATIONS

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

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

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

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

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

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

defined in 16 V.S.A. § 11(a)(8), that is also capable of receiving public tuition; and

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

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

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

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

(3) the total number of scholarship recipients;

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

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

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

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

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

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

(e)(1) If the Attorney General finds that any provision of this act is rendered invalid due to a federal act, federal agency rule, or court of

competent jurisdiction, the Attorney General shall submit written notice of the invalidation to the Governor, the Speaker of the House, and President Pro Tempore of the Senate that the provision is invalid.

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

* * * Definition of Parcel * * *

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

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

* * *

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

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

§ 4132. GENERAL DUTIES OF COMMISSIONER

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

* * *

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

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

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

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

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

(4) As used in this subsection, "license" means a written instrument issued by the Commissioner that authorizes research, academic study, commercial use, or use by regulated utilities on Department lands but does not vest the licensee with any property rights.

* * *

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

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

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

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

* * * Grand List Assessment Date * * *

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

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

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

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

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

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

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

§ 3482. PROPERTY LISTED AT ONE PERCENT

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

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

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

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

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

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

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

which the contractor agrees to pay taxes assessed under this section and section 4151 of this title.

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

(b) The listers of each town and the appraisers of each unorganized town and gore shall list every perpetual lease in a separate record in which shall be shown as to each lease a brief description of the leased land, the fair market value of the land as appraised by them, the name of the lessor, the annual rental payable under the lease, and as of ~~April~~ January 1 of each year the name and address of the lessee. If for any reason the lease is exempt under subsection (d) of this section, the reason for the exemption shall be noted.

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

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

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

§ 3651. GENERAL RULE

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

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

§ 3691. GENERAL RULE

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

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

(b) A trailer coach shall be taxed as real property by the town in which it is located notwithstanding subsection (a) of this section if it is situated in the town on the same trailer site or camp site for more than 180 days during the

365 days prior to ~~April~~ January 1. A trailer coach shall not be taxed as real property if it is stored on property on which the owner resides in another dwelling as a permanent residence.

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

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

* * *

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

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

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

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

* * *

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

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

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

* * *

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

conservation or forest management plan for the next succeeding 10 years to remain in the program.

* * *

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

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

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

§ 3802a. REQUIREMENT TO PROVIDE INSURANCE INFORMATION

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

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

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

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

(a) Annually on ~~April~~ January 1, at the expense of the State, the Director shall furnish to the several ~~town~~ municipal clerks and boards of appraisers for unorganized towns and gores inventory forms sufficient in number to meet the requirements of this chapter. Such forms shall be formulated by the Director and, among other things, shall contain suitable interrogatories requiring each taxpayer to furnish therein a brief statement of all of each taxpayer's taxable property, real and personal, and such other information, including income and expense information with respect to any income-producing properties, as will enable the listers or appraisers to appraise such part thereof as is required by law to be by them appraised, and to make up the abstract of individual lists and grand list in the manner prescribed by law.

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

§ 4004. RETURN OF INVENTORIES BY INDIVIDUALS

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

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

§ 4041. EXAMINATION OF PROPERTY; APPRAISAL

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

~~selectboard~~ the legislative body of the municipality or by vote of the ~~town~~ municipality, employ such assistance.

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

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

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

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

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

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

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

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

* * *

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

(7) "Homestead":

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

* * *

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

* * *

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

(6) An exemption of a portion of the value of a qualified rental unit parcel. An owner of a qualified rental unit parcel shall be entitled to an exemption on the education property tax grand list of 10 percent of the grand list value of the parcel, multiplied by the ratio of square footage of improvements used for or related to residential rental purposes to total square footage of all improvements, multiplied by the ratio of qualified rental units to total residential rental units on the parcel. "Qualified rental units" means residential rental units that are subject to rent restriction under provisions of State or federal law but excluding units subject to rent restrictions under only one of the following programs: Section 8 moderate rehabilitation, Section 8 housing choice vouchers, or Section 236 or Section 515 rural development rental housing. A municipality shall allow the percentage exemption under this subsection upon presentation by the taxpayer to the municipality, by ~~April~~ January 1, of a certificate of education grand list value exemption obtained from the Vermont Housing Finance Agency (VHFA). VHFA shall issue a certificate of exemption upon presentation by the taxpayer of information that VHFA and the Commissioner shall require. A certificate of exemption issued by VHFA under this subsection shall expire upon transfer of the building, upon expiration of the rent restriction, or after 10 years, whichever first occurs; provided, however, that the certificate of exemption may be renewed after 10 years and every 10 years thereafter if VHFA finds that the property continues to meet the requirements of this subsection.

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

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

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

* * *

(c) In determining the fair market value of property that is required to be listed at fair market value, the Commissioner shall take into consideration

those factors required by section 3481 of this title. The Commissioner shall value property as of ~~April~~ January 1 preceding the determination and shall take account of all homestead declaration information available before October 1 each year.

* * *

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

§ 5410. DECLARATION OF HOMESTEAD

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

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

* * *

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

* * *

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

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

Subchapter 9. Delinquent Taxes

§ 5131. ~~SUPERVISION BY DIRECTOR~~

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

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

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

§ 5133. ~~MEETINGS OF TAX COLLECTORS~~

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

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

~~Collectors shall attend all meetings for instruction to which they are summoned in writing by the Director. When a collector is unable to attend, he or she shall notify forthwith the Director stating the cause of such inability and, in his or her discretion, the Director may summon such collector to attend such other meeting as he or she may designate. Collectors attending such meetings shall receive therefor from the treasury of their municipality not less than $10.00 per day and their necessary expenses.~~ [Repealed.]

§ 5135. ~~RETURNS TO DIRECTOR~~

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

* * *

Sec. 50. [Deleted.]

Sec. 51. [Deleted.]

Sec. 52. [Deleted.]

Sec. 53. [Deleted.]

* * * 10-Year Tax Study * * *

Sec. 54. VERMONT 10-YEAR TAX STUDY

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

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

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

(2) Analyze Vermont's taxation levels and tax responsibilities per capita, per income level, and by incidence on typical Vermont families of varying

incomes, and on typical Vermont business enterprises of varying sizes and types, and analyze trends in the taxpayer revenue bases for various tax types.

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

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

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

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

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

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

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

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

§ 5811. DEFINITIONS

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

* * *

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

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

(i) increased by:

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

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

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

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

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

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

(ii) decreased by:

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

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

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

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

(V) for a taxpayer that does not qualify as an eligible taxpayer for the taxable year, as defined under subdivision (i)(V) of this subdivision (18)(A), for the taxable year in which a deduction is taken on the taxpayer's federal income tax return under 26 U.S.C. § 174A, or Pub. L. No. 119-21, 139 Stat. 72 (2025) § 70302(f)(2), or both, and for each applicable taxable year thereafter, an amount equal to the deduction that would be allowed under 26 U.S.C. § 174 applied as those provisions were in effect on December 31, 2024. The aggregate amount deducted under this subdivision (18)(A)(ii)(V) in all taxable years may not exceed the amount of the deduction taken on that expenditure on the taxpayer's federal income tax return under the Internal Revenue Code, or exceed the amount of the addition modifications taken on the taxpayer's Vermont income tax return under subdivision (i)(V) of this subdivision (18)(A);

(VI) for a taxpayer that qualifies as an eligible taxpayer for the taxable year as defined under subdivision (i)(V) of this subdivision (18)(A) and has domestic research or experimental expenditures, as defined in 26 U.S.C. § 174A, as added by subsection 174A(a), which are paid or incurred in taxable years beginning after December 31, 2021, and before January 1, 2025, and which was charged to capital account pursuant to 26 U.S.C. § 174 as those provisions were in effect on December 31, 2024, and further elected under Pub. L. No. 119-21, 139 Stat. 72 (2025) § 70302(f)(1) to substitute "December 31, 2021" for "December 31, 2024" as the applicable effective date for certain provisions in 26 U.S.C. § 174A and accordingly filed an amended federal return for each taxable year affected by such election, for the tax year

beginning on or after January 1, 2025, and for each applicable taxable year thereafter, a taxpayer may elect to deduct any remaining unamortized amount with respect to such expenditures in the first taxable year beginning after December 31, 2024, or to deduct such remaining unamortized amount with respect to such expenditures ratably over the two-taxable year period beginning with the first taxable year beginning after December 31, 2024. The aggregate amount deducted under this subdivision (A)(ii)(VI) when combined with any other deduction for the domestic research or experimental expenditure allowed pursuant to Vermont's adoption of the statutes of the United States relating to the federal income tax under section 5824 of this chapter in all taxable years may not exceed the amount of the deduction taken for that expenditure on the taxpayer's federal income tax return under the Internal Revenue Code; and

(VII) for a taxpayer that qualifies as an eligible taxpayer for the taxable year as defined under subdivision (i)(V) of this subdivision (18)(A) and has made an addition modification under subdivision (i)(V) in a prior tax year, an amount equal to the subtraction modification that would have been allowed in this taxable year under subdivision (A)(ii)(V) of this subdivision (18) but for the taxpayer's current status as an eligible taxpayer. The aggregate amount deducted under this subdivision (18)(A)(ii)(VII) in all taxable years for any expenditure may not exceed the amount of the deduction taken for that expenditure on the taxpayer's federal income tax return under the Internal Revenue Code, or exceed the amount of the addition modifications taken for that expenditure on the taxpayer's Vermont income tax return under subdivision (i)(V) of this subdivision (18)(A) for expenditures paid or incurred in taxable years on or after January 1, 2025.

* * *

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

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

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

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

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

depreciation deduction carried over on the taxpayer's federal income tax return as part of a net operating loss from a prior taxable year that is deducted in the current taxable year;

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

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

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

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

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

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

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

(II) notwithstanding the limitation under subdivision (I)(bb) of this subdivision (ii) relating to "stocks or bonds publicly traded or traded on an exchange, or any other financial instruments," gains from the sale or exchange of qualified small business stock added to taxable income under subdivision (A)(v) of this subdivision (21) may be decreased pursuant to this subdivision

(ii); accordingly, for the purposes of this subdivision (ii), adjusted net capital gain income, federal adjusted gross income, and federal taxable income shall include any amounts added to a taxpayer's taxable income pursuant to subdivision (A)(v) of this subdivision (21); and

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

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

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

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

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

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

thereafter, an amount equal to the deduction that would be allowed under 26 U.S.C. § 174 applied as those provisions were in effect on December 31, 2024. The aggregate amount deducted under this subdivision (21)(B)(viii) in all taxable years may not exceed the amount of the deduction taken on that expenditure on the taxpayer's federal income tax return under the Internal Revenue Code, or exceed the amount of the addition modifications taken on the taxpayer's Vermont income tax return under subdivision (A)(iv) of this subdivision (21);

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

(x) for a taxpayer that qualifies as an eligible taxpayer for the taxable year as defined under subdivision (A)(iv) of this subdivision (21) and has made an addition modification under subdivision (A)(iv) of this subdivision (21) in a prior tax year, an amount equal to the subtraction modification that would have been allowed in this taxable year under subdivision (viii) of this subdivision (21)(B) but for the taxpayer's current status as an eligible taxpayer. The aggregate amount deducted under this subdivision (21)(B)(x) in all taxable years for any expenditure may not exceed the amount of the deduction taken for that expenditure on the taxpayer's

federal income tax return under the Internal Revenue Code, or exceed the amount of the addition modifications taken for that expenditure on the taxpayer's Vermont income tax return under subdivision (A)(iv) of this subdivision (21) for expenditures paid or incurred in taxable years on or after January 1, 2025.

* * *

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

(A) increased by the following items of income:

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

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

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

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

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

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

(B) decreased by the following items of income:

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

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

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

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

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

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

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

under Section 168(k) or (n) of the Internal Revenue Code, or exceed the amount of the addition modifications taken on that property on the taxpayer's Vermont income tax return under subdivision (A)(iv) of this subdivision (28);

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

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

(vii) for a taxpayer that qualifies as an eligible taxpayer for the taxable year as defined under subdivision (A)(v) of this subdivision (28) and has made an addition modification under subdivision (A)(v) of this subdivision (28) in a prior tax year, an amount equal to the subtraction modification that would have been allowed in this taxable year under subdivision (v) of this subdivision (28)(B) but for the taxpayer's current status as an eligible taxpayer. The aggregate amount deducted under this subdivision in all taxable years for any expenditure may not exceed the amount of the deduction taken for that expenditure on the taxpayer's federal income tax return under the Internal Revenue Code, or exceed the amount of the addition modifications taken for that expenditure on the taxpayer's Vermont income tax return under subdivision (A)(v) of this subdivision (28) for expenditures paid or incurred in taxable years on or after January 1, 2025.

* * *

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

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

* * *

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

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

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

* * *

(b) For any taxable year, the Vermont income of a nonresident individual, estate, or trust is the sum of the following items of income to the extent they are required to be included in the federal adjusted gross income of the individual after the value of those items are modified by the additions and

subtractions provided for in subdivisions 5811(21)(A) and (B) of this chapter or the ~~gross~~ federal adjusted gross income of an estate or trust after the value of those items are modified by the additions and subtractions provided for in subdivisions (28)(A) and (B) of this chapter for that taxable year:

* * *

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

§ 5930ii. RESEARCH AND DEVELOPMENT TAX CREDIT

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

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

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

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

§ 5930ee. LIMITATIONS

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

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

* * *

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

§ 5824. ADOPTION OF FEDERAL INCOME TAX LAWS

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

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

(8) "Laws of the United States" means the U.S. Internal Revenue Code of 1986, as amended through December 31, ~~2024~~ 2025. As used in this

chapter, "Internal Revenue Code" has the same meaning as "laws of the United States" as defined in this subdivision. The date through which amendments to the U.S. Internal Revenue Code of 1986 are adopted under this subdivision shall continue in effect until amended, repealed, or replaced by act of the General Assembly.

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

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

§ 4025. EDUCATION FUND

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

* * *

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

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

* * *

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

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

* * * Burlington Waterfront TIF * * *

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

(a) The General Assembly finds that:

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

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

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

within the tax increment financing district" (emphasis added). This provision authorized the City of Burlington to retain 100 percent of the Burlington Waterfront TIF District's municipal and education property tax increment.

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

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

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

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

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

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

General Assembly further authorized the City of Burlington to extend the City's tax increment retention period until June 30, 2035.

(10) 2020 Acts and Resolves No. 175, Sec. 29, further extended the period to incur indebtedness for these same three properties to June 30, 2022, provided that certain contingencies were met, and clarified that the extension of the City's debt incurrence period for these three properties did not extend the City's tax increment retention period.

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

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

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

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

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

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

Sec. 63b. ADJUSTMENT OF RETENTION PERCENTAGES

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

* * * Effective Dates * * *

Sec. 64. EFFECTIVE DATES

This act shall take effect on passage except:

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

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

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

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

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

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

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

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

(Committee vote: 7-0-0)

(For House amendments, see House Journal of March 26, 2026, pages 3601-3607 and March 27, 2026, page 3673)

Reported favorably 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 Finance.

(Committee vote: 4-3-0)

H. 949.

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

Reported favorably with recommendation of proposal of amendment by Senator Cummings for the Committee on Finance.

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

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

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

For fiscal year 2027 only:

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

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

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

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

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

§ 4001. DEFINITIONS

As used in this chapter:

* * *

(6) "Education spending" means the amount of the school district budget, any assessment for a joint contract school, career technical center payments made on behalf of the district under subsection 1561(b) of this title, and any amount added to pay a deficit pursuant to 24 V.S.A. § 1523(b) that is paid for by the school district, but excluding any portion of the school budget paid for from any other sources such as endowments, parental fundraising, federal funds, nongovernmental grants, or other State funds such as special education funds paid under chapter 101 of this title.

(A) [Repealed.]

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

* * *

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

§ 5401. DEFINITIONS

As used in this chapter:

* * *

(12) "Excess spending" means:

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

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

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

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

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

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

* * *

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

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

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

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

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

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

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

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

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

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

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

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

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

§ 6067. CREDIT LIMITATIONS

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

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

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

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

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

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

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

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

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

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

(E) A renter credit shall be prorated by the number of calendar months in the taxable year during which the claimant rented the homestead,

except for a credit based on gross rent paid under subdivision (D) of this subdivision (b)(1), and by the portion of the principal dwelling used for business purposes, if the portion used for business purposes includes more than 25 percent of the floor space of the dwelling.

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

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

§ 6067. CREDIT LIMITATIONS

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

Sec. 10. EFFECTIVE DATES

(a) This section and Secs. 1 (yields), 3 (statewide adjustment correction), 4 (Barre TIF overpayment refund), 5 (census grant inflator), 6 (renter credit expansion), and 7 (renter credit cap increase) shall take effect on July 1, 2026.

(b) Secs. 2 (exclusion of capital indebtedness from excess spending), 2a (excess spending threshold), 8 (renter credit narrowing), and 9 (renter credit cap reduction) shall take effect on July 1, 2027.

(Committee vote: 7-0-0)

(For House amendments, see House Journal of March 25, 2026, pages 3567-3571)

Reported favorably by Senator Baruth 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 Finance.

(Committee vote: 7-0-0)

H. 951.

An act relating to making appropriations for the support of the government.

Reported favorably with recommendation of proposal of amendment by Senator Perchlik for the Committee on Appropriations.

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:

(For text of Report of Committee on Appropriations see Addendum to Senate Calendar for April 22, 2026)

(Committee vote: 7-0-0)

(For House amendments, see House Journal for March 26, 2026, pages 3581-3600, and March 27, 2026, page 3629)

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 Appropriations.

(Committee vote: 6-1-0)

House Proposal of Amendment

S. 89.

An act relating to expanding survivor benefits.

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. 20 V.S.A. § 3171 is amended to read:

§ 3171. DEFINITIONS

As used in this chapter:

* * *

(3) "Emergency personnel" means:

(A) firefighters as defined in subdivision 3151(3) of this title; ~~and~~

(B) emergency medical personnel and volunteer personnel as defined in 24 V.S.A. § 2651;

(C) law enforcement officers who have been certified by the Vermont Criminal Justice Council pursuant to section 2358 of this title;

(D) facility employees of the Department of Corrections and Department of Corrections employees who provide direct security and treatment services to offenders under supervision in the community;

(E) classified family services employees in the Family Services Division of the Department for Children and Families; and

(F) classified medical employees of State-operated therapeutic community residences or inpatient psychiatric hospital units.

(4) "Line of duty" means:

(A) ~~answering or returning from~~ with respect to firefighters, emergency medical personnel, and volunteer personnel:

(i) service in answer to a call of the department or service for a fire or emergency ~~or~~, including going to and returning from a fire or emergency or participating in a fire or emergency training drill; or

~~(B)~~(ii) similar service in another town or district to which the department or service has been called for firefighting or emergency purposes;

(B) with respect to law enforcement officers:

(i) service as a law enforcement officer in answer to a complaint lodged with the department or in response to a disorder, including going to, returning from, and investigating or responding to the complaint or disorder; or

(ii) service under orders from the department or in any emergency for which the law enforcement officer serves as a law enforcement officer;

(C) with respect to covered employees of the Department of Corrections, discharging their duties as employees;

(D) with respect to classified family services employees in the Family Services Division of the Department for Children and Families, discharging their duties as employees; and

(E) with respect to classified medical employees of State-operated therapeutic community residences or inpatient psychiatric hospital units, discharging their duties as employees.

* * *

Sec. 2. 20 V.S.A. § 3172 is amended to read:

§ 3172. EMERGENCY PERSONNEL SURVIVORS BENEFIT REVIEW BOARD

(a)(1) There is created the Emergency Personnel Survivors Benefit Review Board, which shall consist of the State Treasurer or designee, the Attorney General or designee, the Chief Fire Service Training Officer of the Vermont Fire Service Training Council or designee, and one member of the public to represent the interests of emergency personnel appointed by the Governor for a term of two years.

(2) Survivors of emergency personnel, employed by or who volunteer for the State of Vermont, a county or municipality of the State, or a nonprofit entity that provides services in the State, who die in the line of duty or of an occupation-related illness may request the Board award a monetary benefit under section 3173 of this ~~title~~ chapter, except survivors of emergency personnel as defined in subdivisions 3171(3)(C)–(F) of this chapter may request the monetary benefit only for deaths that occur on or after July 1, 2026.

(3) The Board shall be responsible for determining whether to award monetary benefits under section 3173 of this chapter. To assist the Board with applications involving deaths from occupation-related illness, the Board may pay reasonable fees from the Emergency Personnel Survivors Benefit Special Fund for a medical expert and other services as necessary to review applications and make recommendations to the Board.

(4) A decision to award monetary benefits shall be made by unanimous vote of the Board and shall be made within 60 days after the receipt of all information necessary to enable the Board to determine eligibility.

(5) The Board may request any information necessary for the exercise of its duties under this section. Nothing in this section shall prevent the Board from initiating the investigation or determination of a claim before being requested by a survivor or employer of emergency personnel.

* * *

Sec. 3. 20 V.S.A. § 3175 is amended to read:

§ 3175. EMERGENCY PERSONNEL SURVIVORS BENEFIT SPECIAL FUND

(a) The Emergency Personnel Survivors Benefit Special Fund is established in the Office of the State Treasurer for the purpose of the payment of claims distributed pursuant to this chapter. The Fund shall comprise ~~appropriations~~ transfers made by the General Assembly, amounts transferred by the Emergency Board when the General Assembly is not in session, and contributions or donations from any other source. Expenses incurred pursuant to subdivision 3172(a)(3) of this chapter shall be paid from the Fund. All balances in the Fund at the end of the fiscal year shall be carried forward. Interest earned shall remain in the Fund.

(b) In the event that the balance of the Fund is insufficient to pay monetary benefits awarded by the Board when the General Assembly is not in session, the Emergency Board may, pursuant to its authority under 32 V.S.A. § 133, transfer into the Fund additional amounts necessary to pay the monetary benefits.

Sec. 4. EFFECTIVE DATE

This act shall take effect on July 1, 2026.

NOTICE CALENDAR

Second Reading

Favorable

H. 534.

An act relating to community action agencies.

Reported favorably by Senator Cummings for the Committee on Health and Welfare.

(Committee vote: 4-0-1)

(For House amendments, see House Journal of January 16, 2026, pages 2810-2813)

Favorable with Proposal of Amendment

H. 648.

An act relating to banking, insurance, and securities.

Reported favorably with recommendation of proposal of amendment by Senator Hardy for the Committee on Finance.

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

First: In Sec. 1, 8 V.S.A. § 2102, in subdivision (b)(9), by striking the first instance of "registration" and inserting in lieu thereof "~~registration~~ license"

Second: By striking out Sec. 22, 8 V.S.A. § 10301, community reinvestment reports, in its entirety and inserting in lieu thereof the following: Sec. 22. [Deleted]

Third: By adding a Sec. 14a to read as follows:

Sec. 14a. 8 V.S.A. § 2577(f) is amended to read:

(f) Moratorium. To protect the public safety and welfare and safeguard the rights of consumers, virtual-currency kiosks shall not be permitted to operate in Vermont prior to July 1, ~~2026~~ 2027. This moratorium shall not apply to a virtual-currency kiosk that was duly licensed and operational in Vermont on or before June 30, 2024.

Fourth: In Sec. 48, 9 V.S.A. § 5202, in subdivision (14)(B), by striking section "5302" and inserting in lieu thereof subsection "5302(c)"

(Committee vote: 7-0-0)

(For House amendments, see House Journal of January 29, 2026, pages 2899-2949, and January 30, 2026 page 2958)

Reported favorably by Senator Norris 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 Finance.

(Committee vote: 6-0-1)

H. 952.

An act relating to capital construction and State bonding budget adjustment.

Reported favorably with recommendation of proposal of amendment by Senator Harrison for the Committee on Institutions.

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

First: By striking out Sec. 1, 2025 Acts and Resolves No. 33, Sec. 1, in its entirety and inserting in lieu thereof a new Sec. 1 to read as follows:

Sec. 1. 2025 Acts and Resolves No. 33, Sec. 1 is amended to read:

Sec. 1. LEGISLATIVE INTENT

(a) It is the intent of the General Assembly that of the ~~$111,965,288.44~~ $123,564,624.67 authorized in Secs. 2–16 this act, not more than ~~$61,969,761.44~~ $61,569,761.44 shall be appropriated in the first year of the biennium, and the remainder shall be appropriated in the second year.

* * *

Second: By striking out Sec. 2, 2025 Acts and Resolves No. 33, Sec. 2, in its entirety and inserting in lieu thereof a new Sec. 2 to read as follows:

Sec. 2. 2025 Acts and Resolves No. 33, Sec. 2 is amended to read:

Sec. 2. STATE BUILDINGS

* * *

(b) The following sums are appropriated in FY 2026:

* * *

(2) Statewide, three-acre parcel stormwater compliance: ~~$1,500,000.00~~ $1,100,000.00

* * *

(c) The following sums are appropriated in FY 2027:

(1) Statewide, major maintenance: ~~$8,500,000.00~~ $8,538,413.18

* * *

(4) ~~Statewide, three-acre parcel stormwater compliance: $1,100,000.00~~ [Repealed.]

* * *

(7) Montpelier, State House replacement of ~~historic~~ interior finishes: $50,000.00

(8) Montpelier, 120 State Street HVAC – steam lines interior renovation: ~~$2,000,000.00~~ $1,000,000.00

* * *

(12) Montpelier, State House entryway upgrades, design documents, including comprehensive parking plan and delivery truck access, and second-floor egress design: $1,325,000.00

Appropriation – FY 2026 ~~$13,726,680.44~~ $13,326,680.44

Appropriation – FY 2027 ~~$15,925,000.00~~ $15,188,413.18

Total Appropriation – Section 2 ~~$28,951,680.44~~ $28,515,093.62

Third: By striking out Sec. 3, 2025 Acts and Resolves No. 33, Sec. 3, in its entirety and inserting in lieu thereof a new Sec. 3 to read as follows:

Sec. 3. 2025 Acts and Resolves No. 33, Sec. 3 is amended to read:

Sec. 3. HUMAN SERVICES

* * *

(b) The following sums are appropriated in FY 2027 to the Department of Buildings and General Services for the Agency of Human Services for the following projects:

(1) Statewide, planning, design, and construction for HVAC system upgrades at correctional facilities: ~~$1,000,000.00~~ $9,426,254.21

* * *

(5) ~~Newport, Northern State Correctional Facility (NSCF) sprinkler system upgrades:~~ ~~$500,000.00~~ [Repealed.]

(6) Newport, Northern State Correctional Facility (NSCF) boiler replacement: $700,000.00

(7) Recovery House, Inc., residential treatment center, renovations: $220,000.00

(8) Maintenance, replacement, and renovations at the Chittenden Regional Correctional Facility or other facilities serving the incarcerated women's population: $598,850.00

* * *

Appropriation – FY 2027 ~~$4,800,000.00~~ $14,245,104.21

Total Appropriation – Section 3 ~~$13,025,000.00~~ $22,470,104.21

Fourth: By adding a new section to be Sec. 4a to read as follows:

Sec. 4a. 2025 Acts and Resolves No. 33, Sec. 5 is amended to read:

Sec. 5. GRANT PROGRAMS

* * *

(b) The following sums are appropriated in FY 2027 for the Building Communities Grants established in 24 V.S.A. chapter 137:

(1) To the Agency of Commerce and Community Development, Division for Historic Preservation, for the Historic Preservation Grant Program: ~~$300,000.00~~ $400,000.00

(2) To the Agency of Commerce and Community Development, Division for Historic Preservation, for the Historic Barns Preservation Grant Program: ~~$300,000.00~~ $400,000.00

* * *

Appropriation – FY 2027 ~~$2,100,000.00~~ $2,300,000.00

Total Appropriation – Section 5 ~~$4,200,000.00~~ $4,400,000.00

Fifth: By adding a new section to be Sec. 5a to read as follows:

Sec. 5a. 2025 Acts and Resolves No. 33, Sec. 9 is amended to read:

Sec. 9. NATURAL RESOURCES

* * *

(g) The sum of $100,000.00 is appropriated in FY 2027 to the Agency of Natural Resources for technical support to municipalities to design and implement stormwater utilities.

Appropriation – FY 2026 $5,805,000.00

Appropriation – FY 2027 ~~$5,319,360.00~~ $5,419,360.00

Total Appropriation – Section 9 ~~$11,124,360.00~~ $11,224,360.00

Sixth: By striking out Sec. 8, 2025 Acts and Resolves No. 33, Sec. 17, in its entirety and inserting in lieu thereof a new Sec. 8 to read as follows:

Sec. 8. 2025 Acts and Resolves No. 33, Sec. 17 is amended to read:

Sec. 17. REALLOCATION AND REVERSION OF FUNDS; TRANSFER OF FUNDS

(a) The following sums ~~are reallocated~~ appropriated to the Department of Buildings and General Services from prior capital appropriations are reallocated to defray expenditures authorized in Secs. 2–16 of this act:

* * *

(12) of the amount appropriated in 2017 Acts and Resolves No. 84, Sec. 13(b)(2), as added by 2018 Acts and Resolves No. 190, Sec. 10 (CJTC East Cottage): $43,190.08

(13) of the amounts appropriated in 2019 Acts and Resolves No. 42, Sec. 2(c) (various projects): $1,624,241.12

(14) of the amounts appropriated in 2021 Acts and Resolves No. 50, Sec. 2(b) (various projects): $393,854.32

(15) of the amount appropriated in 2021 Acts and Resolves No. 50, Sec. 3(a)(2) (women's correctional facilities): $97,890.12

(16) of the amounts appropriated in 2021 Acts and Resolves No. 50, Sec. 2(c) (various projects): $618,000.00

(17) of the amounts appropriated in 2023 Acts and Resolves No. 69, Sec. 2(b) (various projects): $350,420.67

(18) of the amounts appropriated in 2023 Acts and Resolves No. 69, Sec. 2(c) (various projects): $150,000.00

(19) of the amounts appropriated in 2021 Acts and Resolves No. 50, Sec. 3(b)(1) (women's correctional facilities, replacement): $868,850.00

(b) The following sums appropriated to the Agency of Commerce and Community Development from prior capital appropriations are reallocated to defray expenditures authorized in Secs. 2–16 of this act:

* * *

(3) of the amount appropriated in 2021 Acts and Resolves No. 50, Sec. 4(a)(4) (Unmarked Burial Fund): $31,320.70

* * *

(h) Of the amount appropriated from the Capital Infrastructure subaccount of the Cash Fund for Capital and Essential Investments to the Vermont Veterans' Home in 2024 Acts and Resolves No. 113, Sec. B.1103(a)(7) and authorized in 2023 Acts and Resolves No. 69, Sec. 18(d)(7) (design for the renovation of the Brandon and Cardinal units), $1,500,000.00 is ~~reallocated~~ reverted to defray expenditures authorized in Sec. 19 of this act.

(i) Of the amount appropriated from the Capital Infrastructure subaccount of the Cash Fund for Capital and Essential Investments to the Department of Buildings and General Services in 2024 Acts and Resolves No. 113, Sec. B.1103(a)(9) and authorized in 2023 Acts and Resolves No. 69, Sec. 18(d)(10) (111 State Street; renovation of the stack area), $200,000.00 is ~~reallocated~~ reverted to defray expenditures authorized in Sec. 19 of this act.

* * *

(n) Of the amount appropriated to the Vermont Veterans' Home in 2023 Acts and Resolves No. 69, Sec. 15(b)(2) (elevator upgrade), $500,000.00 is reallocated to defray expenditures authorized in Sec. 6 of this act.

(o) Of the amount appropriated to the Enhanced 911 Board in 2017 Acts and Resolves No. 84, Sec. 6(b)(9), as added by 2018 Acts and Resolves No. 190, Sec. 5 (Enhanced 911 Compliance Grants Program), $63,413.15 is reallocated to defray expenditures authorized in Secs. 2–16 of this act.

(p) Of the amount appropriated to the Agency of Natural Resources for the Department of Forests, Parks and Recreation in 2019 Acts and Resolves No. 42, Sec. 11(j), as added by 2020 Acts and Resolves No. 139, Sec. 7 (State-owned forest and recreational access points), $0.03 is reallocated to defray expenditures authorized in Secs. 2–16 of this act.

(q) The following sums appropriated from the Capital Infrastructure subaccount of the Cash Fund for Capital and Essential Investments to the Department of Buildings and General Services in 2023 Acts and Resolves No. 78, Sec. B.1105(a) are reverted to defray expenditures authorized in Sec. 19 of this act:

(1) of the amount authorized in 2023 Acts and Resolves No. 69, Sec. 18(c)(1) (planning, reuse, and contingency): $119,114.60

(2) of the amount authorized in 2023 Acts and Resolves No. 69, Sec. 18(c)(6) (120 State Street renovation): $1,000,000.00

(3) of the amount authorized in 2023 Acts and Resolves No. 69, Sec. 18(c)(8) (CJTC administration building and West Cottage): $450,000.00

(4) of the amount authorized in 2023 Acts and Resolves No. 69, Sec. 18(c)(10) (DCF short-term stabilization facility): $372,557.10

(5) of the amount authorized in 2023 Acts and Resolves No. 69, Sec. 18(c)(11) (Washington County Superior Courthouse in Barre): $750,000.00

(6) of the amount authorized in 2023 Acts and Resolves No. 69, Sec. 18(c)(13) (planning and design of the Rutland Field Station): $250,000.00

(7) of the amount authorized in 2023 Acts and Resolves No. 69, Sec. 18(c)(15) (EV charging stations): $995,040.00

(r) Of the amount appropriated from the Capital Infrastructure subaccount of the Cash Fund for Capital and Essential Investments to the Department of Buildings and General Services in 2024 Acts and Resolves No. 113, Sec. B.1103(a)(3) and authorized in 2023 Acts and Resolves No. 69, Sec. 18(d)(3), as amended by 2024 Acts and Resolves No. 162, Sec. 11 (120 State Street renovation), $1,500,000.00 is reverted to defray expenditures authorized in Sec. 19 of this act.

Bonded Dollars ~~$5,074,938.48~~ $9,816,118.67

Cash ~~$1,700,000.00~~ $7,136,711.70

Total Reallocations, Reversions, and Transfers – Section 17 ~~$6,774,938.48~~ $16,083,980.37

Seventh: By striking out Sec. 9, 2025 Acts and Resolves No. 33, Sec. 19, in its entirety and inserting in lieu thereof a new Sec. 9 to read as follows:

Sec. 9. 2025 Acts and Resolves No. 33, Sec. 19 is amended to read:

Sec. 19. FY 2026 AND 2027; CAPITAL PROJECTS; FY 2026 AND FY 2027 APPROPRIATIONS ~~ACT~~ ACTS; INTENT; AUTHORIZATIONS

* * *

(b) Intent. It is the intent of the General Assembly to authorize certain capital projects eligible for funding by 32 V.S.A. § 1001b in this act but appropriate the funds for these projects in the FY 2026 and FY 2027 Appropriations ~~Act~~ Acts. It is also the intent of the General Assembly that the FY 2026 and FY 2027 Appropriations ~~Act appropriate~~ Acts transfer funds to the Fund established in 32 V.S.A. § 1001b for projects in FY 2026 and FY 2027.

(c) Authorizations; Capital Infrastructure subaccount. In FY 2026, spending authority for the following capital projects from the Capital Infrastructure subaccount of the Cash Fund for Capital and Essential Investments are authorized as follows:

* * *

(7) to the Vermont Veterans' Home for the design and construction of the American unit and sprinkler system installation: $1,500,000.00

* * *

(f) Authorizations; Capital Infrastructure subaccount. In FY 2027, spending authority for the following capital projects from the Capital Infrastructure subaccount of the Cash Fund for Capital and Essential Investments are authorized as follows:

(1) to the Department of Buildings and General Services for statewide major maintenance: $1,281,173.60

(2) to the Department of Buildings and General Services for statewide physical security enhancements: $225,000.00

(3) to the Department of Buildings and General Services for statewide three-acre parcel stormwater compliance: $1,000,000.00

(4) to the Department of Buildings and General Services for Asa Bloomer roof replacement: $3,600,000.00

(5) to the Department of Buildings and General Services for Rutland multimodal garage renovation: $900,000.00

(6) to the Department of Buildings and General Services for Burlington, 32 Cherry St. parking garage repairs: $3,000,000.00

(7) to the Department of Buildings and General Services for the Agency of Human Services for HVAC upgrades at correctional facilities:

$1,050,000.00

(8) to the Department of Buildings and General Services for the Agency of Human Services for statewide correctional facilities security upgrades: $225,000.00

(9) to the Department of Buildings and General Services for the Agency of Human Services for door control upgrades at correctional facilities: $2,700,000.00

(10) to the Department of Buildings and General Services for the Agency of Human Services for the Northern State Correctional Facility boiler replacement: $1,000,000.00

(11) to the Department of Buildings and General Services for the Agency of Human Services for Newport, Northern State Correctional Facility sprinkler system upgrades: $500,000.00

(12) to the Department of Buildings and General Services for the Agency of Human Services for maintenance and renovations at the Chittenden Regional Correctional Facility: $500,000.00

(13) to the Department of Buildings and General Services for the Agency of Human Services for the Department for Children and Families' youth short-term stabilization facility: $772,557.10

(14) to the Department of Environmental Conservation for the State match for federal Drinking Water State Revolving Fund: $2,498,000.00

(15) to the Department of Environmental Conservation for Waterbury Dam Penstock project cost overruns: $150,000.00

(16) to the Department of Forests, Parks and Recreation for park infrastructure and rehabilitation, improvement, and three-acre rule compliance: $400,000.00

(17) to the Department of Fish and Wildlife for dam maintenance and safety planning: $200,000.00

(18) to the Department of Buildings and General Services for the Department of Public Safety for an Urban Search and Rescue (USAR) facility: $500,000.00

(19) to the Judiciary for the Essex County Courthouse connector project: $500,000.00

(20) to the Department of Buildings and General Services for the Judiciary for renovations at the White River Junction courthouse: $1,600,000.00

(21) to the Vermont Historical Society for the replacement of a climate control unit: $566,724.00

(22) to the Department of Corrections to work with the Agency of Digital Services to install a Wi-Fi system in State correctional facilities that is appropriately designed to address the safety, security, and confidentiality risks of the correctional environment: $250,000.00

Eighth: In Sec. 13, Department of Forests, Parks and Recreation; Little River State Park lease, following "Notwithstanding 29 V.S.A. § 166, in fiscal year 2027, the Commissioner of Forests, Parks and Recreation is authorized to" by striking out the words "enter into" and inserting in lieu thereof the word "negotiate"

Ninth: By adding a new section to be Sec. 14a to read as follows:

Sec. 14a. REPEAL OF AUTHORITY TO SELL 110 STATE STREET

2023 Acts and Resolves No. 69, Sec. 22(a) (authority for BGS to sell 110 State Street, Montpelier) is repealed.

Tenth: By striking out Sec. 18, effective date, and its reader assistance heading in their entireties and inserting in lieu thereof two new reader assistance headings and three new sections to be Secs. 18–20 to read as follows:

* * * Stormwater Utilities * * *

Sec. 18. 24 V.S.A. § 4414(9) is amended to read:

(9) Stormwater management and control. Any municipality may adopt bylaws to implement stormwater management and control consistent with the program developed by the Secretary of Natural Resources pursuant to 10 V.S.A. § 1264. The creation of a regional stormwater utility under statute or rules of the Agency of Natural Resources shall not prevent a municipality from

regulating stormwater under this subdivision, including adoption by the municipality of a bylaw establishing a municipal stormwater utility. Municipalities shall not charge an impervious surface fee or other stormwater fee under this subdivision or under other provisions of this title on property regulated under the Required Agricultural Practices for discharges of agricultural waste or agricultural nonpoint source pollution.

Sec. 19. 24 V.S.A. § 3626 is added to read:

§ 3626. MUNICIPAL AUTHORITY TO AUTHORIZE AND OPERATE STORMWATER UTILITY

The creation of a regional stormwater utility under statute or rules of the Agency of Natural Resources shall not prevent a municipality from regulating stormwater under this chapter, including adoption by the municipality of a bylaw authorizing the operation of a municipal stormwater utility that establishes an assessment on an equivalent residential unit or impervious surface.

* * * Effective Date * * *

Sec. 20. EFFECTIVE DATE

This act shall take effect on passage.

(Committee vote: 5-0-0)

(No House Amendments)

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 Institutions.

(Committee vote: 6-0-1)

House Proposal of Amendment

S. 157

An act relating to recovery residence certification

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. 18 V.S.A. § 4802 is amended to read:

§ 4802. DEFINITIONS

As used in this chapter:

* * *

(5) "Designated substance abuse counselor" means a person approved by the Secretary to evaluate and treat ~~substance abusers~~ individuals with substance use disorder, pursuant to the provisions of this chapter.

* * *

(12) "Recovery residence" means a shared living residence supporting residents recovering from a substance use disorder that provides residents with peer support, assistance accessing support services, and other community resources related to substance use disorder.

(13) "Secretary" means the Secretary of Human Services or designee.

~~(13)~~(14) "Substance abuse crisis team" means an organization approved by the Secretary to provide emergency treatment and transportation services to ~~substance abusers~~ individuals with substance use disorder pursuant to the provisions of this chapter.

~~(14)~~(15) ~~"Substance abuser"~~ "Individual with substance use disorder" means anyone who drinks alcohol or consumes other drugs to an extent or with a frequency that impairs or endangers ~~his or her~~ the individual's health or the health and welfare of others.

~~(15)~~(16) "Treatment" means the broad range of medical, detoxification, residential, outpatient, aftercare, and follow-up services ~~which~~ that are needed by ~~substance abusers~~ individuals with substance use disorder and may include a variety of other medical, social, vocational, and educational services relevant to the rehabilitation of these persons.

Sec. 2. 18 V.S.A. § 4806 is amended to read:

§ 4806. DIVISION OF SUBSTANCE USE PROGRAMS

(a) The Division of Substance Use Programs shall plan, operate, and evaluate a consistent, effective program of substance use programs. All duties, responsibilities, and authority of the Division shall be carried out and exercised by and within the Department of Health.

(b) The Division shall be responsible for the following services:

(1) prevention and intervention;

(2) [Repealed.]

(3) project CRASH schools; ~~and~~

(4) alcohol and drug treatment; and

(5) recovery residences.

* * *

Sec. 3. 9 V.S.A. § 4452 is amended to read:

§ 4452. EXCLUSIONS

(a) Unless created to avoid the application of this chapter, this chapter does not apply to any of the following:

* * *

(b)(1) Notwithstanding subsections 4463(b) and 4467(b) and section 4468 of this chapter only, a recovery residence may immediately exit or transfer a resident if all of the following conditions are met:

(A) the recovery residence has developed and adopted a residential agreement:

(i) containing a written exit and transfer policy approved by the Vermont Alliance for Recovery Residences or another certifying organization approved by the Department of Health that:

(I) addresses the length of time that a bed will be held in the event of a temporary removal;

(II) establishes the criteria by which a resident can return to the recovery residence in the event of a temporary removal; and

(III) ensures a resident's possessions will be held not less than 60 days in the event of permanent removal;

(ii) explaining the recovery residence's program rules and social standards;

(iii) designating alternative housing arrangements for the resident in the event of an exit or transfer, including contingency plans when alternative housing arrangements are not available;

~~(iii)~~(iv) describing the recovery residence's substance use policy, which shall exempt the use of a resident's valid prescription medication when used as prescribed; and

~~(iv)~~(v) indicating that by signing a residential agreement, a resident acknowledges that the recovery residence may cause the resident to be immediately exited or transferred to alternative housing ~~if~~ for behaving in a manner that impacts the health or safety of other individuals residing, working, or volunteering at the recovery residence, such as the resident ~~violates~~ violating the recovery residence's substance use policy, repeatedly refusing to engage in services or programming, being charged with a criminal offense, engaging in theft, materially interfering with the recovery of other residents, or

~~engages~~ engaging in acts of violence that threaten the health or safety of other residents, recovery residence staff, or volunteers;

(B) the recovery residence has obtained the resident's written consent to its residential agreement, reaffirmed after seven days;

(C) the resident ~~violated~~ behaved in a manner that impacted the health or safety of other individuals residing, working, or volunteering at the recovery residence, such as violating the recovery residence's substance use policy in the residential agreement, repeatedly refusing to engage in services or programming, being charged with a criminal offense, engaging in theft, materially interfering with the recovery of other residents, or ~~engaged~~ engaging in acts of violence that ~~threatened~~ threaten the health or safety of other residents, recovery residence staff, or volunteers; ~~and~~

(D) the recovery residence has provided or arranged for a ~~stabilization~~ re-engagement bed or other alternative temporary housing;

(E) the recovery residence has provided written or electronic notice to the resident containing the date and rationale for the temporary removal or transfer and options for returning to the recovery residence; and

(F) the recovery residence has established a grievance process approved by the Vermont Alliance for Recovery Residences or another certifying organization approved by the Department of Health.

(2) Relapse of a substance use disorder resulting in exiting a recovery residence shall not be deemed a cause of the resident's own homelessness for purposes of obtaining emergency housing.

(3) Notwithstanding section 4460 of this chapter, a recovery residence employee may enter the recovery residence at reasonable times as necessary to carry out functions related to the operation of the recovery residence.

(4) ~~As used in this subsection, "recovery residence" means a shared living residence supporting persons recovering from a substance use disorder~~ This subsection shall only apply to a recovery residence that:

(A) ~~provides tenants with peer support and assistance accessing support services and community resources available to persons recovering from substance use disorders~~ meets the definition of "recovery residence" in 18 V.S.A. § 4802; and

(B) is certified by an organization approved by the Department of Health and that is either a Vermont affiliate of the National Alliance for Recovery Residences or another approved organization.

Sec. 4. 2024 Acts and Resolves No. 163, Sec. 5 is amended to read:

Sec. 5. SUNSET; RECOVERY RESIDENCES; RESIDENTIAL AGREEMENT; REPORTING

(a) ~~9 V.S.A. § 4452(b) is repealed on July 1, 2026.~~ [Repealed.]

(b) Sec. 4 (report; recovery residences' exit and transfer data) is repealed on July 1, 2026.

Sec. 5. RULEMAKING; RECOVERY RESIDENCE CERTIFICATION

(a) On or before September 1, 2027, the Department of Health shall file an initial proposed rule with the Secretary of State pursuant to 3 V.S.A. § 836(a)(2) for the purposes of establishing a voluntary recovery residence certification program. At a minimum, the rule shall:

(1) require that a recovery residence seeking certification from the State comply with the certification standards of the Vermont Alliance for Recovery Residences or another organization approved by the Department; and

(2) set forth data collection standards and reporting requirements for certified recovery residences, including data elements and frequency, exit and transfer data, and requirements for annual reporting from the Department to the General Assembly that measure the program's effectiveness.

(b) The Department shall complete the rulemaking process and adopt a permanent rule pursuant to 3 V.S.A. chapter 25 on or before December 1, 2028.

(c) If the Department identifies the need for a fee to support the voluntary recovery residence certification program described in this section, the Department shall first propose the fee to the General Assembly and, if the General Assembly chooses to enact it into law, may incorporate the fee into the required rule.

Sec. 6. EFFECTIVE DATE

This act shall take effect on July 1, 2026.

S. 239

An act relating to the Child Abuse and Neglect Reporting Working Group

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. CHILD ABUSE AND NEGLECT REPORTING WORKING GROUP; REPORT

(a) The General Assembly finds:

(1) According to Child Trends, a research organization focused on improving the lives of children, youth, and families, data shows that from 2022 through 2024 Vermont had a rate of referrals to child welfare services that was over three times higher than the national level, with a rate of referral of 166 per 1,000 children in Vermont compared to 50 per 1,000 children nationally. Additionally, only 17 percent of such referrals in Vermont met the criteria for further action via an assessment or investigation compared to 54 percent nationally.

(2) While the General Assembly recently reviewed and revised child abuse and neglect substantiation procedures that occur after a referral has been accepted by the Department for Children and Families, there has not been a similar review of the training and requirements for mandatory reporting of suspected child abuse or neglect to ensure they employ best practices and provide sufficient guidance and resources for mandatory reporters.

(3) Data from Child Trends further shows that post-response services such as mental health services, substance misuse treatment, family therapy, child care, parenting education, and resources to assist families living in poverty were provided to only 28 percent of victims in Vermont compared with the national average of 57 percent.

(4) The provision of services to children and families prior to, during, and after a report of suspected child abuse or neglect is an essential element in a comprehensive child protection system.

(b) There is created the Child Abuse and Neglect Reporting Working Group for the purpose of examining the existing statutes and the Department for Children and Families' rules and policies regarding mandatory reporting of abuse and neglect of a child and recommending changes to modernize them and reflect current best practices. During its examination of mandatory reporting, the Working Group shall consider what services and strategies may be employed prior to any report of suspected abuse or neglect for the purpose of providing assistance to families before a situation rises to the level of requiring a report.

(c) The Working Group shall be composed of the following members:

(1) a member with lived experience as an abused or neglected child, appointed by the Vermont Child, Youth, and Family Advisory Council;

(2) a member with lived experience as an individual who was reported for suspected child abuse or neglect and an investigation found the report to be unsubstantiated, appointed by the Vermont Parent Representation Center;

(3) the Vermont Child, Youth, and Family Advocate or Deputy Advocate;

(4) the Executive Director of the Vermont Center for Crime Victim Services or designee;

(5) a co-executive director of the Vermont Network Against Domestic and Sexual Violence or designee;

(6) a member from the Department for Children and Families' Family Services Division, appointed by the Deputy Commissioner of the Division;

(7) the Executive Director of Prevent Child Abuse Vermont or designee;

(8) the Director of the Vermont Parent Child Center Network or designee;

(9) a certified law enforcement officer who has served on a special investigative unit, appointed by the Vermont Law Enforcement Advisory Board;

(10) a physician co-chair of the Vermont Citizen's Advisory Board;

(11) a principal, appointed by the Vermont Principals' Association;

(12) a representative of a designated agency that works in children's mental health, appointed by Vermont Care Partners; and

(13) the Vermont Office of Racial Equity.

(d) In conducting its work, the Working Group shall consult with stakeholders, including:

(1) the Vermont Children's Alliance and representation from Child Advocacy Centers;

(2) the Department of State's Attorneys and Sheriffs;

(3) the Juvenile Division of the Office of the Defender General;

(4) KidSafe Collaborative;

(5) Voices for Vermont's Children;

(6) the Vermont Parent Representation Center;

(7) Disability Rights Vermont;

(8) medical partners, such as the University of Vermont's Child Safe Program;

(9) the Office of the Attorney General; and

(10) a school counselor, appointed by the Vermont School Counselor Association.

(e) On or before April 1, 2027, the Working Group shall provide an interim presentation to the House Committee on Human Services, the Senate Committee on Health and Welfare, and the House and Senate Committees on Judiciary on its work to date. On or before October 1, 2027, the Working Group shall provide a final report detailing its findings and any recommended legislative proposals to the House Committee on Human Services, the Senate Committee on Health and Welfare, and the House and Senate Committees on Judiciary.

(f)(1) In developing its recommendations, the Working Group shall prioritize issues related to:

(A) providing clarity regarding statutory definitions applicable to mandatory reporters;

(B) establishing consistency between statutory requirements and Department for Children and Families rules, guidance, and training materials;

(C) identifying practical implementation challenges faced by mandatory reporters in complying with existing law;

(D) assessing the appropriateness and efficacy of provisions in 33 V.S.A. §§ 4912 and 4913 regarding the definitions applicable to mandatory reporters, who should be a mandatory reporter, the process for mandatory reporting, the penalties for failure to report, and any exemptions from the reporting requirement; and

(E) identifying alternatives to reporting suspected child abuse or neglect when such alternatives are in the best interests of the child.

(2) The Working Group shall avoid expanding its review into matters unrelated to mandatory reporting obligations, thresholds, or processes unless necessary to resolve an identified reporting issue.

(3) Any recommendations shall remain consistent with federal requirements under the Child Abuse Prevention and Treatment Act (CAPTA), which establishes minimum standards related to state definitions of abuse and neglect, including physical abuse, neglect, sexual abuse or exploitation, and emotional maltreatment.

(4) To promote efficiency and avoid duplicative work, the Working Group shall leverage the work of the Children’s Justice Act Task Force and the Vermont Citizen’s Advisory Board (VCAB), which serves as Vermont’s CAPTA citizen review panel.

(5) The Working Group shall consider best practices from other states in the development of its recommendations.

(g) The Working Group shall have the administrative, technical, and legal assistance of the Department for Children and Families.

(1) The Working Group shall convene its first meeting on or before August 15, 2026.

(2) The Working Group shall elect a chair at its first meeting.

(3) Members of the Working Group who are not otherwise compensated for their attendance at meetings shall be entitled to per diem compensation and reimbursement of expenses as permitted under 32 V.S.A. § 1010 for not more than 12 meetings. These payments shall be made from monies appropriated to the Department for Children and Families.

(4) The Department for Children and Families shall post information about the Working Group's efforts on its website, including meeting notices, agendas, procedures for public comment, and minutes of meetings.

Sec. 2. EFFECTIVE DATE

This act shall take effect on passage.

ORDERED TO LIE

S. 26.

An act relating to prohibiting certain artificial dyes in foods and beverages served or sold at school.

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 and the Cannabis Control Board, underlined below, shall be fully and separately acted upon.

Dani Delaini of Brattleboro, VT – Public Member of the State Infrastructure Bank Board – By Senator Hardy for the Committee on Finance (April 28, 2026)

PUBLIC HEARINGS

Announcement: Public Hearing on Access to Primary Care

https://legislature.vermont.gov/committee/streaming/house-health-care.

The House Committee on Healthcare will hold a **public hearing on Thursday, April 30 from 5:00 p.m. to 7:00 p.m.** in Room 11 of the State House. Those interested in testifying may attend the hearing in person or virtually.

The Committee will hear testimony on access to primary care and invites individuals to share their experiences, recommendations, and insights to inform members as they consider legislation related to primary care. **Anyone interested in testifying must sign up in advance of the hearing through the following online form no later than 4:30 p.m. on April 29.** For those planning to testify, instructions on how to access and participate in the hearing will be sent the morning of the hearing. Each participant will be given 2.5 minutes to testify.

Online sign-up form:

For those not planning to testify, the hearing will be available to watch live on YouTube using the following link: https://legislature.vermont.gov/committee/streaming/house-health-care.

Written testimony is encouraged and can be submitted through email to testimony@leg.state.vt.us or mailed to the House/Senate Committee on Healthcare, c/o Megan Cannella, 115 State Street, Montpelier, VT 05633. For more information about the format of this event, contact Megan Cannella at Megan.Cannella@vtleg.gov.

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

JFO #3277: $36,000.00 to the Vermont Legislature, Sergeant at Arms office from the National Conference of State Legislatures. The grant will extend up to $500.00 to each member of the General Assembly to secure their homes.

Funds would be available once as a reimbursement during the lawmaker's service for expenses incurred after June 1, 2026.

[Received April 14, 2026]

FOR INFORMATION ONLY

CROSSOVER DATES

The Joint Rules Committee established the following crossover deadlines:

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

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

Note: The Senate will not act on bills that do not meet these crossover deadlines, without the consent of the Senate Rules Committee.

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