Senate Calendar

FRIDAY, MAY 15, 2026

SENATE CONVENES AT: 10:00 A.M.

TABLE OF CONTENTS

Favorable with Proposal of Amendment

CONCURRENT RESOLUTIONS FOR ACTION

ORDERS OF THE DAY

ACTION CALENDAR

UNFINISHED BUSINESS OF WEDNESDAY, MAY 6, 2026

House Proposal of Amendment

S. 230.

An act relating to fair employment practices.

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. 21 V.S.A. § 471 is amended to read:

§ 471. DEFINITIONS

As used in this subchapter:

* * *

(5) "Employee" means a person who, in consideration of direct or indirect gain or profit, has been continuously employed by the same employer for a period of one year for an average of at least 30 hours per week or meets the service requirement set forth in 29 C.F.R. § 825.801 (airline flight crew employees) or 29 C.F.R. § 825.110(c)(3) (full-time teachers, as defined in 29 C.F.R. § 825.102, of an elementary or secondary school system or institution of higher education).

* * *

Sec. 2. 21 V.S.A. § 495d is amended to read:

§ 495d. DEFINITIONS

As used in this subchapter:

* * *

(15) "Crime victim" means any of the following:

(A) a person who has obtained a relief from abuse order issued under 15 V.S.A. § 1103;

(B) a person who has obtained an order against stalking or sexual assault issued under 12 V.S.A. chapter 178;

(C) a person who has obtained an order against abuse of a vulnerable adult issued under 33 V.S.A. chapter 69; ~~or~~

(D)(i) a victim as defined in 13 V.S.A. § 5301, provided that the victim is identified as a crime victim in an affidavit filed by a law enforcement official with a prosecuting attorney of competent state or federal jurisdiction; and

(ii) shall include the victim's child, foster child, parent, spouse, stepchild or ward of the victim who lives with the victim, or a parent of the victim's spouse, provided that the individual is not identified in the affidavit as the defendant; or

(E) a person who is a survivor of domestic violence, sexual assault, or stalking and who has supporting documentation from any one of the following sources:

(i) a court or law enforcement or other government agency;

(ii) a domestic violence, sexual assault, or stalking assistance program;

(iii) a legal, clerical, medical, or other professional from whom the person has received counseling or other assistance concerning domestic violence, sexual assault, or stalking; or

(iv) a self-attestation by the person describing the circumstances supporting the person's status as a survivor of domestic violence, sexual assault, and stalking for which no further corroboration shall be required unless otherwise mandated by law.

* * *

(18) "Domestic violence" has the same meaning as in 15 V.S.A. § 1151 and includes the definition of "abuse" in 15 V.S.A. § 1101.

(19) "Sexual assault" has the same meaning as in 12 V.S.A. § 5131.

(20) "Stalking" has the same meaning as in 12 V.S.A. § 5131.

Sec. 3. 21 V.S.A. § 495g is amended to read:

§ 495g. ~~PROVISION APPLICABLE TO COLLEGE PROFESSORS~~

~~Nothing in this subchapter shall be construed to prohibit any institution of higher education as defined by section 1201(a) of the federal Higher Education Act of 1965 from retiring any employee who is serving under a contract of unlimited tenure, who attains 70 years of age. Any employee whose tenure contract is terminated may, in the discretion of the institution, be allowed to continue in the employ of the institution on a nontenured basis.~~ [Repealed.]

Sec. 3a. 21 V.S.A. § 383 is amended to read:

§ 383. DEFINITIONS

As used in this subchapter:

(1) "Commissioner" means the Commissioner of Labor or designee.

(2) "Employee" means any individual employed or permitted to work by an employer except:

* * *

(H) outside salespersons; ~~and~~

(I) students working during all or any part of the school year or regular vacation periods; and

(J) elected and appointed municipal officers.

* * *

Sec. 3b. 21 V.S.A. § 495q is added to read:

§ 495q. AGREEMENTS NOT TO COMPETE; PROHIBITION

(a) Nonexempt employees. Agreements not to compete between an employer and a nonexempt employee, per the Fair Labor Standards Act, 29 U.S.C. §§ 201–219, are prohibited as presumptively coercive and a restraint on trade, unless bargained for as part of a collective bargaining agreement.

(b) Health care providers.

(1) Any provision in a contract or agreement that creates or establishes the terms of a partnership, employment, or any other form of professional relationship with a health care provider regarding the health care provider's provision of health care services in Vermont shall be void and unenforceable if the provision:

(A) includes a restriction on the right of the health care provider to provide health care services in any geographical area for any period of time after the termination of such partnership, agreement, or professional relationship;

(B) limits the ability of a separating health care provider to provide notice of the provider's change of employment to individuals to whom the separating provider provided direct health care services;

(C) restricts a health care provider from making disparaging statements about another party to the contract or agreement, or about another person specified in the agreement as a third-party beneficiary of the agreement;

(D) is inconsistent with Vermont law; or

(E) requires litigation arising from the performance of the contract or agreement in Vermont to be conducted in another state.

(2) The notice provided in subdivision (1)(B) of this subsection may include the following information:

(A) that the health care provider is continuing to practice the provider's profession;

(B) the health care provider's new professional contact information; and

(C) the recipient's right to choose a health care provider.

(3) The provisions in subdivision (1) of this subsection do not apply to restrictions that limit a health care provider who contracts with a third-party company for nonclinical business support services from opening a business within a specific territory supported by a different third-party company providing nonclinical services.

(c) Retaliation and remedies. An employer shall not discharge or in any other manner retaliate against an employee who exercises or attempts to exercise the employee's rights under this section. The provisions against retaliation in subdivision 495(a)(8) of this subchapter and the penalty provisions of section 495b of this subchapter shall apply to this section.

(d) Effective date. This section shall apply to agreements not to compete entered into on or after July 1, 2026.

Sec. 4. EFFECTIVE DATE

This act shall take effect on July 1, 2026.

Proposal of amendment to House proposal of amendment to S. 230 to be offered by Senator Chittenden

Senator Chittenden moves that the Senate concur in the House proposal of amendment with a further proposal of amendment as follows:

First: By striking out Sec. 3b, 21 V.S.A. § 495q, in its entirety and inserting in lieu thereof a new Sec. 3b to read as follows:

Sec. 3b. 21 V.S.A. § 495q is added to read:

§ 495q. AGREEMENTS WITH HEALTH CARE PROVIDERS

(a) Any provision in a contract or agreement that creates or establishes the terms of a partnership, employment, or any other form of professional relationship with a health care provider regarding the health care provider's

provision of health care services in Vermont shall be void and unenforceable if the provision:

(1) includes a restriction on the right of the health care provider to provide health care services in any geographical area for any period of time after the termination of such partnership, agreement, or professional relationship;

(2) limits the ability of a separating health care provider to provide notice of the provider's change of employment to individuals to whom the separating provider provided direct health care services;

(3) restricts a health care provider from making disparaging statements about another party to the contract or agreement or about another person specified in the agreement as a third-party beneficiary of the agreement;

(4) is inconsistent with Vermont law; or

(5) requires litigation arising from the performance of the contract or agreement in Vermont to be conducted in another state.

(b) The notice provided in subdivision (a)(2) of this section may include the following information:

(1) that the health care provider is continuing to practice the provider's profession;

(2) the health care provider's new professional contact information; and

(3) the recipient's right to choose a health care provider.

(c) The provisions in subsection (a) of this section do not apply to restrictions that limit a health care provider who contracts with a third-party company for nonclinical business support services from opening a business within a specific territory supported by a different third-party company providing nonclinical services.

(d) "Health care provider" means a person licensed, certified, or authorized by law to provide professional health care service in this State to an individual during that individual's medical care, treatment, or confinement.

(e) An employer shall not discharge or in any other manner retaliate against an employee who exercises or attempts to exercise the employee's rights under this section. The provisions against retaliation in subdivision 495(a)(8) of this subchapter and the penalty and enforcement provisions of section 495b of this subchapter shall apply to this section.

(f) This section shall apply to contracts and agreements entered into on or after July 1, 2026.

Second: By adding a new section to be Sec. 3c to read as follows:

Sec. 3c. SOLICITATION AT CORRECTIONAL FACILITIES

The Commissioner of Corrections or designee shall meet with representatives of the Vermont State Employees' Association to develop a proposal governing permissible and impermissible solicitation in parking lots at the Department of Corrections' facilities for consideration for adoption by the Secretary of Administration on or before January 1, 2027. The Commissioner of Buildings and General Services shall coordinate the meetings and provide assistance as appropriate.

UNFINISHED BUSINESS OF TUESDAY, MAY 12, 2026

GOVERNOR'S VETO

S. 218.

An act relating to reducing chloride contamination of State waters

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. 218** to the Senate is as follows:

Text of Communication from Governor

May 6, 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 unsigned and without my approval, in the time permitted by the Constitution, S.218, *An act relating to reducing chloride contamination of state waters.*

I agree with the bill's intent and while we've made progress over the years, I believe we should continue to limit the amount of salt that eventually ends up in our waterways. However, I'm concerned about the liability and unintended consequences this bill creates.

By requiring Vermont's municipalities and commercial businesses to reduce the amount of salt and salt alternatives used to make roadways, parking lots,

stairs and sidewalks safer during the winter months, it could result in more injuries and vehicle accidents leading to increased liability, risk of litigation, and expense.

If this is a priority, the Legislature should add a provision relieving municipalities and private entities of this new legal risk rather than increasing the financial burden of this policy on Vermonters.

Sincerely,

Philip B. Scott
Governor

Text of bill as passed by Senate and House

S.218

An act relating to reducing chloride contamination of State waters

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

Sec. 1. PURPOSE

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

Sec. 2. 10 V.S.A. chapter 47, subchapter 3B is added to read:

Subchapter 3B. Chloride Contamination Reduction Program

§ 1361. DEFINITIONS

As used in this subchapter:

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

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

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

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

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

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

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

§ 1362. CHLORIDE CONTAMINATION REDUCTION PROGRAM

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

(b) As part of the Program, the Secretary of Natural Resources, on or before July 1, 2027, shall adopt by rule best management practices for the application of salt or salt alternatives by commercial salt applicators. The best management practices may be based on practices currently implemented by the Agency of Transportation or other entities. The best management practices shall:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

§ 1363. AFFIRMATIVE DEFENSE; SALT APPLICATION

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

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

(2) any failure or delay in removing or mitigating the hazard is the result of the certified commercial salt applicator's implementation of the best management practices established under section 1362 of this title for the application of salt or salt alternatives.

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

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

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

§ 1364. ENFORCEMENT; PRESUMPTION OF COMPLIANCE; WATER QUALITY

(a) A certified commercial salt applicator or a commercial salt applicator employed by a certified master commercial salt applicator is entitled to a rebuttable presumption that the certified commercial salt applicator or commercial salt applicator is in compliance with the requirements of sections 1263 and 1264 of this title when applying salt or salt alternatives according to the best management practices established under section 1362 of this title. The rebuttable presumption under this subsection shall not apply to the requirements of a total maximum daily load plan required under this chapter or the requirements of a municipal separate storm sewer system permit required under section 1264 of this title.

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

§ 1365. EDUCATION AND OUTREACH

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

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

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

Sec. 3. ANR REPORT ON MANAGEMENT OF SALT AND SAND STORAGE FACILITIES

On or before January 15, 2027, the Secretary of Natural Resources shall submit to the House Committees on Environment and on Transportation and the Senate Committees on Natural Resources and Energy and on Transportation a report regarding the management of State and municipal facilities (facilities) for the storage of salt, salt and sand mixtures, salt alternatives, and sand that is not mixed with salt. The report shall include:

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

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

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

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

(5) an estimate of the total cost to cover or move facilities for the storage of salt, salt and sand mixtures, salt alternatives, or sand that is not mixed with salt, including an estimate of the time necessary to cover or move all facilities requiring cover or movement and an estimated annual amount of funding that would be needed for cover or movement.

Sec. 4. MUNICIPAL SALT APPLICATORS; VERMONT LOCAL ROADS CURRICULUM; AFFIRMATIVE DEFENSE

(a)(1) On or before November 1, 2027, the Secretary of Natural Resources, in collaboration with the Secretary of Transportation, shall identify and make the changes to the Vermont Local Roads curriculum needed to support municipal salt applicators in meeting the purpose of this act, including training on best management practices for spreading salt or salt alternatives on roads, parking lots, and sidewalks.

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

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

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

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

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

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

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

(e) In order to assert the affirmative defense provided under subsection (b) of this section, a municipality shall keep a record describing its road, parking lot, and property maintenance practices, consistent with the requirements determined by the Secretary under 10 V.S.A. chapter 47, subchapter 3B. The record shall include the type and rate of application of salt and salt alternatives used, the dates of treatment, and the weather conditions for each event requiring deicing. Such records shall be retained by the applicator for a period of three years.

Sec. 5. FEE REPORT

On or before January 15, 2027, the Secretary of Natural Resources shall solicit interest from third-party vendors for training and certifying commercial salt applicators under 10 V.S.A. chapter 47, subchapter 3B. The Secretary shall recommend to the House Committees on Environment and on Ways and Means and the Senate Committees on Natural Resources and Energy and on Finance a fee to be charged either by the State or by a third-party vendor for the certification of commercial salt applicators under 10 V.S.A. chapter 47, subchapter 3B. The Secretary of Natural Resources, after consultation with the Secretary of Transportation, shall recommend to the House Committees on Environment and on Ways and Means and the Senate Committees on Natural Resources and Energy and on Finance a fee to be charged either by the State or by a third-party vendor for the certification of commercial salt applicators under 10 V.S.A. chapter 47, subchapter 3B and a fee to be charged to municipal salt applicators completing the salt applicator training set forth under Sec. 4 of this act. Any fee charged to commercial salt applicators or municipal salt applicators by the State or a third-party vendor for certification under the Chloride Contamination Reduction Program or under the Vermont Local Roads curriculum shall be approved by the General Assembly.

Sec. 6. CONTINGENT IMPLEMENTATION; FUNDING

The duty of the Agency of Natural Resources to implement Secs. 2 (Chloride Contamination Reduction Program), 4 (municipal salt applicators), and 5 (fee report) of this act is contingent upon an appropriation from the General Fund for the specific purposes described in Secs. 2, 4, and 5 of this act.

Sec. 7. EFFECTIVE DATE

This act shall take effect on passage.

Second Reading

Favorable with Proposal of Amendment

H. 606.

An act relating to firearms procedures.

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

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

Sec. 1. 20 V.S.A. § 2307 is amended to read:

§ 2307. FIREARMS RELINQUISHED PURSUANT TO RELIEF FROM ABUSE ORDER OR EXTREME RISK PROTECTION ORDER; STORAGE; FEES; RETURN

(a) Definitions. As used in this section:

(1) "Federally licensed firearms dealer" means a licensed importer, licensed manufacturer, or licensed dealer required to conduct national instant criminal background checks under 18 U.S.C. § 922(t).

(2) "Firearm" ~~shall have~~ has the same meaning as in 18 U.S.C. § 921(a)(3).

(3) "Law enforcement agency" means the Vermont State Police, a municipal police department, or a sheriff's department.

(4) "Third party" means a person other than a cooperating law enforcement agency or an approved federally licensed firearms dealer.

(b) Relinquishment.

(1) A person who is required to relinquish firearms~~, ammunition,~~ or other weapons in the person's possession by a court order issued under 15 V.S.A. chapter 21 (abuse prevention); 13 V.S.A. chapter 85, subchapter 2 (extreme risk protection orders); or any other provision of law consistent with 18 U.S.C. § 922(g)(8) shall, ~~unless the court orders an alternative relinquishment pursuant to subdivision (2) of this subsection,~~ upon service of the order immediately relinquish the firearms~~, ammunition,~~ or weapons to a cooperating law enforcement agency or an approved federally licensed firearms dealer. As used in this subdivision, "person" means anyone who meets the definition of "intimate partner" under 18 U.S.C. § 921(a)(32) or who qualifies as a family or household member under 15 V.S.A. § 1101, or any

person who is subject to an extreme risk protection order. The court may order an alternative relinquishment to a third party if after a hearing the court finds that the alternative relinquishment adequately protects the safety of the protected parties.

(2)(A) ~~The court may order that the person relinquish the firearms, ammunition, or other weapons to a person other than a cooperating law enforcement agency or an approved federally licensed firearms dealer unless the court finds that relinquishment to the other person will not adequately protect the safety of the victim.~~

(i) Firearms shall not be held by a third party unless approved by the court using the process set forth in this subdivision (2).

(ii) A final relief from abuse hearing under 15 V.S.A. § 1103 or an extreme risk protection order hearing under 13 V.S.A. § 4053 shall not be continued solely for the purpose of approval of a third party. If the court is unable to accommodate hearing from the proposed third party at the hearing or if the defendant is not prepared to present the third party, the defendant may file a motion using a form approved by the court administrator to request a hearing at a later date on whether the proposed third party should be permitted to hold surrendered firearms.

(iii) To be considered as a third party eligible to hold surrendered firearms, the third party shall agree to undergo a background check through the National Instant Criminal Background Check System (NICS) to verify that the person is legally permitted to have a firearm. The background check required by this subdivision (iii) shall be provided to the court.

(B) ~~A person to whom firearms, ammunition, or other weapons are relinquished pursuant to subdivision (2)(A) of this subsection (b)~~ The proposed third party shall execute an affidavit on a form approved by the Court Administrator stating that the person:

(i) acknowledges receipt of the firearms~~, ammunition,~~ or other weapons;

(ii) assumes responsibility for storage of the firearms~~,~~ ~~ammunition,~~ or other weapons until further order of the court, and specifies the manner in which ~~he or she~~ the person will provide secure storage of such items;

(iii) is not prohibited from owning or possessing firearms under State or federal law; and

(iv) understands the obligations and requirements of the court order, including the potential for the person to be subject to civil contempt

proceedings pursuant to subdivision ~~(2)~~(C) of this ~~subsection~~ subdivision (b)(2) if the person permits the firearms~~, ammunition,~~ or other weapons to be possessed, accessed, or used by the person who relinquished the item or by any other person not authorized by law to do so.

(C) A ~~person to whom firearms, ammunition, or other weapons are relinquished pursuant to subdivision (2)(A) of this subsection (b)~~ third party shall be subject to civil contempt proceedings under 12 V.S.A. chapter 5 if the person permits the firearms~~, ammunition,~~ or other weapons to be possessed, accessed, or used by the person who relinquished the item or by any other person not authorized by law to do so. In the event that the person required to relinquish the firearms~~, ammunition,~~ or other weapons or any other person not authorized by law to possess the relinquished items obtains access to, possession of, or use of a relinquished item, all relinquished items shall be immediately transferred to the possession of a law enforcement agency or approved federally licensed firearms dealer pursuant to subdivision (1) of this subsection (b).

(c) Obligation to catalogue; evidentiary firearms excluded. A law enforcement agency or an approved federally licensed firearms dealer that takes possession of a firearm~~, ammunition,~~ or other weapon pursuant to subdivision (b)(1) of this section shall photograph, catalogue, and store the item in accordance with standards and guidelines established by the Department of Public Safety pursuant to ~~subdivision (i)(3)~~ subsection (k) of this section. A firearm~~, ammunition,~~ or other weapon shall not be taken into possession pursuant to this section if it is being or may be used as evidence in a pending criminal matter.

(d) Acknowledgement form. A defendant who is required to relinquish firearms pursuant to a court order issued under 15 V.S.A. chapter 21 (abuse prevention); 13 V.S.A. chapter 85, subchapter 2 (extreme risk protection orders), or any other provision of law consistent with 18 U.S.C. § 922(g)(8) shall complete a form approved by the court administrator acknowledging that surrender has occurred and documenting the holder of the firearms. The form shall be filed with the court or law enforcement, or both, as directed by the court order.

(e) Fees.

(1) A law enforcement agency that stores firearms~~, ammunition,~~ or weapons pursuant to subdivision (b)(1) of this section may charge the owner a reasonable storage fee, not to exceed:

(A) $200.00 for the first firearm or weapon, and $50.00 for each additional firearm or weapon for up to 15 months, prorated on the number of months the items are stored; and

(B) $50.00 per firearm or weapon per year for each year or part thereof thereafter.

(2) A federally licensed firearms dealer that stores firearms~~,~~ ~~ammunition,~~ or weapons pursuant to subdivision (b)(1) of this section may charge the owner a storage fee that is reasonably related to the expenses it incurs in the administration of this section. Any federally licensed firearm dealer that certifies compliance under this section shall provide a copy of its fee schedule to the ~~court~~ Department of Public Safety upon request.

(3) Fees permitted by this subsection shall not begin to accrue until after the court issues a final relief from abuse order pursuant to 15 V.S.A. § 1103 or a final extreme risk protection order pursuant to 13 V.S.A. § 4053.

~~(e)~~(f) Sale. Nothing in this section shall be construed to prohibit the lawful sale of firearms or other items.

~~(f) A final relief from abuse order issued pursuant to 15 V.S.A. § 1103 requiring a person to relinquish firearms, ammunition, or other weapons shall direct the law enforcement agency, approved federally licensed firearms dealer, or other person in possession of the items under subsection (b) of this section to release them to the owner upon expiration of the order if all applicable fees have been paid.~~

(g) Law enforcement storage of firearms with a federally licensed firearms dealer.

(1) Law enforcement agencies that do not have the capacity to store firearms or do not elect to store nonevidentiary firearms may store nonevidentiary firearms relinquished to them pursuant to a relief from abuse order, an extreme risk protection order, or any other provision of law consistent with 18 U.S.C. § 922(g)(8) with a federally licensed firearms dealer, provided that the agency provides timely notice to the person surrendering the firearm of the transfer. The notice shall include the following information:

(A) The contact information for the federally licensed firearms dealer, including the dealer's name, phone number, and current address.

(B) It is the defendant's responsibility to keep the federally licensed firearms dealer informed of any address changes.

(C) The costs of the storage fees that the defendant will be responsible for paying.

(D) If the defendant fails to retrieve the firearms within 90 days after being eligible for release, the defendant forfeits ownership of the firearms and the firearms may be sold and all proceeds retained by the federally licensed firearms dealer or law enforcement agency that provided storage.

(E) Information about how to file a request with the court to have a third party provide storage.

(F) The eligibility requirements that a proposed third party is required to meet to hold firearms.

(2) The notice required by subdivision (1) of this subsection may be provided by the federally licensed firearms dealer to the defendant directly, provided that the dealer or law enforcement agency, or both, keeps a record to document that notice was provided.

(3) Law enforcement agencies that store nonevidentiary firearms with a federally licensed firearms dealer shall provide the dealer with:

(A) the name of the owner of the firearms;

(B) contact information for the owner to include name, date of birth, phone number, and current address;

(C) docket information about the court order requiring firearms surrender; and

(D) if requested by the dealer, information about any changes to the court order.

(4) Federally licensed firearms dealers shall not be used to store firearms relinquished pursuant to a temporary relief from abuse order issued pursuant to 15 V.S.A. § 1104 or a temporary extreme risk protection order issued pursuant to 13 V.S.A. § 4054 unless the defendant consents to have the dealer hold the firearms and agrees to pay storage fees that accrue while the temporary order is in effect.

(h) Victim notification of release of firearms. Prior to releasing firearms under this section, law enforcement agencies shall make reasonable efforts to provide notice to the plaintiff at least 24 hours in advance before the firearms are released unless the plaintiff is present in court when the court order requiring relinquishment is dismissed and is orally informed on the record that firearms will be released.

(i) Release of firearms.

(1) A law enforcement agency, an approved federally licensed firearms dealer, or any other person that takes possession of firearms~~, ammunition,~~ or

weapons for storage purposes pursuant to this section shall not release the items to the owner without a court order unless the items are to be sold pursuant to subdivision (2)(A) of this subsection. If a court orders the release of firearms~~, ammunition,~~ or weapons stored under this section, the law enforcement agency or firearms dealer in possession of the items shall make them available to the owner within ~~three business days of receipt of the order and in a manner consistent with federal law~~ 72 hours after completion of a background check through the National Instant Criminal Background Check System (NICS). The Supreme Court may promulgate rules under 12 V.S.A. § 1 for judicial proceedings under this subsection.

(2)(A)(i) If the owner fails to retrieve the firearm~~, ammunition,~~ or weapon and pay the applicable storage fee within 90 days ~~of~~ following the court order releasing the items, the firearm~~, ammunition,~~ or weapon may be sold for fair market value. Title to the items shall pass to the law enforcement agency or firearms dealer for the purpose of transferring ownership, except that the Vermont State Police shall follow the procedure described in section 2305 of this title.

(ii) The law enforcement agency or approved firearms dealer shall make a reasonable effort to notify the owner of the sale before it occurs. In no event shall the sale occur until after the court issues a final relief from abuse order pursuant to 15 V.S.A. § 1103 or a final extreme risk protection order pursuant to 13 V.S.A. § 4053.

(iii) As used in this subdivision (2)(A), "reasonable effort" ~~shall mean~~ means notice shall be served as provided for by Rule 4 of the Vermont Rules of Civil Procedure.

(B) ~~Proceeds from the sale of a firearm, ammunition, or weapon pursuant to subdivision (A) of this subdivision (2) shall be apportioned as follows:~~

~~(i) unpaid storage fees and associated costs, including the costs of sale and of locating and serving the owner, shall be paid to the law enforcement agency or firearms dealer that incurred the cost; and~~

~~(ii) any proceeds remaining after payment is made to the law enforcement agency or firearms dealer pursuant to subdivision (i) of this subdivision (2)(B) shall be paid to the original owner~~ If firearms eligible for release are not claimed by the owner, the federally licensed firearms dealer or law enforcement agency storing the firearms shall provide a certified letter to the owner's last known address. If the firearms are not claimed within 90 days after notice by certified letter, the firearms may be sold by the dealer or law

enforcement agency and the dealer or law enforcement agency may retain all proceeds from the sale.

~~(h)~~(j) Immunity.

(1) A federally licensed firearms dealer or law enforcement agency that stores firearms in accordance with this section shall be immune from:

(A) civil or criminal liability for the sale of firearms, provided that notice is provided as required by subsection (g) of this section; and

(B) civil or criminal liability for any damage or deterioration of firearms~~, ammunition,~~ or weapons stored or transported pursuant to subsection (c) of this section.

(2) This subsection shall not apply if the damage or deterioration occurred as a result of recklessness, gross negligence, or intentional misconduct by the law enforcement agency or federally licensed firearms dealer.

~~(i)~~(k) Department of Public Safety. The Department of Public Safety shall be responsible for the implementation and establishment of standards and guidelines to carry out this section. To carry out this responsibility, the Department shall:

(1) Establish minimum standards to be a qualified storage location and maintain a list of qualified storage locations, including:

(A) federally licensed firearms dealers that annually certify compliance with the Department's standards to receive firearms~~, ammunition,~~ or other weapons pursuant to subdivision (b)(2) of this section; and

(B) cooperating law enforcement agencies.

(2) Adopt a policy that encourages and supports federally licensed firearms dealers to provide storage for prohibited persons.

(3) Establish a fee schedule consistent with the fees established in this section for the storage of firearms and other weapons by law enforcement agencies pursuant to this section.

~~(3)~~(4) Establish standards and guidelines to provide for the storage of firearms~~, ammunition,~~ and other weapons pursuant to this section by law enforcement agencies. Such guidelines shall provide that:

(A) with the consent of the law enforcement agency taking possession of a firearm~~, ammunition,~~ or weapon under this section, an owner may provide a storage container for the storage of such relinquished items;

(B) the law enforcement agency that takes possession of the firearm~~,~~ ~~ammunition,~~ or weapon may provide a storage container for the relinquished item or items at an additional fee; and

(C) the law enforcement agency that takes possession of the firearm~~,~~ ~~ammunition,~~ or weapon shall present the owner with a receipt at the time of relinquishment that includes the serial number and identifying characteristics of the firearm~~, ammunition,~~ or weapon and record the receipt of the item or items in a log to be established by the Department.

~~(4)~~(5) Report on January 15, 2015, and annually thereafter to the House and Senate Committees on Judiciary on the status of the program. The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the report to be made under this subdivision.

Sec. 2. 20 V.S.A. § 2308 is added to read:

§ 2308. STATEWIDE MODEL POLICY PROHIBITING FIREARMS ACCESS BY PROHIBITED PERSONS

(a) On or before December 30, 2026, the Department of Public Safety shall direct the Law Enforcement Advisory Board (LEAB) to adopt a statewide model law enforcement policy addressing firearms access by persons who are prohibited from possessing firearms pursuant to relief from abuse orders, extreme risk protection orders, or other legal prohibitions. The policy shall create a legal, safe, and fair process, including necessary forms and delineated roles and responsibilities, for law enforcement agencies interacting with federally licensed firearms dealers that are storing firearms for prohibited persons. The policy shall address the following:

(1) legal removal of firearms from the scene of a domestic violence incident;

(2) steps for inquiry and lawful removal of firearms by law enforcement when serving protective orders;

(3) a process for notifying the plaintiff about service and relinquishment, appropriate handling, and storage of firearms;

(4) procedures for storage of firearms with federally licensed firearms dealers and third parties, including informing the defendant about the option of third-party storage; and

(5) methods of data collection about the number and type of firearms surrendered, including descriptions of the firearms.

(b) On or before June 30, 2027, every state, county, and municipal law enforcement agency shall adopt a model firearms surrender policy that

includes each component of the LEAB model. If an agency has not adopted a policy on or before June 30, 2027, the agency shall be deemed to have adopted, and shall follow and enforce, the LEAB model.

Sec. 3. 13 V.S.A. § 4059 is amended to read:

§ 4059. RELINQUISHMENT, STORAGE, AND RETURN OF DANGEROUS WEAPONS

(a) A person who is required to relinquish a dangerous weapon other than a firearm in the person's possession, custody, or control by an extreme risk protection order issued under section 4053, 4054, or 4055 of this title shall upon service of the order immediately relinquish the dangerous weapon to a cooperating law enforcement agency. The law enforcement agency shall transfer the weapon to the Bureau of Alcohol, Tobacco, Firearms and Explosives for proper disposition.

(b)~~(1)~~ A person who is required to relinquish a firearm in the person's possession, custody, or control by an extreme risk protection order issued under section 4053, 4054, or 4055 of this title shall~~, unless the court orders an alternative relinquishment pursuant to subdivision (2) of this subsection, upon service of the order immediately relinquish the firearm to a cooperating law enforcement agency or an approved federally licensed firearms dealer~~ relinquish the firearm pursuant to the procedures required by 20 V.S.A. § 2307.

~~(2)(A) The court may order that the person relinquish a firearm to a person other than a cooperating law enforcement agency or an approved federally licensed firearms dealer unless the court finds that relinquishment to the other person will not adequately protect the safety of any person.~~

~~(B) A person to whom a firearm is relinquished pursuant to subdivision (A) of this subdivision (2) shall execute an affidavit on a form approved by the Court Administrator stating that the person:~~

~~(i) acknowledges receipt of the firearm;~~

~~(ii) assumes responsibility for storage of the firearm until further order of the court and specifies the manner in which he or she will provide secure storage;~~

~~(iii) is not prohibited from owning or possessing firearms under State or federal law; and~~

~~(iv) understands the obligations and requirements of the court order, including the potential for the person to be subject to civil contempt proceedings pursuant to subdivision (C) of this subdivision (2) if the person~~

~~permits the firearm to be possessed, accessed, or used by the person who relinquished the item or by any other person not authorized by law to do so.~~

~~(C) A person to whom a firearm is relinquished pursuant to subdivision (A) of this subdivision (2) shall be subject to civil contempt proceedings under 12 V.S.A. chapter 5 if the person permits the firearm to be possessed, accessed, or used by the person who relinquished the item or by any other person not authorized by law to do so. In the event that the person required to relinquish the firearm or any other person not authorized by law to possess the relinquished item obtains access to, possession of, or use of a relinquished item, all relinquished items shall be immediately transferred to the possession of a law enforcement agency or approved federally licensed firearms dealer pursuant to subdivision (b)(1) of this section.~~

(c) ~~A law enforcement agency or an approved federally licensed firearms dealer that takes possession of a firearm pursuant to subdivision (b)(1) of this section shall photograph, catalogue, and store the item in accordance with standards and guidelines established by the Department of Public Safety pursuant to 20 V.S.A. § 2307(i)(3).~~ [Repealed.]

(d) ~~Nothing in this section shall be construed to prohibit the lawful sale of firearms or other items.~~ [Repealed.]

(e) ~~An extreme risk protection order issued pursuant to section 4053 of this title or renewed pursuant to section 4055 of this title shall direct the law enforcement agency, approved federally licensed firearms dealer, or other person in possession of a firearm under subsection (b) of this section to release it to the owner upon expiration of the order.~~ [Repealed.]

(f)~~(1) A law enforcement agency, an approved federally licensed firearms dealer, or any other person who takes possession of a firearm for storage purposes pursuant to this section shall not release it to the owner without a court order unless the firearm is to be sold pursuant to subdivision (2)(A) of this subsection. If a court orders the release of a firearm stored under this section, the law enforcement agency or firearms dealer in possession of the firearm shall make it available to the owner within three business days after receipt of the order and in a manner consistent with federal law.~~

~~(2)(A)(i) If the owner fails to retrieve the firearm within 90 days after the court order releasing it, the firearm may be sold for fair market value. Title to the firearm shall pass to the law enforcement agency or firearms dealer for the purpose of transferring ownership, except that the Vermont State Police shall follow the procedure described in 20 V.S.A. § 2305.~~

~~(ii) The law enforcement agency or firearms dealer shall make a reasonable effort to notify the owner of the sale before it occurs. In no event shall the sale occur until after the court issues a final extreme risk protection order pursuant to section 4053 of this title.~~

~~(iii) As used in this subdivision (2)(A), "reasonable effort" shall mean notice shall be served as provided for by Rule 4 of the Vermont Rules of Civil Procedure.~~

~~(B) Proceeds from the sale of a firearm pursuant to subdivision (A) of this subdivision (2) shall be apportioned as follows:~~

~~(i) associated costs, including the costs of sale and of locating and serving the owner, shall be paid to the law enforcement agency or firearms dealer that incurred the cost; and~~

~~(ii) any proceeds remaining after payment is made to the law enforcement agency or firearms dealer pursuant to subdivision (i) of this subdivision (2)(B) shall be paid to the original owner.~~ [Repealed.]

(g) ~~A law enforcement agency shall be immune from civil or criminal liability for any damage or deterioration of a firearm stored or transported pursuant to this section. This subsection shall not apply if the damage or deterioration occurred as a result of recklessness, gross negligence, or intentional misconduct by the law enforcement agency.~~ [Repealed.]

(h) ~~This section shall be implemented consistent with the standards and guidelines established by the Department of Public Safety under 20 V.S.A. § 2307(i).~~ [Repealed.]

(i) Notwithstanding any other provision of this chapter:

(1) A dangerous weapon shall not be returned to the respondent if the respondent's possession of the weapon would be prohibited by state or federal law.

(2) A dangerous weapon shall not be taken into possession pursuant to this section if it is being or may be used as evidence in a pending criminal matter.

and that after passage the title of the bill be amended to read: "An act relating to firearms relinquishment and storage procedures"

Sec. 4. EFFECTIVE DATE

This act shall take effect on July 1, 2026.

(Committee vote: 4-1-0)

(For House amendments, see House Journal of March 18, 2026, pages 3330-3335)

UNFINISHED BUSINESS OF THURSDAY, MAY 14, 2026

Second Reading

Favorable with Proposal of Amendment

H. 937.

An act relating to miscellaneous judiciary procedures.

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

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

First: In Sec. 2, 7 V.S.A. § 656, after the second ellipses, by inserting the following:

(d) Issuance of notice of suspension.

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

(A) the effective date of the suspension;

(B) the suspension's duration;

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

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

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

(F) the ability to review the imposition of the suspension pursuant to Rule 75 of the Vermont Rules of Civil Procedure.

* * *

Second: By striking out Sec. 3, 7 V.S.A. § 1005, in its entirety and inserting in lieu thereof a new Sec. 3 to read as follows:

Sec. 3. [Deleted.]

Third: In Sec. 5, 12 V.S.A. § 506, in subdivision (b)(3)(C), by striking out "affirmation" and inserting in lieu thereof "affirmative"

Fourth: By adding eight new sections to be Secs. 40a–40h to read as follows:

Sec. 40a. 28 V.S.A. § 102 is amended to read:

§ 102. COMMISSIONER OF CORRECTIONS; APPOINTMENT; POWERS; RESPONSIBILITIES

* * *

(c) The Commissioner is charged with the following responsibilities:

* * *

(24) To provide and sustain trauma-informed family support services and programming pursuant to section 128 of this title.

(25) To provide notification and other services to victims. Notwithstanding any other provision of law requiring the Department to provide notification or other services to victims, a victim may decline any notification or other service provided by the Department.

Sec. 40b. 13 V.S.A. § 2029 is amended to read:

§ 2029. HOME IMPROVEMENT AND LAND IMPROVEMENT FRAUD

* * *

(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.

* * *

Sec. 40c. 12 V.S.A. § 5606 is amended to read:

§ 5606. INDEMNIFICATION OF EMPLOYEES

(a) In any action defended by the Attorney General or the Attorney General's designee in which a judgment is rendered against an employee of the State for acts or omissions within the scope of his or her employment, or a settlement requires payment by such a person, and the right of action is based upon 42 U.S.C. § 1983 or a similar State statute, or under a similar federal statute where State law is incapable of establishing employee immunity, the State shall indemnify the employee for the amount of the employee's liability.

(b) The maximum liability of the State under this section shall be $500,000.00 to any one person and the maximum aggregate liability shall be $2,000,000.00 to all persons arising out of each occurrence.

* * *

Sec. 40d. 2023 Acts and Resolves No. 47, Sec. 44 is amended to read:

Sec. 44. TENANT REPRESENTATION PILOT PROGRAM

(a) Creation; purpose. Vermont Legal Aid shall create and administer a two-year Tenant Representation Pilot Program:

(1) to provide full representation to eligible and consenting tenants in ~~Lamoille and Windsor counties~~ Vermont who have been served with a summons and complaint for eviction; and

(2) to determine the impact of representation on the issuance of writs of possession and homelessness prevention.

(b) Tenant eligibility. Vermont Legal Aid may enter a notice of appearance on behalf of a residential tenant ~~in Lamoille or Windsor County~~ who is served with a summons and complaint in an ejectment action, consents to the representation, and meets the following criteria:

(1) household income equals or is less than 120 percent of State area median income;

(2) the cost of rent equals or exceeds 30 percent of household income; or

(3) household expenses exceed income.

(c) Scope of representation.

(1) Full representation through the Program is limited to eviction.

(2) The pursuit of counterclaims shall be at the discretion of appointed counsel.

(d) Conflicts of interest.

(1) Vermont Legal Aid may subcontract to Legal Services Vermont if it is unable to provide tenant representation due to a conflict of interest as defined by the Vermont Rules of Professional Conduct.

(2) If Legal Services Vermont also has a conflict of interest, Vermont Legal Aid may subcontract to one or more private counsels who are members in good standing of the Vermont Bar.

(e) Report. Vermont Legal Aid shall provide interim reports on the progress of the Program on or before ~~November 15, 2023~~ November 30, 2025, and ~~November 15, 2024~~ November 30, 2026, and a final report on or before ~~July 30, 2025~~ July 31, 2027, which shall describe:

(1) the number of tenants represented;

(2) case outcomes, including:

(A) the number of cases fully or partially resolved through access to the Rent Arrears Assistance Fund;

(B) the number of cases fully or partially resolved through the Vermont Landlord's Association mediation program; and

(C) the number of cases fully or partially resolved through access to another resource identified through the Rental Housing Stabilization Services Program; and

(3) recommendations for policy changes and for pilot expansion.

(f) Implementation. The duty to implement this section is contingent upon an appropriation in fiscal year ~~2024~~ 2025 from the General Fund to the Agency of Human Services for a subgrant to Vermont Legal Aid to provide representation in eligible eviction cases ~~in the two pilot counties of Lamoille and Windsor~~ beginning on ~~July 1, 2023~~ November 1, 2024.

Sec. 40e. 2024 Acts and Resolves No. 181, Sec. 95. is amended to read:

Sec. 95. APPROPRIATION; TENANT REPRESENTATION PILOT PROGRAM

The sum of $1,025,000.00 is appropriated from the General Fund to the Agency of Human Services in fiscal year 2025 for a grant to Vermont Legal Aid for the Tenant Representation Pilot Program established by 2023 Acts and Resolves No. 47, Sec. 44. These funds shall carry forward each fiscal year until fully expended or reverted by an act of the General Assembly.

Sec. 40f. 9 V.S.A. § 4555 is amended to read:

§ 4555. INFORMATION; DISCLOSURE AND CONFIDENTIALITY

(a)(1) Except as provided in this subsection, the Human Rights Commission's complaint files and investigative files shall be confidential.

(2) The Commission shall make the investigative file available to the charging party, the respondent, their attorneys, and any State or federal law enforcement agency seeking to enforce ~~anti-discrimination~~ antidiscrimination statutes, upon reasonable request, except that the Commission may refuse to disclose:

(A) the identities of nonparty witnesses to the investigation if good cause is shown to protect the witness's confidentiality; or

(B) records or information the release of which may be prohibited under State or federal law absent court order.

(3) For any complaint initiated pursuant to subsection 4554(b) of this title, any resulting investigative report shall not be confidential after the Commission has issued a final determination and after the parties have been notified of the Commission's determination, except that the Commission shall not proactively disclose any report and shall not disclose:

(A) the identities of nonparty witnesses to the investigation if good cause is shown to protect the witness's confidentiality;

(B) information the release of which may be prohibited under State or federal law absent court order; and

(C) the identity of the parties and any information that would identify the parties if the Commission finds that there are no reasonable grounds to believe that discrimination occurred.

(4) A party or entity denied information or records under subdivision (2)(A) or (B) of this subsection may seek the information or records by subpoena. The Commission and any affected person may contest the subpoena in court.

~~(4)~~(5) Any records or information described in subdivision (2)(A) or (B) of this subsection made available to a party or entity pursuant to a confidentiality agreement or court order requiring confidentiality shall be kept confidential in accordance with the agreement or order, unless disclosure is otherwise authorized by law or court order.

(b) Nothing said or done as part of conciliation efforts under this chapter may be made a matter of public record or used as evidence in a subsequent civil action without written consent of the parties. Final settlement agreements shall be public documents and the parties shall be so informed.

(c) If the Commission determines that there are reasonable grounds to believe that discrimination has occurred, that determination and the names of the parties may be made public after the parties have been notified of the Commission's determination. If the Commission finds that there are no reasonable grounds to find discrimination, the identity of the parties and any information that would identify the parties shall remain confidential. The Commission shall inform the parties about the provisions of this subsection. In all cases, even if the records are confidential, the facts may be used for educational purposes if sufficiently altered so that no person involved in a case can be identified.

Sec. 40g. APPLICATION TO PENDING INVESTIGATIONS

Sec. 40f of this act shall apply to any pending investigations by the Human Rights Commission.

Sec. 40h. 15 V.S.A. § 1103 is amended to read:

§ 1103. REQUESTS FOR RELIEF

(a) Any family or household member may seek relief from abuse by another family or household member on behalf of themselves or their children

by filing a complaint under this chapter. A minor 16 years of age or older, or a minor of any age who is in a dating relationship as defined in subdivision 1101(3) of this chapter, may file a complaint under this chapter seeking relief on the minor's own behalf. The plaintiff shall submit an affidavit in support of the order.

(b) Except as provided in section 1104 of this title, the court shall grant relief only after notice to the defendant and a hearing. The plaintiff shall have the burden of proving abuse by a preponderance of the evidence.

(c)(1) The court shall make such orders as it deems necessary to protect the plaintiff or the children, or both, if the court finds that the defendant has abused the plaintiff, and:

(A) there is a danger of further abuse; or

(B) the defendant is currently ~~incarcerated~~ under the supervision of the Department of Corrections and has been convicted of one of the following: murder, attempted murder, kidnapping, domestic assault, aggravated domestic assault, sexual assault, aggravated sexual assault, stalking, aggravated stalking, lewd or lascivious conduct with a child, use of a child in a sexual performance, or consenting to a sexual performance.

* * *

(Committee Vote: 5-0-0)

(For House amendments, see House Journal of March 24, 2026, pages 3522)

Reported favorably by Senator Norris for the Committee on Appropriations.

The Committee recommends that the bill ought to pass in concurrence with proposals of amendment as recommended by the Committee on Judiciary.

(Committee vote: 7-0-0)

House Proposal of Amendment

S. 209.

An act relating to prohibiting civil arrest in sensitive locations.

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

§ 3577. PRIVILEGE FROM ARREST

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

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

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

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

(i) court proceeding; or

(ii) educational institution; or

(B) on the premises of a:

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

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

(iii) public library;

(iv) polling place;

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

(vi) place of worship;

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

(viii) health care facility.

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

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

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

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

(3) Remedies.

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

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

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

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

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

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

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

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

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

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

(ii) "Civil arrest" does not include:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 2. EFFECTIVE DATE

This act shall take effect on passage.

NEW BUSINESS

Third Reading

H. 907.

An act relating to legislative review of reporting requirements.

Second Reading

Favorable

H. 740.

An act relating to the greenhouse gas inventory and registry.

Reported favorably by Senator Watson for the Committee on Natural Resources and Energy.

(Committee vote: 3-2-0)

(For House amendments, see House Journal of March 24, 2026, pages 3512-3517)

Reported favorably by Senator Watson for the Committee on Appropriations.

(Committee vote: 4-3-0)

Favorable with Proposal of Amendment

H. 578.

An act relating to penalties and procedures for animal cruelty offenses.

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

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

Sec. 1. 13 V.S.A. § 351 is amended to read:

§ 351. DEFINITIONS

As used in this chapter:

* * *

(21) "Sexual conduct" means:

(A) any act between a person and animal that involves contact between the mouth, sex organ, or anus of a person and the mouth, sex organ, or anus of an animal; ~~or~~

(B) without a bona fide veterinary or animal husbandry purpose, the insertion, however slight, of any part of a person's body or of any instrument, apparatus, or other object into the vaginal or anal opening of an animal;

(C) without a bona fide veterinary or animal husbandry purpose, a person touching or fondling a sex organ or anus of an animal, either directly or through clothing; or

(D) without a bona fide veterinary or animal husbandry purpose, any intentional transfer or transmission of semen by a person upon any part of an animal.

* * *

(25) "Working with" means working or volunteering in any capacity, including as an independent contractor, that requires the person to be in contact with an animal, including at a commercial boarding or training establishment, shelter, animal control facility, pet shop, grooming facility, commercial breeding service, veterinary hospital or clinic, animal welfare society, or any nonprofit organization incorporated for the purpose of providing for or promoting the welfare, protection, and humane treatment of animals.

Sec. 2. 13 V.S.A. § 352 is amended to read:

§ 352. CRUELTY TO ANIMALS

A person commits the crime of cruelty to animals if the person:

(1) Intentionally kills or attempts to kill any animal belonging to another person without first obtaining legal authority or consent of the owner.

(2) Overworks, overloads, tortures, torments, abandons, administers poison to, cruelly harms or mutilates an animal, or exposes a poison with intent that it be taken by an animal.

(3) Ties, tethers, or restrains an animal, either a pet or livestock, in a manner that is inhumane or is detrimental to its welfare. Livestock and poultry husbandry practices are exempted.

(4) Deprives an animal that a person owns, possesses, or acts as an agent for of adequate food, water, shelter, rest, sanitation, or necessary medical attention or transports an animal in overcrowded vehicles.

(5)(A) Owns, possesses, keeps, or trains an animal engaged in an exhibition of fighting; possesses, keeps, or trains any animal with intent that it be engaged in an exhibition of fighting; or permits any such act to be done on premises under ~~his or her~~ the person's charge or control.

(B) Owns, possesses, ships, transports, delivers, or keeps a device, equipment, or implement for the purpose of training or conditioning an animal for participation in animal fighting or enhancing an animal's fighting capability.

(6) Acts as judge or spectator at events of animal fighting or bets or wagers on the outcome of such fight.

(7) As poundkeeper, officer, or agent of a humane society or as an owner or employee of an establishment for treatment, board, or care of an animal, knowingly receives, sells, transfers, or otherwise conveys an animal in ~~his or her~~ the person's care for the purpose of research or vivisection.

(8) Intentionally torments or harasses an animal owned or engaged by a police department or public agency of the State or its political subdivisions or interferes with the lawful performance of a police animal.

(9) Knowingly sells, offers for sale, barters, or displays living baby chicks, ducklings, or other fowl that have been dyed, colored, or otherwise treated so as to impart to them an artificial color or fails to provide poultry with proper brooder facilities.

(10) Uses a live animal as bait or lure in a race, game, or contest or in training animals in a manner inconsistent with 10 V.S.A. Part 4 or the rules adopted thereunder.

(11)(A) Engages in sexual conduct with an animal.

(B) Possesses, sells, transfers, purchases, or otherwise obtains an animal with the intent that it be used for sexual conduct.

(C) Organizes, promotes, conducts, aids, abets, or participates in as an observer an act involving any sexual conduct with an animal.

(D) Causes, aids, or abets another person to engage in sexual conduct with an animal.

(E) Permits sexual conduct with an animal to be conducted on premises under ~~his or her~~ the person's charge or control.

(F) Advertises, offers, or accepts the offer of an animal with the intent that it be subject to sexual conduct in this State.

(G) Knowingly possesses, films, or distributes obscene visual images of sexual conduct with an animal.

(12) Possesses, owns, cares for, resides with, has custody of, or works with an animal while the person is prohibited from possessing owning, caring for, having custody of, or working with an animal by a court order.

(13) Knowingly refuses to comply with a court order issued pursuant to subdivision 353(b)(1)(E) of this title to permit periodic unannounced visits by a humane officer or the Director of Animal Welfare.

Sec. 3. 13 V.S.A. § 352a is amended to read:

§ 352a. AGGRAVATED CRUELTY TO ANIMALS

A person commits the crime of aggravated cruelty to animals if the person:

(1) kills an animal by intentionally causing the animal undue pain or suffering;

(2) intentionally, maliciously, and without just cause tortures, mutilates, or cruelly beats an animal; ~~or~~

(3) intentionally injures or kills an animal that is in the performance of official duties while under the supervision of a law enforcement officer; or

(4)(A) engages in sexual conduct with an animal in the presence of a minor or in which a minor is a participant;

(B) possesses, sells, transfers, purchases, or otherwise obtains an animal with the intent that it be used for sexual conduct in the presence of a minor or in which a minor is a participant;

(C) organizes, promotes, conducts, aids, abets, or participates in an act involving any sexual conduct with an animal in the presence of a minor or in which a minor is a participant as an observer;

(D) causes, aids, or abets another person to engage in sexual conduct with an animal in the presence of a minor or in which the minor is a participant;

(E) permits sexual conduct with an animal in the presence of a minor or in which a minor is a participant that is conducted on premises under the person's charge or control;

(F) advertises, offers, or accepts the offer of an animal with the intent that it be subject to sexual conduct in this State in the presence of a minor or in which the minor participates; or

(G) knowingly possesses, films, or distributes obscene visual images of sexual conduct with an animal in the presence of a minor or in which the minor participates.

Sec. 4. 13 V.S.A. § 353 is amended to read:

§ 353. DEGREE OF OFFENSE; SENTENCING UPON CONVICTION

(a) Penalties.

(1) Except as provided in subdivision (3), (4), or (5) of this subsection, cruelty to animals under section 352 of this title shall be punishable by a sentence of imprisonment of not more than one year or a fine of not more than $2,000.00, or both. Second and subsequent convictions shall be punishable by a sentence of imprisonment of not more than two years or a fine of not more than $5,000.00, or both.

(2) Aggravated cruelty under section 352a of this title shall be punishable by a sentence of imprisonment of not more than five years or a fine of not more than $5,000.00, or both. Second and subsequent offenses shall be punishable by a sentence of imprisonment of not more than ~~ten~~ 10 years or a fine of not more than $7,500.00, or both.

(3) An offense committed under subdivision 352(5) or (6) of this title shall be punishable by a sentence of imprisonment of not more than five years or a fine of not more than $5,000.00, or both.

(4)(A) Except as provided in subdivision (B) of this subdivision (4), a person found in violation of subdivision 352(3), (4), or (9) of this title pursuant to this subdivision (A) shall be imprisoned not more than one year or fined not more than $2,000.00, or both. Second and subsequent convictions shall be punishable by a sentence of imprisonment of not more than two years or a fine of not more than $5,000.00, or both.

(B) In lieu of a criminal citation or arrest, a law enforcement officer may issue a civil citation to a person who violates subdivision 352(3), (4), or (9) of this title if the person has not been previously adjudicated in violation of this chapter. A person adjudicated in violation of subdivision 352(3), (4), or (9) of this title pursuant to this subdivision (B) shall be assessed a civil penalty of not more than $500.00. At any time prior to the person admitting the violation and paying the assessed penalty, the State's Attorney may withdraw the complaint filed with the Judicial Bureau and file an information charging a violation of subdivision 352(3), (4), or (9) of this title in the Criminal Division of the Superior Court.

(C) Nothing in this subdivision (4) shall be construed to require that a civil citation be issued prior to a criminal charge of violating subdivision 352(3), (4), or (9) of this title.

(5) A person who violates subdivision 352(1) of this title by intentionally killing or attempting to kill an animal belonging to another or subdivision 352(2) of this title by torturing, administering poison to, or cruelly harming or mutilating an animal shall be imprisoned not more than two years or fined not more than $5,000.00, or both.

(b)(1) In addition to any other sentence the court may impose, the court may require a defendant convicted of a violation under section 352 or 352a of this title to:

~~(1)~~(A) ~~Forfeit~~ For a first violation, forfeit any rights to the animal subjected to cruelty, and to any other animal~~, except livestock or poultry~~ owned, possessed, residing or domiciled with, or in the custody of the defendant. Livestock or poultry shall not be subject to forfeiture under this subdivision (A) unless the person was convicted of abusing livestock or poultry.

~~(2)~~(B) Repay the reasonable costs incurred by any person, municipality, or agency for providing care for the animal prior to judgment. ~~If the court does not order a defendant to pay all the applicable costs incurred or orders only partial payment, it shall state on the record the reasons for that action.~~

~~(3)~~(C)(i) ~~Forfeit~~ For a first violation of section 352 of this title, forfeit any future right to own, possess, ~~or~~ care for, reside with, have custody of, or work with any animal for a period ~~that the court deems appropriate~~ of up to five years.

(ii) For a first violation of section 352a of this title, forfeit any future right to own, possess, care for, reside with, have custody of, or work with any animal for a period of up to 10 years.

(iii) A person shall not be required to forfeit any future right to own, possess, care for, have custody of, or work with livestock or poultry under this subdivision (C) unless the person was convicted of abusing livestock or poultry.

~~(4)~~(D)(i)(I) ~~Participate in~~ complete an available animal cruelty prevention ~~programs~~ program that is approved by the Director of Animal Welfare;

(II) ~~or educational programs, or both, or~~ complete an animal abuse education accountability program, if any are approved by the Director of Animal Welfare; and

(III) ~~obtain~~ undergo a psychiatric or psychological ~~counseling,~~ evaluation, and, if the screening indicates that therapy is needed, obtain psychiatric, psychological, or mental health treatment with a licensed clinician, remotely or within a reasonable distance from the defendant's residence. ~~If a juvenile is adjudicated delinquent under section 352 or 352a of this title, the court may order the juvenile to undergo a psychiatric or psychological evaluation and to participate in treatment that the court determines to be appropriate after due consideration of the evaluation. The court may impose the costs of such programs or counseling upon the defendant when appropriate.~~

(ii) The court may impose the costs of programs or counseling ordered pursuant to this subdivision (D) upon the defendant when appropriate.

~~(5)~~(E) Permit periodic unannounced visits ~~for a period up to one year~~ by a humane officer or the Director of Animal Welfare to inspect the care and condition of any animal ~~permitted by the court to remain~~ in the care, custody, or possession of the defendant during the period, and for up to one year after expiration of the period, that the defendant is prohibited from owning, possessing, caring for, residing with, having custody of, or working with an animal by an order issued pursuant to subdivision (C) of this subdivision (b)(1) or subdivision (2) of this subsection (b). Such period may be ~~extended~~ modified by the court upon motion made by the State.

(2) In addition to any other sentence the court may impose, the court shall require a defendant convicted of a violation under section 352 or 352a of this title to:

(A) For a second or subsequent violation, forfeit any rights to the animal subjected to cruelty, and to any other animal possessed, residing or domiciled with, or in the custody of the defendant. Livestock or poultry shall not be subject to forfeiture under this subdivision (A) unless the person was convicted of abusing livestock or poultry.

(B)(i) For a second or subsequent violation of section 352 of this title, forfeit any future right to own, possess, care for, reside with, have custody of, or work with any animal for a period of not less than five years.

(ii) For a second or subsequent violation of section 352a of this title, forfeit any future right to own, possess, care for, reside with, have custody of, or work with any animal for a period of not less than 10 years.

(iii) A person shall not be required to forfeit any future right to own, possess, care for, have custody of, or work with livestock or poultry under this subdivision (B) unless the person was convicted of abusing livestock or poultry.

(c) Upon an order of forfeiture of an animal under this section or section 354 of this title, the court shall order custody of the animal remanded to a humane society or other individual deemed appropriate by the court, for further disposition in accordance with accepted practices for humane treatment of animals. A transfer of rights under this section constitutes a transfer of ownership and shall not constitute or authorize any limitation upon the right of the humane society, individual, or other entity, to whom rights are granted to dispose of the animal.

(d)(1) A person who is prohibited from owning, possessing, caring for, residing with, having custody of, or working with an animal by an order issued pursuant to subdivision (b)(1)(C) or (b)(2) of this section may petition the court for an order that the person be relieved from the prohibition imposed by that section. When the petition is filed, the petitioner shall provide notice and a copy of the petition to the office that prosecuted the case, who shall be the respondent in the matter. The petition shall be filed in the Criminal Division of the unit where the offense or the adjudication occurred.

(2) The court may grant a petition filed under this section without hearing if neither the State's Attorney nor the Attorney General files an objection within 30 days after receiving notice of the petition or if the petitioner and the respondent stipulate to the granting of the petition.

(3) In determining a petition filed under this section, unless the petition is granted pursuant to subdivision (2) of this subsection, the court may consider any relevant factors, including:

(A) whether the person committed any subsequent animal cruelty offenses or other criminal offenses;

(B) whether the person successfully completed any required conditions of probation;

(C) whether the person completed animal cruelty prevention programs or educational programs, and whether the programs were approved by the Director of Animal Welfare; and

(D) whether the person obtained psychiatric, psychological, or mental health counseling from a licensed clinician.

(4) The court shall grant a petition filed under this section if it finds that the petitioner has demonstrated by a preponderance of the evidence that the interests of justice are no longer served by prohibiting the petitioner from owning, possessing, caring for, residing with, having custody of, or working with an animal.

(5) If a petition filed under this section is granted, the court shall vacate the order prohibiting the person from owning, possessing, caring for, residing with, having custody of, or working with an animal.

(6) If the court denies the petition, the petitioner may appeal the denial to the Vermont Supreme Court. The appeal shall be on the record.

(7) If the court denies a petition filed under this section, no further petition shall be brought for at least two years, unless a shorter duration is authorized by the court.

Sec. 5. 13 V.S.A. § 354 is amended to read:

§ 354. ENFORCEMENT; POSSESSION OF ABUSED ANIMAL; SEARCHES AND SEIZURES; FORFEITURE

(a) The Secretary of Agriculture, Food and Markets shall, if practicable, be consulted prior to any enforcement action brought pursuant to this chapter that involves livestock and poultry. Law enforcement may consult with the Secretary in person or by electronic means, and the Secretary shall assist law enforcement in determining whether the practice or animal condition, or both, represent acceptable livestock or poultry husbandry practices. Failure to conduct the consultation shall not be grounds for dismissal of the enforcement action or exclusion of evidence.

(b) Any humane officer as defined in section 351 of this title may enforce this chapter. As part of an enforcement action, a humane officer may seize an animal ~~being cruelly treated in violation of this chapter~~ pursuant to this subsection.

(1) Voluntary surrender. A humane officer may accept animals voluntarily surrendered by the owner anytime during the cruelty investigation. The humane officer shall have a surrendered animal examined and assessed within 72 hours, or as soon as reasonably practicable, by a veterinarian licensed to practice in the State of Vermont. Failure to have the animal examined and assessed within 72 hours, or as soon as reasonably practicable, shall not be grounds for dismissal of the enforcement action or exclusion of evidence.

(2) Search and seizure using a search warrant. A humane officer having probable cause to believe an animal is being subjected to cruel treatment in violation of this subchapter may apply for a search warrant pursuant to the Vermont Rules of Criminal Procedure to authorize the officer to enter the premises where the animal is kept and seize the animal. The application and affidavit for the search warrant shall be reviewed and authorized by an attorney for the State when sought by an officer other than an enforcement

officer defined in 23 V.S.A. § 4(11). A veterinarian licensed to practice in Vermont ~~must~~ shall, if practicable, accompany the humane officer during the execution of the search warrant. Failure to be accompanied by a veterinarian during the execution of the search warrant shall not be grounds for dismissal of the enforcement action or exclusion of evidence.

(3) Seizure without a search warrant. If the humane officer witnesses a situation in which the humane officer determines that an animal's life is in jeopardy and immediate action is required to protect the animal's health or safety, the officer may seize the animal without a warrant. The humane officer shall immediately take an animal seized under this subdivision to a licensed veterinarian for medical attention to stabilize the animal's condition and to assess the health of the animal.

(c) A humane officer shall provide suitable care at a reasonable cost for an animal seized under this section, and have a lien on the animal for all expenses incurred. A humane officer may arrange for the euthanasia of a severely injured, diseased, or suffering animal upon the recommendation of a licensed veterinarian. A humane officer may arrange for euthanasia of an animal seized under this section when the owner is unwilling or unable to provide necessary medical attention required while the animal is in custodial care or when the animal cannot be safely confined under standard housing conditions. An animal not destroyed by euthanasia shall be kept in custodial care and provided with necessary medical care until final disposition of the criminal charges except as provided in subsections ~~(d) through (h)~~ (d)–(l) of this section. The custodial caretaker shall be responsible for maintaining the records applicable to all animals seized, including identification, residence, location, medical treatment, and disposition of the animals.

(d) ~~If an animal is seized under this section, the State may institute a civil proceeding for forfeiture of the animal in the territorial unit of the Criminal Division of the Superior Court where the offense is alleged to have occurred. The proceeding shall be instituted by a motion for forfeiture if a criminal charge has been filed or a petition for forfeiture if no criminal charge has been filed, which shall be filed with the court and served upon the animal's owner. The civil forfeiture proceeding is intended to run independently from any criminal prosecution and shall not be delayed pending disposition of any criminal proceeding.~~

~~(e)(1) A preliminary hearing shall be held within 21 days of institution of the civil forfeiture proceeding. If the defendant requests a hearing on the merits, the court shall schedule a final hearing on the merits to be held within 21 days of the date of the preliminary hearing. Time limits under this subsection shall not be construed as jurisdictional.~~

~~(2) If the defendant fails to respond to the notice for preliminary hearing, the court shall enter a default judgment ordering the immediate forfeiture of the animal in accordance with the provisions of subsection 353(c) of this title. A motion to reopen a default judgment shall be filed in writing with the court no later than 30 days after entry of a default judgment. A default judgment shall not be reopened unless good cause is shown.~~

~~(f)(1) At the hearing on the motion for forfeiture, the State shall have the burden of establishing by clear and convincing evidence that the animal was subjected to cruelty, neglect, or abandonment in violation of section 352 or 352a of this title. The court shall make findings of fact and conclusions of law and shall issue a final order. If the State meets its burden of proof, the court shall order the immediate forfeiture of the animal in accordance with the provisions of subsection 353(c) of this title.~~

(1) Unless a person claiming an ownership interest in the animal requests a forfeiture hearing pursuant to subdivision (3)(A) of this subsection and posts security pursuant to subdivision (3)(B) of this subsection or requests that the security be reduced or waived on the basis of financial hardship, title to an animal seized pursuant to subsection (b) of this section shall be forfeited pursuant to subsection 353(c) of this title 14 days after seizure if the procedures of this subsection are followed.

(2) The humane officer who seizes an animal pursuant to this section shall give notice of this section at the time of the seizure by delivering a copy of it to a person who is present and claims an ownership interest in the animal. The officer shall also give notice of this section by conspicuously posting a copy of it at the time of the seizure in a prominent and accessible place at the location where the animal is seized. For any person who is known to claim an ownership interest in the animal and who is not present at the time of the seizure, the humane officer shall make reasonable efforts, within 96 hours following the seizure, to give notice of this section by personal service or by registered mail addressed to the last known address of the person. The notice shall include:

(A) a description of the animal seized; the authority and purpose for the seizure; the time, place, and circumstances under which the animal was seized; and the contact information for the authority with legal custody of the animal;

(B) a statement that any person claiming an ownership interest in the animal at the time of seizure may post security and request a forfeiture hearing concerning the seizure and that failure to do so within 14 days following the

date of the seizure will result in forfeiture of title and disposition of the animal;

(C) a statement of the amount due as security and how to pay it;

(D) a statement that the security required by this section may be reduced or waived by the court on the basis of financial hardship to the defendant; and

(E) a form that may be used to request a forfeiture hearing under subdivision (3)(A) of this subsection (d) and a financial hardship exemption under subsection (j) of this section.

(3)(A) The court shall hold a forfeiture hearing if a request is made within 14 days after the seizure by a person claiming an ownership interest in the animal at the time of the seizure. If the defendant has requested that the security be reduced or waived on the basis of financial hardship, the court shall grant or deny the request at or before the hearing. The hearing shall be held within 30 days after the request, unless the 30-day period is extended by the court for good cause shown, in the territorial unit of the Criminal Division of the Superior Court where the offense is alleged to have occurred.

(B) A person who requests a forfeiture hearing pursuant to this subdivision (3) shall post security in an amount needed to cover food and necessary veterinary care for the animal for an initial 40-day period, with an additional amount equal to the estimated cost of care and keeping of the animal for a subsequent 30-day period due every 30 days thereafter until the owner relinquishes the animal or until the court issues an order of forfeiture. The amount of the security and the payment schedule shall be set in rules adopted by the Director of Animal Welfare pursuant to 20 V.S.A. § 3202(e). The initial security shall be posted within 14 days following the seizure unless the person requests that the security be reduced or waived by the court on the basis of financial hardship. The court shall collect and transfer the security to the Animal Welfare Fund established pursuant to 20 V.S.A. § 3203. The Director of Animal Welfare shall make payment, not to exceed the security received, to the custodial caretaker upon receipt of proof of expenditure of funds by the caretaker for food and necessary veterinary care for the animal.

(C) The State shall have the burden of establishing by a preponderance of the evidence that the animal was subjected to cruelty, neglect, or abandonment in violation of section 352 or 352a of this title. The court shall make findings of fact and conclusions of law and shall issue a final order promptly. The findings shall include the total amount of all costs incurred by the custodial caretaker and the amount the person claiming an interest in the animal is able to pay. If the State meets its burden of proof, the

court shall order the immediate forfeiture of the animal, and any offspring of the animal that were born while the animal was in custody, in accordance with the provisions of subsection 353(c) of this title.

(D) Notwithstanding subdivision (B) of this subdivision (d)(3), the court may order the animal returned to the petitioner if the court finds by a preponderance of the evidence that the petitioner:

(i) is not the defendant in a cruelty case involving the animal;

(ii) did not participate in or expressly or impliedly consent to the alleged cruel treatment of the animal;

(iii) did not have any express or implied knowledge that the defendant was likely to treat the animal cruelly; and

(iv) will provide adequate care to the animal if it is returned, including any immediately necessary veterinary care or follow-up care needed in connection with the reason for seizure.

~~(2)~~(E) Affidavits of law enforcement officers, humane officers, animal control officers, veterinarians, or expert witnesses of either party shall be admissible evidence that may be rebutted by witnesses called by either party. The affidavits shall be delivered to the other party at least five business days prior to the hearing. Upon request of the other party or the court made at least two business days prior to the hearing, the party offering an affidavit shall make the affiant available by telephone at the hearing. The court may allow any witness to testify ~~by telephone~~ remotely in lieu of a personal appearance and shall adopt rules with respect to such testimony.

~~(3)~~(F) No testimony or other information presented by the defendant in connection with a forfeiture proceeding under this section or any information directly or indirectly derived from such testimony or other information may be used for any purpose, including impeachment and cross-examination, against the defendant in any criminal case, except a prosecution for perjury or giving a false statement.

(G) The rules of evidence shall apply in the forfeiture hearing unless otherwise provided by this section.

(e) If an order of forfeiture is not entered after the hearing, the animal shall be returned to the person claiming an interest in the animal upon payment to the custodial caretaker of all actual costs of care and keeping during the period of impound, including veterinary care, less any security paid, provided that the payment of costs shall not be required if the court finds that there was no reasonable basis for the seizure. If payment of the costs required by this subsection is not made within 14 days after the final order, the custodial

caretaker's costs, not to exceed the amount of remaining security posted pursuant to subdivision (d)(3)(B) of this section, shall be reimbursed from the Animal Welfare Fund established pursuant to 20 V.S.A. § 3203, and title to the animal shall be forfeited unless a financial hardship reduction or waiver request is pending or has been granted.

~~(g)(1)~~(f) If ~~the defendant is convicted of criminal charges under this chapter or if~~ an order of forfeiture is entered against an owner under this section, the security posted pursuant to this section shall be applied to the actual costs incurred by the custodial caretaker in caring and keeping the animal through the date of forfeiture, including food, boarding, and the cost of any veterinary services. Any excess shall be returned to the person who posted the security. The defendant or owner shall be required to repay all reasonable costs incurred by the custodial caretaker for caring for the animal, including veterinary expenses. The Restitution Unit within the Center for Crime Victim Services is authorized to collect the funds owed by the defendant or owner on behalf of the custodial caretaker or a governmental agency that has contracted or paid for custodial care in the same manner as restitution is collected pursuant to section 7043 of this title. The restitution order shall include the information required under subdivision 7043(e)(2)(A) of this title. ~~The court shall make findings with respect to the total amount of all costs incurred by the custodial caregiver.~~

~~(2)(A) If the defendant is acquitted of criminal charges under this chapter and a civil forfeiture proceeding under this section is not pending, an animal that has been taken into custodial care shall be returned to the defendant unless the State institutes a civil forfeiture proceeding under this section within seven business days of the acquittal.~~

~~(B) If the court rules in favor of the owner in a civil forfeiture proceeding under this section and criminal charges against the owner under this chapter are not pending, an animal that has been taken into custodial care shall be returned to the owner unless the State files criminal charges under this section within seven business days after the entry of final judgment.~~

~~(C) If an animal is returned to a defendant or owner under this subdivision, the defendant or owner shall not be responsible for the costs of caring for the animal.~~

~~(h)~~(g)(1) A forfeiture order issued under this section may be appealed as a matter of right to the Supreme Court if a notice of appeal is filed within seven days after the order is issued and the appellant posts security pursuant to subdivision (2) of this subsection. The order shall not be stayed pending appeal.

(2) The appellant shall post security in an amount needed to cover food and necessary veterinary care for the animal for an initial 40-day period from the date that the forfeiture order was issued, with an additional amount equal to the estimated cost of care and keeping of the animal for a subsequent 30-day period due every 30 days thereafter until the owner relinquishes the animal or until final disposition of the case. Failure to timely pay the full amount shall result in forfeiture to title to the animal unless a financial hardship reduction or waiver request is pending or has been granted. The calculation of the security shall be set in rules adopted by the Director of Animal Welfare pursuant to 20 V.S.A. § 3202(e). The court shall collect and transfer the security to the Animal Welfare Fund established pursuant to 20 V.S.A. § 3203. The Director of Animal Welfare shall make payment, not to exceed the security received, to the custodial caretaker upon receipt of proof of expenditure of funds by the caretaker for food and necessary veterinary care for the animal.

~~(i)~~(h) The provisions of this section are in addition to and not in lieu of the provisions of section 353 of this title.

~~(j)~~(i) It is unlawful for a person to interfere with a humane officer, the Director of Animal Welfare, or the Secretary of Agriculture, Food and Markets engaged in official duties under this chapter. A person who violates this subsection shall be prosecuted under section 3001 of this title.

(j) The security required by this section may be reduced or waived by the court on the basis of financial hardship to the defendant.

(k) A humane officer or animal shelter or rescue organization shall be immune from civil or criminal liability for seizing or providing care or treatment to an animal in good faith reliance on the provisions of this section. This subsection shall not apply to gross negligence or intentional misconduct by the humane officer or animal shelter or rescue organization.

(l) This section shall not be construed to limit or infringe upon any other rights or remedies available under common law or any other provision of law or rule.

Sec. 6. 20 V.S.A. § 3202 is amended to read:

§ 3202. ESTABLISHMENT OF DIVISION OF ANIMAL WELFARE; POWERS AND DUTIES

* * *

(e) The Division of Animal Welfare shall adopt rules pursuant to 3 V.S.A. chapter 25 to:

(1) provide for the receipt and management of security posted in animal forfeiture proceedings and transferred to the Fund by the court pursuant to 13 V.S.A. § 354(d)(3)(B) and 13 V.S.A. § 354(g)(2), including the amount of security required; and

(2) make distributions and reimbursements from the Fund for the purposes authorized by 13 V.S.A. § 354, including payment schedules.

Sec. 7. 20 V.S.A. § 3203 is amended to read:

§ 3203. ANIMAL WELFARE FUND

(a) The Animal Welfare Fund is established within the Department of Public Safety to fund the expenses incurred by the Division of Animal Welfare in implementing the requirements of this chapter. The Director of Animal Welfare shall administer the Fund.

(b) The Fund shall consist of:

(1) 67 percent of the revenue collected from the surcharge assessed under subsection 3581(f) of this title; ~~and~~

(2) appropriations made by the General Assembly; and

(3) security posted in animal forfeiture proceedings and transferred to the Fund by the court pursuant to 13 V.S.A. § 354(d)(3)(B) and 13 V.S.A. § 354(g)(2).

(c) All balances in the Fund at the end of the fiscal year shall be carried forward. Interest earned by the Fund shall remain in the Fund.

(d) The Director of Animal Welfare shall have the authority to make distributions and reimbursements from the Fund for the purposes authorized by 13 V.S.A. § 354.

Sec. 8. TRANSITION; SECURITY AMOUNT

(a) Until the Director of Animal Welfare adopts rules pursuant to 13 V.S.A. § 354(d)(3)(B), the amount of security under 13 V.S.A. § 354(d) and (g) shall be required pursuant to this section.

(b) For all animals other than livestock, including domestic pets and poultry, security shall be required in the amount of:

(1) $1.00 per animal per day for food; and

(2) if the seizing officer determines that immediate veterinary care is required to protect the animal's health or safety, $250 per animal for veterinary services.

(c) For livestock, security shall be required in the amount of:

(1) $2.50 per animal per day for food; and

(2) if the seizing officer determines that immediate veterinary care is required to protect the animal's health or safety, $500 per animal for veterinary services.

Sec. 9. EFFECTIVE DATE

This act shall take effect on July 1, 2026.

(Committee vote: 4-0-1)

(For House amendments, see House Journal of March 11, 2026, pages 3177-3192)

Reported favorably with recommendation of proposal of amendment 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 Judiciary, with further proposals of amendment as follows:

First: In Sec. 5, 13 V.S.A. § 354, in subdivision (d)(3)(B), by striking out "The amount of the security and the payment schedule shall be set in rules adopted by the Director of Animal Welfare pursuant to 20 V.S.A. § 3202(e)."

Second: In Sec. 5, 13 V.S.A. § 354, in subdivision (g)(2), by striking out "The calculation of the security shall be set in rules adopted by the Director of Animal Welfare pursuant to 20 V.S.A. § 3202(e)."

Third: In Sec. 6, 20 V.S.A. § 3202, in subdivision (e)(1), by striking out ", including the amount of security required"

Fourth: In Sec. 6, 20 V.S.A. § 3202, in subdivision (e)(2), by striking out ", including payment schedules"

Fifth: In Sec. 8, transition; security amount, by striking out "Until the Director of Animal Welfare adopts rules pursuant to 13 V.S.A. § 354(d)(3)(B)," and inserting in lieu thereof "On or before December 1, 2026, the Director of Animal Welfare shall report to the House Committees on Judiciary and on Ways and Means and the Senate Committees on Finance and on Judiciary on the proposed amount of the security and the proposed payment schedule, including proposed statutory language. Until legislation establishing the amount of the security and the payment schedule takes effect,"

(Committee vote: 7-0-0)

Reported favorably by Senator Watson for the Committee on Appropriations.

The Committee recommends that the bill ought to pass in concurrence with proposals of amendment as recommended by the Committees on Judiciary and Finance.

(Committee vote: 5-0-2)

H. 727.

An act relating to sustainable data center deployment.

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

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

Sec. 1. 30 V.S.A. chapter 5, subchapter 3 is added to read:

Subchapter 3. Data Centers

§ 281. SHORT TITLE

This subchapter shall be known and may be cited as the "Vermont Sustainable Data Centers Act."

§ 282. PURPOSE

The purpose of this subchapter is to establish a regulatory framework that ensures responsible growth of an emerging industry in a manner that financially benefits existing electric ratepayers and protects them from additional costs and promotes sustainable climate, environmental, community, and equity outcomes consistent with State policies.

§ 283. DEFINITIONS

As used in this subchapter:

(1) "Data center" means a facility that uses or is able to use 20 megawatts or more of power and is engaged in providing data processing, hosting, and related services as described under code 518210 of the 2022 North American Industry Classification System.

(2) "Electric company" means the retail electric company that provides or will provide electric service to a data center pursuant to a large load service equity contract under section 284 of this subchapter.

(3) "Facility" means all buildings, equipment, structures, and other stationary items that are owned or operated by the same person or by any person that controls, is controlled by, or is under common control with such person and that are located on:

(A) a single site or contiguous or adjacent sites; or

(B) multiple nonadjacent sites that function as a single integrated operation by virtue of shared infrastructure or unified operational protocols, under a central management system.

§ 284. LARGE LOAD SERVICE EQUITY CONTRACT; APPROVAL

(a) For the purpose of ensuring just and reasonable rates for all ratepayer classes and precluding the risk of financial exposure to electric companies and their existing ratepayers, a data center shall be served by an electric company pursuant to a large load service equity contract approved by the Public Utility Commission.

(b) The large load service equity contract shall:

(1) include a method for allocating costs that is equal or proportional to the costs of providing electric service to the data center, including providing for equitable contributions to the embedded costs and the stability, efficiency, reliability, and resiliency of the electricity network;

(2) ensure that other ratepayer classes are insulated from all costs associated with data center deployment, including expenses for new generation, transmission, and distribution infrastructure, as well as energy capacity and resource adequacy costs;

(3) specify the duration of the contract, which shall be for a minimum of 10 years, and the date or the estimated date that the electric company will begin to provide electric service to the data center;

(4) obligate the data center to pay a minimum amount or percentage based on the data center's projected electricity usage for the duration of the contract to ensure compliance with subdivision (1) of this subsection;

(5) include a reasonable charge for demand in excess of the data center's projected electricity demand at the time the contract is entered into;

(6) include a collateral requirement sufficient to prevent the risk of stranded costs;

(7) include provisions requiring implementation of demand-side management operational measures for the purpose of maintaining grid stability, efficiency, reliability, and resiliency, including demand response and

flexible load management practices that, at a minimum, satisfy the requirements of section 285 of this subchapter;

(8) address load curtailment procedures and priorities during grid emergencies;

(9) include provisions for the collection of gross receipts taxes, energy efficiency charges, and any other fees or charges that may be applicable to electricity revenues; and

(10) meet any other terms or conditions required by the Commission that are consistent with the purpose of this section and in the public interest.

(c)(1) The Commission shall not approve a large load service equity contract unless the Commission first finds that it will promote the general good of the State and that its terms:

(A) will not adversely affect the stability, efficiency, reliability, and resiliency of the electric power system;

(B) will result in an economic benefit to the State and its residents;

(C) are consistent with the principles for resource selection expressed in the electric company's approved least-cost integrated plan;

(D) are consistent with the Electrical Energy Plan approved by the Department under section 202 of this title, or that there exists good cause to permit a variance;

(E) will ensure that the data center will be served economically by existing or planned transmission facilities without any undue adverse effect on Vermont utilities or other retail ratepayer classes; and

(F) are consistent with environmental justice and equity policy as established pursuant to 3 V.S.A. chapter 72.

(2) The Commission's findings pursuant to this subsection shall be in writing and shall include a stated rationale for each.

(d)(1) The Commission shall conduct a periodic review of a large load service equity contract approved under this section. The purpose of the review shall be to verify the data center's ongoing compliance with all established contract terms, conditions, and regulatory obligations.

(2) Reviews shall be performed at intervals not to exceed two years. However, the Commission may initiate a review at any time upon a finding of good cause or when deemed necessary to protect the public interest.

(e) A data center shall not be eligible to participate in an energy savings account or a customer credit program pursuant to subdivision 209(d)(3)(C) of this title or a self-managed energy efficiency program pursuant to subsection 209(j) of this title.

§ 285. DEMAND-SIDE MANAGEMENT

(a) Purpose. The purpose of this section is to minimize any adverse impact of data center operations on Vermont's electric system, other ratepayers, and the environment. It aims to minimize peak demand increases, reduce associated costs, and enhance the grid's stability, efficiency, reliability, and resiliency while minimizing climate pollution emissions and maximizing benefits to Vermonters.

(b) Site suitability analysis and project design.

(1) Site suitability analysis. Prior to submitting a permit application under 10 V.S.A. chapter 151, the owner or operator of a proposed data center shall conduct a site suitability analysis. This analysis shall be developed in consultation with the electric company and the efficiency utility appointed by the Public Utility Commission under subdivision 209(d)(2)(A) of this title. The analysis shall provide a preliminary assessment of the facility's capacity to:

(A) comply with the required commercial building energy standards adopted under section 53 of this title;

(B) maximize the deployment of on-site renewable energy generation, battery storage, and demand response assets; and

(C) implement a waste heat recovery system capable of providing thermal energy to adjacent municipal or residential buildings.

(2) Project design. In the design and construction of the data center, the owner or operator shall ensure compliance with State energy efficiency requirements and best practices and maximize the potential of the site and any structures on the site to host renewable energy.

(c) Combustion-based backup generation.

(1) A data center shall use combustion-based backup generation only during emergency situations involving power failures and interruptions. Otherwise, the data center shall prioritize to the greatest extent practicable the use of battery storage and on-site renewable energy generation.

(2) As used in this subsection, "combustion-based backup generation" includes any electrical generation system that emits air contaminants as defined in 10 V.S.A. § 552 during combustion.

(d) Distributed renewable generation. Taking into consideration the site suitability analysis and project design requirements under subsection (b) of this section and any other relevant factors, a data center shall maximize the construction and operation of on-site renewable energy generation to the greatest extent technically feasible. A renewable energy plant that directly emits air contaminants as defined in 10 V.S.A. § 552(2) from fuel combustion does not qualify under this subsection. A data center shall transfer any renewable energy certificates or environmental attributes generated from the operation of plants constructed pursuant to this subsection to the electric company.

(e) Energy transformation payment.

(1) Because of the unique and significant demands a data center has on Vermont's electric system, it shall contribute proportionally to State initiatives that reduce fossil fuel consumption and greenhouse gas emissions. Accordingly, a data center shall make an annual payment directly into a fund managed by the electric company. The payments shall be used to finance energy transformation projects as defined in subdivision 8002(28) of this title and, to the extent practicable, such projects shall be deployed in the community hosting the data center and the surrounding communities.

(2) The amount of the payment shall be equal to 60 percent of the data center's electricity usage for the prior calendar year multiplied by the alternative compliance payment rate established in subdivision 8005(a)(6)(A)(ii) of this title. Payments shall be made in advance at the start of each calendar year based on projected electricity usage. Any difference between projected and actual usage shall be reconciled in the following year's payment.

(3) In the event funds generated by this subsection are used to support projects that are also supported by the electric company under subdivision 8005(a)(3) of this title, or by any other regulated entity, the Commission shall prorate the reduction in fossil fuel consumption and greenhouse gas emissions credited to the regulated entity.

(f) Virtual power plant.

(1) A data center shall participate in a virtual power plant managed by the electric company, if available and technically feasible, otherwise it shall design and implement a self-managed virtual power plant in coordination with the electric company to optimize energy generation and consumption. Data center funds used to develop or implement a virtual power plant under this subsection shall be in addition to any support or incentives provided under subsection (e) of this section or through any ratepayer-funded or State-funded

program supporting the deployment or operation of assets participating in such virtual power plant.

(2) As used in this subsection, "virtual power plant" means a network of distributed energy resources, such as batteries, demand response assets, renewable energy generation, and controllable loads, that are coordinated through software to function like a traditional power plant.

§ 286. QUARTERLY AND ANNUAL REPORTS

(a) Data center quarterly reports. Within three months after a data center becomes operational, and in a form and manner determined by the Commission, the data center shall begin submitting quarterly reports to the Commission and the Department of Public Service. Each quarterly report shall include the data center's water and energy usage, including its peak usage per day, and an itemization of the data center's payments toward shared infrastructure constructed to support the data center. The reports are subject to public inspection and copying under the Public Records Act.

(b) Department annual report. Annually, beginning on or before January 15, 2028, and provided at least one data center has entered into a large load service equity contract pursuant to this subchapter, the Commissioner of Public Service shall include in the Department's annual report published pursuant to subsection 202b(e) of this title findings and recommendations related to the energy, environmental, and economic impacts of data center construction and operation in Vermont, as well as any significant developments within the region, such as significant laws or regulations with respect to data centers enacted or adopted in other states in the region, known data center construction in the region, and any known impact on ratepayers from such construction in that state or region.

§ 287. RULES

The Commission may adopt rules it deems necessary to implement and enforce the provisions of this subchapter consistent with its purpose and in the public interest.

Sec. 2. 10 V.S.A. § 6001 is amended to read:

§ 6001. DEFINITIONS

As used in this chapter:

* * *

(3)(A) "Development" means each of the following:

* * *

(xiv) The construction of improvements on a tract or tracts of land for a data center as defined in 30 V.S.A. § 283(1), including on land within a Tier 1A area, notwithstanding anything to the contrary in section 6034 of this title.

* * *

Sec. 3. 10 V.S.A. § 6086c is added to read:

§ 6086c. WATER USE; COOLING; PERMITTING; QUALITY

(a) As used in this section:

(1) "Closed-loop cooling system" means a sealed cooling process in which the same water or coolant circulates continuously within a data center's cooling system without withdrawal of water from municipal public water supplies, groundwater, or surface water and without discharge of wastewater to municipal wastewater systems, groundwater, or surface waters, except for de minimis discharges authorized under a discharge permit issued by the Agency of Natural Resources.

(2) "Data center" has the same meaning as in 30 V.S.A. § 283(1).

(3) "Per- and polyfluoroalkyl substances" or "PFAS" means any chemical substance or mixture containing a chemical substance that structurally contains at least one of the following three substructures:

(A) R-(CF2)-CF(R′)R″, where both the CF2 and CF moieties are saturated carbons;

(B) R-CF2OCF2-R′, where R and R′ can either be F, O, or saturated carbons; or

(C) CF3C(CF3)R′R″, where R′ and R″ can either be F or saturated carbons.

(b)(1) A data center shall identify to the District Commission reviewing the data center's application for a permit under this chapter how the data center will cool the facility.

(2) If water is used to cool a data center, the data center shall use a closed-loop cooling system or an alternative cooling system that is approved by a District Commission and that shall not use more water than a comparable closed-loop cooling system for the data center. Before approving an alternative cooling system, a District Commission shall find that the alternative cooling system will minimize groundwater use or surface water use and will not unreasonably burden a public water supply, surface water, or groundwater resource.

(3) If water is used to cool a data center through a closed-loop cooling system or through an alternative cooling system approved by a District Commission, a data center shall identify where the data center will obtain water to cool the facility and where the cooling water will be discharged.

(c) If a data center proposes to use groundwater to cool the data center, the data center shall obtain a groundwater withdrawal permit under section 1418 of this title for any withdrawal of groundwater by the data center notwithstanding the permitting threshold of withdrawal of more than 57,600 gallons of groundwater a day. A closed-loop cooling system is not exempt from the groundwater withdrawal permit under subdivision 1418(b)(6) of this title.

(d) If a data center proposes to use surface water to cool the facility, the data center shall obtain a surface water withdrawal permit pursuant to section 1043 of this title. The rules adopted by the Secretary to implement section 1043 of this title shall require a data center to cease withdrawals under drought conditions.

(e)(1) A data center shall obtain all applicable water quality and water resource protection permits from the Agency of Natural Resources, including stormwater, stream alteration, direct discharge, surface water withdrawal, groundwater withdrawal, wetland, and river corridor development permits.

(2)(A) If a data center proposes to use more than 150,000 gallons a day of surface water for cooling or other purposes, the Agency in reviewing the application for a surface water withdrawal permit required under section 1042 of this title shall assess the impacts on water quality, aquatic biota, State endangered and threatened species, instream flow habitat, impingement, streambank erosion, littoral habitat, and wetlands.

(B) The issuance of a surface water withdrawal permit by the Agency after completion of the assessments required under subdivision (2)(A) of this subsection (e) shall create a rebuttable presumption that the data center will not result in undue water pollution under the requirements of subdivision 6086(a)(1) of this title.

(C) The Agency may by rule reduce the amount of surface water proposed for withdrawal by a data center for which the Agency would be required to complete the assessment under subdivision (2)(A) of this subsection (e).

(f) A data center that discharges waste into a surface water of the State shall monitor the discharge for the maximum number of PFAS that are detectable under U.S. Environmental Protection Agency standard methods

approved as of January 1, 2026. A data center shall not discharge waste that exceeds the criteria established under the Vermont Water Quality Standards. If no criteria have been established under the Vermont Water Quality Standards for PFAS and the data center is withdrawing surface water or groundwater for purposes of operating the data center's cooling system, the data center shall monitor the withdrawn water for PFAS at the point of withdrawal. When the data center discharges waste from the cooling system to surface water, PFAS in the discharged waste shall not exceed the level of PFAS detected in the surface water or groundwater withdrawn for purposes of operating the cooling system at the data center.

Sec. 3a. AGENCY OF NATURAL RESOURCES REPORT ON DISCHARGES OF PFAS FROM DATA CENTERS TO SURFACE WATERS OF THE STATE

On or before January 1, 2027, the Secretary of Natural Resources shall submit to the House Committee on Environment and the Senate Committee on Natural Resources and Energy a recommended standard for authorizing per- and polyfluoroalkyl substances in the discharge of waste from the cooling systems of data centers to surface waters of the State.

Sec. 4. REPORT ON REGIONAL RENEWABLE ENERGY MARKET CONDITIONS; PUBLIC UTILITY COMMISSION

(a) On or before January 15, 2027, the Public Utility Commission shall prepare a written report on projected regional renewable electric generation market conditions. In developing the report, the Commission shall examine the cost and availability of new regional renewable electric generation resources during the years 2027–2035.

(b) In preparing the report, the Commission shall provide an opportunity for written input from interested stakeholders, including retail electricity providers, renewable energy developers, regional transmission organizations, consumer advocates, and any other members of the public. In addition, the Commission may consult with the Department of Public Service and other relevant state, regional, or federal entities, as the Commission deems appropriate. Preparation of the report is not subject to the contested case procedures established under 3 V.S.A. chapter 25.

(c) The Commission shall submit the report to the House Committees on Environment and on Energy and Digital Infrastructure and the Senate Committees on Finance and on Natural Resources and Energy.

Sec. 5. RECOMMENDATION ON DATA CENTER DECOMMISSIONING

(a) The Commissioner of Public Service, in consultation with the Secretary of Natural Resources, the Chair of the Land Use Review Board, and any other interested stakeholders deemed appropriate by the Commissioner, shall recommend a regulatory model for data center decommissioning. As used in this section, "data center" has the same meaning as in Sec. 1, 30 V.S.A. § 283(1), of this act.

(b) The recommended regulatory model developed pursuant to this section shall ensure responsible data center decommissioning in a manner that protects and preserves the environment and the public health and welfare. The model shall include standards and procedures that address:

(1) approval of a decommissioning plan by the appropriate regulatory entity, with a clear delineation of authority if more than one entity is involved in the approval process;

(2) regulatory oversight of the decommissioning process, including through site visits and inspections;

(3) a bond requirement or other financial assurance to ensure a data center is solely responsible for the costs associated with implementation of an approved decommissioning plan;

(4) guidelines for data sanitization, the physical destruction of highly sensitive storage devices, and a documented chain of custody for information technology assets, including compliance with the Storage Device Sanitization and Destruction Manual, Policy Manual 9-12, prepared by the National Security Agency and the Central Security Service of the U.S. Department of Defense;

(5) guidelines for environmental compliance, hazardous material handling, environmental remediation, and site restoration;

(6) a timeline for commencing and completing the decommissioning process after the abandonment, closure, destruction, or permanent cessation of operations of a data center; and

(7) any other matters deemed appropriate by the Commissioner.

(c) On or before December 15, 2026, the Commissioner shall submit recommendations for a data center decommissioning regulatory model in the form of draft legislation to the House Committees on Energy and Digital Infrastructure and on Environment and the Senate Committees on Finance and on Natural Resources and Energy.

Sec. 6. EFFECTIVE DATE; APPLICATION

This act shall take effect on passage and shall apply to any data center not operational on the effective date of this act as well as to any data center that uses less than 20 MW of power that is operational on the effective date of this act to the extent such data center seeks to expand its capacity and meet the threshold requirements of Sec. 1, 30 V.S.A. § 283(1).

(Committee vote: 5-0-0)

(For House amendments, see House Journal of March 27, 2026, pages 3663-3670)

Reported favorably by Senator Beck for the Committee on Finance.

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

(Committee vote: 6-1-0)

H. 931.

An act relating to miscellaneous changes in education law.

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

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

* * * Approved Independent School Moratorium * * *

Sec. 1. 2023 Acts and Resolves No. 78, Sec. E.511.1, as amended by 2025 Acts and Resolves No. 72, Sec. 16, is amended to read:

Sec. E.511.1 MORATORIUM ON APPROVAL OF NEW APPROVED INDEPENDENT SCHOOLS

(a) Notwithstanding any provision of law to the contrary, the State Board of Education shall be prohibited from approving an application for initial approval of an approved independent school until further direction by the General Assembly.

(b) Notwithstanding subsection (a) of this section, a change in either tax status or conversion to a nonprofit organization by a therapeutic approved independent school, absent any other changes, shall not affect the approval status of the school.

(c) Notwithstanding subsections (a) and (b) of this section, the moratorium on approval of new approved independent schools shall not apply to changes in ownership of therapeutic approved independent schools as that term is defined in 16 V.S.A. § 828(d). If submission of an application for initial approval of an approved independent school is required as the result of a change in ownership of a therapeutic approved independent school that at the time of the change in ownership is approved by the State Board of Education pursuant to 16 V.S.A. § 166, and the school will remain a therapeutic approved independent school after the change in ownership is complete, the moratorium created pursuant to subsection (a) of this section shall not apply and the Agency of Education and State Board of Education shall process the application according to applicable State and federal law.

* * * Interstate Compact for Education * * *

Sec. 2. 16 V.S.A. chapter 35 is added to read:

CHAPTER 35. INTERSTATE COMPACT FOR EDUCATION

§ 1501. PURPOSE AND POLICY—ARTICLE I

(a) It is the purpose of this compact to:

(1) establish and maintain close cooperation and understanding among executive, legislative, professional educational, and lay leadership on a nationwide basis at the state and local levels;

(2) provide a forum for the discussion, development, crystallization, and recommendation of public policy alternatives in the field of education;

(3) provide a clearinghouse of information on matters relating to education problems and how they are being met in different places throughout the nation, so that the executive and legislative branches of state government and of local communities may have ready access to the experience and record of the entire country, and so that both lay and professional groups in the field of education may have additional avenues for the sharing of experience and the interchange of ideas in the formation of public policy in education;

(4) facilitate the improvement of state and local education systems so that all of them will be able to meet adequate and desirable goals in a society that requires continuous qualitative and quantitative advance in educational opportunities, methods, and facilities.

(b) It is the policy of this compact to encourage and promote local and state initiative in the development, maintenance, improvement, and administration of education systems and institutions in a manner that will accord with the needs and advantages of diversity among localities and states.

(c) The party states recognize that each of them has an interest in the quality and quantity of education furnished in each of the other states, as well as in the excellence of its own education systems and institutions, because of the highly mobile character of individuals within the nation, and because the products and services contributing to the health, welfare, and economic advancement of each state are supplied in significant part by persons educated in other states.

§ 1502. STATE DEFINED—ARTICLE II

As used in this compact, "state" means a state, territory, or possession of the United States, the District of Columbia, or the Commonwealth of Puerto Rico.

§ 1503. THE COMMISSION—ARTICLE III

(a) The Education Commission of the States, hereinafter called "the Commission," is hereby established. The Commission shall consist of seven members representing each party state. One of such members shall be the governor; two shall be members of the state legislature selected by its respective houses and serving in such manner as the legislature may determine; and four shall be appointed by and serve at the pleasure of the governor, unless the laws of the state otherwise provide. If the laws of a state prevent legislators from serving on the Commission, six members shall be appointed and serve at the pleasure of the governor, unless the laws of the state otherwise provide. In addition to any other principles or requirements which a state may establish for the appointment and service of its members of the Commission, the guiding principle for the composition of the membership on the Commission from each party state shall be that the members representing such state shall, by virtue of their training, experience, knowledge, or affiliations, be in a position collectively to reflect broadly the interests of the state government, higher education, the state education system, local education, and lay and professional, public and nonpublic educational leadership. Of those appointees, one shall be the head of a state agency or institution, designated by the governor, having responsibility for one or more programs of public education. In addition to the members of the Commission representing the party states, there may be not to exceed 10 nonvoting commissioners selected by the Steering Committee for terms of one year. Such commissioners shall represent leading national organizations of professional educators or persons concerned with educational administration.

(b) The members of the Commission shall be entitled to one vote each on the Commission. No action of the Commission shall be binding unless taken at a meeting at which a majority of the total number of votes on the Commission are cast in favor thereof. Action of the Commission shall be only

at a meeting at which a majority of the commissioners are present. The Commission shall meet at least once a year. In its bylaws, and subject to such directions and limitations as may be contained therein, the Commission may delegate the exercise of any of its powers to the Steering Committee or the Executive Director, except for the power to approve budgets or requests for appropriations, the power to make policy recommendations pursuant to section 1504 of this chapter, and adoption of the annual report pursuant to subsection (j) of this section.

(c) The Commission shall have a seal.

(d) The Commission shall elect annually, from among its members, a chairman, who shall be a governor; a vice chairman; and a treasurer. The Commission shall provide for the appointment of an Executive Director. Such Executive Director shall serve at the pleasure of the Commission, and together with the Treasurer and such other personnel as the Commission may deem appropriate shall be bonded in such amount as the Commission shall determine. The Executive Director shall be Secretary.

(e) Irrespective of the civil service, personnel, or other merit system laws of any of the party states, the Executive Director, subject to the approval of the Steering Committee, shall appoint, remove, or discharge such personnel as may be necessary for the performance of the functions of the Commission and shall fix the duties and compensation of such personnel. The Commission in its bylaws shall provide for the personnel policies and programs of the Commission.

(f) The Commission may borrow, accept, or contract for the services of personnel from any party jurisdiction, the United States or any subdivision or agency of the aforementioned governments, or from any agency of two or more of the party jurisdictions or their subdivisions.

(g) The Commission may accept for any of its purposes and functions under this compact any and all donations and grants of money, equipment, supplies, materials, and services, conditional or otherwise, from any state, the United States, or any other governmental agency, or from any person, firm, association, foundation or corporation, and may receive, utilize, and dispose of the same. Any donation or grant accepted by the Commission pursuant to this subsection or services borrowed pursuant to subsection (f) of this section shall be reported in the annual report of the Commission. Such report shall include the nature, amount, and conditions, if any, of the donation, grant, or services borrowed, and the identity of the donor or lender.

(h) The Commission may establish and maintain such facilities as may be necessary for the transacting of its business. The Commission may acquire, hold, and convey real and personal property and any interest therein.

(i) The Commission shall adopt bylaws for the conduct of its business and shall have the power to amend and rescind these bylaws. The Commission shall publish its bylaws in convenient form and shall file a copy thereof and a copy of any amendment thereto with the appropriate agency or officer in each of the party states.

(j) The Commission annually shall make to the governor and legislature of each party state a report covering the activities of the Commission for the preceding year. The Commission may make such additional reports as it may deem desirable.

§ 1504. POWERS—ARTICLE IV

In addition to authority conferred on the Commission by other provisions of the Compact, the Commission shall have authority to:

(1) collect, correlate, analyze, and interpret information and data concerning educational needs and resources;

(2) encourage and foster research in all aspects of education, but with special reference to the desirable scope of instruction, organization, administration, and instructional methods and standards employed or suitable for employment in public education systems;

(3) develop proposals for adequate financing of education as a whole and at each of its many levels;

(4) conduct or participate in research of the types referred to in this section in any instance where the Commission finds that such research is necessary for the advancement of the purposes and policies of this compact, using fully the resources of national associations, regional compact organizations for higher education, and other agencies and institutions, both public and private;

(5) formulate suggested policies and plans for the improvement of public education as a whole, or for any segment thereof, and make recommendations with respect thereto available to the appropriate governmental units, agencies, and public officials;

(6) do such other things as may be necessary or incidental to the administration of any of its authority or functions pursuant to this compact.

§ 1505. COOPERATION WITH FEDERAL GOVERNMENT—ARTICLE V

(a) If the laws of the United States specifically so provide, or if administrative provision is made therefore within the federal government, the United States may be represented on the Commission by not to exceed 10 representatives. Any such representative or representatives of the United States shall be appointed and serve in such manner as may be provided by or pursuant to federal law, and may be drawn from any one or more branches of the federal government, but no such representative shall have a vote on the Commission.

(b) The Commission may provide information and make recommendations to any executive or legislative agency or officer of the federal government concerning the common education policies of the states, and may advise with any such agencies or officers concerning any matter of mutual interest.

§ 1506. COMMITTEES—ARTICLE VI

(a) To assist in the expeditious conduct of its business when the full Commission is not meeting, the Commission shall elect a Steering Committee of 32 members which, subject to the provisions of this compact and consistent with the policies of the Commission, shall be constituted and function as provided in the bylaws of the Commission. One-fourth of the voting membership of the Steering Committee shall consist of governors, one-fourth shall consist of legislators, and the remainder shall consist of other members of the Commission. A federal representative on the Commission may serve with the Steering Committee, but without vote. The voting members of the Steering Committee shall serve for terms of two years, except that members elected to the first Steering Committee of the Commission shall be elected as follows: 16 for one year and 16 for two years. The Chairman, Vice Chairman, and Treasurer of the Commission shall be members of the Steering Committee and, anything in this subsection to the contrary notwithstanding, shall serve during their continuance in these offices. Vacancies in the Steering Committee shall not affect its authority to act, but the Commission at its next regularly ensuing meeting following the occurrence of any vacancy shall fill it for the unexpired term. No person shall serve more than two terms as a member of the Steering Committee, provided that service for a partial term of one year or less shall not be counted toward the two-term limitation.

(b) The Commission may establish advisory and technical committees composed of state, local and federal officials, and private persons to advise it with respect to any one or more of its functions. Any advisory or technical committee may, on request of the states concerned, be established to consider any matter of special concern to two or more of the party states.

(c) The Commission may establish such additional committees as its bylaws may provide.

§ 1507. FINANCE—ARTICLE VII

(a) The Commission shall advise the governor or designated officer or officers of each party state of its budget and estimated expenditures for such period as may be required by the laws of that party state. Each of the Commission's budgets of estimated expenditures shall contain specific recommendations of the amount or amounts to be appropriated by each of the party states.

(b) The total amount of appropriation requests under any budget shall be apportioned among the party states. In making such apportionment, the Commission shall devise and employ a formula which takes equitable account of the populations and per capita income levels of the party states.

(c) The Commission shall not pledge the credit of any party states. The Commission may meet any of its obligations in whole or in part with funds available to it pursuant to subsection 1503(g) of this chapter of this compact, provided that the Commission takes specific action setting aside such funds prior to incurring an obligation to be met in whole or in part in such manner. Except where the Commission makes funds available to it pursuant to subsection 1503(g) of this chapter thereof, the Commission shall not incur any obligation prior to the allotment of funds by the party states adequate to meet the same.

(d) The Commission shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the Commission shall be subject to the audit and accounting procedures established by its bylaws. However, all receipts and disbursements of funds handled by the Commission shall be audited yearly by a qualified public accountant, and the report of the audit shall be included in and become part of the annual reports of the Commission.

(e) The accounts of the Commission shall be open at any reasonable time for inspection by duly constituted officers of the party states and by any persons authorized by the Commission.

(f) Nothing contained herein shall be construed to prevent Commission compliance with laws relating to audit or inspection of accounts by or on behalf of any government contributing to the support of the Commission.

§ 1508. ELIGIBLE PARTIES; ENTRY INTO AND WITHDRAWAL—ARTICLE VIII

(a) This compact shall have as eligible parties all states, territories, and possessions of the United States, the District of Columbia, and the Commonwealth of Puerto Rico. In respect of any such jurisdiction not having a governor, the term "governor," as used in this compact, shall mean the closest equivalent official of such jurisdiction.

(b) Any state or other eligible jurisdiction may enter into this compact, and it shall become binding thereon when it has adopted the same, provided that in order to enter into initial effect, adoption by at least 10 eligible party jurisdictions shall be required.

(c) Adoption of the Compact may be either by enactment thereof or by adherence thereto by the governor; provided that in the absence of enactment, adherence by the governor shall be sufficient to make his state a party only until December 31, 1967. During any period when a state is participating in this compact through gubernatorial action, the governor shall appoint

those persons who, in addition to himself, shall serve as the members of the Commission from his state, and shall provide to the Commission an equitable share of the financial support of the Commission from any source available to him.

(d) Except for a withdrawal effective on December 31, 1967, in accordance with subsection (c) of this section, any party state may withdraw from this compact by enacting a statute repealing the same, but no such withdrawal shall take effect until one year after the governor of the withdrawing state has given notice in writing of the withdrawal to the governors of all other party states. No withdrawal shall affect any liability already incurred by or chargeable to a party state prior to the time of such withdrawal.

§ 1509. AMENDMENTS TO THE COMPACT—ARTICLE IX

This Compact may be amended by a vote of two-thirds of the members of the Commission present and voting when ratified by the legislatures of two-thirds of the party states.

§ 1510. CONSTRUCTION AND SEVERABILITY—ARTICLE X

This Compact shall be liberally construed so as to effectuate the purposes thereof. The provisions of this compact shall be severable, and if any phrase, clause, sentence, or provision of this compact is declared to be contrary to the constitution of any state or of the United States, or the application thereof to any government, agency, person, or circumstance is held invalid, the validity of the remainder of this compact and the applicability thereof to any

government, agency, person, or circumstance shall not be affected thereby. If this compact shall be held contrary to the constitution of any state participating therein, the Compact shall remain in full force and effect as to the state affected as to all severable matters.

* * * Background Checks * * *

Sec. 3. 16 V.S.A. § 254a is added to read:

§ 254a. AGENCY OF EDUCATION EMPLOYEES

(a) The Agency of Education shall request criminal record information for a person the Secretary of Education is prepared to recommend for any full-time, part-time, or temporary employment or contractual relationship with the Agency if such person will have or has the potential to have unsupervised contact with students (the applicant).

(b) After signing a user agreement, the Secretary shall make a request for criminal records directly to the Vermont Crime Information Center.

(c) A request made under subsection (b) of this section shall be accompanied by a release signed by the applicant on a form provided by the Vermont Crime Information Center and a set of the applicant's fingerprints. The Agency shall pay the fingerprinting fee required pursuant to 20 V.S.A. § 2062 and shall pay any fee required by the FBI associated with a fingerprint-supported criminal record check. The release form to be signed by the applicant shall include a statement informing the applicant of:

(1) the right to challenge the accuracy of the record by appealing to the Vermont Crime Information Center pursuant to rules adopted by the Commissioner of Public Safety; and

(2) the Secretary of Education's policy regarding maintenance and destruction of records and the applicant's right to request that the record or notice be maintained for purposes of using it to comply with future criminal record check requests made pursuant to section 256 of this title.

(d) Upon completion of a criminal record check, the Vermont Crime Information Center shall send to the Secretary a notice that no record exists or, if a record exists, a copy of any criminal record. If a copy of a criminal record is received, the Secretary shall forward it to the applicant and shall inform the applicant in writing of:

(1) the right to challenge the accuracy of the record by appealing to the Vermont Crime Information Center pursuant to rules adopted by the Commissioner of Public Safety; and

(2) the Secretary of Education's policy regarding maintenance and destruction of records and the applicant's right to request that the record or notice be maintained for purposes of using it to comply with future criminal record check requests made pursuant to section 256 of this title.

(e) The Secretary shall request and obtain information from the Child Protection Registry maintained by the Department for Children and Families and from the Vulnerable Adult Abuse, Neglect, and Exploitation Registry maintained by the Department of Disabilities, Aging, and Independent Living (collectively, the Registries) for any applicant for whom a criminal record check is required under subsection (a) of this section. The Departments for Children and Families and of Disabilities, Aging, and Independent Living shall adopt rules in accordance with 3 V.S.A. chapter 25 governing the process for obtaining information from the Registries and for disseminating and maintaining records of that information under this subsection.

(f) An applicant convicted of a sex offense that requires registration pursuant to 13 V.S.A. chapter 167, subchapter 3 shall not be eligible for employment with the Agency.

Sec. 4. 16 V.S.A. § 256 is amended to read:

§ 256. CONTINUED VALIDITY OF CRIMINAL RECORD CHECK; MAINTENANCE OF RECORDS

(a)(1) Anyone required to request a criminal record check under this subchapter about a person who previously has undergone a check, regardless of whether the check was for student teaching, licensure, or employment purposes, shall comply with that requirement by acquiring the results of the previous criminal record check unless:

(A) the person refuses to authorize release of the information;

(B) the record no longer exists;

(C) since the record check, there has been a period of one year or more during which the person has not worked for a Vermont school district ~~or~~, a recognized or an approved independent school, or the Agency of Education; or

(D) as otherwise required by this chapter.

(2) Anyone required to request a criminal record check under this subchapter about a person who has previously undergone a check may request a name and date of birth or fingerprint-supported recheck of the criminal record at any time during the course of the record subject's employment in the

capacity for which the original check was required. Rechecking criminal records may be accomplished through a subscription service.

* * *

* * * Intercollegiate Sexual Harm Prevention Council * * *

Sec. 5. 16 V.S.A. § 183 is amended to read:

§ 183. INTERCOLLEGIATE SEXUAL HARM PREVENTION COUNCIL

(a) Creation. There is created the Intercollegiate Sexual Harm Prevention Council to ~~create a coordinated~~ advance best practices for prevention of and response to campus sexual harm across institutions of higher learning in Vermont.

(b) Membership.

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

~~(A)~~(1) ~~a~~ the Title IX coordinator ~~and a campus-based sexual harm prevention/education coordinator from an institution of higher learning, appointed by the Chancellor of the Vermont State Colleges~~ or designee from each postsecondary school chartered in Vermont with a physical campus located within Vermont;

~~(B)~~(2) ~~a Title IX coordinator and a campus-based sexual harm prevention/education coordinator from an institution of higher learning, appointed by the President of the University of Vermont~~ a peer educator or advocate appointed by the Vice Provost for Student Affairs of the University of Vermont;

~~(C)~~(3) ~~a Title IX coordinator and a campus-based sexual harm prevention/education coordinator from an institution of higher learning, appointed by the President of the Association of Vermont Independent Colleges~~ the Executive Director of the Network Against Domestic and Sexual Violence or designee;

~~(D)~~(4) ~~two community-based sexual violence advocates, appointed by the Network Against Domestic and Sexual Violence~~ the Program Coordinator of the Vermont Forensic Nursing Program or designee; and

~~(E)~~(5) ~~two law enforcement or public safety representatives with experience responding to and investigating campus sexual violence, appointed by the Commissioner of Public Safety;~~ the Commissioner of Public Safety or designee.

~~(F) three college students, at least one of whom has lived experience as a sexual violence survivor and one who represents a campus-based racial justice organization, appointed by the Center for Crime Victim Services;~~

~~(G) a person with expertise in sexual violence responses within the lesbian, gay, bisexual, transgender, and queer community, appointed by the Center for Crime Victim Services;~~

~~(H) a sexual assault nurse examiner, appointed by the Network Against Domestic and Sexual Violence;~~

~~(I) a prosecutor with experience in prosecuting sexual violence cases from either the Department of State's Attorneys and Sheriffs or the Office of the Attorney General, appointed by the Attorney General; and~~

~~(J) an attorney with experience in sexual violence cases, appointed by the Defender General.~~

~~(2) To ensure a council that is reflective of Vermont's college campuses, appointing authorities shall consider diversity when making appointments to the Council.~~

(c) Duties. The Council shall:

(1) ~~review the recommendations from the Report of the Vermont Campus Sexual Harm Task Force and develop prevention solutions to sexual harm based on those recommendations;~~ [Repealed.]

(2) ~~implement interdisciplinary planning and information sharing to support sexual violence prevention programs on every college campus in Vermont;~~ [Repealed.]

(3) ~~undertake an annual review of trends in aggregate data collected by institutions of higher learning regarding sexual violence on college campuses in Vermont;~~ [Repealed.]

(4) ~~identify and~~ share information about effective practices ~~on~~ regarding sexual violence prevention and response, sexual health education, and strategies for mitigating sexual harm and secondary impacts of sexual harm on college campuses in Vermont;

(5) ~~identify~~ share information about campus-wide activities, publications, and services that promote a campus culture of respect to support the prevention of sexual harm;

(6) ~~recommend statutory protections to the General Assembly not later than November 1, 2021 to ensure that survivors of sexual harm are not punished for reporting an incident of sexual violence due to alcohol, drug use,~~

~~or other minor conduct violations occurring at or around the time of an assault; and~~ [Repealed.]

(7) ~~create or promote annual~~ share information about training opportunities addressing prevention and sexual assault response processes ~~open to representatives from all Vermont postsecondary schools~~ for college populations.

(d) ~~Assistance. The Council shall have the administrative and technical assistance of the Network Against Domestic and Sexual Violence.~~ [Repealed.]

(e) ~~Report. On or before December 1, 2022 and annually thereafter, the Council shall submit a written report to the General Assembly with a summary of activities and any recommendations for legislative action.~~ [Repealed.]

(f) Meetings.

(1) The Network Against Domestic and Sexual Violence shall call the first meeting of the Council to occur on or before ~~July 15, 2021~~ November 15, 2026.

(2) The Council shall select ~~a chair~~ co-chairs from among its members at the first meeting, with one chair representing a public postsecondary school and one chair representing a private postsecondary school.

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

(4) The Council shall meet ~~quarterly~~ twice per year.

(5) ~~Members who are not otherwise compensated by the member's employer for attendance at meetings shall be entitled to per diem compensation and reimbursement of expenses as permitted under 32 V.S.A. § 1010. These payments shall be made from monies appropriated to the Network Against Domestic and Sexual Violence for such purposes~~ The co-chairs shall provide the Council with administrative support.

(6) The Council may invite or consult other community representatives as it deems appropriate.

* * * Hazing, Harassment, and Bullying Advisory Council * * *

Sec. 6. 16 V.S.A. § 570 is amended to read:

§ 570. HARASSMENT, HAZING, AND BULLYING PREVENTION POLICIES

* * *

(d) Duties of the Secretary. The Secretary shall:

(1) develop ~~and, from time to time, update~~ model harassment, hazing, and bullying prevention policies; ~~and~~

(2) establish an Advisory Council ~~to review and coordinate school and statewide activities relating to the prevention of and response to harassment, hazing, and bullying. The Council shall report annually in January to the State Board and the House and Senate Committees on Education. The Council shall include:~~

~~(A) the Executive Director of the Vermont Principals' Association or designee;~~

~~(B) the Executive Director of the Vermont School Boards Association or designee;~~

~~(C) the Executive Director of the Vermont Superintendents Association or designee;~~

~~(D) the President of the Vermont-National Education Association or designee;~~

~~(E) the Executive Director of the Vermont Human Rights Commission or designee;~~

~~(F) the Executive Director of the Vermont Independent Schools Association or designee; and~~

~~(G) other members selected by the Secretary, at least one of whom shall be a current secondary student who has witnessed or experienced harassment, hazing, or bullying in the school environment~~; and

(3) provide the Advisory Council with administrative support.

(e) Advisory Council on Harassment, Hazing, and Bullying Prevention in Schools.

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

(A) the Executive Director of the Vermont Principals' Association or designee;

(B) the Executive Director of the Vermont School Boards Association or designee;

(C) the Executive Director of the Vermont Superintendents Association or designee;

(D) the President of the Vermont-National Education Association or designee;

(E) the Executive Director of the Vermont Human Rights Commission or designee;

(F) the Executive Director of the Vermont Independent Schools Association or designee;

(G) two members who serve as designated employees under the hazing, harassment, and bullying prevention policy, appointed by the Secretary of Education;

(H) a member, appointed by the Vermont Educational Equity Collective;

(I) a school social worker, appointed by the National Association of Social Workers-Vermont Chapter;

(J) a member, appointed by the Vermont Coalition for Disability Rights;

(K) a student member, appointed by the Vermont Student Anti-Racism Network;

(L) a student member, appointed by Outright Vermont;

(M) a member, appointed by the Office of Racial Equity;

(N) a member, appointed by the Commission on Women;

(O) a member, appointed by the Vermont Network Against Domestic and Sexual Violence; and

(P) a parent or caregiver member, appointed by the Vermont Family Network.

(2) Duties. The Advisory Council shall:

(A) meet at least four and not more than 12 times per year;

(B) review and advise on coordination of school and statewide activities relating to the prevention of and response to harassment, hazing, and bullying;

(C) review the model harassment, hazing, and bullying prevention policies developed by the Secretary every three years, beginning in 2026, and recommend updates to the policies as necessary;

(D) review and advise on resources on harassment, hazing, and bullying prevention and response for school professionals;

(E) annually solicit input from students, parents, and schools on harassment, hazing, and bullying; and

(F) notwithstanding 2 V.S.A. § 20(d), annually on or before January 15, submit a written report to House and Senate Committees on Education, which shall hold a joint legislative hearing each legislative session to review the report. The Advisory Council shall also submit the report to the State Board of Education at the same time.

(3) Compensation and reimbursement. Members of the Advisory Council 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 of the Advisory Council per year from funds appropriated to the Agency of Education.

~~(e)~~(f) Definitions. In this subchapter:

(1) "Educational institution" and "school" mean a public school or an approved or recognized independent school as defined in section 11 of this title.

(2) "Organization," "pledging," and "student" have the same meanings as in section 570i of this title.

(3) "Harassment," "hazing," and "bullying" have the same meanings as in subdivisions 11(a)(26), (30), and (32) of this title.

(4) "School board" means the board of directors or other governing body of an educational institution when referring to an independent school.

Sec. 7. APPROPRIATION

The sum of $21,000.00 is appropriated from the General Fund to the Agency of Education in fiscal year 2027 for per diem compensation and reimbursement of expenses for the Advisory Council on Harassment, Hazing, and Bullying Prevention as authorized pursuant to 16 V.S.A. § 570(e)(3).

* * * Energy Performance Contracting * * *

Sec. 8. 16 V.S.A. § 3448f(a)(1) is amended to read:

(1) "Cost-saving measure" means any facility improvement, repair, addition, or alteration or any equipment, fixture, or furnishing to be constructed or installed in any facility that is designed to reduce energy consumption and operating costs or to increase the operating efficiency of facilities for their appointed functions, that is cost effective, and that is further defined by State Board rule.

* * * Effective Date * * *

Sec. 9. EFFECTIVE DATE

This act shall take effect on July 1, 2026.

(Committee vote: 6-0-0)

(For House amendments, see House Journal of March 24, 2026, page 3464)

Reported favorably by Senator Watson for the Committee on Appropriations.

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

(Committee vote: 6-0-1)

House Proposal of Amendment

S. 189.

An act relating to establishing a process for reducing or eliminating hospital services.

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. § 9405d is added to read:

§ 9405d. HOSPITAL SERVICE ELIMINATIONS; NOTICE REQUIRED

(a)(1)(A) A hospital that is considering eliminating any of the following services shall provide a preliminary notice of intent to the Agency of Human Services, the Green Mountain Care Board, and the Office of the Health Care Advocate as set forth in subdivision (B) of this subdivision (1):

(i) emergency department services;

(ii) primary care services, including closing a site at which primary care services are provided;

(iii) obstetrics;

(iv) perinatal care;

(v) inpatient psychiatric services;

(vi) treatment for substance use disorder, including medication for opioid use disorder;

(vii) dialysis, including closing a site at which dialysis services are provided; or

(viii) inpatient pediatric services.

(B) The information to be provided by the hospital in its preliminary notice of intent shall include:

(i) the rationale for the proposed elimination;

(ii) the financial impacts on the hospital both of maintaining the service and of eliminating the service; and

(iii) a description of all possible alternatives to the proposed elimination that were considered and the reasons they were not pursued.

(2) The Agency of Human Services shall evaluate the information provided by the hospital in its preliminary notice of intent pursuant to subdivision (1) of this subsection, the financial impact of the proposed elimination on Vermont's health care system, and the impact of the proposed elimination on access to health care services in the region.

(3)(A) The Agency and the Green Mountain Care Board may consult with a hospital that has submitted a preliminary notice of intent pursuant to subdivision (1) of this subsection (a) regarding the proposed elimination in order to explore opportunities to maintain the service or otherwise to address the circumstances that prompted the proposed elimination.

(B) A hospital that is considering eliminating any service other than those listed in subdivisions (1)(A)(i)–(viii) of this subsection (a) may choose to provide a preliminary notice of intent to the Agency of Human Services and the Green Mountain Care Board that includes the information described in subdivision (1)(B) of this subsection (a) and to engage with the Agency and the Board in the consultation process set forth in subdivision (A) of this subdivision (3).

(4) All information and materials related to a preliminary notice of intent and related consultation pursuant to this subsection, including all materials provided by the hospital to the Agency or the Board, shall be exempt from public inspection and copying under the Public Records Act and shall be kept confidential, except that the Agency and the Board shall provide access to information and materials related to the proposed elimination of a service described in subdivisions (1)(A)(i)–(viii) of this subsection to the Office of the Health Care Advocate, which shall not further disclose this confidential information.

(b)(1) If a hospital elects to proceed with the proposed elimination of a service described in subdivisions (a)(1)(A)(i)–(viii) of this section after engaging in the processes set forth in subsection (a) of this section, then within 90 days after the hospital provided the preliminary notice of intent required by

subdivision (a)(1) of this section or upon the conclusion of the confidential consultation process set forth in subdivisions (a)(3) and (4) of this section, whichever occurs first, the hospital shall provide a notice of intent to the Agency of Human Services, the Green Mountain Care Board, the Office of the Health Care Advocate, and the members of the General Assembly who represent the hospital service area.

(2) The notice of intent required by subdivision (1) of this subsection shall:

(A) explain the rationale for the proposed elimination;

(B) set forth a proposed timeline for the proposed elimination and a transition plan;

(C) be provided not less than 60 days prior to the effective date of the proposed elimination;

(D) be posted on the hospital's website; and

(E) be published in a newspaper of general circulation in the hospital service area within 10 days after notice is provided pursuant to subdivision (1) of this subsection (b).

(3) In addition to the notice of intent required by subdivision (1) of this subsection, the hospital shall conduct a public engagement process, including holding one or more public hearings in the county in which the hospital is located and soliciting and responding to public comments, regarding the proposed service elimination. The public engagement process shall continue for not less than 30 days following the notice required pursuant to subdivision (1) of this subsection. The hospital shall provide a summary of the community's response to the proposal, including the public comments received, to the Agency of Human Services, the Green Mountain Care Board, and the Office of the Health Care Advocate following the conclusion of the public engagement process.

(c) If a hospital elects to proceed with eliminating a service described in subdivisions (a)(1)(A)(i)–(viii) of this section after completing the processes set forth in subsections (a) and (b) of this section, then within five business days after making the decision to proceed, the hospital shall notify the Agency of Human Services to inform the Agency's health care system transformation efforts and the Statewide Health Care Delivery Strategic Plan and the Green Mountain Care Board to enable the Board to review the impact on the hospital's budget pursuant to subdivision 9456(e)(2) of this title.

Sec. 2. 18 V.S.A. § 9456 is amended to read:

§ 9456. BUDGET REVIEW

* * *

(e)(1) The Board, in consultation with the Vermont Program for Quality in Health Care, shall utilize mechanisms to measure hospital costs, quality, and access and alignment with the Statewide Health Care Delivery Strategic Plan, once established.

(2)~~(A) Except as provided in subdivision (D) of this subdivision (e)(2), a hospital that proposes to reduce or eliminate any service in order to comply with a budget established under this section shall provide a notice of intent to the Board, the Agency of Human Services, the Office of the Health Care Advocate, and the members of the General Assembly who represent the hospital service area not less than 45 days prior to the proposed reduction or elimination.~~

~~(B) The notice shall explain the rationale for the proposed reduction or elimination and describe how it is consistent with the Statewide Health Care Delivery Strategic Plan, once established, and the hospital's most recent community health needs assessment conducted pursuant to section 9405a of this title and 26 U.S.C. § 501(r)(3).~~

~~(C) The Board may evaluate the proposed reduction or elimination for consistency with the Statewide Health Care Delivery Strategic Plan, once established and the community health needs assessment, and may modify the hospital's budget or take such additional actions as the Board deems appropriate to preserve access to necessary services.~~

~~(D) A service that has been identified for reduction or elimination in connection with the transformation efforts undertaken by the Board and the Agency of Human Services pursuant to 2022 Acts and Resolves No. 167 does not need to comply with subdivisions (A)–(C) of this subdivision (e)(2).~~

Upon receipt of notification from a hospital pursuant to subsection 9405d(c) of this title that the hospital intends to eliminate a service following its completion of the process set forth in subsections 9405d(a) and (b) of this title, the Board shall review the impact of the elimination on the hospital's approved budget. The Board may adjust the hospital's budget as necessary to reflect the elimination, which may include directing that any savings related to the elimination are reflected in health insurance premiums or are reinvested in primary care, prevention, and other community-based services.

(3) The Board~~, in collaboration with the Department of Financial Regulation,~~ shall monitor the implementation of any ~~authorized decrease in~~

elimination of hospital services to determine its benefits to Vermonters or to Vermont's health care system, or both.

* * *

Sec. 3. EFFECTIVE DATE

This act shall take effect on passage.

and that after passage the title of the bill be amended to read: "An act relating to establishing a process for the elimination of certain hospital services"

NOTICE CALENDAR

Second Reading

Favorable

H. 550.

An act relating to gender equity within Vermont's correctional facilities.

Reported favorably by Senator Plunkett for the Committee on Institutions.

(Committee vote: 3-2-0)

(For House amendments, see House Journal of March 18, 2026, pages 3344-3353)

Favorable with Proposal of Amendment

H. 710.

An act relating to defining electricity generating facilities.

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

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

Sec. 1. 30 V.S.A. § 8002 is amended to read:

§ 8002. DEFINITIONS

As used in this chapter:

* * *

(18) "Plant" means an independent technical facility that generates electricity from renewable energy. ~~A group of facilities, such as wind turbines,~~

~~shall be considered one plant if the group is part of the same project and uses common equipment and infrastructure such as roads, control facilities, and connections to the electric grid. Common ownership, contiguity in time of construction, and proximity of facilities to each other shall be relevant to determining whether a group of facilities is part of the same project.~~ Multiple electricity-generating facilities, regardless of when each is constructed, shall be considered one plant if the facilities use the same electricity-generating technology and are located on the same parcel or contiguous parcels of land. However, such facilities shall be considered separate plants if:

(A) the facilities are for individual net metering or self-consumption and:

(i) are not located on the same parcel of land;

(ii) are wired to offset consumption on separate billing meters; and

(iii) supply different retail customers;

(B) the facilities are for multi-owner individual net metering and:

(i) are located on the same parcel of land where a common interest community is located;

(ii) are wired to offset consumption on separate billing meters; and

(iii) supply different retail customers; or

(C) the facilities have separate points of interconnection and:

(i) a net-metering facility and a Standard Offer Program facility are not sited on the same parcel or contiguous parcels; and

(ii) for facilities under each program, the total capacity located on a parcel or contiguous parcels does not exceed the program's statutory capacity cap.

* * *

(33) "Common interest community" means real estate described in a declaration with respect to which a person, by virtue of the person's ownership of a unit, is obligated to pay for a share of real estate taxes on; insurance premiums, maintenance, or improvement of; or services or other expenses related to common elements, other units, or other real estate than the unit described in the declaration.

(34) "Contiguous" means sharing a property boundary with another parcel of land or being adjacent to that parcel of land and the two parcels are separated only by a road, recreation path, railway line, stream, or river.

(35) "Electricity-generating technology" means a method or system used to convert energy from one form into electric power, including wind, hydropower or water, solar, or biomass.

(36) "Point of interconnection" means the point on the interconnecting utility's existing distribution system to which a facility proposes to interconnect.

Sec. 2. LEGISLATIVE INTENT

It is the intent of the General Assembly that the amendments in Sec. 1, 30 VSA 8002, of this act are substantive and create new rights and liabilities in light of emerging issues and shall apply only to applications filed on or after the effective date of this act.

Sec. 3. 30 V.S.A. § 20 is amended to read:

§ 20. PARTICULAR PROCEEDINGS AND ACTIVITIES; PERSONNEL

(a)(1) The Commission or the Department of Public Service may authorize or retain legal counsel, official stenographers, expert witnesses, advisors and consultants, temporary employees, and other providers of research, scientific, financial, economic, actuarial, accounting, or engineering services:

* * *

(F) To investigate, review, plan, oversee, or carry out the decommissioning and site restoration required by a certificate of public good issued to an electric generation or energy storage facility.

* * *

Sec. 4. 30 V.S.A. § 248e is added to read:

§ 248e. ELECTRIC GENERATION AND ENERGY STORAGE FACILITY DECOMMISSIONING FUND

(a) There is created the Electric Generation and Energy Storage Facility Decommissioning Fund that shall be a special fund created pursuant to 32 V.S.A. chapter 7, subchapter 5 and shall be administered by the Chair of the Public Utility Commission. The Chair is authorized to collect ~~monies~~ surety fees for the Decommissioning Fund and to make disbursements from the Decommissioning Fund.

(b) Deposits to the Decommissioning Fund shall consist of all decommissioning surety fees collected for electric generation and energy storage facilities that have received a certificate of public good from the Commission and all monies drawn from decommissioning financial instruments. The Commission shall deposit into the Decommissioning Fund each decommissioning surety fee it receives under this subchapter.

(c) Disbursements from the Decommissioning Fund may be made by the Chair to undertake actions that the Commission considers necessary to investigate or mitigate, or both, the effects of an abandoned, nonoperational, or disclaimed electric generation or energy storage facility. Disbursements under this subsection may be made to:

(1) pay costs to third parties who initiate or complete facility decommissioning and site restoration where the holder of the certificate of public good is unknown, cannot be contacted, is unwilling to take action, is incapable of carrying out decommissioning or site restoration, or does not take timely action as ordered by the Commission;

(2) investigate ownership of or ascertain the holder of the certificate of public good for an electric generation or energy storage facility;

(3) take other appropriate remedial action;

(4) pay costs to persons retained by the Commission or the Department under subdivision 20(a)(1)(F) of this title; or

(5) return portions of the decommissioning surety fees as determined by a formula established by the Commission to individual certificate of public good holders upon satisfactory completion of decommissioning and Commission approval.

(d) For purposes of this section:

(1) "Chair" means the Chair of the Public Utility Commission.

(2) "Commission" means the Public Utility Commission.

(3) "Decommissioning" means to remove a facility safely from service and to restore the site to its condition before the facility was installed consistent with the facility's certificate of public good and Commission rules and orders.

(4) "Decommissioning Fund" means the Electric Generation and Energy Storage Facility Decommissioning Fund established pursuant to this section.

(5) "Decommissioning surety fee" means the contribution assigned to a facility and determined by a funding formula established by the Commission,

not to exceed the average cumulative cost of obtaining decommissioning financial instruments for the life of a facility. The "average cumulative cost" means the customary and reasonable market-based third-party costs; expenses and fees associated with obtaining, maintaining, renewing, and updating financial instruments; and staff and attorney time and expenses.

(6) "Department" means the Department of Public Service.

(e) Balances in the Decommissioning Fund shall be expended only for the purposes authorized in this section and shall not be used for the general obligations of government or for other governmental purposes. All balances in the Decommissioning Fund at the end of any fiscal year shall be carried forward and remain within the Decommissioning Fund. Interest earned by the Decommissioning Fund shall be credited to the Decommissioning Fund.

(f) The Commission shall have authority to adopt rules or issue orders implementing this section.

(g) The Commission shall provide to the Treasurer of the State of Vermont an annual accounting of the Decommissioning Fund.

Sec. 5. DECOMMISSIONING FUND REPORT

On or before February 15, 2027, the Public Utility Commission shall report back to the House Committee on Energy and Digital Infrastructure and the Senate Committees on Natural Resources and Energy and on Finance on the formula established for the decommissioning surety fees pursuant to 30 V.S.A. § 248e.

Sec. 6. EFFECTIVE DATE

This act shall take effect on July 1, 2026.

(Committee vote: 5-0-0)

(For House amendments, see House Journal of February 18, 2026, pages 3084-3086)

H. 841.

An act relating to miscellaneous animal welfare procedures.

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

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

Sec. 1. 20 V.S.A. chapter 190 is amended to read:

CHAPTER 190. DIVISION OF ANIMAL WELFARE

§ 3201. DEFINITIONS

As used in this subchapter:

(1) "Animal" has the same meaning as in 13 V.S.A. § 351, provided that the animals or activities regulated under this chapter shall not apply to:

(A) activities regulated by the Department of Fish and Wildlife pursuant to 10 V.S.A. Part 4;

(B) scientific research governed by accepted procedural standards subject to review by an institutional animal care and use committee;

(C) livestock and poultry husbandry practices for the raising, management, and use of domestic animals;

(D) veterinary medical or surgical procedures; and

(E) the killing of an animal as authorized pursuant to sections 3809 and 3545 of this title.

(2) "Director" means the Director of Animal Welfare and includes the Director's designee.

(3) "Division" means the Division of Animal Welfare.

(4) "Domestic animal" has the same meaning as in 6 V.S.A. § 1151(2).

§ 3202. ESTABLISHMENT OF DIVISION OF ANIMAL WELFARE; POWERS AND DUTIES

(a)(1) The Division of Animal Welfare is established within the Department of Public Safety. The Commissioner of Public Safety shall appoint a Director of Animal Welfare who shall be in immediate charge of the Division. The Director shall be qualified by education and professional experience to perform the duties of the position. The Director shall have at least the following minimum qualifications:

(A) experience in interpreting or knowledge of animal welfare laws and rules;

(B) knowledge of animal welfare stakeholders in the State and regionally; and

(C) knowledge of the causes and characteristics of animal welfare and animal cruelty issues.

(2) The Director position shall be a classified service position in the Department of Public Safety.

(b)(1) The Director shall develop a comprehensive plan for the development, implementation, and enforcement of the animal welfare laws of the State. In developing the comprehensive plan, the Director shall first review the 2023 Report on Unification of Animal Welfare and Related Public Safety Function and similar reports and proposed legislation. The plan shall include:

(A) how the Director shall oversee investigation and response to animal cruelty complaints in the State in order to provide the best services to Vermont's animals statewide;

(B) how the Director shall coordinate administration and enforcement of animal welfare laws in the State in a collaborative manner with those law enforcement officers and municipalities that retain authority to enforce animal cruelty requirements in the State;

(C) how the State should address the extent and scope of any deficiencies in Vermont's system of investigating and responding to animal cruelty complaints;

(D) how the State should ensure that investigations of animal cruelty complaints are conducted according to systematic and documented written standard operating procedures and checklists;

(E) a proposal to house and care for animals seized in response to complaints of animal cruelty, including how to pay for the care of seized animals;

(F) a proposal for funding animal welfare administration and enforcement in the State, including potential sources of public and private funding; and

(G) recommended amendments to animal welfare statutes or rules, including standards of care for animals housed or imported by animal shelters or rescue organizations.

(2) The Director of Animal Welfare shall submit the comprehensive plan required by this subsection and any revisions thereto to the House Committee on Government Operations and Military Affairs and the Senate Committee on Government Operations not later than eight months after the date of hiring of the Director.

(c) The Director of Animal Welfare shall consult with other State agencies that respond to animal welfare complaints or with animal welfare responsibilities to estimate the number and type of animal welfare complaints received by State agencies and to quantify the amount of time State agency

staff expend in fulfilling animal welfare responsibilities, including the costs to agencies of fulfilling the responsibilities.

(d) The Director of Animal Welfare shall be the sole employee of the Division of Animal Welfare until the comprehensive plan required under subdivision (b)(2) of this section is completed and the General Assembly enacts legislation, as needed, to implement the comprehensive plan.

(e) The Division of Animal Welfare may adopt rules pursuant to 3 V.S.A. chapter 25 to implement the provisions of this chapter.

(f)(1) The Director of Animal Welfare shall require that animal shelters, rescue organizations, and pet dealers, and any person importing one or more domestic pets into the State of Vermont for adoption, sale, other transfer, or breeding shall register with the Division of Animal Welfare. The registration required by this subsection shall include information on animal intake, production, inventory, and disposition. No fee shall be charged for the registration.

(2) If a person fails to register as required by subdivision (1) of this subsection the Director shall:

(A) for a first violation, issue the person a warning; and

(B) for a second or subsequent violation, issue a fine and a cease and desist order to the same extent that the Secretary and municipal legislative bodies have authority to issue such orders under chapter 193 of this title.

(3) This subsection shall not apply to an individual importing a domestic pet for personal purposes.

§ 3203. ANIMAL WELFARE FUND

(a) The Animal Welfare Fund is established within the Department of Public Safety to fund the expenses incurred by the Division of Animal Welfare in implementing the requirements of this chapter. The Director of Animal Welfare shall administer the Fund.

(b) The Fund shall consist of:

(1) 67 percent of the revenue collected from the surcharge assessed under subsection 3581(f) of this title; ~~and~~

(2) ~~appropriations~~ transfers made by the General Assembly; and

(3) any donations, grants, or gifts made to the Fund.

(c) All balances in the Fund at the end of the fiscal year shall be carried forward. Interest earned by the Fund shall remain in the Fund.

Sec. 2. 20 V.S.A. § 3552 is added to read:

§ 3552. SEXUAL STERILIZATION OF STRAY CATS WITH NO KNOWN OWNER

An animal shelter or rescue organization that, pursuant to a contract with a municipal legislative body, impounds a stray cat with no known owner may have the cat sexually sterilized not sooner than one day after the impound.

Sec. 3. 20 V.S.A. § 3581 is amended to read:

§ 3581. GENERAL REQUIREMENTS

(a) A person who is the owner of a dog or wolf-hybrid more than six months old shall annually on or before April 1 cause it to be registered, numbered, described, and licensed on a form approved by the Secretary for one year from that day in the office of the clerk of the municipality in which the dog or wolf-hybrid is kept. A person who owns a working farm dog and who intends to use that dog on a farm pursuant to the exemptions in section 3549 of this title shall cause the working farm dog to be registered as a working farm dog and shall, in addition to all other fees required by this section, pay $5.00 for a working farm dog license. The owner of a dog or wolf-hybrid shall cause it to wear a collar and attach a license tag issued by the municipal clerk to the collar. Dog or wolf-hybrid owners shall pay for the license $4.00 for each neutered dog or wolf-hybrid, and $8.00 for each unneutered dog or wolf-hybrid. If the license fee for any dog or wolf-hybrid is not paid on or before April 1, its owner or keeper may thereafter procure a license for that license year by paying a fee of 50 percent in excess of that otherwise required.

(b) Before a person shall be entitled to obtain a license for a neutered dog or wolf-hybrid, ~~he or she~~ the person shall exhibit to the clerk a certificate signed by a duly licensed veterinarian showing that the dog or wolf-hybrid has been sexually sterilized.

* * *

(d)(1) Before obtaining a license for a dog or wolf-hybrid ~~six months of age or older~~, a person shall deliver to the municipal clerk a certificate or a certified copy thereof issued by a duly licensed veterinarian, stating that the dog or wolf-hybrid has received a current preexposure rabies vaccination with a vaccine approved by the Secretary, and the person shall certify that the dog or wolf-hybrid described in the certificate or copy is the dog or wolf-hybrid to be licensed. The municipal clerk shall keep the certificates or copies thereof on file. The Secretary shall prescribe the size and format of rabies certificates.

The owner of any such dog or wolf-hybrid shall maintain a copy of the rabies vaccination form and provide it to State or municipal officials upon request.

(2) Before obtaining a license for a wolf-hybrid, a person shall deliver to the municipal clerk a certificate or a certified copy thereof, issued by a duly licensed veterinarian, stating that the wolf-hybrid has been sexually sterilized.

* * *

Sec. 4. 20 V.S.A. § 3583 is amended to read:

§ 3583. ~~DOMESTIC PETS AND WOLF-HYBRIDS KEPT FOR BREEDING PURPOSES~~

~~(a) The owner or keeper of domestic pets and wolf-hybrids kept for breeding purposes may take out annually, on or before April 1, a special license for the domestic pets or wolf-hybrids, provided:~~

~~(1) He or she keeps the domestic pets or wolf-hybrids within a proper enclosure. A proper enclosure is a locked fence or structure of sufficient height and sufficient depth into the ground to prevent the entry of young children and to prevent the animal from escaping. A proper enclosure also provides humane shelter for the animal.~~

~~(2) The domestic pets or wolf-hybrids at all times have a current vaccination against rabies.~~

~~(3) When the number of domestic pets or wolf-hybrids so kept does not exceed ten, the fee shall be $30.00 and for each additional domestic pet or wolf-hybrid so kept, an annual fee of $3.00.~~

~~(b) Domestic pets and wolf-hybrids covered by the special license pursuant to this section shall be exempt from other license fees, and all licenses under this section are exempt from the surcharge enacted under subsection (c) of section 3581 of this title.~~

~~(c) If the license fee is not paid by April 1, the owner or keeper may thereafter procure a license for that license year by paying a fee of 50 percent in excess of that otherwise required. These license fees are in addition to any fees required for the operation of a kennel under subchapter 3 of this chapter.~~ [Repealed.]

Sec. 5. 20 V.S.A. § 3682 is amended to read:

§ 3682. INSPECTION OF PREMISES

(a) The pet dealer's premises may be inspected upon the issuance of the pet dealer permit or at any time the pet dealer permit is in effect. Inspections may be conducted by a municipal animal control officer, a law enforcement officer

as that term is defined in 23 V.S.A. § 4(11), or a representative of the Agency of Agriculture, Food and Markets. The inspector may, at ~~his or her~~ the inspector's discretion and with the approval of the municipality, be accompanied by a veterinarian or an officer or agent of a humane society incorporated in Vermont. This section shall not create an obligation on the part of any municipal legislative body to conduct inspections.

* * *

Sec. 6. 20 V.S.A. § 3814 is amended to read:

§ 3814. FINDINGS

The General Assembly finds:

(1) The supply of dogs, cats, and wolf-hybrids in Vermont is a major concern.

(2) There are insufficient resources in this State to care for or provide homes for these animals.

(3) Many of these animals are ultimately euthanized or become victims of accidents, starvation, or disease.

(4) Pet owners who have limited economic resources have great difficulty affording the cost of professional ~~spaying and neutering~~ sexual sterilization services.

Sec. 7. 20 V.S.A. § 3815 is amended to read:

§ 3815. DOG, CAT, AND WOLF-HYBRID ~~SPAYING AND NEUTERING~~ SEXUAL STERILIZATION PROGRAM

(a) The Agency of Human Services shall administer a dog, cat, and wolf-hybrid ~~spaying and neutering~~ sexual sterilization program providing reduced-cost ~~spaying and neutering~~ sexual sterilization services and presurgical immunization for dogs, cats, and wolf-hybrids owned or cared for by individuals with low income. The Agency ~~shall~~ may implement the program through an agreement with a qualified organization consistent with the applicable administrative rules.

(b) The program shall reimburse veterinarians who voluntarily consent to ~~spay or neuter~~ sexually sterilize dogs, cats, and wolf-hybrids under the auspices of the program. The reimbursement shall be less any co-payment by the owner of a dog, cat, or wolf-hybrid for the cost of each ~~spaying or neutering~~ sexual sterilization procedure.

* * *

Sec. 8. 20 V.S.A. § 3816 is amended to read:

§ 3816. ANIMAL ~~SPAYING AND NEUTERING~~ SEXUAL STERILIZATION FUND; CREATION

(a) There is created, pursuant to 32 V.S.A. chapter 7, subchapter 5, in the Agency of Human Services the Dog, Cat, and Wolf-Hybrid ~~Spaying and Neutering~~ Sexual Sterilization Special Fund to finance the costs of the dog, cat, and wolf-hybrid ~~spaying and neutering~~ sexual sterilization program established in section 3815 of this title.

(b) Revenue for the Fund shall be derived from:

(1) the surcharge payment paid to a municipality pursuant to subdivision 3581(c)(1) of this title;

(2) gifts from private donors; and

(3) any appropriation that the General Assembly makes to the Fund.

(c) Interest earned on the Fund shall be retained in the Fund.

(d) The Agency of Human Services shall use the revenue in the Fund created in subsection (a) of this section for administering the dog, cat, and wolf-hybrid ~~spaying and neutering~~ sexual sterilization program.

Sec. 9. 20 V.S.A. § 3903 is amended to read:

§ 3903. ANIMAL SHELTERS AND RESCUE ORGANIZATIONS

(a) [Repealed.]

(b) Animal intake. An animal shelter or rescue organization as defined by section 3901 of this title shall ~~make every effort to~~ collect the following information, if available, about an animal it accepts: the name and address of the person transferring the animal and, if known, the name of the animal; its vaccination history; and other information concerning the background, temperament, and health of the animal.

* * *

Sec. 10. 20 V.S.A. § 3907 is amended to read:

§ 3907. DENIAL OR REVOCATION OF REGISTRATION OR LICENSE

Issuance of a certificate of registration may be denied to any animal shelter, rescue organization, pet dealer, or fair, or a license may be denied to any public auction or pet shop or any certificate or license previously granted under this chapter may be revoked by the Secretary if, after public hearing, it is determined that the housing facilities or primary enclosures are inadequate for the purposes of this chapter or if the feeding, watering, sanitizing, and

housing practices of the animal shelter, rescue organization, fair, public auction, or pet shop, as the case may be, are not consistent with this chapter or with rules adopted under this chapter.

Sec. 11. 20 V.S.A. § 3911 is amended to read:

§ 3911. PENALTIES

(a) Any person licensed or registered under this chapter who fails to provide animals under the person's care or custody with adequate food or adequate water, as defined in section 3901 of this title, or who fails to house animals in the person's care or custody in a manner that is adequate for their welfare, shall be fined not more than $500.00.

(b) Any person who operates a fair or public auction or who transacts business as a pet shop, animal shelter, pet dealer, or rescue organization without being duly licensed or without possessing a proper certificate of registration, as the case may be, as required under this chapter, or who violates any provision of this chapter or of any rule lawfully adopted under its authority for which no other penalty is provided shall be fined not more than $300.00 or imprisoned for not more than six months, or both.

(c) The Secretary may assess administrative penalties under 6 V.S.A. §§ 15–17, not to exceed $1,000.00, for violations of this chapter.

Sec. 12. 20 V.S.A. § 3915 is amended to read:

§ 3915. HEALTH CERTIFICATE FOR TRANSPORT INTO STATE

(a) A dog, cat, ferret, or wolf-hybrid imported into the State for sale, resale, exchange, or donation shall be accompanied by an official health certificate or similar certificate of inspection for the dog, cat, ferret, or wolf-hybrid issued by a veterinarian licensed in the state or country of origin. The certificate shall certify that:

(1) the dog, cat, ferret, or wolf-hybrid has been inspected and is free of visible signs of infections or contagious or communicable disease; ~~and~~

(2) if the dog, cat, ferret, or wolf-hybrid is more than three months of age, the dog, cat, ferret, or wolf-hybrid has a current rabies vaccination or is a specific breed for which a rabies vaccination is not age-appropriate; and

(3) if the wolf-hybrid is more than four months of age, the wolf-hybrid has been sexually sterilized.

(b) The Agency of Agriculture, Food and Markets may adopt rules regarding the issuance and contents of any certificate required under subsection (a) of this section.

Sec. 13. 20 V.S.A. § 3916 is added to read:

§ 3916. INSURANCE

Pet dealers, animal shelters, rescue organizations, and keepers of animals for breeding purposes shall, as a condition of their licenses or certificates of registration, be required to obtain and maintain a commercially reasonable level of general liability insurance.

Sec. 14. REPORT

On or before December 15, 2026, the Director of Animal Welfare shall report to the House Committee on Government Operations and Military Affairs and the Senate Committee on Government Operations on the next steps necessary for the creation of a comprehensive animal welfare program in Vermont, including specifically a proposal for the development of an oversight structure for dog and cat breeders and sellers, and people owning large numbers of these animals. The Director shall consult with stakeholders and registrants for purposes of preparing the report required by this section.

Sec. 15. EFFECTIVE DATE

This act shall take effect on passage.

(Committee vote: 5-0-0)

(For House amendments, see House Journal of March 13, 2026, pages 3245-3256, and March 17, 2026, pages 3290-3291)

Reported favorably by Senator Gulick for the Committee on Finance.

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

(Committee vote: 7-0-0)

H. 932.

An act relating to the regulation of forestry under Act 250.

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

The Committee recommends that the Senate propose to the House to amend the bill in Sec. 1, 10 V.S.A. § 6001, in subdivision (3), by striking out subdivision (F) in its entirety and inserting in lieu thereof a new subdivision (F) to read as follows:

(F) When development is proposed to occur on a parcel or tract of land that is devoted to logging and forestry, only those portions of the parcel or

the tract that support the development shall be subject to regulation under this chapter. Permits issued under this chapter shall not impose conditions on, apply to, restrict, or conflict with the *Acceptable Management Practices for Maintaining Water Quality on Logging Jobs in Vermont* on other portions of the parcel or tract of land that do not support the development.

(Committee vote: 5-0-0)

(No House amendments)

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

The Committee recommends that the bill ought to pass in concurrence with proposal of amendment as recommended by the Committee on Natural Resources and Energy, with further proposal of amendment in Sec. 1, 10 V.S.A. § 6001, in subdivision (3), in subdivision (F), by striking out the second sentence in its entirety and inserting in lieu thereof a new sentence to read as follows:

Permits issued under this chapter shall not impose conditions on, apply to, or restrict or conflict with the *Acceptable Management Practices for Maintaining Water Quality on Logging Jobs in Vermont* on other portions of the parcel or tract of land that do not support the development.

(Committee vote: 7-0-0)

H. 938.

An act relating to establishing the Vermont Homelessness Response Continuum.

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

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

* * * Findings, Legislative Intent, and Purpose * * *

Sec. 1. FINDINGS

The General Assembly finds that:

(1) although an imperfect tool for measuring the true number of unhoused Vermonters, the Vermont Homeless Management Information System as of December 2025 indicated that there were 4,022 individuals who

were homeless in the State, 863 of whom were children under 18 years of age; and

(2) the 2024 *Vermont Housing Needs Assessment* notes that of the 36,000 primary homes needed in Vermont between 2025 and 2029, the number needed to address homelessness is 3,295.

Sec. 2. LEGISLATIVE INTENT

It is the intent of the General Assembly that:

(1) unsheltered homelessness be eliminated and that homelessness in Vermont be rare, brief, and nonrecurring;

(2) Vermont reduce reliance on the inefficient use of hotel and motel rooms for emergency housing;

(3) utilization of an emergency housing benefit to access hotels and motels through the General Assistance program end and be replaced by a continuum of services; and

(4) a continuum of supports and services be available and administered flexibly in a manner that:

(A) provides a stable pathway to permanent housing;

(B) meets the specific needs of households experiencing homelessness; and

(C) supports community partners.

Sec. 3. PURPOSE

It is the purpose of this act to:

(1) establish a continuum of supports and services for households who are experiencing homelessness or who are at risk of experiencing homelessness;

(2) ensure that tailored, temporary emergency housing assistance is available to Vermonters in a manner that encourages efficient and accountable use of taxpayer funds;

(3) support self-sufficiency and reduce returns to homelessness by developing personalized housing plans with required participation by households;

(4) establish clear eligibility criteria and require active household participation;

(5) expand the use of alternative emergency housing models in partnership with municipalities, nonprofit community-based providers, and private landlords;

(6) integrate supportive services to assist households to achieve permanent housing stability;

(7) establish transparent accountability measures, reporting requirements, and oversight mechanisms;

(8) increase Program efficiency and promote maximum flexibility in administering services and supports in the continuum;

(9) empower local communities to administer emergency housing services with maximum flexibility; and

(10) create a diversified system of emergency housing options, including shelters, specialized shelters, shared housing arrangements, host-home models, master-lease units, and rapid rehousing placements, that provide cost-effective, sustainable, and supportive outcomes to households.

* * * Creation of the Vermont Homelessness Response Continuum * * *

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

CHAPTER 22. VERMONT HOMELESSNESS RESPONSE CONTINUUM

§ 2201. DEFINITIONS

As used in this chapter:

(1) "Alternative housing options" means housing options including shelters, specialized shelters, transitional housing, recovery residences, shared housing arrangements, host-home models, master-lease units, and rapid rehousing placements.

(2) "Applicant" means a household that applies for emergency housing assistance.

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

(4) "Case management services" means individualized supportive services.

(5) "Coordinated entry" means a process that standardizes the way households at risk of homelessness or experiencing homelessness access and are assessed for and referred to the housing and services that a household needs for housing stability.

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

(7) "Disability" means a physical, sensory, cognitive, developmental, or mental health condition or substance use disorder that substantially limits one or more major life activities, or that requires ongoing support, accommodation, or treatment to maintain an individual's health, safety, or independence. The term includes chronic or episodic conditions that significantly impact daily functioning, regardless of whether the individual is receiving, or is eligible to receive, federal disability benefits.

(8) "Diversion" means a strategy aimed at preventing homelessness by helping households find immediate alternative housing options instead of entering shelters. Diversion focuses on addressing the needs of those who have recently lost their housing.

(9) "Eligible household" means a household that is homeless and is physically present and intends to reside in Vermont as evidenced by active participation in a housing, employment, or other Agency of Human Services–recognized plan.

(10) "Emergency cold-weather shelter" means publicly funded shelter beds made available to households during periods when the National Weather Service is forecasting temperatures at or below 10 degrees Fahrenheit including windchill for the majority of the State.

(11) "Emergency housing" means temporary shelter, lodging, or other housing support, or related services provided to eligible households to protect the health, safety, and welfare of an eligible household when no safe housing option is immediately available.

(12) "Highly structured shelter" means a shelter that provides programming that emphasizes case management, housing stability, employment, education, or treatment services, as well as other services as appropriate, in a manner that accommodates an eligible household's disability, if any.

(13) "Homeless" means:

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

(B) facing imminent loss of a primary nighttime residence;

(C) fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, and other dangerous or life-threatening conditions that relate to violence against a household or household member that either takes place in the primary nighttime residence or causes the household or household member to be afraid to return to the primary nighttime residence;

(D) residing in a place not meant for human habitation, such as cars, parks, abandoned buildings, or streets; or

(E) otherwise defined as homeless under federal law.

(14) "Household" means an individual or group of individuals, with or without children, including individuals who reside together as one economic unit, who are married, parties to a civil union, or unmarried.

(15) "Low-barrier shelter" means a shelter that minimizes barriers to entry by reducing the rules and programmatic requirements found in highly structured shelters, while still providing case management and other housing support services in a manner that accommodates an eligible household's disability, if any.

(16) "Minor child" means an individual under 18 years of age.

(17) "Office" means the Office of Economic Opportunity.

(18) "Permanent supportive housing" means long-term housing with wraparound services for individuals with complex health and social needs.

(19) "Prevention" means services intended to prevent a household from becoming homeless, including housing relocation or stabilization services or short-term rental assistance, including rental arrearage.

(20) "Program" means the Vermont Homelessness Response Continuum.

(21) "Rapid rehousing" means short- to medium-term rental assistance and supportive services aimed at assisting a household to quickly exit homelessness.

(22) "Shelter" means a facility that meets the Department's shelter standards.

(23) "Specialized shelter" means a facility that meets the Department's shelter standards and applicable standards for the delivery of additional services, including health care, mental health services, or services related to substance use disorder.

(24) "Supportive services" means individualized supports that assist a household in obtaining and maintaining housing, including:

(A) intake assessments and services for diversion from homelessness;

(B) household needs assessments;

(C) case management;

(D) individualized household plans to address identified needs;

(E) housing navigation services;

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

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

(H) navigation to other services and supports as identified in the household's housing plan, including economic benefits, peer-supported services, job training and employment services, services related to disability and independent living advocacy, and referral to health care assistance, including treatment for mental health conditions and substance use disorder;

(I) progress monitoring of interventions; and

(J) services to ensure continuity after a permanent placement.

(25) "Unsheltered homelessness" means sleeping in a location not designed for or ordinarily used as a regular sleeping accommodation, including cars, parks, abandoned buildings, or streets.

§ 2202. ESTABLISHMENT; VERMONT HOMELESSNESS RESPONSE CONTINUUM

(a) The Vermont Homelessness Response Continuum is established to create an array of services that prevent and address homelessness in Vermont. The Program shall be administered by the Department's Office of Economic Opportunity.

(b) The Office shall maintain a continuum of services that is flexible, housing focused, and designed to prevent homelessness whenever possible. The continuum shall prioritize early intervention, rapid resolution of housing crises, and equitable access to emergency and permanent housing.

(c) The Program shall:

(1) provide temporary emergency housing to eligible households experiencing homelessness or at imminent risk of homelessness;

(2) reduce reliance on hotels and motels for emergency housing assistance;

(3) expand the use of alternative housing options in partnership with community organizations, municipalities, and private landlords;

(4) integrate case management and individualized housing plans into all emergency housing placements; and

(5) ensure accountability, transparency, and cost efficiency in the use

of public funds.

(d) All funding opportunities available under the Program shall be open to any entity or community partner, including those that did not previously receive funding.

§ 2203. PROGRAM COMPONENTS

(a) The continuum of services shall consist of the following:

(1) level 1: prevention and diversion services;

(2) level 2: shelter services:

(A) level 2A: highly structured shelter services; and

(B) level 2B: low-barrier shelter services;

(3) level 3: specialized shelter services;

(4) level 4: hotels and motels;

(5) permanent supportive housing services; and

(6) other emergency housing services.

(b) The Office shall address each of the services in subsection (a) of this section by separate line items in its budget. The Department shall be responsible for any transfers to other Agency of Human Services departments necessary to implement the services listed in subsection (a) of this section. The Department and other departments within the Agency of Human Services shall maximize federal receipts, as applicable, for services listed in subsection (a) of this section.

(c) Upon assessing a household's needs, the Office or community partners shall offer to place the household in the appropriate level of care to address the household's specific needs if capacity, staffing, and geographic accessibility are available.

§ 2204. PREVENTION AND DIVERSION SERVICES

Level 1: prevention and diversion services.

(1) Prevention and diversion services shall function as the primary entry point to the Vermont Homelessness Response Continuum for all households, although connection may be made at any level. The Office shall ensure that prevention and diversion services are provided through an agreement with one or more community partners in each region of the State in a manner that accommodates an eligible household's disability, if any. All households, upon request for assistance, shall receive a brief, standardized initial prevention and

diversion assessment to identify safe alternatives to homelessness and resolve immediate housing barriers.

(2) Prevention includes activities to avert entry into homelessness. Diversion includes problem-solving interventions and supports that safely resolve a housing crisis without the use of shelter or hotel or motel placements.

(3) Funds administered for prevention and diversion services shall have maximum flexibility.

§ 2205. SHELTER SERVICES

(a) Level 2A: highly structured shelter services.

(1) To the extent funds are appropriated for this purpose, the Office shall determine the need for highly structured shelter services and develop sufficient highly structured shelter beds to address that need. The Department through the Office shall enter into agreements for a period of not less than two years at a time with community partners for the provision of highly structured shelter services.

(2) Highly structured shelters shall offer programming that emphasizes case management, housing stability, employment, education, or treatment services, as well as other services as appropriate, in a manner that accommodates an eligible household's disability, if any. Eligible households receiving highly structured shelter services shall participate in case management and other services to the extent of their ability.

(3) The Office shall ensure that highly structured shelter services meet the Department of Public Safety, Vermont Fire and Building Safety Code (CVR 28-070-001).

(4) If an eligible household's needs cannot be met with the level 1 prevention and diversion services in section 2204 of this chapter, highly structured shelter services are the preferred initial placement if capacity, staffing, and geographic accessibility are available.

(b) Level 2B: low-barrier shelter services.

(1) To the extent funds are appropriated for this purpose, the Office shall determine the need for low-barrier shelter services and develop sufficient low-barrier shelters to address that need. The Department through the Office shall enter into agreements for a period of not less than two years at a time with community partners for the provision of low-barrier shelter services.

(2) Low-barrier shelters shall minimize barriers to entry by reducing the rules and programmatic requirements found in highly structured shelters, while still providing case management and other housing support services in a

manner that accommodates an eligible household's disability, if any. Stays in low-barrier shelters shall be time limited, and eligible households shall be transitioned to highly structured shelter services or permanent housing as soon as feasible.

(3) The Office shall ensure that low-barrier shelter services meet the Department of Public Safety, Vermont Fire and Building Safety Code (CVR 28-070-001).

(4) If an eligible household's needs cannot be met with the level 1 prevention and diversion services in section 2204 of this chapter or the highly structured shelter services in subsection (a) of this section, low-barrier shelter services may be utilized if capacity, staffing, and geographic accessibility are available.

§ 2206. SPECIALIZED SHELTER SERVICES

Level 3: specialized shelter services.

(1) To the extent funds are appropriated for this purpose:

(A) the relevant Agency of Human Services departments shall determine the need for and, to the extent funds permit, develop specialized shelter services that comply with the Department of Public Safety, Vermont Fire and Building Safety Code (CVR 28-070-001), as well as any other applicable standards relevant to the specialty population; and

(B) the relevant Agency of Human Services departments shall enter into agreements for a period of not less than two years at a time with community partners for the provision of specialized shelter services.

(2) Specialized service shelters shall offer services delivered in a highly structured shelter as well as additional specialty services, such as services for substance use disorder and mental and physical health conditions. Eligible households receiving specialized shelter services shall participate in case management and other services to the extent of their ability.

(3) If an eligible household's needs cannot be met with the level 1 prevention and diversion services in section 2204 of this chapter or the level 2 shelter services in section 2205 of this chapter, a specialized service shelter may be utilized if capacity, staffing, and geographic accessibility are available and the eligible household requires specialized services.

§ 2207. HOTELS AND MOTELS

Level 4: hotels and motels.

(1) It is the intent of the General Assembly to decrease reliance on hotel and motel rooms. However, until sufficient permanent affordable housing or shelter services are available, the use of hotel and motel services shall be permitted.

(2) If a hotel or motel is utilized pursuant to this section, the Department shall:

(A) enter into an agreement with one or more community partners to provide relevant supportive services to eligible households;

(B) permit a population-specific placement to the extent certain populations are not isolated from the wider community served through the Program;

(C) propose hotel and motel rates as part of its budget presentation for the General Assembly's consideration;

(D) use only hotel and motel rates established by the General Assembly;

(E) enter into agreements for the use of blocks of hotel and motel rooms and negotiate conditions of use for those blocks, including access to providers of case management and other supportive services, with space to provide services as negotiated; and

(F) ensure that services are not provided pursuant to this section on a night-by-night basis.

(3) If a hotel or motel is utilized pursuant to this section, the eligible household shall participate in case management services, planning for housing stability, and other services to the extent of the eligible household's ability.

(4) A hotel or motel used pursuant to this chapter shall comply with Program rules and the following rules:

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

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

(5)(A) To the extent funds are appropriated for this purpose:

(i) between April 1 and November 30 of each year, the utilization of hotel and motel rooms pursuant to this section shall be capped at 700 rooms per night; and

(ii) between December 1 and March 31 of each year, the utilization of hotel and motel rooms pursuant to this section shall be capped at 1,000 rooms per night.

(B) Hotel and motel rooms utilized by individuals served under section 602 of this title shall not be included in the room caps provided in this subdivision (5).

(6) If an eligible household's needs cannot be met by levels 1–3 of the Program as described in sections 2204–2206 of this chapter, the Office may utilize hotels and motels if capacity, staffing, and geographic accessibility are available.

§ 2208. PERMANENT SUPPORTIVE HOUSING SERVICES

The Agency of Human Services' departments or their community partners shall provide permanent supportive housing services to an eligible household participating in the Program. Permanent supportive housing services provided pursuant to this section shall combine long-term, community-based rental assistance with voluntary, flexible supportive services, such as family supportive housing and other supportive housing services funded in whole or in part by Medicaid, if the household and services are eligible for Medicaid. An eligible household receiving permanent supportive housing services shall participate in case management, planning for housing stability, and other services to the extent of the eligible household's ability. Permanent supportive housing services may be utilized by an eligible household for as long as the eligible household's plan indicates it is necessary.

§ 2209. OTHER EMERGENCY HOUSING SERVICES

(a) Municipal supports. The Department through the Office shall provide grants to municipalities in areas of the State with a high volume of unsheltered homelessness, including municipalities underserved by traditional funding sources. An eligible municipality may submit to the Office a grant application containing the estimated cost of the municipality's proposal and other identified funding sources. The use of grant funding awarded pursuant to this subsection is at the discretion of the municipality and shall include the provision of basic life-sustaining shelter when the National Weather Service declares a cold weather advisory. Shelter provided pursuant to this subsection shall be time limited, shall not require a coordinated entry assessment or case management, and shall have minimal data reporting requirements.

(b) Emergency cold-weather shelters. Emergency cold-weather shelters shall be managed through an agreement between the Office and one or more community partners to provide overnight, low-barrier shelter when weather

conditions warrant. The Office and community partners shall ensure equitable access to emergency cold-weather shelters for communities with a high number of households experiencing unsheltered homelessness. Shelter provided pursuant to this subsection shall be time limited, shall not require a coordinated entry assessment or case management, and shall have minimal data reporting requirements.

(c) Alternative Agency of Human Services housing solutions. The Agency of Human Services, through its various departments, provides households with other time-limited or permanent housing. Such services include recovery housing, various residential supports for individuals with intellectual or developmental disabilities, home care services for older Vermonters and individuals with physical disabilities, transitional housing for individuals exiting correctional custody, and residential options for individuals with mental health challenges. Emergency housing provided through the Program is not intended to take the place of any other Agency of Human Services time-limited or permanent housing.

§ 2210. HOUSEHOLD RESPONSIBILITIES

(a) Within the funds appropriated for this purpose, a household shall qualify for services under the Program if the household:

(1) is physically present and intends to reside in Vermont as evidenced by active participation in a housing, employment, or other Agency of Human Services–recognized plan;

(2) agrees to a coordinated entry assessment that prioritizes the household for permanent housing, unless explicitly exempt under this chapter;

(3) agrees to engage with a case manager to develop a housing plan, unless explicitly exempt from case management requirements under this chapter or by federal law; and

(4) abides by Program rules and refrains from misconduct.

(b)(1) The Office or a community partner shall provide clear written notice to all applicants regarding penalties for fraud at the time of application.

(2) The Office or a community partner shall not impose a penalty upon a household for a good faith, immaterial error that was corrected upon notice within a reasonable period of time.

(3) A household that knowingly provides false, misleading, or incomplete information regarding residency, disability status, household composition, or other eligibility criteria shall be subject to termination of

services within 30 days after receiving written notice from the Department or a community partner.

(4) Pending the outcome of a relevant Human Services Board hearing, the Office may refer cases of suspected fraud to the Office of the Attorney General or a State's Attorney for investigation and prosecution under applicable State law.

(c) A household may be terminated from the Program for repeatedly refusing suitable placements following documented suitability assessments and reasonable accommodations.

(d) A member or members of an eligible household may be subject to immediate termination of services as necessary for the safety of others if the member or members are engaged in:

(1) criminal activity; or

(2) misconduct that is not related to a disability or to victimization related to abuse, sexual assault, or stalking.

(e) As used in this section, "misconduct" means documented behaviors that materially endanger the safety of others, involve the intentional destruction of property, or constitute illegal activity.

§ 2211. PRIORITIZATION

(a) The Office, either directly or through community partners, shall prioritize services within the funds appropriated for this purpose to eligible households who are homeless or at risk of becoming homeless and have a member who:

(1) is 65 years of age or older;

(2) has a disability;

(3) is a minor child;

(4) is pregnant;

(5) is experiencing domestic violence, dating violence, sexual assault, stalking, human trafficking, or other dangerous or life-threatening conditions; or

(6) is under court-ordered eviction or constructive eviction due to circumstances over which the household has no control.

(b)(1) Proof of an eligible household's disability shall be verified by:

(A) a health care provider licensed or certified and practicing in Vermont;

(B) a determination or certification from a State- or federally recognized agency or program that provides services to individuals with disabilities; or

(C) self-attestation by the eligible household, subject to verification by the State or community partner within 30 days when other documentation is not reasonably available at the time of application.

(2) The presence of an eligible household member's disability shall be verified by the Office or a community partner during the household's initial application process and shall be redetermined annually if the household is still receiving services. An eligible household with a member who has a lifelong disability, such as an intellectual or developmental disability, shall not be required to have the disability redetermined.

(c) The Office and community partners shall comply with the Americans with Disabilities Act, 42 U.S.C. § 12101–12213, and section 504 of the Rehabilitation Act of 1973, 29 U.S.C. § 794, for the purposes of providing reasonable modifications, effective communication, and accessible placements. Program rules and case management requirements shall be reasonably modified, including with the use of plain language, as necessary to avoid discrimination against eligible households with a member who has a disability.

§ 2212. TIME LIMITS FOR PROGRAM PARTICIPATION

(a) Time limits for Program participation shall be governed by the level of service provided as follows:

(1) Level 1: Any temporary housing that is not provided in the form of temporary rental assistance through the Program's prevention and diversion services shall not exceed 30 days per rolling 12-month period.

(2) Level 2: The Office, in collaboration with shelter providers, shall establish the maximum length of stay in highly structured shelters and low-barrier shelters in rule or shelter standards.

(3) Level 3: The Department, in collaboration with other relevant Agency of Human Services departments, shall establish the maximum length of stay in specialized shelters in rule or shelter standards.

(4) Level 4: Hotels and motels:

(A) Between April 1 and November 30 of each year, eligible households may receive housing at hotels and motels with supportive services for not more than 70 days per rolling 12-month period as calculated from the date of the eligible household's application through the same day of the month 12 months later.

(B) Between December 1 and March 31 of each year, eligible households may receive continuous services in cold-weather-use hotels and motels, which shall not be applied toward the time limit established in subdivision (A) of this subdivision (4).

(b) The Department may grant extensions to the time limits established in subsection (a) of this section pursuant to criteria adopted in rule, including for:

(1) an eligible household actively awaiting a placement in housing, treatment, or other services;

(2) medical necessity;

(3) lack of reasonable alternative accessible placements for a member of the eligible household with a disability; and

(4) imminent risk to the health or safety of one or more of the eligible household's members.

§ 2213. CASE MANAGEMENT SERVICES

Each eligible household shall be assigned a case manager, except where specifically exempted for certain services, which may be from any Agency of Human Services department or a community partner. Case management services provided pursuant to this chapter shall be informed by the acuity level of the eligible household and include individualized supports that connect an eligible household to public assistance, health care, employment, permanent housing, and other services. A household may request, but is not guaranteed, a specific case manager or change in case manager.

§ 2214. NEEDS ASSESSMENT

The Office and community partners shall provide advice and consultation to the Department of Housing and Community Development in its completion of a needs assessment that identifies gaps in services for households that are homeless in the State and includes recommendations to ensure the provision of equitable services throughout the State.

§ 2215. NOTICE; APPEALS; RIGHT TO FAIR HEARING

(a) The Office or a community partner shall provide written notice to any applicant or household whose participation in the Program is denied, reduced, suspended, or terminated. Notice shall include:

(1) the specific factual and legal basis for the Office or community partner's decision;

(2) the effective date of the action, which in the case of termination, reduction, or suspension of services shall provide timely written notice by email or U.S. mail;

(3) a statement of the right to request a fair hearing pursuant to this section; and

(4) clear instructions, in plain language, on the process and deadlines for filing an appeal.

(b) An applicant for or a recipient of assistance pursuant to this chapter may file a request for a fair hearing with the Human Services Board pursuant to 3 V.S.A. § 3091 when:

(1) an application for assistance under the Program is denied in whole or part;

(2) a household's benefits are terminated, reduced, or suspended; or

(3) the household believes that benefits have not been provided in accordance with applicable rules or policies.

(c) An applicant or household shall file a request for a fair hearing with the Human Services Board within 60 days after the date of the written notice pursuant to subsection (a) of this section.

(d) If a household files a request for a fair hearing within 14 days after receiving notice pursuant to subsection (a) of this section, the Office or community partner providing notice shall continue to provide services under the Program without interruption until a decision is issued by the Human Services Board, unless:

(1) the household voluntarily waives continued services; or

(2) a household or household member's continued receipt of services poses a risk of safety to others.

(e) Fair hearings held pursuant to this section shall be conducted in accordance with 3 V.S.A. §§ 3090–3091.

§ 2216. RULEMAKING

The Department shall adopt rules pursuant to 3 V.S.A. chapter 25 for the implementation of the Vermont Homelessness Response Continuum, addressing at a minimum:

(1) requirements for community providers participating in the Program;

(2) standards for highly structured, low-barrier, and specialized shelters;

(3) documentation requirements for household eligibility, including disability;

(4) required elements for supportive services, including case management;

(5) the creation of a brief, standardized initial assessment form that may be completed by hand, electronically, or by telephone;

(6) a process for issuing timely, written approval or denial notifications to applicants;

(7) a process for issuing advance notice to households when the household is being terminated from the Program;

(8) applicant and household appeal procedures;

(9) time limits for Program participation, including procedures for extensions;

(10) a process for reinstatement of services after a household's termination from the Program;

(11) expectations for the Office's oversight and quality monitoring, including performance measurements applicable to all community partners and grantees; and

(12) other subjects as deemed necessary.

§ 2217. REPORTING

(a) Annually, as part of the Department's budget presentation, the Department shall provide a status report addressing each level of the Vermont Homelessness Response Continuum. Minimally, the status report shall address:

(1) the number of households served within each level of the Program;

(2) the average length of participation for households within each level of the Program and the rate at which households successfully transition to permanent housing;

(3) the number of households diverted from entering shelters or hotel and motel placements through prevention and diversion services;

(4) the utilization of hotels and motels, including:

(A) the average nightly number of rooms used;

(B) the average and median length of stay;

(C) the extent to which hotel and motel usage has decreased relative to the prior fiscal year; and

(D) the number of eligible households denied a hotel or motel room due to authorized rooms being fully occupied;

(5) housing stability outcomes, including rates of return to homelessness within six and 12 months following exit from the Program;

(6) an assessment of regional capacity and access to services, including identification of geographic areas with unmet needs or disproportionate utilization of emergency housing resources;

(7) total expenditures by Program level and funding source, including State, federal, and other funds, and an analysis of cost efficiency across housing models; and

(8) any operational barriers to implementation of the Program, along with recommendations for administrative or legislative action.

(b) Annually, as part of the Department's budget presentation, the Department shall set goals for increased housing capacity, including permanent supportive housing, permanent affordable housing, and shelter beds. The Department shall provide data pertaining to the increased shelter capacity and the extent to which shelter capacity meets the needs of eligible households experiencing homelessness each year.

(c) On or before the last day of each month, the Office, or other relevant agency or department, shall post on its website a substantially similar report to that due pursuant to 2023 Acts and Resolves No. 81, Sec. 6(b), including the Office's monthly expenditure on the Program by level.

* * * Continuums of Care; Required Merger * * *

Sec. 5. MERGER OF CONTINUUMS OF CARE

(a) In order to promote the effective use of resources and continuity of care, the Department for Children and Families' Office of Economic Opportunity shall work in collaboration with the Chittenden County Homeless Alliance, the Balance of State Continuum of Care, and the U.S. Department of Housing and Urban Development to establish a single continuum of care in the State on or before October 1, 2028.

(b) On or before January 15, 2028, the Office shall submit a written report to the House Committee on Human Services and to the Senate Committee on Health and Welfare summarizing efforts to establish a single continuum of care pursuant to this section.

* * * Effective October 1, 2028, Requirements of Grantees * * *

Sec. 6. 33 V.S.A. § 2218 is added to read:

§ 2218. GRANT REQUIREMENTS

Any grant or other agreement executed by the Agency of Human Services or its departments shall require a community partner, as appropriate, to:

(1) participate in the local housing coalition or other group established to assist eligible households who are homeless;

(2) utilize the coordinated entry assessment for eligible households who are homeless or at risk of homelessness;

(3) utilize the appropriate planning process and options for an eligible household transitioning into permanent housing, including for eligible households with an individual who has an intellectual or developmental disability, older Vermonters, or individuals transitioning from a correctional facility or hospital; and

(4) measure performance outcomes, including diversion success, time to housing, and housing retention.

* * * Fiscal Year 2027 Time Limits for Use of Hotels and Motels * * *

Sec. 6a. FISCAL YEAR 2027 TIME LIMITS; HOTELS AND MOTELS

In fiscal year 2027, an eligible household utilizing General Assistance emergency housing in a hotel or motel during the previous fiscal year shall not be subject to a reset of the 70-day limit established in 33 V.S.A. § 2212(a)(4)(A) until the 12-month anniversary of the eligible household's fiscal year 2026 application.

* * * Transition and Rulemaking; Vermont Homelessness Response Continuum * * *

Sec. 7. TRANSITION TO THE VERMONT HOMELESSNESS RESPONSE CONTINUUM

Recognizing that the Department and community partners do not have the capacity to fully implement the Vermont Homelessness Response Continuum established in 33 V.S.A. chapter 22 on July 1, 2026, the Department through the Office and community partners shall implement the Program to the fullest extent of their ability in fiscal year 2027 while developing the capacity to fully implement the Program in fiscal year 2028.

Sec. 8. INTERIM EMERGENCY RULEMAKING; DEADLINE FOR ADOPTION OF PERMANENT RULES

(a)(1) Pending the adoption of permanent rules on the Vermont Homelessness Response Continuum, the Commissioner for Children and Families shall adopt and maintain emergency rules pursuant to 3 V.S.A. § 844, which shall be deemed to meet the standard for emergency rulemaking pursuant to 3 V.S.A. § 844(a). Emergency rules required by this subsection shall take effect on September 1, 2026, and shall, at a minimum, address the required topics listed in 33 V.S.A. § 2216.

(2) Between July 1, 2026, and August 31, 2026, the Commissioner for Children and Families shall administer the Vermont Homelessness Response Continuum by applying the General Assistance Emergency Housing rules approved by the Legislative Committee on Administrative Rules on March 13, 2025, for the administration of this act.

(b)(1) Unless extended by the Legislative Committee on Administrative Rules pursuant to 3 V.S.A. § 843(c), the Department shall, on or before October 1, 2027, adopt permanent rules pursuant to 3 V.S.A. chapter 25 on the Vermont Homelessness Response Continuum as required by 33 V.S.A. § 2216.

(2) Prior to filing the permanent rule with the Secretary of State pursuant to 3 V.S.A. § 838, the Department shall:

(A) work in collaboration with stakeholders to develop the rule, including holding at least five regional stakeholder hearings throughout the State; and

(B) on or before April 1, 2027, submit a draft of the rules to the House Committee on Human Services and the Senate Committee on Health and Welfare for review and consideration of Committee comments.

Sec. 9. IMPLEMENTATION STATUS REPORT; VERMONT HOMELESSNESS RESPONSE CONTINUUM

On or before February 15, 2027, the Department for Children and Families' Office of Economic Opportunity shall present a progress report to the House Committee on Human Services and to the Senate Committee on Health and Welfare on the Office's implementation of the Vermont Homelessness Response Continuum established pursuant to 33 V.S.A. chapter 22. The Office's presentation shall include an initial draft of the Department's permanent rules for the implementation of the Vermont Homelessness Response Continuum and any recommendations for legislative action.

* * * Supportive and Shelter Services for Households Experiencing Domestic or Sexual Violence * * *

Sec. 10. 33 V.S.A. chapter 6 is amended to read:

CHAPTER 6. PREVENTION AND TREATMENT OF SEXUAL ABUSE AND DOMESTIC AND SEXUAL VIOLENCE

* * *

§ 602. SUPPORTIVE SERVICES AND SHELTER FOR HOUSEHOLDS EXPERIENCING DOMESTIC OR SEXUAL VIOLENCE

The Department shall select and enter into an agreement with a statewide organization to provide or cause to be provided supportive services and shelter to those households that are experiencing or that have experienced domestic or sexual violence. If the statewide organization cannot fulfill its responsibilities under this section, the Department shall work with another entity to ensure that there is not a gap in services.

* * * Vermont Rental Assistance Bridge Program * * *

Sec. 11. VERMONT RENTAL ASSISTANCE BRIDGE PROGRAM

(a) The Vermont Rental Assistance Bridge Program is established within the Vermont State Housing Authority for the purpose of linking households who require rental assistance to permanent housing when the household does not otherwise have access to relevant U.S. Department of Housing and Urban Development rental assistance.

(b)(1) The Agency shall collaborate with the Vermont State Housing Authority to develop a framework for establishing a unified housing voucher program that consolidates the voucher assistance currently provided though the Agency's departments. In developing this framework, the Agency and the Vermont State Housing Authority shall:

(A) analyze the fiscal implications of consolidating existing voucher programs into a unified program, including projected costs, potential efficiencies, and impacts on funding sources;

(B) assess the projected impact on the total number of individuals served and on distinct populations, including:

(i) individuals exiting homelessness;

(ii) individuals facing eviction;

(iii) individuals with mental health challenges;

(iv) individuals with disabilities; and

(v) any other population served by the department-administered voucher programs;

(C) identify administrative, operational, and statutory changes required to implement a unified program; and

(D) propose options and recommendations for the structure, governance, and implementation of the unified program.

(2) The Agency and the Vermont State Housing Authority shall report their findings and recommendations to the House Committee on Human Services and to the Senate Committee on Health and Welfare on or before January 15, 2027.

(c) The Vermont State Housing Authority and relevant departments of the Agency of Human Services shall jointly work to:

(1) incorporate existing rental assistance that is funded by the Agency and its departments and designated for Vermonters exiting homelessness into the Program established in this section; and

(2) establish eligibility criteria, any prioritization that may be necessary for this use of funds appropriated for this Program, and the appropriate length of assistance under this section.

(d) The Program shall not provide the full amount of a household's rental payment and shall not be a permanent voucher. Program priority shall be given to current recipients of the HOME Program, established pursuant to 10 V.S.A. § 321(b)(2), who have not yet reached 24 months of rental assistance. Program payments shall be made directly from the Vermont State Housing Authority to a household's landlord.

(e) The Program shall be accessible to eligible households served by each of the Agency's departments, with priority given to those exiting homelessness and not to the exclusion of other eligible populations.

* * * Payment Rate Structure and Fiscal Year 2027 Expenditures * * *

Sec. 12. PAYMENT RATE STRUCTURE; SHELTER SERVICES

The Department for Children and Families, in collaboration with the Agency of Human Services and relevant community partners, shall propose a payment rate structure, including periodic rate reviews, for all shelter services required by this act. The structure shall include a base rate and potential for supplemental payment to the base if necessary and appropriate.

(1) On or before April 1, 2027, the Department shall submit an interim report to the House Committee on Human Services and to the Senate

Committee on Health and Welfare regarding the implementation of the payment rate structure and the Department's proposed timeline for implementation.

(2) On or before November 1, 2027, the Department shall submit a final report to the Joint Fiscal Committee regarding the implementation of the payment rate structure and the Department's proposed timeline for implementation.

Sec. 13. FISCAL YEAR 2027 CAPPED ROOM RATES

In fiscal year 2027, the Department for Children and Families or community partners shall pay a hotel or motel establishment providing emergency housing not more than the hotel's lowest advertised room rate and not more than $80.00 a day per room to shelter a household participating in the Vermont Homelessness Response Continuum. The Department for Children and Families or community partners may shelter a household in more than one hotel or motel room depending on the household's size and composition.

Sec. 14. EXPENDITURES; VERMONT HOMELESSNESS RESPONSE CONTINUUM

(a) This act provides for the fiscal year 2027 expenditure of $82,634,153.00 for the provision of services, implementation of the Vermont Homelessness Response Continuum, shelter development and operation, rental assistance, and supportive services, including case management, as follows:

(1) $39,284,606.00 for the Housing Opportunity Grant Program operations, of which $38,251,696.00 is base funding from the General Fund, $830,422.00 is federal funding, and $202,488.00 is from the Global Commitment Fund;

(2) $4,400,000.00 for the shelter development, of which $1,400,000.00 is base funding from the General Fund and $3,000,000.00 is one-time funding from the General Fund;

(3) $23,870,000.00 for emergency housing in hotels and motels, of which $9,251,120.00 is base funding from the General Fund and $14,118,880.00 is one-time funding from the General Fund;

(4) $2,400,000.00 for case management, of which $2,400,000.00 is base funding from the General Fund;

(5) $4,200,000.00 for permanent supportive housing and family supportive housing, of which $778,987.00 is base funding from the General Fund and $3,421,013.00 is from the Global Commitment Fund;

(6) $3,000,000.00 for rental assistance, of which $3,000,000.00 is base funding from the General Fund;

(7) $500,000.00 for grants to municipalities, of which $500,000.00 is one-time funding from the General Fund;

(8) $1,500,000.00 for emergency cold-weather shelters, of which $1,500,000.00 is one-time funding from the General Fund;

(9) $314,618.00 for other expenses, of which $314,618.00 is from federal funding;

(10) $3,164,929.00 for staffing, grants, and contracts, of which $1,100,000.00 is base funding from the General Fund and $2,064,929.00 is one-time funding from the General Fund; and

(11) $500,000.00 for the Community Resource Center, of which $500,000.00 is base funding from the General Fund.

(b) Any funds that remain unspent at the end of fiscal year 2027 shall be carried forward for the same purpose for which they were originally appropriated in this section.

(c) Any funds appropriated for General Assistance emergency housing or the Housing Opportunity Grant Program that remain unspent at the end of fiscal year 2026 shall be carried forward for investment in the Vermont Homelessness Response Continuum in fiscal year 2027.

(d) On or before October 1, 2026; January 1, 2027; and April 1, 2027, the Office shall submit a written report to the House Committees on Appropriations and on Human Services and to the Senate Committee on Appropriations and on Health and Welfare describing how the funds referenced in subsection (a) of this section have been utilized to date, including whether expended funds were one-time or base General Fund, federal funds, or Global Commitment funds.

* * * Removing General Assistance Annual Report * * *

Sec. 15. 33 V.S.A. § 2115 is amended to read:

§ 2115. ~~GENERAL ASSISTANCE PROGRAM REPORT~~

~~On or before September 1 of each year, the Commissioner for Children and Families shall submit a written report to the Joint Fiscal Committee; the House Committees on Appropriations, on General, Housing, and Military Affairs, and on Human Services; and the Senate Committees on Appropriations and on Health and Welfare. The report shall contain the following:~~

~~(1) an evaluation of the General Assistance program during the previous fiscal year;~~

~~(2) any recommendations for changes to the program;~~

~~(3) a plan for continued implementation of the program;~~

~~(4) statewide statistics using deidentified data related to the use of emergency housing vouchers during the preceding State fiscal year, including demographic information, client data, shelter and motel usage rates, clients' primary stated cause of homelessness, and average lengths of stay in emergency housing by demographic group and by type of housing; and~~

~~(5) other information the Commissioner deems appropriate.~~ [Repealed.]

* * * Effective Dates * * *

Sec. 16. EFFECTIVE DATES

(a) This section and Sec. 8 (deadline for adoption of permanent rules; interim emergency rulemaking) shall take effect on passage.

(b) Sec. 6 (grant requirements) shall take effect on October 1, 2028.

(c) All remaining sections shall take effect on July 1, 2026.

(Committee vote: 4-1-0)

(For House amendments, see House Journal of March 27, 2026, pages 3660-3661)

Reported favorably with recommendation of proposals of amendment 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, with further proposals of amendment as follows:

First: In Sec. 4, 33 V.S.A. chapter 22, in section 2208, in the first sentence, by inserting "offer to" before "provide"

Second: In Sec. 14, expenditures; Vermont Homelessness Response Continuum, in subsection (a), in subdivision (3), by striking out "$23,870,000.00" and inserting in lieu thereof "$23,370,000.00"

Third: In Sec. 14, expenditures; Vermont Homelessness Response Continuum, in subsection (a), in subdivision (7), by inserting after the word "municipalities" the phrase "pursuant to 33 V.S.A. § 2209(a)"

Fourth: In Sec. 14, expenditures; Vermont Homelessness Response Continuum, in subsection (b), by striking out the phrase "in this section"

(Committee vote: 7-0-0)

H. 955.

An act relating to next steps in transforming Vermont's education system.

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:

* * * Legislative Intent * * *

Sec. 1. FINDINGS; LEGISLATIVE INTENT

(a) Findings. The General Assembly finds that:

(1) Implementation of school district consolidation under 2015 Acts and Resolves No. 46 (Act 46) resulted in the creation of larger supervisory unions, supervisory districts, and unified union school districts, which have achieved measurable administrative efficiencies, including reductions in per-pupil central office costs and the elimination of duplicative governance structures, while maintaining or improving student opportunities in many regions.

(2) Regional high schools serving broader geographic areas provide expanded and more equitable access to academic programming, career and technical education, co-curricular opportunities, and specialized staff, which are often not sustainable at smaller scales.

(3) Research demonstrates that closing small elementary schools often yields limited or inconsistent cost savings once transportation, capital adjustments, and community impacts are considered, and may negatively affect student outcomes and family engagement, particularly in rural areas.

(4) Nationally, the average public school district enrolls approximately 5,000 students, while the median district size is substantially smaller, commonly cited near 1,500 students, reflecting a wide distribution of district scale across the United States.

(5) In rural states, school district design must account not only for enrollment but also for geographic size, as districts are often measured in square miles. Larger geographic areas can present barriers to equitable access to educational opportunity, requiring careful balancing of efficiency,

transportation time, community connection, and student access to high-quality programming.

(6) Approximately 40 percent of Vermont high school graduates enroll in a two- or four-year degree program. This outcome does not reflect a lack of academic engagement but rather underscores the importance of ensuring that all students graduate with a clear and supported pathway, including high-quality career and technical education, workforce entry, or further education aligned with individual goals and regional economic needs.

(b) Legislative intent.

(1) To ensure each student is provided substantially equal opportunities for an excellent education that will prepare the student to thrive in a 21st-century world, it is the intent of the General Assembly to work strategically, intentionally, and thoughtfully to ensure that each incremental change made to Vermont's public education system provides strength and support to its only constitutionally required governmental service.

(2) The General Assembly recognizes that Vermont's schools anchor local economies and community identity, connecting young persons to their homes while supporting workforce development and long-term stability, and that different regions of Vermont have different needs, challenges, and opportunities. Further, it is the intent of the General Assembly to ensure that local voice and community input retain an important role in Vermont's evolving education landscape.

(3) It is the intent of the General Assembly to create a statewide education system that encourages and supports local elementary schools, central middle schools, and comprehensive, regional high schools that provide each student with universal access to career technical education.

* * * Cooperative Educational Service Areas * * *

Sec. 2. 16 V.S.A. chapter 10 is amended to read:

CHAPTER 10. ~~BOARDS OF~~ COOPERATIVE ~~EDUCATION SERVICES~~ EDUCATIONAL SERVICE AREAS

§ 601. POLICY

It is the policy of the State to ~~allow and encourage supervisory unions to~~ create ~~boards of~~ cooperative ~~education services~~ educational service areas to provide shared programs and services on a regional and statewide level. ~~Formation of a board of cooperative education services shall be designed to build upon the geographically focused cooperative regions used by Vermont superintendents as of July 1, 2024;~~ It is the intent of the General Assembly that

cooperative educational service areas are utilized by member supervisory unions to maximize the impact of available dollars through collaborative funding; reduce duplication of programs, personnel, and services; ensure every middle and high school student has a genuine opportunity to participate fully in and to benefit from career technical education; and contribute to ~~equalizing~~ the equalization of educational opportunities for all pupils.

§ 602. DEFINITIONS

As used in this chapter:

(1) "Educator" means any:

(A) individual licensed under chapter 51 of this title, the majority of whose employed time in a public school district, supervisory union, or ~~board of~~ cooperative ~~education services~~ educational service area is assigned to furnish to students direct instructional or other educational services, as defined by rule of the Standards Board, or who is otherwise subject to licensing as determined by the Standards Board; or

* * *

(3) "Cooperative educational service area" or "CESA" means an association of supervisory unions created pursuant to this chapter to deliver shared programs and services to complement the educational programs of member supervisory unions in a cost-effective manner. A CESA shall be a body politic and corporate with the powers and duties afforded it under this chapter.

§ 603. CREATION OF ~~BOARD OF~~ COOPERATIVE ~~EDUCATION SERVICES~~ EDUCATIONAL SERVICE AREAS; ORGANIZATION; SECRETARY APPROVAL

(a) Establishment of ~~boards of~~ cooperative ~~education services~~ educational service areas. ~~When the boards of two or more supervisory unions vote to explore the advisability of entering into a written agreement to provide shared programs and services, the interested boards shall meet and discuss the terms of any such agreement. At this meeting or a subsequent meeting, the participating boards may enter into a proposed agreement to form an association of supervisory unions to deliver shared programs and services to complement the educational programs of member supervisory unions in a cost-effective manner. An association formed pursuant to this chapter shall be known as a board of cooperative education services (BOCES) and shall be a body politic and corporate with the powers and duties afforded them under this chapter.~~ Supervisory unions are arranged into the following cooperative educational service areas:

(1) The Champlain Valley North CESA is formed of the member supervisory unions of:

(A) Franklin Northeast Supervisory Union, which is composed of the member school districts of the Enosburgh-Richford Unified Union School District and the Northern Mountain Valley Unified Union School District;

(B) Franklin West Supervisory Union, which is composed of the member school districts of the Fairfax School District, the Fletcher School District, and the Georgia School District;

(C) Grand Isle Supervisory Union, which is composed of the member school districts of the Alburgh School District, the Champlain Islands Unified Union School District, and the South Hero School District;

(D) Maple Run Unified Union Supervisory District; and

(E) Missisquoi Valley Supervisory District.

(2) The Chittenden Central CESA is formed of the member supervisory unions of:

(A) Burlington Supervisory District;

(B) Colchester Supervisory District;

(C) Essex Westford Educational Community Unified Union Supervisory District;

(D) Milton Supervisory District;

(E) South Burlington Supervisory District; and

(F) Winooski Supervisory District.

(3) The Champlain Valley South CESA is formed of the member supervisory unions of:

(A) Addison Central Supervisory District;

(B) Addison Northwest Supervisory District;

(C) Champlain Valley Supervisory District;

(D) Lincoln Supervisory District;

(E) Mount Abraham Unified Supervisory District; and

(F) Mount Mansfield Unified Union Supervisory District.

(4) The Southwest CESA is formed of the member supervisory unions of:

(A) Bennington Rutland Supervisory Union, which is composed of the member school districts of the Mettawee School District, the Taconic and Green Regional School District, and the Winhall School District;

(B) Greater Rutland County Supervisory Union, which is composed of the member school districts of the Ira School District, the Quarry Valley Unified Union School District, the Rutland Town School District, and the Wells Spring Unified Union School District;

(C) Mill River Unified Union Supervisory District;

(D) Rutland City Supervisory District;

(E) Rutland Northeast Supervisory Union, which is composed of the member school districts of the Barstow Unified Union School District and the Otter Valley Unified Union School District;

(F) Slate Valley Unified Union Supervisory District; and

(G) Southwest Vermont Supervisory Union, which is composed of the member school districts of the Arlington School District, the Mount Anthony Union High School District #14, the North Bennington Graded School District, the Sandgate School District, and the Southwest Vermont Union Elementary School District.

(5) The Vermont Learning Collaborative is formed of the member supervisory unions of:

(A) Mountain View Supervisory Union, which is composed of the member school districts of the Pittsfield School District and the Mountain View School District;

(B) Springfield Supervisory District;

(C) Two Rivers Supervisory Union, which is composed of the member school districts of the Green Mountain Unified School District and the Ludlow-Mount Holly Unified Union School District;

(D) Windham Central Supervisory Union, which is composed of the member school districts of the Marlboro School District, the River Valleys Unified School District, the Stratton School District, the West River Modified Union Education District, and the Windham School District;

(E) Windham Northeast Supervisory Union, which is composed of the member school districts of the Bellows Falls Union High School District, the Rockingham School District, the Athens Grafton School District, and the Westminster School District;

(F) Windham Southeast Supervisory Union, which is composed of the member school districts of the Vernon Town School District and the Windham Southeast School District;

(G) Windham Southwest Supervisory Union, which is composed of the member school districts of the Halifax School District, the Readsboro School District, the Searsburg School District, the Somerset School District, the Stamford School District, and the Twin Valley Unified School District; and

(H) Windsor Southeast Supervisory Union, which is composed of the member school districts of the Hartland School District, the Mount Ascutney School District, and the Weathersfield School District.

(6) The Northeast CESA is formed of the member supervisory unions of:

(A) Caledonia Central Supervisory Union, which is composed of the member school districts of the Cabot School District, the Caledonia Cooperative School District, the Danville School District, the Peacham School District, and the Twinfield Union School District;

(B) Essex North Supervisory Union, which is composed of the member school districts of the Canaan School District, the Essex North Supervisory Union, and the NEK Choice School District;

(C) Hartford Supervisory District;

(D) Kingdom East Supervisory District;

(E) North Country Supervisory Union, which is composed of the member school districts of the Brighton School District, the Charleston School District, the Coventry School District, the Derby School District, the Holland School District, the Jay School District, the Lowell School District, the Morgan School District, the Newport City School District, the Newport Town School District, the North Country Union High School District, the North Country Union Junior High School Board, the Troy School District, and the Westfield School District;

(F) Orange East Supervisory Union, which is composed of the member school districts of the Blue Mountain Union School District, the Oxbow Unified Union School District, the Thetford Town School District, and the Waits River Valley Union School District #36;

(G) Orleans Central Supervisory Union, which is formed of the member school districts of the Lake Region Union Elementary-Middle School District and the Lake Region Union High School District;

(H) Rivendell Interstate Supervisory District;

(I) SAU 70; and

(J) St. Johnsbury Supervisory District.

(7) The Winooski Valley CESA is formed of the member supervisory unions of:

(A) Barre Unified Union Supervisory District;

(B) Central Vermont Supervisory Union, which is composed of the member school districts of the Echo Valley Community School District and the Paine Mountain School District;

(C) Harwood Unified Union Supervisory District;

(D) Lamoille North Supervisory Union, which is composed of the member school districts of the Cambridge School District and the Lamoille North Modified Unified Union School District;

(E) Lamoille South Supervisory Union, which is composed of the Member School Districts of the Elmore-Morristown Unified Union School District and the Stowe School District;

(F) Montpelier Roxbury Supervisory District;

(G) Orange Southwest Unified Union Supervisory District;

(H) Orleans Southwest Supervisory Union, which is composed of the member school districts of the Craftsbury School District, the Hazen Union School District, the Mountain View Union Elementary School District, the Stannard Town School District, and the Wolcott School District;

(I) Washington Central Unified Union Supervisory District; and

(J) White River Valley Supervisory Union, which is composed of the member school districts of the First Branch Unified School District, the Granville-Hancock Unified District, the Rochester-Stockbridge Unified District, the Sharon School District, the Strafford School District, and the White River Unified District.

(b) ~~Articles of agreement~~ Bylaws. ~~Agreements to form a BOCES pursuant to this chapter shall take the form of articles of agreement and shall serve as the operating agreement for a BOCES. Agreements shall include a cost-benefit analysis outlining the projected financial savings or enhanced outcomes, or both, that the parties expect to realize through shared services or programs. No agreement or subsequent amendments shall take effect unless approved by the member supervisory union boards and the Secretary of Education. The Secretary shall approve articles of agreement if the Secretary finds that the formation of the proposed BOCES is in the best interests of the~~

~~State, the students, and the member supervisory unions and aligns with the policy set forth in section 601 of this title, subject to the limitations of subsection (d) of this section.~~ Each CESA shall establish bylaws to serve as the operating agreement of the CESA. At a minimum, the ~~articles of agreement~~ bylaws shall state:

(1) the names of the participating supervisory unions;

(2) the mission, purpose, and focus of the ~~BOCES~~ CESA;

(3) the programs or services to be offered by the ~~BOCES~~ CESA;

(4) the financial terms and conditions of membership of the ~~BOCES~~ CESA, including any applicable membership fee, which shall be allocated according to the amount of services actually provided to each member supervisory union;

(5) the service fees for member supervisory unions and the service fees for nonmember supervisory unions, as applicable;

(6) the detailed procedure for the preparation and adoption of an annual budget with carryforward provisions;

(7) ~~the method of termination of the BOCES and the withdrawal of member supervisory unions, which shall include the apportionment of assets and liabilities;~~ [Repealed.]

(8) the procedure for ~~admitting new members and for~~ amending the ~~articles of agreement~~ bylaws;

(9) the powers and duties of the board of directors of the ~~BOCES~~ CESA to operate and manage the association, including:

(A) board meeting attendance requirements;

(B) consequences for failure to attend a board meeting;

(C) a conflict-of-interest policy; and

(D) a policy regarding board member salaries or stipends; and

(10) any other matter not incompatible with law that the member supervisory unions consider necessary ~~to the formation of the BOCES~~.

(c) Board of directors. A ~~BOCES~~ CESA shall be managed by a board of directors, which shall be composed of one person appointed annually by each member supervisory union board. Appointed persons shall be members of a member supervisory union board or the superintendent or designee of the member supervisory union. Each member of the ~~BOCES~~ CESA board of directors shall be entitled to a vote. No member of the board of directors of a

~~BOCES~~ CESA shall serve as a member of a board of directors or as an officer or employee of any related for-profit or nonprofit organization. The board of directors shall elect a chair from its members and provide for such other officers as it may determine are necessary. The board of directors may also establish subcommittees and create board policies and procedures as it may determine are necessary. The board of directors shall meet not fewer than four times annually. Each member of the board of directors shall provide updates on the activities of the ~~BOCES~~ CESA on a quarterly basis to the member's appointing supervisory union board at an open board meeting.

(d) ~~Number of BOCESs. There shall be not more than seven BOCESs statewide. Supervisory unions shall not be a member of more than one BOCES but may seek services as a nonmember from other BOCESs.~~ [Repealed.]

§ 604. POWERS OF ~~BOARDS OF~~ COOPERATIVE ~~EDUCATION SERVICES~~ EDUCATIONAL SERVICE AREAS

(a) In addition to any other powers granted by law, a ~~BOCES~~ CESA shall have the power to provide educational programs, services, facilities, and professional and other staff that, in its discretion, best serve the needs of its members, including professional development, curriculum coordination and development, and transportation. A ~~BOCES~~ CESA shall follow all applicable State and federal laws in its provision of services, including Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. § 794, and the Individuals with Disabilities Education Act, 20 U.S.C. §§ 1400–1482. At a minimum, a CESA shall offer services in the following areas to its members, when requested:

(1) special education, including implementation and maintenance of tiered systems of support and the provision of low-incidence, high-cost services;

(2) business and administrative services; and

(3) union school district creation consultation and facilitation.

(b) A ~~BOCES~~ ~~may~~ CESA shall employ an executive director who shall serve under the general direction of the board and who shall be responsible for the care and supervision of the ~~BOCES~~ CESA. The board shall annually evaluate the executive director's performance and effectiveness in implementing the programs, policies, and goals of the ~~BOCES~~ CESA. The executive director shall not serve as a board member, officer, or employee of any related for-profit or nonprofit organization.

(c) A ~~BOCES~~ CESA shall be a body politic and corporate and shall have standing to sue and be sued to the same extent as a school district. A ~~BOCES~~

CESA may enter into contracts for the purchase of supplies, materials, and services and for the purchase or leasing of land, buildings, and equipment as considered necessary by the board of directors. Section 559 of this title shall apply to the procurement of services or items with costs that exceed $40,000.00, as well as high-cost construction contracts, as defined by subsection 559(b) of this title.

(d) The board of directors of a ~~BOCES~~ CESA may apply for State, federal, or private grants, for which a ~~BOCES~~ CESA may be otherwise eligible, to obtain funds necessary to carry out the purpose for which the ~~BOCES~~ CESA is established. Nothing in this chapter is intended to create an entitlement to federal funds distributed by the Agency of Education to local education agencies.

§ 605. FINANCING, BUDGETING, AND ACCOUNTING

(a) Education cooperative fund. A ~~BOCES~~ CESA shall establish and manage a fund to be known as an education cooperative fund. All monies contributed by the member school districts and all grants or gifts from the federal government, State government, charitable foundations, private corporations, or any other source shall be deposited into the fund.

(b) Treasurer.

(1) A ~~BOCES~~ CESA shall appoint a treasurer who may be a treasurer of a member school district and who shall be sworn in before entering the duties of the office.

(2) The treasurer may, subject to the direction of the board of directors, receive and disburse all money belonging to the board without further appropriation.

(3) The treasurer shall keep financial records of cash receipts and disbursements and shall make those records available to the board of directors upon request.

(4) The board of directors shall ensure that its blanket bond covers a newly appointed treasurer before the treasurer enters upon the duties of the office. In lieu of a blanket bond, a ~~BOCES~~ CESA may choose to provide suitable crime insurance coverage. The board of directors may pay reasonable compensation to the treasurer for services rendered and shall evaluate the treasurer's performance annually.

(c) Financial accounting system. A ~~BOCES~~ CESA shall use the uniform chart of accounts and financial reporting requirements used by supervisory unions as its financial accounting system.

(d) Audit. Annually, a ~~BOCES~~ CESA shall cause an independent audit to be made of its financial statements consistent with generally accepted governmental auditing standards and shall discuss and vote to accept the audit report at an open meeting of the board. The board shall transmit a copy of each audit to the boards of its member supervisory unions.

(e) Annual statement. Annually, a ~~BOCES~~ CESA shall prepare financial statements, including:

(1) a statement of net assets; and

(2) a statement of revenues, expenditures, and changes in net assets.

(f) Budget. ~~A~~ The board of ~~cooperative education services~~ a CESA shall adopt a budget prior to the beginning of the fiscal year for which the budget is adopted.

(g) Loans. A ~~BOCES~~ CESA may, upon approval of its members, negotiate or contract with any person, corporation, association, or company for a loan not to exceed the difference between the anticipated revenues for the current fiscal year for the budget of the ~~BOCES~~ CESA and the amount credited to date to said budget in order to pay current obligations. Such loan shall be liquidated within six months thereafter from monies subsequently credited to said budget. The total principal, interest, and fees to be paid on such loan shall not exceed the total amount of the authorized budget for the same length of time.

§ 606. ANNUAL REPORT; PUBLIC INFORMATION

(a) The board of a ~~BOCES~~ CESA shall prepare an annual report concerning the affairs of the ~~BOCES~~ CESA and have it printed and distributed to the boards of the member supervisory unions. The annual report shall include, at a minimum:

(1) information on the programs and services offered by the ~~BOCES~~ CESA, including information on the cost-effectiveness of such programs and services and progress made towards achieving the objectives and purposes set forth in the articles of agreement; and

(2) audited financial statements and the independent auditor's report.

(b) A ~~BOCES~~ CESA shall maintain an internet website that makes the following information available to the public at no cost:

(1) a list of the members of the board of directors of the ~~BOCES~~ CESA;

(2) copies of approved minutes of open meetings held by the board of the ~~BOCES~~ CESA;

(3) a copy of the articles of agreement and any subsequent amendments; and

(4) a copy of the annual report required under subsection (a) of this section.

§ 607. EMPLOYMENT

(a) A ~~BOCES~~ CESA shall be considered to be a public employer and may employ personnel, including educators, to carry out the purposes and functions of the board. Annually, the board of a ~~BOCES~~ CESA shall conduct an area survey of the salaries of the educators and staff employed by the ~~BOCES's~~ CESA's member supervisory unions and school districts.

(b) No person shall be eligible for employment by a ~~BOCES~~ CESA as an educator unless the person is appropriately licensed by the Standards Board for Professional Educators pursuant to chapter 51 of this title.

(c) A person employed by a ~~BOCES~~ CESA as an educator shall be a participant in the Vermont State Teachers' Retirement System pursuant to chapter 55 of this title.

(d) A person who is employed by a ~~BOCES~~ CESA and who is not an educator shall be a participant in the Vermont Municipal Employees' Retirement System pursuant to 24 V.S.A. chapter 125.

(e) Educators employed by a ~~BOCES~~ CESA shall be entitled to organize pursuant to chapter 57 of this title.

(f) Employees employed by a ~~BOCES~~ CESA and who are not educators shall be entitled to organize pursuant to 21 V.S.A. chapter 22.

(g) Educators and employees who are employed by a ~~BOCES~~ CESA shall be provided health care benefits pursuant to chapter 61 of this title.

§ 608. CESA MEMBERSHIP ADJUSTMENT PROPOSALS

(a) The board of a member supervisory union may propose to the General Assembly to adjust the membership of the CESA it belongs to in accordance with the following procedure:

(1) The board of a supervisory union may vote to propose withdrawal from its current CESA in order to become a member of a different CESA.

(2) If a majority of the supervisory union board members vote in favor of withdrawing from one CESA in order to join a different CESA, the supervisory union board shall transmit the results of the membership adjustment proposal vote to the boards of both applicable CESAs.

(3) The board of a supervisory union's current CESA and the board of the CESA the supervisory union has voted to join shall hold separate advisory votes to approve the membership adjustment proposal within 45 days after the results of the supervisory union board vote held pursuant to subdivision (2) of this subsection.

(4) The supervisory union board requesting the membership adjustment shall submit the results of the advisory CESA board votes to the Secretary of Education with the following information:

(A) the minutes recorded by the supervisory union board that detail the origins and intent of the CESA membership adjustment proposal;

(B) copies of the warnings and published notices for any public hearings held to discuss the membership adjustment proposal;

(C) the minutes recorded by the supervisory union board that detail any public hearings held to discuss the membership adjustment proposal, including minutes from the meeting at which the board voted in favor of the CESA membership adjustment proposal; and

(D) the results of the advisory CESA board votes made pursuant to subdivision (3) of this subsection (a).

(b) The Secretary of Education shall deliver copies of the information required pursuant to subsection (a) of this section to the Clerk of the House, the Secretary of the Senate, and the chairs of the committees concerned with CESA membership of both houses of the General Assembly.

(c) The membership adjustment proposal shall become effective upon affirmative enactment of the proposal, either as proposed or as amended by the General Assembly.

Sec. 2a. 16 V.S.A. § 604(a) is amended to read:

(a) In addition to any other powers granted by law, a CESA shall have the power to provide educational programs, services, facilities, and professional and other staff that, in its discretion, best serve the needs of its members~~,~~ ~~including professional development, curriculum coordination and development, and transportation~~. A CESA shall follow all applicable State and federal laws in its provision of services, including Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. § 794, and the Individuals with Disabilities Education Act, 20 U.S.C. §§ 1400–1482. At a minimum, a CESA shall offer services in the following areas to its members, when requested:

(1) special education, including implementation and maintenance of tiered systems of support and the provision of low-incidence, high-cost services;

(2) business and administrative services; ~~and~~

(3) union school district creation consultation and facilitation;

(4) professional development;

(5) curriculum coordination and development;

(6) transportation; and

(7) facilities master planning.

Sec. 3. REPEAL

2024 Acts and Resolves No. 168, Sec. 3 (transition; report) is repealed.

Sec. 4. 2024 Acts and Resolves No. 168, Sec. 4, as amended by 2025 Acts and Resolves No. 72, Sec. 7, is further amended to read:

Sec. 4. ~~BOCES~~ CESA GRANT PROGRAM; APPROPRIATION

(a) There is established the ~~Boards of~~ Cooperative ~~Education Services~~ Educational Service Area Start-up Grant Program, to be administered by the Agency of Education, from funds appropriated for this purpose, to award grants to ~~enable the formation of boards of cooperative education services (BOCES) formed pursuant to 16 V.S.A. chapter 10 after July 1, 2024~~ the CESAs created in 16 V.S.A. § 603(a) to assist with start-up costs. ~~Supervisory unions~~ CESAs shall be eligible for a single ~~$10,000.00~~ $15,000.00 grant ~~after two or more boards vote to explore the advisability of forming a board of cooperative education services pursuant to 16 V.S.A. § 603(a)~~. Grants may be used for start-up and formation costs, including the development of ~~proposed articles of agreement~~ bylaws. ~~Grants shall be awarded to only one supervisory union within each group of supervisory unions exploring the formation of a BOCES.~~

(b) Notwithstanding any provision of 16 V.S.A. § 4025 to the contrary, the sum of $70,000.00 is appropriated from the Education Fund to the Agency of Education in fiscal year 2025 to fund the ~~Boards of~~ Cooperative ~~Education Services~~ Educational Service Area Start-up Grant Program created in subsection (a) of this section. Unexpended appropriations shall carry forward into the subsequent fiscal year and remain available for use for this purpose.

(c) Of the funds appropriated to the Agency of Education in 2025 Acts and Resolves No. 73, Sec. 32(a)(1), as amended by Sec. C.103 of legislation enacting the budget in fiscal year 2027, $30,000.00 shall be used to provide

additional funding to the Cooperative Educational Service Area Start-up Grant Program created in subsection (a) of this section.

Sec. 5. 16 V.S.A. § 261a is amended to read:

§ 261a. DUTIES OF SUPERVISORY UNION BOARD

* * *

(b) Virtual merger. In order to maximize the impact of available funding and resources, and to reduce duplication of educational programs, personnel, and services, whenever legally permissible, supervisory unions are encouraged to reach agreements with other supervisory unions jointly to provide any service or perform any duty under this section pursuant to section 267 of this title, or to form ~~boards of~~ cooperative ~~education services~~ educational service areas pursuant to chapter 10 of this title. Agreements between supervisory unions are not subject to the waiver requirement of subdivision (a)(8) of this section. Agreements shall include a cost-benefit analysis outlining the projected financial savings or enhanced outcomes, or both, that the parties expect to realize through shared services or programs.

* * *

Sec. 6. 16 V.S.A. § 1691a is amended to read:

§ 1691a. DEFINITIONS

As used in this chapter:

(1) "Administrator" means an individual licensed under this chapter the majority of whose employed time in a public school, school district, supervisory union, or ~~board of~~ cooperative ~~education services~~ educational service area is assigned to developing and managing school curriculum, evaluating and disciplining personnel, or supervising and managing a public school system or public school program.

* * *

(10) "Teacher" means an individual licensed under this chapter the majority of whose employed time in a public school district, supervisory union, or ~~board of~~ cooperative ~~education services~~ educational service area is assigned to furnish to students direct instructional or other educational services, as defined by rule of the Standards Board, or who is otherwise subject to licensing as determined by the Standards Board.

Sec. 7. 16 V.S.A. § 1931(20) is amended to read:

(20) "Teacher" means any licensed teacher, principal, supervisor, superintendent, or any professional licensed by the Vermont Standards Board

for Professional Educators who is regularly employed, or otherwise contracted if following retirement, for the full normal working time for the teacher's position in a public day school or school district within the State, or in any school or teacher-training institution located within the State, controlled by the State Board of Education, and supported wholly by the State; or in certain public independent schools designated for such purposes by the Board in accordance with section 1935 of this title; or who is regularly employed by a ~~board of~~ cooperative ~~education services~~ educational service area created in accordance with chapter 10 of this title. In all cases of doubt, the Board shall determine whether any person is a teacher as defined in this chapter. It does not mean a person who is teaching with an emergency license.

Sec. 8. 24 V.S.A. § 5051(10) is amended to read:

(10) "Employee" means the following persons employed on a regular basis by a school district, by a supervisory union, or by a ~~board of~~ cooperative ~~education services~~ educational service area for not fewer than 1,040 hours in a year and for not fewer than 30 hours a week for the school year, as defined in 16 V.S.A. § 1071, or for not fewer than 1,040 hours in a year and for not fewer than 24 hours a week year-round; provided, however, that if a person who was employed on a regular basis by a school district as either a special education or transportation employee and who was transferred to and is working in a supervisory union or a ~~board of~~ cooperative ~~education services~~ educational service area in the same capacity pursuant to 16 V.S.A. § 261a(a)(6) or (8)(E) and if that person is also employed on a regular basis by a school district within the supervisory union, then the person is an "employee" if these criteria are met by the combined hours worked for the supervisory union and school district. The term also means persons employed on a regular basis by a municipality other than a school district for not fewer than 1,040 hours in a year and for not fewer than 24 hours per week, including persons employed in a library at least one-half of whose operating expenses are met by municipal funding:

* * *

Sec. 9. 16 V.S.A. § 1981 is amended to read:

§ 1981. DEFINITIONS

As used in this chapter unless the context requires otherwise:

* * *

(8) "School board negotiations council" means, for a supervisory district, its school board, and, for school districts within a supervisory union or ~~board of~~ a cooperative ~~education services~~ educational service area, the body

comprising representatives designated by each school board within the supervisory union or ~~board of cooperative education services~~ supervisory union board within each cooperative educational service area and by the supervisory union board or board of a cooperative ~~education services~~ educational service area to engage in professional negotiations with a teachers' or administrators' organization.

(9) "Teachers' organization negotiations council" or "administrators' organization negotiations council" means the body comprising representatives designated by each teachers' organization or administrators' organization within a supervisory district, supervisory union, or ~~board of~~ cooperative ~~education services~~ educational service area to act as its representative for professional negotiations.

Sec. 10. 21 V.S.A. § 1722 is amended to read:

§ 1722. DEFINITIONS

As used in this chapter:

* * *

(18) "School board negotiations council" means, for a supervisory district, its school board, and, for school districts within a supervisory union or ~~board of~~ a cooperative ~~education services~~ educational service area, the body comprising representatives designated by each school board within the supervisory union or ~~board of cooperative education services~~ supervisory union board within a cooperative educational service area and by the supervisory union board or ~~board of~~ cooperative ~~education services~~ educational service area to engage in collective bargaining with their school employees' negotiations council.

(19) "School employees' negotiations council" means the body comprising representatives designated by each exclusive bargaining agent within a supervisory district, supervisory union, or ~~board of~~ cooperative ~~education services~~ educational service area to engage in collective bargaining with its school board negotiations council.

* * *

(21) "Municipal school employee" means an employee of a supervisory union, school district, or ~~board of~~ cooperative ~~education services~~ educational service area who is not otherwise subject to 16 V.S.A. chapter 57 (labor relations for teachers and administrators) and who is not otherwise excluded pursuant to subdivision (12) of this section.

* * *

Sec. 11. 16 V.S.A. § 2101 is amended to read:

§ 2101. DEFINITIONS

As used in this chapter:

* * *

(3) "School employer" means a supervisory union or school district as those terms are defined in section 11 of this title, or a ~~board of~~ cooperative ~~education services~~ educational service area formed pursuant to chapter 10 of this title.

Sec. 12. CESA TRANSITION

(a) Within 30 days following the passage of this act, each member supervisory union board of each CESA created under 16 V.S.A. § 603(a) shall appoint a person to serve on the board of directors of the applicable CESA pursuant to 16 V.S.A. § 603(c).

(b) Within 45 days following the passage of this act, the superintendent of the supervisory union with the highest aggregate average daily membership of each CESA created under 16 V.S.A. § 603(a) shall call a meeting of the directors of the CESA at which each CESA board shall elect a chair and other necessary officers.

(c) The articles of agreement of the Vermont Learning Collaborative (VTLC) in effect on June 30, 2026, shall serve as the operating agreement of the VTLC unless and until amended.

* * * Union School District Exploration and Formation * * *

Sec. 13. UNION SCHOOL DISTRICT CREATION CONSULTATION AND FACILITATION

(a) Facilitator. On or before October 1, 2026, the Vermont Learning Collaborative (VTLC), a CESA formed pursuant to 16 V.S.A. chapter 10, shall employ or contract for the services of seven union school district formation facilitators (facilitators) who shall be responsible for organizing and facilitating study committees to study the advisability of forming a unified union school district. The VTLC shall also hire one lead facilitator who, in addition to facilitating study committees as necessary, shall oversee the work of the seven facilitators. A facilitator shall have knowledge of and experience working in Vermont's public education system. The VTLC shall assign one facilitator to each CESA membership region created pursuant to 16 V.S.A. § 603(a)(1)–(7).

(b) Study committees.

(1) On or before December 1, 2026:

(A) Each facilitator shall group school districts within the facilitator's assigned CESA region's member supervisory unions together to form study committees to study the advisability of forming a unified union school district. The facilitator shall consult with school district boards prior to finalizing study committee membership. Using the suggested school district groupings contained in Sec. 14 of this act as guidance, and taking into consideration grand list values, accounting for the homestead exemption and current education spending, the facilitator shall group school districts together according to the following criteria:

(i) total average daily membership of school districts forming a study committee shall be a minimum of 1,500 students, as practical; and

(ii) school districts on the same study committee may be members of different supervisory unions.

(B) Each study committee shall hold its first meeting.

(2) Notwithstanding any provision of law to the contrary, a school district shall participate in good faith in the study committee it is assigned to by the facilitator.

(3) A study committee formed pursuant to this section shall adhere to the processes and requirements of 16 V.S.A. chapter 11, subchapter 2.

(A) If a study committee identifies a school district as necessary that is not a member of the study committee or that is not a member of the CESA, or both, the study committee shall work with the applicable facilitator or facilitators to adjust study committee membership as necessary.

(B) Notwithstanding 16 V.S.A. § 706(b) as it applies to study committee budgets and 16 V.S.A. § 707(a) and (b), a study committee formed pursuant to this section shall be funded through appropriations made by the General Assembly for this purpose; provided, however, that if a study committee's needs exceed the appropriations provided, it may elect to increase its budget according to the processes and procedures established in 16 V.S.A. chapter 11.

(C) In addition to the requirements of 16 V.S.A. chapter 11, subchapter 2, a study committee shall also explore the advisability and feasibility of a contemplated new unified union school district providing for the education of its resident students through local elementary schools, central

middle schools, and comprehensive, regional high schools that provide each student with universal access to career technical education.

(D) A study committee formed pursuant to this section shall prepare a report with its final recommendations as to whether it is advisable or inadvisable to form a new unified union school district. In addition to the report requirements in 16 V.S.A. § 708(c), the final report of each study committee formed pursuant to this section shall include the following:

(i) the names of the school districts participating in the study committee;

(ii) an analysis of the strengths and challenges of the current structures of all "necessary" and "advisable" school districts;

(iii) the study committee's final recommendation as to whether it is advisable or inadvisable to propose the formation of a new unified union school district;

(iv) an analysis of how the final recommendation will enable the study committee member school districts to, under the foundation formula, maximize operational efficiencies, promote transparency and accountability, and encourage and support local decisions and actions that provide equal opportunities for an excellent education, all at a cost that parents, voters, and taxpayers value; and

(v) if the decision of the study committee was not unanimous, an analysis of the minority view of the committee.

(E) Members of a study committee that determines it is inadvisable to propose the formation of a new unified union school district may form a new study committee or committees and may pursue any union school district formation option available under 16 V.S.A. chapter 11 after the study committee members vote to dissolve the study committee formed pursuant to this section.

(F) Each study committee formed pursuant to this section shall consult with area career technical education (CTE) directors and shall document such consultation and any recommendations made by a CTE director in the study committee's final report issued pursuant to subdivision (D) of this subdivision (b)(3).

(4) On or before December 1, 2027, each study committee shall complete its final report and transmit it, along with proposed articles of agreement, as applicable, to the school board of each school district that the report identifies as either "necessary" or "advisable" if the study committee determined it was advisable to form a new unified union school district, or to

the school board of each school district participating on the study committee if the study committee determined it was inadvisable to form a new unified union school district.

(5) On or before February 1, 2028, a school board shall complete its review and provide comments to the study committee pursuant to 16 V.S.A. § 709(a) regarding the study committee's report and proposed articles of agreement.

(6) Facilitators shall monitor the work of the General Assembly related to education transformation and share the most up-to-date fiscal modeling with the study committees.

(c) Secretary review. If a study committee determines that it is advisable to propose formation of a new unified union school district, the study committee is required to transmit the required report and proposed articles of agreement to the Secretary pursuant to 16 V.S.A. § 709(b). If the Secretary fails to submit the report and proposed articles of agreement, with the Secretary's recommendations, to the State Board within 60 days following receipt of the report and proposed articles of agreement or on or before April 1, 2028, whichever date shall occur first, the study committee shall transmit the report and proposed articles of agreement directly to the State Board, which shall then take action pursuant to 16 V.S.A. § 709(c) regardless of whether the Secretary submits a recommendation regarding the proposed unified union school district.

(d) State Board findings. The State Board shall issue the findings required pursuant to 16 V.S.A. § 709(c)(2) on or before June 1, 2028.

(e) Vote to form a unified union school district. If a study committee formed pursuant to this section determines that it is advisable to propose formation of a new unified union school district, the voters of each school district that is identified as "necessary" or "advisable" shall vote whether to form the proposed union school district, in accordance with 16 V.S.A. § 710, on or before November 7, 2028.

(f) Study committee status report. On or before February 1, 2027, the Agency of Education, in consultation with the facilitators, shall submit a written report to the House Committees on Education and on Ways and Means and the Senate Committees on Education and on Finance with information regarding the membership and status of each study committee formed pursuant to this section.

Sec. 14. GUIDANCE FOR STUDY COMMITTEE GROUPINGS

Facilitators shall use the school district groupings contained in subdivisions (1)–(18) of this section as guidance when forming study committees pursuant to Sec. 13 of this act. Facilitators may form study committees that differ from the guidance contained in this section; provided, however, that a facilitator shall transmit the facilitator's rationale for such choices to the lead facilitator for inclusion in the report required pursuant to Sec. 15 of this act.

(1) Group one: Arlington School District, Mount Anthony Union High School District #14, North Bennington Graded School District, Sandgate School District, Searsburg School District, and Southwest Vermont Union Elementary School District.

(2) Group two: Halifax School District, Marlboro School District, Readsboro School District, Stamford School District, Twin Valley Unified School District, Vernon Town School District, West River Modified Union Education District, and Windham Southeast School District.

(3) Group three: Mettawee School District, River Valleys Unified School District, Stratton School District, Taconic and Green Regional School District, Wells Spring Unified Union School District, and Winhall School District.

(4) Group four: Athens Grafton School District, Bellows Falls Union High School District, Green Mountain Unified School District, Ludlow-Mount Holly Unified Union School District, Rockingham School District, Springfield School District, Westminster School District, and Windham School District.

(5) Group five: Hartford School District, Hartland School District, Mount Ascutney School District, Mountain Views School District, Pittsfield School District, and Weathersfield School District.

(6) Group six: Barstow Unified School District, Ira School District, Mill River Unified Union School District, Otter Valley Unified Union School District, Quarry Valley Unified Union School District, Rutland City School District, Rutland Town School District, and Slate Valley Unified Union School District.

(7) Group seven: First Branch Unified School District, Granville-Hancock Unified District, Orange Southwest Unified Union School District, Rochester-Stockbridge Unified District, Sharon School District, Strafford School District, and White River Unified District.

(8) Group eight: Blue Mountain Union School District, Cabot School District, Danville School District, Echo Valley Community School District, Oxbow Unified Union School District, Paine Mountain School District,

Peacham School District, Thetford School District, and Waits River Valley Union School District #36.

(9) Group nine: Caledonia Cooperative School District, Kingdom East Unified Union School District, and St. Johnsbury School District.

(10) Group 10: Cambridge School District, Craftsbury School District, Elmore Morristown Unified Union School District, Hazen Union High School District, Lamoille North Modified Unified Union School District, Mountain View Union Elementary School District, Stannard Town School District, Stowe School District, and Wolcott School District.

(11) Group 11: Brighton School District, Canaan School District, Charleston School District, Coventry School District, Derby School District, Essex North Supervisory Union, Holland School District, Jay School District, Lake Region Union Elementary-Middle School District, Lake Region Union High School District, Lowell School District, Morgan School District, NEK Choice School District, Newport City School District, Newport Town School District, North Country Union Junior High School Board, North Country Union High School District, Troy School District, and Westfield School District.

(12) Group 12: Alburgh School District, Champlain Islands Unified Union School District, Enosburgh-Richford Unified Union School District, Fairfax School District, Fletcher School District, Georgia School District, Maple Run Unified School District, Missisquoi Valley School District, Northern Mountain Valley Unified Union School District, and South Hero School District.

(13) Group 13: Colchester School District, Essex Westford Educational Community Unified Union School District, and Milton School District.

(14) Group 14: Burlington School District, South Burlington School District, and Winooski School District.

(15) Group 15: Champlain Valley School District.

(16) Group 16: Mount Mansfield Unified Union School District.

(17) Group 17: Addison Central School District, Addison Northwest School District, Lincoln School District, and Mount Abraham Unified School District.

(18) Group 18: Barre Unified Union School District, Harwood Unified Union School District, Montpelier Roxbury School District, Twinfield Unified School District, and Washington Central Unified Union School District.

Sec. 14a. INTERIM STUDY COMMITTEE REPORTS

(a) On or before January 1, 2028, the lead facilitator employed or contracted by the Vermont Learning Collaborative (VTLC) shall submit a written report to the House and Senate Committees on Education with an update on the status of each study committee formed pursuant to Sec. 13 of this act, including membership and the final recommendations of each study committee.

(b) On or before January 1, 2028, the Agency of Education, in consultation with the study committees formed pursuant to this act and the State Board of Education, shall submit a written interim report to the House and Senate Committees on Education with preliminary recommendations for supervisory union boundary adjustments and CESA boundary adjustments that take into account the final recommendations of the study committees formed pursuant to Sec. 13 of this act.

Sec. 15. STUDY COMMITTEE RESULTS AND ANALYSIS; FACILITATOR REPORT

On or before January 1, 2029, the lead facilitator employed or contracted by the Vermont Learning Collaborative (VTLC) shall submit a written report to the House and Senate Committees on Education with the following:

(1) a determination and identification of any school district that is a bad faith participant in the study committee process created pursuant to Sec. 13 of this act;

(2) the results of each study committee overseen by each facilitator employed or contracted by the VTLC; and

(3) information regarding whether, and if so, how, the following issues impacted or influenced the final outcome for each study committee overseen by the facilitator, along with recommendations for legislative action needed to remove identified barriers to the formation of new union school districts:

(A) differences in staffing costs and the costs associated with moving from several different collectively bargained agreements to one collectively bargained agreement for applicable staff in the new union school district;

(B) differences in operating structures;

(C) geographic and topographic barriers;

(D) enrollment patterns and projections; and

(E) any other factor the facilitator found to have influenced the final decision of a study committee.

Sec. 16. SUPERVISORY UNION AND CESA BOUNDARIES; AGENCY OF EDUCATION REPORT

On or before January 1, 2029, the Agency of Education, in consultation with the study committees formed pursuant to this act and the State Board of Education, shall submit a written report to the House and Senate Committees on Education with recommendations for supervisory union boundary adjustments and CESA boundary adjustments that take into account the new union school districts formed or proposed to be formed pursuant to this act.

Sec. 17. STUDY COMMITTEE REIMBURSEMENT GRANTS; CESA EXECUTIVE DIRECTOR GRANTS; REPORTS; FUNDING

(a) Study committee reimbursement grant; appropriation.

(1) The Agency of Education shall pay up to $10,000.00 to a study committee formed pursuant to Sec. 13 of this act to reimburse participating school districts for legal and other services necessary for the analysis and report required pursuant to 16 V.S.A. § 708(c) and Sec. 13(b)(3)(D) or (E) of this act, as applicable. The study committee shall forward invoices to the Agency on a quarterly basis. The Agency shall reimburse one-half of the total amount reflected in each set of invoices upon receipt and the remaining one-half upon completion of the final report required pursuant to Sec. 13(b)(3)(D) or (E) of this act, as applicable; provided, however, that no payment shall cause the total amount of funds paid to a study committee to exceed the $10,000.00 limit.

(2) Of the funds appropriated to the Agency of Education in 2025 Acts and Resolves No. 73, Sec. 32(a)(1), as amended by Sec. C.103 of legislation enacting the budget in fiscal year 2027, $210,000.00 shall be used for the purpose of awarding study committee reimbursement grants to the study committees formed pursuant to Sec. 13 of this act in accordance with subdivision (1) of this subsection.

(b) Facilitator appropriation; reports. Of the funds appropriated to the Agency of Education in 2025 Acts and Resolves No. 73, Sec. 32(a)(1), as amended by Sec. C.103 of legislation enacting the budget in fiscal year 2027, $442,000.00 shall be granted to the Vermont Learning Collaborative (VTLC) within 45 days following the passage of this act for the purpose of hiring or contracting for seven facilitators and one lead facilitator pursuant to Sec. 13(a) of this act, as well as for administrative costs associated with contracting for the facilitators. The VTLC may use up to $32,000.00 of the funds appropriated pursuant to this subsection for administrative costs.

(c) CESA executive director grant; appropriation.

(1) From funds appropriated to the Agency of Education for this purpose, the Agency shall award a grant in the amount of $50,000.00 to each CESA created in 16 V.S.A. § 603(a) to be used by the CESA to hire an executive director; provided, however, that the VTLC shall not be eligible for a grant under this subsection.

(2) Of the funds appropriated to the Agency of Education in 2025 Acts and Resolves No. 73, Sec. 32(a)(1), as amended by Sec. C.103 of legislation enacting the budget in fiscal year 2027, $300,000.00 shall be used for the purpose of awarding CESA executive director grants in accordance with subdivision (1) of this subsection.

* * * 2025 Acts and Resolves No. 73 * * *

Sec. 18. 2025 Acts and Resolves No. 73, Sec. 70 is amended to read:

Sec. 70. EFFECTIVE DATES

* * *

(d) Sec. 48 (December 1 letter) shall take effect on July 1, ~~2027~~ 2029.

* * *

(f)(1) The ~~following~~ sections enumerated in subdivision (2) of this subsection shall take effect on July 1, ~~2028~~ 2030, provided that the ~~new school districts contemplated by this act have assumed responsibility for the education of all resident students and that the expert tasked with developing a cost-factor foundation formula has provided to the General Assembly the report pursuant to Sec. 45a to provide the General Assembly an opportunity to enact legislation in consideration of the report~~ following conditions have been met:

(A) school districts have had an opportunity to study the advisability of forming a new unified union school district and the clerk of each school district voting on a proposal to form a unified union school district on or before November 7, 2028, pursuant to legislation enacted by the General Assembly in 2026 that requires each school board to participate on a study committee to study the advisability of forming a unified union school district, has certified the results of any such vote, to the extent that any such votes occurred, to the Secretary of Education pursuant to 16 V.S.A. § 713(a);

(B) the expert tasked with developing a cost-factor foundation formula has provided to the General Assembly the report required pursuant to Sec. 45a of this act;

(C) on or before December 15, 2029, the Joint Fiscal Office has provided the General Assembly with an analysis, using fiscal year 2027 data, that compares the total appropriated State funds each school district received

under Vermont's existing education funding formula with those the school district would have received under the foundation formula established in 2025 Acts and Resolves No. 73, as amended; and

(D) legislation has been enacted that addresses:

(i) suitable geographic measures for determining sparsity within the foundation formula;

(ii) whether it costs more to educate a secondary student than an elementary student in Vermont and, if so, an appropriate weight to capture the cost differential of educating secondary students;

(iii) how to account for the provision of career and technical education within Vermont's foundation formula;

(iv) how to account for regional differences in operating costs, including those driven by regional differences in cost of living and legacy collective bargaining agreements within the foundation formula; and

(v) how to fund special education services; school construction, renovation, and repayment of school district debt; transportation; and universal prekindergarten.

~~(1)~~(2)(A) In Sec. 27, 16 V.S.A. § 823(a) and (d);

~~(2)~~(B) Sec. 28 (tuition repeals);

~~(3)~~(C) Secs. 34–43 (transition to cost-factor foundation formula);

~~(4)~~(D) ~~Sec. 45b (educational opportunity payment transition);~~ [Deleted.]

~~(5)~~(E) Secs. 46, 47, 49, and 50 (statewide education tax; supplemental district spending tax); and

~~(6)~~(F) ~~Sec. 46a (supplemental district spending tax; cap; transition);~~ [Deleted.]

~~(7)~~(G) ~~Sec. 48a (tax rate transition);~~ [Deleted.]

~~(8)~~(H) Secs. 51, 52, and 54–56 (property tax credit repeal; creation of homestead exemption);

~~(9)~~(I) ~~Sec. 57 (Education Fund Advisory Committee; review of foundation formula); and~~ [Deleted.]

~~(10)~~(J) ~~Secs. 60 and 61 (property tax classifications).~~ [Deleted.]

(g) In Sec. 27, 16 V.S.A. § 823(b) and (c) shall take effect on ~~July 1, 2028~~ July 1, 2030, provided that the ~~new school districts contemplated by this act have assumed responsibility for the education of all resident students~~ school

districts have had an opportunity to study the advisability of forming a new unified union school district and the clerk of each school district voting on a proposal to form a unified union school district on or before November 7, 2028, pursuant to legislation enacted by the General Assembly in 2026 that requires each school board to participate on a study committee to study the advisability of forming a unified union school district, has certified the results of any such vote, to the extent that any such votes occurred, to the Secretary of Education pursuant to 16 V.S.A. § 713(a) and that the cost-factor foundation formula report required pursuant to Sec. 45a of this act contains evidence that it costs more to educate students in grades nine through 12 but the General Assembly has failed to enact legislation to add a secondary student weight.

(h) ~~Sec. 62 (regional assessment districts) shall take effect on January 1, 2029.~~ [Deleted.]

Sec. 18a. [Deleted.]

* * * Prekindergarten Education * * *

Sec. 19. PREKINDERGARTEN EDUCATION; FINDINGS

The General Assembly finds that:

(1) despite being colloquially known as the "universal prekindergarten program," not all children three and four years of age in the State have equal access to a prequalified prekindergarten provider;

(2) Vermont ranks second in the country with regard to access to prekindergarten education by children who are four years of age, with 76 percent of eligible children four years of age receiving prekindergarten education, and Vermont is one of two states in which more than 70 percent of children who are four years of age receive prekindergarten services;

(3) only 11 percent of eligible children are enrolled in prekindergarten services in Essex County;

(4) there is considerable geographic disparity in the State with regard to the number of prekindergarten slots available, and as a result, 95 percent of eligible children in Windsor and Windham Counties and 93 percent of eligible children in Chittenden County have access to a prequalified prekindergarten provider as compared to 55 percent in Franklin County and 61 percent in Grand Isle County; and

(5) while a substantial portion of states provide a full school day of four or more hours of prekindergarten education daily, less than five percent of Vermont's prequalified prekindergarten providers provide a full day of four or more hours of prekindergarten education.

Sec. 20. LEGISLATIVE INTENT

It is the intent of the General Assembly to:

(1) ensure that prekindergarten education is included as an integral part of Vermont's education system, as the right to education is fundamental for the success of Vermont's children in all grades, prekindergarten through grade 12;

(2) determine a locus of responsibility to ensure there is access to prekindergarten education within all school districts;

(3) provide access to licensed teachers in the classroom of both prequalified public and private providers, including access to support and provisional status; and

(4) equalize financial resources for all prequalified providers of prekindergarten education.

Sec. 21. PREKINDERGARTEN EDUCATION FUNDING; REPORTS; APPROPRIATION

(a) Legislative intent. It is the intent of the General Assembly to, in the 2027 legislative session, establish a funding structure for prekindergarten education that:

(1) supports achieving access for every prekindergarten child, as that term is defined in 16 V.S.A. § 829, with equitable payments and equitable educational standards for public and private providers;

(2) ensures the cost of prekindergarten education is included in the full cost of education;

(3) increases access and participation in areas of the State where access or participation is limited; and

(4) continues to support a mixed delivery system.

(b) Data and reports.

(1) The Agency of Education, Department for Children and Families, and Building Bright Futures (BBF) shall establish a system to jointly monitor and evaluate prekindergarten education programs to promote optimal results for children that support the relevant population-level outcomes set forth in 3 V.S.A. § 2311 and to collect data that will inform future decisions. BBF, in consultation with the Agency of Education and the Department for Children and Families, shall be required to report annually to the General Assembly in January.

(2)(A) On or before December 1, 2026, BBF, in consultation with the Agency of Education and the Department for Children and Families, shall submit a written report to the House Committees on Education, on Human Services, and on Ways and Means and the Senate Committees on Education, on Health and Welfare, and on Finance with the following information:

(i) the status of BBF's work under the federal Preschool Development Grant and data collection;

(ii) the initial or updated data findings, including prekindergarten student demographics and number of hours by prekindergarten program by district;

(iii) outstanding questions or gaps in data; and

(iv) recommendations for legislative action and other considerations.

(B) BBF shall also provide an update on the progress of its work under the federal Preschool Development Grant to the Joint Fiscal Committee on or before October 1, 2026.

(3)(A) The Joint Fiscal Office shall contract with a contractor with expertise in Vermont's education funding system to conduct an updated cost of care analysis to account for the provision of prekindergarten education within Vermont's education finance system. The contractor shall utilize the results of recent cost modeling studies, including the Vermont Early Care and Education Financing Study conducted pursuant to 2021 Acts and Resolves No. 45, Sec. 14; the 2026 Vermont Cost Modeling Report issued by First Children's Finance; and the statewide tuition rate for prekindergarten education, and collaborate with the Child Development Division, Agency of Education, and BBF to ensure necessary data and appropriate factors are included in financial modeling. This study shall provide estimates for the current full cost of providing prekindergarten education for children three, four, and five years of age, not yet eligible to enroll in kindergarten.

(B) The sum of $75,000.00 is appropriated to the Joint Fiscal Office from the General Fund in fiscal year 2027 to hire a contractor to make recommendations in accordance with subdivision (A) of this subsection (b)(3).

(4) The Joint Fiscal Office shall provide the General Assembly with considerations on or before December 15, 2026, regarding different funding mechanisms that may be used to distribute funds for education costs within the new financing formula, including grants, inclusion within the Education Opportunity Payment, and different forms of categorical aid.

Sec. 21a. 16 V.S.A. § 829 is amended to read:

§ 829. PREKINDERGARTEN EDUCATION

* * *

(d) Tuition, budgets, and average daily membership.

* * *

(5) As part of the data reporting process required pursuant to subsection 4010(c) of this title, a district of residence shall also report annually to the Agency of Education the number of hours of prekindergarten education received by each prekindergarten child for whom it has provided prekindergarten education or on whose behalf it has paid tuition pursuant to this section.

(e) Rules. The Secretary of Education and the Commissioner for Children and Families shall jointly develop and agree to rules and present them to the State Board for adoption under 3 V.S.A. chapter 25 as follows:

* * *

(10) To establish a system by which the Agency of Education ~~and~~, Department for Children and Families, and Building Bright Futures shall jointly monitor and evaluate prekindergarten education programs to promote optimal results for children that support the relevant population-level outcomes set forth in 3 V.S.A. § 2311 and to collect data that will inform future decisions. The Agency and Department shall be required to report annually to the General Assembly in January. At a minimum, the system shall monitor and evaluate:

* * *

* * * Data Collection * * *

Sec. 22. 16 V.S.A. § 4010(c) is amended to read:

(c) Reporting on weighting categories to the Agency of Education. Each school district shall annually report to the Agency of Education by a date established by the Agency the information needed in order for the Agency to compute the weighting categories under subsection (b) of this section for that district, for all resident students in prekindergarten through grade 12. In order to fulfill this obligation, a school district that pays public tuition on behalf of a resident student (sending district) to a public school in another school district, an approved independent school, ~~or~~ an out-of-state school, or a prequalified private prekindergarten education provider (each a receiving school) ~~may request the receiving school to collect this information on the sending district's~~

~~resident student, and if requested, the receiving school shall provide this information to the sending district in a timely manner~~ shall require each resident student in prekindergarten through grade 12 on whose behalf the district pays tuition to complete a form or forms developed by the Agency of Education in order to obtain the information needed in order for the Agency to compute the weighting categories under subsection (b) of this section for all students residing in that district, including students that are educated by a receiving school. The form shall be included with any residency verification forms and requests for public tuition funding forms required by a school district.

* * * Special Education Funding * * *

Sec. 23. SPECIAL EDUCATION FUNDING SAFEGUARDS; LEGISLATIVE INTENT

(a) Maintenance of effort. It is the intent of the General Assembly to ensure that Vermont complies with federal maintenance of effort requirements in any education funding reform. Nothing in 2025 Acts and Resolves No. 73 (Act 73), nor the implementation of Act 73, shall be construed to permit a reduction in State or local funding for special education and related services in a manner that would violate the maintenance of effort requirements of the Individuals with Disabilities Education Act, 20 U.S.C. §§ 1400–1485.

(b) Separate and supplemental funding structure. It is the intent of the General Assembly that the State shall maintain an education funding structure in which:

(1) general education is funded through a formula-based mechanism established by law; and

(2) special education is funded through a supplemental reimbursement, weighted student count, or grant model that reflects eligible special education costs and preserves compliance with federal maintenance of effort requirements.

(c) Protection of educational rights. It is the intent of the General Assembly that implementation of Act 73 or any future education funding reform shall not limit the right of students with disabilities to a Free Appropriate Public Education (FAPE), including access to individualized services in the least restrictive environment as required by federal and State law.

(d) Proportional effects. A school district shall not implement programmatic reductions, staffing changes, or budgetary actions that

disproportionately affect students with disabilities or impair the district's ability to meet its obligations to provide FAPE.

(e) Impact analysis. School districts shall assess and document the impact of significant programming changes on students with disabilities, in accordance with guidance issued by the Agency of Education.

(f) Guidance. The Agency of Education shall issue guidance to ensure school districts implement Act 73 in a manner consistent with this section and with federal special education requirements. The Agency shall also issue guidance regarding the assessment and documentation requirements of subsection (e) of this section.

* * * Tuition * * *

Sec. 24. TUITION IN EXCESS OF FOUNDATION FORMULA; LEGISLATIVE INTENT

It is the intent of the General Assembly that, under the foundation formula, no receiving school may charge individual families tuition in excess of the amount of tuition paid by a sending school district pursuant to 16 V.S.A. § 823.

Sec. 24a. [Deleted.]

* * * Union School District Study Committee Budgets * * *

Sec. 25. 16 V.S.A. § 707 is amended to read:

§ 707. APPROVAL OF STUDY BUDGET; APPOINTMENT OF STUDY COMMITTEE; PARTICIPATION

(a) Proposed budget exceeding ~~$50,000.00~~ $500,000.00.

(1) If the proposed budget established in section 706 of this chapter exceeds ~~$50,000.00~~ $500,000.00, then subject to the provisions of that section the board of each potentially participating school district shall warn the district's voters to meet at an annual or special school district meeting to vote whether to appropriate funds necessary to support the district's financial share of a study committee's costs. The meeting in each school district shall be warned for the same date. The warning in each school district shall contain an identical article in substantially the following form:

"Shall the school district of _____ appropriate funds necessary to support the school district's financial share of a study to determine the advisability of forming a union school district with some or all of the following school districts: _____,

_____, and _____? It is estimated that the _____ school district's share, if all of the identified school districts vote to participate, will be $_____. The total proposed budget, to be shared by all participating school districts is $_____."

(2) If the vote in subdivision (1) of this subsection is in the affirmative in two or more school districts, then the boards of the affirming school districts shall appoint a study committee consisting of the number of persons determined pursuant to section 706 (proposed study committee budget and membership) of this chapter. At least one current board member from each participating school district shall be appointed to the study committee. The board of a school district appointing more than one person to the study committee may appoint residents of the school district who are not members of the board to any of the remaining seats.

(3) The sums expended for study purposes under this section shall be considered part of the approved cost of any project in which the union school district, if created, participates pursuant to chapter 123 of this title.

(b) Proposed budget not exceeding ~~$50,000.00~~ $500,000.00.

(1) If the proposed budget established in section 706 of this chapter does not exceed ~~$50,000.00~~ $500,000.00, then the boards of the participating school districts shall appoint a study committee consisting of the number of persons determined under that section. At least one current board member from each participating school district shall be appointed to the study committee. The board of a school district appointing more than one person to the study committee may appoint residents of the school district who are not members of the board to any of the remaining seats.

(2) The sums expended for study purposes under this section shall be considered part of the approved cost of any project in which the union school district, if created, participates pursuant to chapter 123 of this title.

(c) Additional costs.

(1) If the voters approve a budget that exceeds ~~$50,000.00~~ $500,000.00 but the study committee later determines that its budget is likely to exceed the projected, voter-approved amount, then the boards of all participating school districts shall obtain voter approval for the amounts exceeding the previously approved budget in the manner set forth in subdivision (a)(1) of this section

before the study committee obligates or expends sums in excess of the initial voter-approved amount.

(2) If a proposed budget does not exceed ~~$50,000.00~~ $500,000.00 at the time the school boards appoint members to the study committee, but the study committee later determines that its total budget is likely to exceed ~~$50,000.00~~ $500,000.00, then the boards of all participating school districts shall obtain voter approval for the amounts exceeding ~~$50,000.00~~ $500,000.00 in the manner set forth in subdivision (a)(1) of this section before the study committee obligates or expends funds in excess of ~~$50,000.00~~ $500,000.00.

(d) Grants. Costs to be paid by State, federal, or private grants shall not be included when calculating whether a study committee's budget or proposed budget exceeds ~~$50,000.00~~ $500,000.00.

* * *

* * * Rulemaking, Forms, and Reports * * *

Sec. 26. SMALL AND SPARSE SCHOOLS; STATE BOARD OF EDUCATION; EDUCATION QUALITY STANDARDS; RULEMAKING

The State Board of Education shall, unless extended by the Legislative Committee on Administrative Rules, adopt updates to Agency of Education, State Board Rule 2000 Education Quality Standards (CVR 22-000-003) to establish criteria for identifying schools as small by necessity or sparse by necessity, or both, pursuant to 3 V.S.A. § 843 on or before March 31, 2027. Such rules shall be consistent with the work of the Small and Sparse School Committee of the State Board of Education and the recommendations of the Committee dated December 17, 2025.

Sec. 27. INTRADISTRICT BUDGETING; AGENCY OF EDUCATION; DISTRICT QUALITY STANDARDS; RULEMAKING

The Agency of Education shall, unless extended by the Legislative Committee on Administrative Rules, adopt updates to the district quality standards contained in Agency of Education, District Quality Standards (CVR 22-000-039) to establish criteria for intradistrict budgeting under the foundation formula, pursuant to 3 V.S.A. § 843 on or before December 31, 2028. The criteria shall provide guidelines for intradistrict budgeting that ensure resources are allocated across schools within each district in a way that supports the State's goal that all Vermont children will be afforded opportunities and excellent education that are substantially equal in quality and enable them to achieve or exceed the education quality standards approved by the State Board of Education.

Sec. 27a. 2024 Acts and Resolves No. 183, Sec. 7 is amended to read:

Sec. 7. RESERVE FUND ACCOUNT STANDARDS; DISTRICT QUALITY STANDARDS; RULEMAKING

On or before ~~January 1, 2025~~ March 31, 2027, the Agency of Education, in collaboration with the Vermont Association of School Business Officials, the Vermont Superintendents Association, and the Vermont School Boards Association, shall ~~initiate~~ complete rulemaking pursuant to 3 V.S.A. chapter 25 to update the District Quality Standards rules contained in Agency of Education, District Quality Standards (CVR 23-020), to include recommended reserve fund account standards. ~~Prior to initiating rulemaking, the Agency shall consult with local school officials.~~ The Agency shall specifically adopt rules to:

(1) prescribe minimum and maximum balance levels for a reserve fund, taking into consideration revenue predictability and expenditure volatility, exposure to significant one-time expenses, and impact on credit ratings;

(2) specify acceptable conditions that warrant use of the reserve fund and the period within which funds may be used;

(3) establish best practices for replenishing a depleted reserve fund, including the period over which the reserve fund should be replenished;

(4) define appropriate accounting terms to facilitate data consistency and improve data quality across the State; and

(5) identify conditions that may justify deviation from any broadly applicable standards adopted pursuant to this section.

Sec. 27b. SCHOOL TRANSPORTATION GRANTS; REPORT

On or before December 1, 2026, the Agency of Education shall submit a written report to the House Committees on Education, on Transportation, and on Ways and Means and the Senate Committees on Education, on Transportation, and on Finance regarding school transportation. School districts shall comply with requests from the Agency to assist data collections necessary to complete the reporting requirements in this section.

(1) The report shall include information on the following:

(A) the current landscape of education transportation for each school district, including:

(i) the grades operated by the school district;

(ii) the grades for which the school district provides transportation;

(iii) whether the vehicles used to provide students with transportation are owned or leased by the school district;

(iv) whether the school district relies on public transportation to provide education transportation to its resident students and, if so, associated costs borne by all parties;

(v) the method by which resident students arrive to and leave from each school a resident student attends, regardless of whether it is a school operated by the school district or a receiving school not operated by the school district, such as whether students rely on school-district-provided transportation, receiving-school-provided transportation, or transportation provided or arranged by a resident family, as well as whether there is any district reimbursement to resident families for privately incurred expenses related to student transportation; and

(vi) bus driver pay and benefits; and

(B) the aggregate cost of the current education transportation system, on a per-school-district basis, including:

(i) the total transportation grant award from the State;

(ii) the total local funds spent on transportation;

(iii) per-mile expenditures for transportation to and from career technical education programming;

(iv) transportation costs associated with the requirements of the McKinney-Vento Homeless Assistance Act, 42 U.S.C. § 11431–11435;

(v) transportation costs associated with extraordinary special education expenditures; and

(vi) transportation costs associated with individualized education programs.

(2) The report shall also include recommendations regarding:

(A) the geographic radius around a school within which a school district shall not be required to provide transportation, for both urban and rural schools;

(B) definitions for the terms "distant students" and "safe walking routes";

(C) how regionalized transportation services may work under a cooperative educational service area (CESA) model, including with a CESA

serving as the fiscal agent for contracts, as well as information regarding the availability of transportation vendors in the CESA regions created in this act;

(D) how cocurricular and afterschool travel could be included in a district's transportation services and what consistent standards should be proposed for such services statewide;

(E) whether a weighted sparsity categorical grant or a per-mile reimbursement model would be more beneficial to districts or CESAs under a foundation formula, and what the approximate difference in cost would be as compared to the current funding system;

(F) legislative updates to 16 V.S.A. § 4016 (reimbursement for transportation expenditures) and any related rules; and

(G) how to ensure a student who attends a career technical education (CTE) center other than the student's assigned regional CTE center, due to enrollment constraints, program availability, or some other barrier, has access to transportation to the same extent as students attending an assigned CTE center as provided pursuant to 16 V.S.A. § 1541a(a)(2), and the costs associated with any such recommendations.

Sec. 27c. STUDENT PROFILE FORM

On or before September 1, 2026, the Agency of Education, in consultation with school business officials, shall develop a student profile form to be used by school districts to collect the information necessary in order for the Agency to compute the weighting categories under 16 V.S.A. § 4010(b) for students in prekindergarten through grade 12 on whose behalf a school district pays tuition. The student profile form shall be fully accessible to all Vermont families both in paper form and electronically.

Sec. 27d. LENGTH OF SCHOOL DAY; RULEMAKING

The State Board of Education shall, unless extended by the Legislative Committee on Administrative Rules, adopt updates to Agency of Education, 2300 Length of School Day and Year—Specific Program Requirements for Public Schools (CVR 22-000-005) to update the criteria for the length of a school day for each grade, prekindergarten through grade 12, consistent with the definition of school day contained in 16 V.S.A. § 11(41), pursuant to 3 V.S.A. § 843 on or before March 31, 2027.

* * * Small and Sparse Schools * * *

Sec. 28. REPEAL

2025 Acts and Resolves No. 73, Sec. 37 (16 V.S.A. § 4019) is repealed.

Sec. 29. 16 V.S.A. § 4019 is added to read:

§ 4019. SMALL SCHOOLS; SPARSE SCHOOLS; SUPPORT GRANTS

(a) Definitions. As used in this section:

(1) "Average grade size" means the quotient resulting from dividing a school's two-year average enrollment by the number of grades above prekindergarten operated by the school, rounded downward.

(2) "Enrollment" means the number of students in kindergarten through grade 12 who are enrolled in a school operated by the school district on October 1. A student shall be counted as one whether the student is enrolled as a full-time or part-time student.

(3) "Small school" means a public school that:

(A) has an average grade size of fewer than 12 students; and

(B) has been determined by the Agency of Education, on an annual basis, to be "small by necessity" under standards consistent with State Board of Education rule.

(4) "Sparse area" means a city, town, or incorporated village where the number of persons per square mile residing within the land area of the geographic boundaries of the city, town, or incorporated village as of July 1 of the year of determination is fewer than 55 persons.

(5) "Sparse school" means a public school that:

(A) is within a sparse area; and

(B) has been determined by the Agency of Education, on an annual basis, to be "sparse by necessity" under standards consistent with State Board of Education rule.

(6) "Two-year average enrollment" means the average enrollment of the two most recently completed school years.

(b) Small schools support grant. Annually, the Secretary shall pay a small schools support grant to each school district for each small school operated by the school district in an amount determined by multiplying the two-year average enrollment in the small school by $3,157.00.

(c) Sparse schools support grant. Annually, the Secretary shall pay a sparse schools support grant to each school district for each sparse school operated by the school district in an amount determined by multiplying the two-year average enrollment in the sparse school by $1,954.00.

(d) Inflationary adjustment. Each dollar amount under subsections (b) and (c) of this section shall be adjusted for inflation annually on or before November 15 by the Secretary. As used in this subsection, "adjusted for inflation" means adjusting the dollar amount by the National Income and Product Accounts (NIPA) implicit price deflator for state and local government consumption expenditures and gross investment published by the U.S. Department of Commerce, Bureau of Economic Analysis, from fiscal year 2025 through the fiscal year for which the amount is being determined, and rounding upward to the nearest whole dollar amount.

* * * Class Size Minimums * * *

Sec. 29a. 2025 Acts and Resolves No. 73, Sec. 7 is amended to read:

Sec. 7. FAILURE TO COMPLY WITH EDUCATION QUALITY STANDARDS; STATE BOARD ACTION

(a) Notwithstanding 16 V.S.A. § 165(b)(4) and (5) and any other provision of law to the contrary, the State Board shall be prohibited from ordering school district consolidation or school consolidation if a school fails to comply with class size minimum education quality standards and the resulting consolidation would result in school construction costs in excess of the applicable district's capital reserve account until the General Assembly establishes new school district boundaries and takes further action regarding the consequences for failure to meet education quality standards.

(b)(1) Notwithstanding 16 V.S.A. § 165(a)(9)(C) and (b), a public school's failure to comply with the class size minimum requirements contained in 16 V.S.A. § 165(a)(9) shall not count towards the three consecutive school years of noncompliance that enables the Secretary to recommend action to the State Board until the foundation formula is in effect and all contingencies, to the extent that there are any contingencies, contained in Sec. 70(f) of this act, as amended, that are required for the foundation formula to become effective have been met.

(2) The State Board of Education is required, pursuant to Sec. 8(a)(2) of this act, to update the rules governing approval of independent schools to create a process for review by the State Board for failure to meet the class size minimum requirements and the corresponding actions the Board may take for such noncompliance. The Board is required to provide an approved independent school a substantially similar opportunity to come into compliance with class size minimums that it would provide to a public school. Failure of an approved independent school that is eligible to receive public tuition pursuant to 16 V.S.A. § 828 to comply with the minimum class size requirements contained in 16 V.S.A. § 165(a)(9)(A) shall not count towards

any period of noncompliance, as determined by State Board rule, that may allow the State Board to take action against the school until the foundation formula is in effect and all contingencies, to the extent that there are any contingencies, contained in Sec. 70(f) of this act, as amended, that are required for the foundation formula to become effective have been met. An approved independent school that fails to comply with class size minimums shall remain eligible to receive public tuition prior to the foundation formula taking effect if it continues to meet all other requirements contained in 16 V.S.A. § 828.

Sec. 29b. 16 V.S.A. § 828 is amended to read:

§ 828. TUITION TO APPROVED SCHOOLS; AGE; APPEAL

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

(1) a public school located in Vermont;

(2) an approved independent school that:

* * *

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

* * *

* * * Regional Assessment Districts * * *

Sec. 30. 32 V.S.A. chapter 121, subchapter 1A is added to read:

Subchapter 1A. Regional Assessment Districts

§ 3415. LEGISLATIVE INTENT

It is the intent of the General Assembly in adopting this subchapter to create regional assessment districts so that:

(1) properties on grand lists are regularly reappraised;

(2) property data collection is consistent and standardized across the State; and

(3) property valuation is conducted by trained and certified individuals and firms.

§ 3416. REGIONAL ASSESSMENT DISTRICTS; ESTABLISHMENT

(a) Member municipalities of a regional assessment district shall fully reappraise their grand lists every six years pursuant to subsection 3417(b) of this subchapter. Member municipalities may contract jointly with one or more third parties to conduct the reappraisals.

(b) For the first full reappraisal conducted simultaneously by member municipalities as part of a regional assessment district, each municipality may, at its discretion, conduct a reappraisal jointly with one or more other member municipalities. For all subsequent simultaneous full reappraisals by member municipalities as part of a regional assessment district, as determined pursuant to subsection 3417(c) of this subchapter, a municipality shall conduct a reappraisal jointly with one or more other member municipalities.

§ 3417. STANDARD GUIDELINES; PROCEDURES; RULEMAKING

(a) The Director of Property Valuation and Review shall establish standard guidelines and procedures, and may adopt rules, for regional assessment districts, including:

(1) guidelines for contracting with third parties to conduct or assist with reappraisals, including standard reappraisal contract terms;

(2) standards for the collection and recordation of parcel data;

(3) requirements relating to information technology, including standards for data software contracts and computer-assisted mass appraisal systems; and

(4) standardized practices for a full reappraisal, including cases in which physical inspections are unnecessary and how technology is to be utilized.

(b) The Director of Property Valuation and Review shall establish a schedule for each regional assessment district to fully reappraise every six years. The Director, at the Director's discretion, may alter the reappraisal schedule for a regional assessment district or for one or more of a regional assessment district's member municipalities. If a municipality or a regional assessment district fails to reappraise on the schedule established by the Director under this subsection, the State may withhold funds from the municipality until the Director certifies that the municipality or regional assessment district has complied with this subsection.

(c) The Director shall determine when the first simultaneous full reappraisal has been completed by the member municipalities of each regional assessment district.

§ 3418. REGIONAL ASSESSMENT DISTRICT APPEALS BOARD; ESTABLISHMENT

(a) There are hereby established regional assessment district appeals boards for each regional assessment district established pursuant to section 3416 of this subchapter. A board shall hear appeals of valuations within its regional assessment district. The Division of Property Valuation and Review shall provide training and technical assistance to the board. Other staffing and funding for a board shall be provided by its member municipalities.

(b) All municipalities within the jurisdiction of a board shall be considered municipal members of the board. A board shall contain at least one representative appointed from each member municipality and representatives shall be appointed for a term of three years by the legislative body of such municipality. A municipality may appoint one board member per 1,000 parcels in the municipality, rounded up to the nearest 1,000 parcels. All board members may be compensated and reimbursed by their respective municipalities for necessary and reasonable expenses.

(c) A board shall elect an executive board of five board members to facilitate meetings and oversee operations. The executive board shall have a chair, a vice chair, a secretary, and any other position deemed necessary by a majority vote of the executive board.

§ 3419. APPEALS TO REGIONAL ASSESSMENT DISTRICT APPEALS BOARD

(a) Within 30 days following the date of notice, a person aggrieved by the final valuation decision of an assessing official may appeal in writing to the district's regional assessment district appeals board. An appeal of a valuation decision conducted pursuant to section 3416 of this subchapter that is erroneously made to a municipality shall be considered timely if it would have been timely if made to the regional assessment district. A municipality shall forward any such erroneously filed appeal to the board within 14 days.

(1) The board shall schedule meetings to hear and determine appeals made under this subsection not later than 30 days after the last date allowed for notice of appeal. Notice of the time and place of the hearing shall be given by posting a warning in three or more public places in each municipality in the district's jurisdiction and by mailing a copy of such warning to the legislative bodies of such municipalities and to all appellants.

(2) Hearings shall be conducted before a panel of three board members. When conducting a hearing under this subsection, the board shall issue a written determination addressing all questions and objections heard. A written determination shall only be issued if approved by a majority of those members present and voting. Unless waived by both parties, the property subject to appeal shall be inspected internally and externally by the three board panelists

and an inspection report shall be issued within 30 days following the hearing on appeal and before a final determination is issued.

(A) The appellant shall be provided notice of the inspection and the appeal shall be deemed withdrawn if the appellant refuses to allow an inspection under this subdivision (2).

(B) During a declared state of emergency under 20 V.S.A. chapter 1, a board working within a municipality affected by an all-hazards event shall not be required to physically inspect any property that is the subject of an appeal. If the appellant requests in writing that the property be inspected for purposes of the appeal, the board shall conduct the inspection through electronic means. If the appellant does not facilitate the inspection through electronic means, the appeal shall be deemed withdrawn. As used in this subdivision (B), "electronic means" means the transmittal of video or photographic evidence by the appellant at the direction of the staff conducting the inspection.

(3) The board shall, within 15 days following the time of the inspection report, issue the written determination and shall file it with the clerk of the municipality in which the underlying property is located. At the same time, the board shall send a copy of the determination by certified mail to the appellant. The grand list shall be amended pursuant to the written determination.

(4) Notwithstanding any provision of law to the contrary, if the board does not substantially comply with the requirements of this subsection, and if the appeal is not withdrawn by filing written notice of withdrawal with the board, or deemed withdrawn as provided in subdivision (2) of this subsection, the grand list value of the property subject to appeal shall be set at a value that will produce a tax liability equal to the tax liability for the preceding year.

(b) Not more than two board members shall be panelists for a hearing involving a property located in the municipality for which the members are representatives.

(c) This section shall not be construed to prevent or alter the process for taxpayers to bring and resolve grievances to a municipal assessing official under section 4111 of this title.

(d) Notwithstanding subsection (a) of this section, appeals of valuations conducted by the Division of Property Valuation and Review pursuant to sections 3602a, 3602b, 3602c, and 3621 of this title shall be made directly to the Commissioner or Superior Court pursuant to section 3420 of this subchapter.

§ 3420. APPEALS TO COMMISSIONER OR TO SUPERIOR COURT

(a) A taxpayer or the legislative body of a municipality aggrieved by a written determination of a regional assessment district appeals board under section 3419 of this chapter, or a taxpayer aggrieved by a valuation and bypassed a board decision under subsection 3419(d) of this subchapter, may appeal to either the Commissioner of Taxes or the Superior Court of the county in which the property is located. The appeal to the Superior Court shall be heard without a jury. For an appeal from the board, the appeal shall be commenced by filing a notice of appeal pursuant to Rule 74 of the Vermont Rules of Civil Procedure within 30 days after entry of the decision of the board. For an appeal that bypassed the board, the appeal may be commenced by filing a notice of appeal pursuant to Rule 74 of the Vermont Rules of Civil Procedure within 30 days following the date of notice of a final valuation decision of an assessing official. The date of mailing of notice of the board's determination to the taxpayer shall be deemed the date of entry of the board's determination. The board shall transmit a copy of the notice to the Commissioner or the Superior Court and shall forward the notice to the applicable municipal clerk, who shall record or attach a copy of the notice in the grand list book. The entry fee for an appeal to the Commissioner is $70.00; provided, however, that the Commissioner may waive, reduce, or refund the entry fee in cases of hardship or to join appeals regarding the same parcel. If, in the opinion of the Commissioner, an appeal under this subsection involves a complex or unique property or valuation that would be best adjudicated by the Superior Court, the Commissioner may decline to hear the appeal and shall forward the appeal to the Superior Court of the county in which the property is located, where it shall be heard. An appeal forwarded by the Commissioner under this subsection shall be considered timely filed in the Superior Court if it was timely appealed to the Commissioner.

(b) On or before the last day on which appeals may be taken from the determination of the regional assessment district appeals board, an agent designated by the legislative body of the municipality, in the name of the municipality, on written application of one or more taxpayers of the municipality whose combined grand list represents at least three percent of the grand list of the municipality for the preceding year, shall appeal to the Superior Court from any action of the regional assessment district board of appeal not involving appeals of the applying taxpayers. However, the agent designated by the legislative body shall, in any event, have at least six business days after receipt of such taxpayers' application for appeal in which to take the appeal, and the date for the taking of such appeal shall accordingly be extended, if necessary, until the six business days shall have elapsed. The $70.00 entry fee shall be paid by the applicants with respect to each individual

property thus being appealed that is separately listed in the grand list. Fees collected under subsection (a) of this section or under this subsection shall be credited to a special fund established and managed pursuant to chapter 7, subchapter 5 of this title and shall be available to the Commissioner of Taxes to offset the costs of providing those services.

(c) When a taxpayer, a legislative body of the municipality, or an agent designated by the legislative body of the municipality claims that an appeal to the Commissioner is in any manner defective or was not lawfully taken, on or before 30 days after mailing of the notice of receipt of the appeal by the Director, the taxpayer, agent, or legislative body of the municipality shall file objections in writing with the Commissioner and furnish the appellant or appellant's attorney with a copy of the objections. When the taxpayer, agent, or legislative body so requests, the Commissioner 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 Commissioner 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 municipal clerk's office in the book wherein the appeal is recorded.

(d) On application to the Commissioner, an appellant may request leave to withdraw the appellant's appeal at any time before it is heard. When an appeal is withdrawn, the Commissioner shall certify the withdrawal to the clerk of the municipality in which the underlying property is located, and the clerk shall record the certificate of withdrawal of the appeal. At the same time, the Commissioner shall notify the applicable regional assessment district board of appeal. The appraisal from which the appeal was taken shall then become a part of the appraisal or grand list of the taxpayer.

(e) When an appeal to the Commissioner is not withdrawn or forwarded by the Commissioner to the Superior Court pursuant to subsection (a) of this section, the Commissioner shall conduct a hearing in accordance with 3 V.S.A. chapter 25.

(f) The Commissioner or court shall proceed de novo on all appeals and determine the correct valuation of the property as promptly as practicable and determine a homestead and a housesite value if a homestead has been declared with respect to the property for the year in which the appeal is taken. The Commissioner or court shall take into account the requirements of law as to valuation and the provisions of Chapter I, Article 9 of the Vermont Constitution and the 14th Amendment to the U.S. Constitution.

(1) If the Commissioner or court finds that the listed value of the property subject to appeal does not correspond to the listed value of

comparable properties within the municipality, the Commissioner or court shall set the property in the list at a corresponding value. The findings and determinations of the Commissioner shall be made in writing and shall be available to the appellant.

(2) If the appeal is taken to the Commissioner, the Commissioner may order an inspection of the property prior to making a determination. If one of the parties requests an inspection, the Commissioner shall order an inspection of the property prior to making a determination. Within 10 days following the appeal being filed with the Commissioner, the Commissioner shall notify the property owner in writing of the Commissioner's option to request an inspection under this section.

(3) During a declared state of emergency under 20 V.S.A. chapter 1, the Commissioner shall not be required to have any property subject to appeal be physically inspected. If the appellant requests in writing that the property be inspected for purposes of the appeal, the Commissioner shall conduct the inspection through electronic means. If the appellant does not facilitate the inspection through electronic means, then the appeal shall be deemed withdrawn. As used in this subdivision, "electronic means" means the transmittal of video or photographic evidence by the appellant at the direction of the person conducting the inspection.

(g) The Commissioner or clerk of the court shall forward by certified mail one copy of the determination to the taxpayer, one copy to the applicable regional assessment district board of appeal, and one copy to the town clerk, who shall record the same in the book in which the appeal was recorded under subsection (a) of this section. The appraisal so fixed by the Commissioner or court shall become the basis for the grand list of the taxpayer for the year in which the appeal is taken and, if the appraisal relates to real property, for the next two ensuing years, except that if the real property is enrolled in the use value appraisal program under chapter 124 of this title, the value of enrolled land, prior to its being equalized, shall be the per-acre value set annually by the Current Use Advisory Board multiplied by the number of acres enrolled. The appraisal, however, may be changed in the ensuing two years if the taxpayer's property is materially altered, changed, or damaged or if the regional assessment district of the municipality in which the property is located has undergone a full reappraisal.

Sec. 31. 32 V.S.A. § 4041a is amended to read:

§ 4041a. REAPPRAISAL

* * *

(b) ~~If the Director of Property Valuation and Review determines that a municipality's education grand list has a coefficient of dispersion greater than 20 or that a municipality has not timely reappraised pursuant to subsection (d) of this section, the municipality shall reappraise its education grand list properties. If the Director orders a reappraisal, the Director shall send the municipality written notice of the decision. The municipality shall be given 30 days to contest the finding under procedural rules adopted by the Director or to develop a compliance plan, or both. If the Director accepts a proposed compliance plan submitted by the municipality, the Director shall not order commencement of the reappraisal until the municipality has had one year to carry out that plan.~~ [Repealed.]

(c) ~~If a municipality fails to submit an acceptable plan or fails to carry out the plan, pursuant to subsection (b) of this section, the State shall withhold the education, transportation, and other funds from the municipality until the Director certifies that the town has carried out that plan.~~ [Repealed.]

(d) ~~Each municipality shall commence a full reappraisal not later than six years after the commencement of the municipality's most recent full reappraisal unless a longer period of time is approved by the Director.~~ [Repealed.]

(e) ~~The Director shall adopt rules necessary for administration of this section.~~ [Repealed.]

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

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

(a)(1) 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.

(2) All municipalities within a regional assessment district shall be treated as a single entity for purposes of the equalization process under this section, provided at least one simultaneous full reappraisal has been completed

by the member municipalities of the regional assessment district as determined by the Director under subsection 3417(c) of this title.

* * *

Sec. 33. 32 V.S.A. § 3602c is added to read:

§ 3602c. VALUATIONS; PUBLIC UTILITIES

(a) On or before May 1 of each year, the Division of Property Valuation and Review of the Department of Taxes shall furnish the listers in each town or city with the valuation of all taxable property of any public utility situated therein as reported by such utility to the Division.

(b) Each public utility shall furnish to the Division on or before March 31 of each year a sworn inventory of all its taxable property in such form as will show the valuation of its property in each town, city, or other municipality.

(c) The Division shall prescribe the form of such report and the officer or officers who shall make oath thereto.

(d) The valuations furnished under this section shall be considered along with any other information as may reasonably be required by listers in determining and fixing the valuations of property for the purposes of property taxation. The Division may require that each municipality use certain valuations furnished under this section. The valuations provided by the Division for property used for the transmission and distribution of electricity shall be used by the listers as the valuations of that property for purposes of property taxation.

Sec. 34. REPEALS

(a) 2025 Acts and Resolves No. 73, Secs. 62 (regional assessment districts) and 63 (transition provisions) are repealed.

(b) 32 V.S.A. chapter 131 (appeals) is repealed.

Sec. 35. 32 V.S.A. § 4041a is amended to read:

§ 4041a. REAPPRAISAL

(a)(1) A municipality shall be paid $8.50 per grand list parcel per year from the General Fund to be used only for ~~reappraisal and costs related to reappraisal of its grand list properties and for~~ maintenance of the grand list.

(2) During the year in which a municipality is scheduled to fully reappraise pursuant to subsection 3417(b) of this title, a municipality may notify the Commissioner in writing that it is prepared to commence the full appraisal. Within 30 days, the Commissioner shall estimate the cost of the

municipality's full reappraisal and transfer to the municipality the lesser of two-thirds of the estimated cost or $66.00 per grand list parcel in the municipality.

* * *

* * * Tax Sales * * *

Sec. 36. 32 V.S.A. § 5252(b) is amended to read:

(b)(1) If the warrant and levy for delinquent taxes has been recorded pursuant to subsection (a) of this section, the municipality in which the real estate lies may secure the property against illegal activity and potential fire hazards after giving the mortgagee or lien holder of record written notice at least 10 days prior to such action.

* * *

(3) Notwithstanding subsection (a) of this section, the collector of taxes may extend a warrant on land pursuant to subsection (a) of this section when an amount less than $1,500.00 is owed, provided the parcel has no dwelling capable of habitation on a year-round basis or the parcel was not declared as part of a homestead pursuant to section 5410 of this title.

* * * Conforming Changes; Repeal of 32 V.S.A. Chapter 131 * * *

Sec. 37. 24 V.S.A. § 3616(d) is amended to read:

(d) Where one of the bases of a rent, rate, or charge is the appraised value and the premises to be appraised are tax exempt, the board may cause the listers to appraise the property, including State property, for the purpose of determining the rates, rents, or charges. The right of appeal from the appraisal shall be the same as provided in 32 V.S.A. ~~chapter 131~~ § 3419. The Commissioner of Finance and Management is authorized to issue warrants for rates, rents, or charges against State property and transmit to the State Treasurer who shall draw a voucher in payment of the rates, rents, or charges. No charge so established and no tax levied under the provisions of section 3615 of this title shall be considered to be a part of any tax authorized to be assessed by the legislative body of any municipality for general purposes but shall be in addition to any such tax so authorized to be assessed.

Sec. 38. 24 App. V.S.A. ch. 3, § 92 is amended to read:

§ 92. BOARD OF TAX APPEALS TO HEAR APPEALS; DEADLINE FOR HEARINGS; MANNER OF CONDUCTING~~; POSSIBLE BOARD OF CIVIL AUTHORITY REVIEW~~

(a) The Board of Tax Appeals shall meet, hear, and determine all appeals in the manner set forth in this section, notwithstanding 32 V.S.A. § ~~4404~~ 3419. All such appeals shall be heard and determined ~~no~~ not later than December 31 of that year. Hearings and inspections of the property shall be conducted by the entire panel as described in this section.

(b)(1) The City Assessor shall have the right to request and the Board shall have the right to issue a subpoena for all records of the taxpayer that are material to a determination of the appeal.

(2) Such records shall be regarded as confidential, shall not be further distributed, and shall be utilized only for the purpose of deciding the appeal~~;~~, provided that no subpoena shall issue unless and until a taxpayer has appealed to the Board of Tax Appeals.

(3) If the taxpayer fails to provide requested records in response to a subpoena properly issued hereunder or refuses to allow an inspection of ~~his or her~~ the taxpayer's property, the appeal shall be deemed withdrawn or dismissed and no further appeal shall be available to such taxpayer.

(c) The Board shall hear and decide appeals by three member hearing panels, the membership of such panels to be rotated on a periodic basis. All three members must be present and voting, and at least two of the three members of the hearing panel must join in the decision in order for it to be valid.

(d) Either a taxpayer or the City Assessor aggrieved by the decision of the Board of Tax Appeals may file an appeal of a decision of the Board of Tax Appeals directly with the ~~Director of the Division of Property Valuation and Review of the Vermont Department~~ Commissioner of Taxes or the Superior Court pursuant to 32 V.S.A. § ~~4461~~ 3420 within 30 days ~~of~~ after the mailing of the Board of Tax Appeals' decision to the taxpayer.

(e) The decision of the Board of Tax Appeals, if not further appealed, shall become the basis for the grand list of the taxpayer for the year in question plus the next two years unless new information of a material nature about the property is discovered, the property is materially changed, or the City undertakes a rolling or complete reevaluation of real estate that includes the property in question.

Sec. 39. 24 App. V.S.A. ch. 3, § 330 is amended to read:

§ 330. BOARD OF TAX APPEALS

A Board of Tax Appeals, constituted in the manner set forth in section 91 of this charter, is created. The Board shall have the same duties and proceed in the same manner to hear and determine tax appeals as a ~~board of civil authority~~

~~under 32 V.S.A. chapter 131, subchapter 1~~ regional assessment district appeals board under 32 V.S.A. § 3419 except as otherwise provided in this charter. Appeals from decisions of the Board of Tax Appeals ~~or from the Board of Civil Authority as referenced in section 92 of this charter~~ shall be controlled by 32 V.S.A. ~~chapter 131, subchapter 2~~ chapter 121, subchapter 1A, except that the City Assessor may appeal subject to the approval of the City Board of Finance. The Board shall organize each year by the election of a Chair, Vice-Chair, and Clerk. The manner of removal of Board members and filling of vacancies shall be as provided in sections 129 and 130 of this charter and the Board members shall, except as otherwise herein expressly provided, be subject to all other provisions of this charter relating to public officers.

Sec. 40. 24 App. V.S.A. ch. 103, § 510(d) is amended to read:

(d) In the case of any property used for both residential and nonresidential purposes within the District as of April 1, the Board of Listers (Board) shall adjust the listed value for the purposes of determining the District tax under this section to exclude the value of that portion of the property used for residential purposes. The Board shall determine the adjusted grand list value of the business portion of the property and give notice of the same as provided under 32 V.S.A. ~~chapter 131~~ § 3419. Any property owner may file a grievance with the Board and appeal the decision of the Board as provided for under 32 V.S.A. ~~chapter 131~~ § 3419; however, the filing of an appeal of the determination of the Board and pendency of the appeal shall not vacate the lien on the property assessed, and the District taxes must be paid and continue to be paid as they become due.

Sec. 41. 24 App. V.S.A. ch. 151, § 507(d) is amended to read:

(d) In the case of any property used for both residential and nonresidential purposes within the District as of April 1, the Department of Assessment shall adjust the listed value for the purposes of determining the District tax under this section to exclude the value of that portion of the property used for residential purposes. The Department of Assessment shall determine the adjusted grand list value of the business portion of the property and give notice of the same as provided under 32 V.S.A. ~~chapter 131~~ § 3419. Any property owner may file a grievance with the Board and appeal the decision of the Board as provided for under 32 V.S.A. ~~chapter 131~~ § 3419; however, the filing of an appeal of the determination of the Board and pendency of the appeal shall not vacate the lien on the property assessed, and the District taxes must be paid and continue to be paid as they become due.

Sec. 42. 24 App. V.S.A. ch. 151, § 707 is amended to read:

§ 707. APPEALS

A person aggrieved by the final decision of the Department of Assessment under the provisions of section 706 of this charter may appeal in writing under the provisions of 32 V.S.A. ~~chapter 131~~ § 3419.

Sec. 43. 32 V.S.A. § 3613 is amended to read:

§ 3613. APPEAL

The State of Vermont shall have the same right to appeal from the appraisal of the listers and assessors and from the decision of the ~~Board of Civil Authority~~ regional assessment district appeals board as is given to any interested individual as provided by ~~chapter 131~~ section 3419 of this title.

Sec. 44. 32 V.S.A. § 3757(c) is amended to read:

(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 provisions for appeal relating to property tax assessments in chapter ~~131~~ 121, subchapter 1A of this title shall apply.

Sec. 45. 32 V.S.A. § 3758(d) is amended to read:

(d) Any owner who is aggrieved by a decision of the Department of Forests, Parks and Recreation concerning the filing of an adverse inspection report, a denial of approval of a management plan, or a certification to the Director with respect to land for which a wastewater permit is issued may appeal to the Commissioner of Forests, Parks and Recreation within 60 days ~~of~~ following the filing of the adverse inspection report, the decision to deny approval, or the certification to the Director. An appeal of this decision of the Commissioner may be taken to the Superior Court in the same manner and under the same procedures as an appeal from a decision of a ~~Board of Civil Authority~~ regional assessment district appeals board, as set forth in ~~chapter 131, subchapter 2~~ section 3420 of this title.

Sec. 46. 32 V.S.A. § 3760(a)(2) is amended to read:

(2) The Director of Property Valuation and Review shall determine the amount of the available funds under this section to be paid to each municipality, and a municipality may appeal the Director's decision in the same manner and under the same procedures as an appeal from a decision of a

~~Board of Civil Authority~~ regional assessment district appeals board, as set forth in ~~chapter 131, subchapter 2~~ section 3420 of this title.

Sec. 47. 32 V.S.A. § 3846(d) is amended to read:

(d) Whenever the assessing officials deny in whole or in part any application for classification as farmland or ~~forest land~~ forestland or grant a different classification than that applied for, or fix an erroneous use value appraisal for eligible land, the aggrieved owner may appeal the decision in accordance with the provisions set forth in ~~chapter 131~~ section 3419 of this title. The appeal shall be heard in the same manner and under the same procedures as other appeals relating to real property appraisals and taxation.

Sec. 48. 32 V.S.A. § 4006 is amended to read:

§ 4006. FAILURE TO RETURN INVENTORY

Failure of a taxpayer to make and return a signed, sworn to, or affirmed inventory within 45 days after the mailing of such inventory by the town listers or assessors shall bar the taxpayer from any statutory appeal under this chapter or chapter ~~131~~ 121, subchapter 1A of this title, unless such failure is due to factors beyond the taxpayer's control. In addition, a taxpayer who fails to submit an inventory within the time and in the form prescribed may be fined not more than $100.00 for each violation.

Sec. 49. 32 V.S.A. § 5136(b) is amended to read:

(b) Whenever a municipality votes to collect interest on overdue taxes pursuant to this section, interest in like amount shall be paid by the municipality to any person making any overpayment of taxes occurring as a result of a redetermination of the grand list of the taxpayer on appeal provided by chapter ~~131~~ 121, subchapter 1A of this title.

Sec. 50. 32 V.S.A. § 5409(3)(B) is amended to read:

(B) Persons aggrieved by decisions of the listers or assessors may appeal in the manner provided for property tax appeals in chapter ~~131~~ 121, subchapter 1A of this title, and the Commissioner of Taxes shall have all the powers described in chapter 133 of this title.

Sec. 51. 32 V.S.A. § 5410(j) is amended to read:

(j) A taxpayer may appeal a determination of domicile for purposes of a homestead declaration or an assessment of fraud penalty under this section to the Commissioner in the same manner as an appeal under chapter 151 of this title. A taxpayer may appeal an assessment of any other penalty under this section to the listers within 14 days after the date of mailing of notice of the penalty, and from the listers to the ~~board of civil authority~~ regional assessment

district appeals board, and ~~thereafter~~ to the courts or Commissioner, in the same manner as an appraisal appeal under chapter ~~131~~ 121, subchapter 1A of this title. The legislative body of a municipality shall have authority in cases of hardship to abate all or any portion of a penalty appealable to the listers under this section and any tax, penalty, and interest arising out of a corrected property classification under this section, and shall state in detail in writing the reasons for its grant or denial of the requested abatement. The legislative body may delegate this abatement authority to the board of civil authority or the board of abatement for the municipality. Requests for abatement shall be made to the municipal treasurer or other person designated to collect current taxes, and that person shall forward all requests, with that person's recommendation, to the body authorized to grant or deny abatement.

Sec. 52. 32 V.S.A. § 5412 is amended to read:

§ 5412. REDUCTION OF LISTED VALUE AND RECALCULATION OF EDUCATION TAX LIABILITY

(a)(1) If a listed value is reduced as the result of an appeal or court action made pursuant to section ~~4461~~ 3420 of this title, a municipality may submit a request for the Director of Property Valuation and Review to recalculate its education property tax liability for the education grand list value lost due to a determination, declaratory judgment, or settlement. The Director shall recalculate the municipality's education property tax liability for each year at issue, in accord with the reduced valuation, provided that:

(A) The reduction in valuation is the result of an appeal under chapter ~~131~~ 121, subchapter 1A of this title to the ~~Director of Property Valuation and Review~~ Commissioner or to a court, with no further appeal available with regard to that valuation, or any judicial decision with no further right of appeal, or a settlement of either an appeal or court action if the Director determines that the settlement value is the fair market value of the parcel. The Director may waive the requirement of continuing an appeal or court action until there is no further right of appeal if the Director concludes that the value determined by an adjudicated decision is a reasonable representation of the fair market value of the parcel.

(B) The municipality submits the request on or before January 15 for a request involving an appeal or court action resolved within the previous calendar year.

(C) [Repealed.]

(D) The Director determines that the municipality's actions were consistent with best practices published by the Property Valuation and Review

in consultation with the Vermont Assessors and Listers Association. The municipality shall have the burden of showing that its actions were consistent with the Director's best practices.

(2) A determination of the Director made under subdivision (1) of this subsection may be appealed within 30 days by an aggrieved municipality to the Commissioner for a hearing to be held in accordance with 3 V.S.A. §§ 809–813. The Commissioner's determination may be further appealed to Superior Court, which shall review the Commissioner's determination using the record that was before the Commissioner. The Commissioner's determination may only be overturned for abuse of discretion.

(3) Upon the Director's request, a municipality submitting a request under subdivision (1) of this subsection shall include a copy of the agreement, determination, or final order, and any other documentation necessary to show the existence of these conditions.

(b) To the extent that the municipality has paid that liability, the Director shall allow a credit for any reduction in education tax liability against the next ensuing year's education tax liability.

(c) If a listed value is increased as the result of an appeal under chapter ~~131~~ 121, subchapter 1A of this title or court action, whether adjudicated or settled, and the Director determines that the settlement value is the fair market value of the parcel with no further appeal available with regard to that valuation, the Director shall recalculate the municipality's education property tax for each year at issue, in accord with the increased valuation, and shall assess the municipality for the additional tax at the same time the Director assesses the municipality's education tax liability for the next ensuing year, unless the resulting assessment would be less than $300.00. Payment under this section shall be due with the municipality's education tax liability for the next ensuing year.

* * *

* * * Regional Assessment District Transition * * *

Sec. 53. TRANSITION; ANNUAL PROGRESS REPORT

On or before every January 15 from January 15, 2028, to January 15, 2031, the Commissioner of Taxes shall submit a report to the House Committee on Ways and Means and the Senate Committee on Finance relating to the progress made in preparing for the implementation of regional assessment districts pursuant to this act.

Sec. 54. REGIONAL ASSESSMENT DISTRICT BOUNDARIES

(a) The Commissioner of Taxes shall identify and submit proposed geographic boundaries for regional assessment districts that are aligned with school district boundaries and have a minimum of 10,000 parcels to the House Committees on Government Operations and Military Affairs and on Ways and Means and to the Senate Committees on Finance and on Government Operations.

(b) Notwithstanding subsection (a) of this section, the Commissioner may, at the Commissioner's discretion, identify a regional assessment district boundary that includes more than one school district or identify more than one regional assessment district boundary within one school district.

(c) It is the intent of the General Assembly to enact regional assessment district boundaries based on the Commissioner's geographic boundaries proposed under this section.

Sec. 55. [Deleted.]

* * * Valuation of Certain Property in a Limited Equity Cooperative * * *

Sec. 56. [Deleted.]

Sec. 57. 32 V.S.A. § 4152 is amended to read:

§ 4152. CONTENTS

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

* * *

(10) A separate column listing the number of dwelling units, as defined pursuant to subdivision 4152a(c)(2) of this title.

* * *

Sec. 58. 32 V.S.A. § 4152a is added to read:

§ 4152a. PROPERTY TAX CLASSIFICATIONS

(a) Establishment. Each parcel of real estate shall be classified as one or more of the classifications listed under subsection (b) of this section and based on information and guidance provided by the Commissioner of Taxes under this section and rules adopted pursuant section 5410 of this title.

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

(1) homestead;

(2) nonhomestead nonresidential; and

(3) nonhomestead residential.

(c) Definitions. As used in this section:

(1) "Commissioner" means the Commissioner of Taxes.

(2) "Dwelling unit" means a building or part of a building, including a single-family home, a unit within a multifamily building, an apartment, a condominium, or other similar property or structure containing a separate means of ingress and egress that:

(A) is designed or intended to be used for occupancy by one or more persons in a household, including providing living facilities for sleeping, cooking, and sanitary needs; and

(B) is fit for year-round habitation as determined by the Commissioner.

(3) "Homestead" has the same meaning as in subdivision 5401(7) of this title and means a parcel, or portion of a parcel, declared as a homestead on or before October 15 in accordance with section 5410 of this title for the current year.

(4)(A) "Long-term rental" means:

(i) a dwelling unit for which rent is paid for the right of occupancy for periods of at least 30 days;

(ii) a dwelling unit with combined rental periods in the current calendar year that total at least six calendar months, which need not be consecutive; and

(iii) the Commissioner determines there is a bona fide landlord-tenant relationship between the parties. To make this determination, the Commissioner may consider whether the landlord and tenant are related parties, whether the landlord charges the tenant fair market rent, whether the landlord is an entity with a business purpose other than the avoidance of tax, and any other factor the Commissioner deems relevant.

(B) "Long-term rental" also means a dwelling unit used by an employer to house the employer's employees for at least six calendar months, which need not be consecutive, in the current calendar year. As used in this section, "employee" means an individual who is reported by an employer for purposes of complying with Vermont unemployment compensation law pursuant to 21 V.S.A. chapter 17 or a farm employee as defined by 9 V.S.A.

§ 4469a(a)(1), without regard for whether the farm employee is reported pursuant to 21 V.S.A. chapter 17.

(5) "Nonhomestead nonresidential" means a parcel, or portion of a parcel, that does not qualify as "homestead" or "nonhomestead residential" under this section.

(6) "Nonhomestead residential" means a parcel, or portion of a parcel, with a dwelling unit that is not:

(A) a homestead;

(B) rented out as a long-term rental;

(C) a mobile home, as defined under 10 V.S.A. § 6201(1), but not including other types of manufactured homes; or

(D) part of a lodging establishment licensed under 18 V.S.A. chapter 85, subchapter 2.

(d) Mixed-use parcels. A parcel with two or more portions qualifying as different classifications shall be classified proportionally as follows:

(1) Buildings shall be classified proportionally based on the percentage of finished floor space used. Improvements and structures on a nonhomestead residential parcel shall be classified as nonhomestead residential unless used for a business purpose.

(2) Underlying land, including improvements or fixtures that lack floor space, shall be classified proportionally based on the same percentage as the finished floor space of the buildings.

(3) Notwithstanding any provision of this subsection to the contrary, the entire parcel of land surrounding a homestead shall be classified as homestead in accordance with subdivision 5401(7) of this title, including any improvements or structures considered part of a homestead under subdivision 5401(7)(F) of this title.

(4) If a portion of floor space is used for more than one purpose, the use for which the floor space is most often used shall be considered the primary use and the floor space shall be dedicated to that use for purposes of tax classification, except as provided for a homestead under subdivision 5401(7) of this title.

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

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

Sec. 58a. RECOMMENDATIONS; TAX CLASSIFICATIONS APPEALS

On or before December 15, 2027, the Department of Taxes shall submit recommended legislative language to the House Committee on Ways and Means and the Senate Committee on Finance establishing the process for an aggrieved taxpayer to appeal a local or State determination affecting the tax classification of the taxpayer's property under 32 V.S.A. § 4152a, as established by this act.

Sec. 59. 32 V.S.A. § 5410 is amended to read:

§ 5410. DECLARATION OF HOMESTEAD; DWELLING USE ATTESTATION

* * *

(g) If the property identified in a declaration under subsection (b) of this section is not the taxpayer's homestead ~~or if the owner of a homestead fails to declare a homestead as required under this section~~, the Commissioner shall notify the municipality, and the municipality shall issue a corrected tax bill that may, as determined by the governing body of the municipality, include a penalty of up to ~~three~~ five percent of the education tax on the property. ~~However, if the property incorrectly declared as a homestead is located in a municipality that has a lower homestead tax rate than the nonhomestead tax rate or if an undeclared homestead is located in a municipality that has a lower nonhomestead tax rate than the homestead tax rate, then the governing body of the municipality may include a penalty of up to eight percent of the education tax liability on the property.~~ If the Commissioner determines that the declaration or failure to declare was with fraudulent intent, then the ~~municipality~~ Commissioner shall assess the taxpayer a penalty in an amount equal to 100 percent of the education tax on the property, plus any interest and late-payment fee or commission that may be due. Any penalty imposed under this section by a municipality and any additional property tax interest and late-payment fee or commission shall be assessed and collected by the municipality in the same manner as a property tax under chapter 133 of this title. Notwithstanding section 4772 of this title, issuance of a corrected bill issued under this section does not extend the time for payment of the original bill nor relieve the taxpayer of any interest or penalties associated with the original bill. If the owner of a homestead fails to declare a homestead as required under this section, the Commissioner shall notify the municipality, and the municipality shall issue a corrected tax bill. If the corrected bill is less than

the original bill and there are also no unpaid current year taxes, interest, or penalties and no past year delinquent taxes or penalties and interest charges, any overpayment shall be reflected on the corrected tax bill and refunded to the taxpayer.

* * *

(i) An owner filing a new or corrected declaration or dwelling use attestation or rescinding an erroneous declaration or dwelling use attestation after October 15 shall not be entitled to a refund resulting from the correct property classification, and any additional property tax and interest that would result from the correct classification shall not be assessed as tax and interest, but shall instead constitute an additional penalty to be assessed and collected in the same manner as penalties under subsection (g) of this section. Any change in property classification under this subsection shall not be entered on the grand list.

(j) A taxpayer may appeal a determination of domicile for purposes of a homestead declaration or an assessment of fraud penalty under this section to the Commissioner in the same manner as an appeal under chapter 151 of this title. A taxpayer may appeal an assessment of any other penalty under this section to the listers within 14 days after the date of mailing of notice of the penalty, and from the listers to the board of civil authority, and thereafter to the courts, in the same manner as an appraisal appeal under chapter 131 of this title. The legislative body of a municipality shall have authority in cases of hardship to abate all or any portion of a penalty appealable to the listers under this section and any tax, penalty, and interest arising out of a corrected property classification under this section, and shall state in detail in writing the reasons for its grant or denial of the requested abatement. The legislative body may delegate this abatement authority to the board of civil authority or the board of abatement for the municipality. Requests for abatement shall be made to the municipal treasurer or other person designated to collect current taxes, and that person shall forward all requests, with that person's recommendation, to the body authorized to grant or deny abatement.

(k) A municipality may retain any penalties and interest assessed and collected in accord with this section.

(l) "Hardship" under this section means an owner's inability to pay as certified by the Commissioner of Taxes, in the Commissioner's discretion, or means an owner filing an incorrect, or failing to file a correct, homestead declaration or dwelling use attestation due to one or more of the following:

(1) full-time active military duty of the declarant outside the State;

(2) serious illness or disability of the declarant;

(3) serious illness, disability, or death of an immediate family member of the declarant; and

(4) fire, flood, or other disaster.

(m)(1) Annually, on or before the due date for filing the Vermont income tax return, without extension, each owner of a property with a dwelling unit, as defined under subdivision 4152a(c)(2) of this title, that is not declared as a homestead pursuant to this section, may file a dwelling use attestation describing how the dwelling unit will be used in the current year for purposes of assigning a tax classification under section 4152a of this title. Properties with a dwelling unit for which no homestead declaration or dwelling use attestation have been filed shall be assigned the tax classification with the highest statewide education tax rate multiplier under section 5402(a) of this title. The Commissioner may collect any additional information through the attestation as required to administer the classification of properties pursuant to section 4152a of this title.

(2) If the Commissioner determines that a filed dwelling use attestation contains errors or omissions but does not find that the filing was made with fraudulent intent, the Commissioner shall notify the municipality, and the municipality shall issue a corrected tax bill that may, as determined by the governing body of the municipality, include a penalty of up to five percent of the education tax on the property. Any penalty imposed under this subdivision and any additional property tax interest and late-payment fee or commission shall be assessed and collected by the municipality in the same manner as a property tax under chapter 133 of this title. The municipality assessing and collecting any fee, interest, or commission under this subdivision shall retain it to pay for municipal services.

(3) If the Commissioner determines that a filed dwelling use attestation contains errors or omissions and further finds that the filing was made with fraudulent intent, then the Commissioner shall assess the taxpayer a penalty in an amount equal to 100 percent of the education tax on the property, plus any interest and late-payment fee that may be due. The Commissioner shall further notify the municipality, and the municipality shall issue a corrected tax bill. Any penalty imposed under this subdivision and any additional property tax interest and late-payment fee shall be assessed and collected by the Commissioner.

Sec. 60. PROPERTY TAX CLASSIFICATIONS; TRANSITION; DATA COLLECTION

For calendar year 2029, the Commissioner of Taxes shall amend and create forms so that taxpayers report information on the use of their property for such property to be classified as homestead, nonhomestead residential, nonhomestead nonresidential, or a proportional classification of those uses. The information collected, and classifications determined, shall align with the definitions and requirements of this act. The Commissioner shall use the information to determine and assign a tax classification for every grand list parcel, and on or before October 1, 2029, the Commissioner shall provide that information to the Joint Fiscal Office.

Sec. 61. REPEALS

2025 Acts and Resolves No. 73, Secs. 60 (grand list contents), 61 (property tax classifications), 61a (transition; data collection), 61c (rate multipliers; intent), and 61d (prospective repeal) are repealed.

Sec. 62. TAX CLASSIFICATIONS; RATE MULTIPLIERS; INTENT

It is the intent of the General Assembly that the creation of a tax classification system, and the specific tax classifications to be used by that system, will be reevaluated at the same time as any further amendment of the tax rate multipliers created under 32 V.S.A. § 6066(a) as amended by 2025 Acts and Resolves No. 73.

Sec. 63. PROSPECTIVE REPEAL

In order to ensure the successful implementation of education finance reform as set forth in this act, in the absence of legislative action on or before July 1, 2030, that creates a new tax rate multiplier to be used in a tax classification system, Secs. 58, 59, and 64 of this act are repealed on July 1, 2030.

Sec. 64. 32 V.S.A. § 5401 is amended to read:

§ 5401. DEFINITIONS

As used in this chapter:

* * *

(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 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.

(B) The parcel of land surrounding the dwelling shall be determined without regard to any road that intersects the land. If the parcel of land surrounding the dwelling is owned by a cooperative housing corporation incorporated under 11 V.S.A. chapter 14 or owned by a nonprofit land conservation corporation or community land trust with exempt status under 26 ~~U.S.C~~ U.S.C. § 501(c)(3), the homestead includes a pro rata part of the land upon which the dwelling is built, as determined by the cooperative corporation, nonprofit corporation, or land trust.

(C) A homestead may consist of a part of a multidwelling or multipurpose building, including cooperative property occupied as a permanent residence by a member of a cooperative housing corporation incorporated under 11 V.S.A. chapter 14. A mobile home may constitute a principal dwelling for purposes of this chapter.

(D) A dwelling owned by a trust may qualify as a homestead if it meets the requirements of subsection 6062(e) of this title.

(E)(i) A homestead also includes a dwelling on the homestead parcel owned by a farmer as defined under section 3752 of this title and occupied as the permanent residence by a parent, sibling, child, or grandchild of the farmer or by a shareholder, partner, or member of the farmer-owner, provided that the shareholder, partner, or member owns more than 50 percent of the farmer-owner, including attribution of stock ownership of a parent, sibling, child, or grandchild.

(ii) A homestead further includes the principal dwelling of a widow or widower, provided the dwelling is owned by the estate of the deceased spouse and it is reasonably likely that the dwelling will pass to the widow or widower by law or valid will when the estate is settled.

(F) A homestead also includes any other improvement or structure on the homestead parcel that is not used for business purposes, including a nonprincipal dwelling used exclusively by the owner for domestic purposes as part of the homestead on the same parcel. A homestead does not include that portion of a principal dwelling used for business purposes if the portion used for business purposes includes more than 25 percent of the floor space of the building.

(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 1, is held by the estate of the decedent and not rented.

(H) A homestead does not include any portion of a dwelling that is rented, and a dwelling is not a homestead for any portion of the year in which it is rented.

(I) A homestead also includes any dwelling that is used as a homestead without regard for whether it is fit for year-round habitation.

* * *

* * * State Aid for School Construction * * *

Sec. 65. SCHOOL CONSTRUCTION; FINDINGS; INTENT

(a) The General Assembly finds that:

(1) Much of Vermont's school facilities portfolio is at or near the end of its useful life and will require substantial investment to address deferred maintenance and other necessary updates. The school facilities assessments conducted pursuant to 2021 Acts and Resolves No. 72 identified over $6,000,000,000.00 in total needs over a 21-year period, with an average annual need of $300,000,000.00 just to achieve replacement in kind. These needs have only grown since their estimation in 2023.

(2) Under Vermont's current education finance system, school construction expenditures are paid from the Education Fund and apply pressure to property taxes. While non–property tax revenues support a share of Education Fund expenditures, property tax revenues make up the bulk of the Education Fund and are expected to make up an even larger share as Education Fund expenditures outpace growth in non–property tax revenues.

(3) Although school construction decision making is controlled at the local level, the costs of that decision making are spread across all property taxpayers in Vermont. A school district's decision to bond for a school construction project increases both the district's homestead property tax rate and the property tax rates of school districts across Vermont.

(4) Vermont's school budgeting process asks school districts and property taxpayers to weigh operating expenditures against capital expenditures within the same budgetary constraints. So long as both costs are borne by the property tax, school districts are disincentivized from taking on school construction projects, and certain communities in Vermont may struggle to support even necessary school construction expenditures.

(5) The foundation formula created in 2025 Acts and Resolves No. 73 did not provide funding for additional capital investment in school facilities.

Unless additional revenue sources are utilized or an alternative financing model is identified, new school construction projects will continue to be funded from the Education Fund and will continue to apply pressure to property taxpayers across Vermont.

(b) It is the intent of the General Assembly to:

(1) create greater scale, increase the efficiency of the delivery of education services, and encourage the efficient use of funds by prioritizing school construction projects that align with the creation of the new school governance structures expressed in this act;

(2) address inequities in education funding across the State and remove disincentives to the construction of necessary and educationally appropriate school facilities by offering State aid in the form or forms best suited to a school district's local context and needs;

(3) recognize the urgency and opportunity offered by Vermont's education transformation as expressed in this act and 2025 Acts and Resolves No. 73 by identifying alternative models for funding school construction;

(4) in the short term, catalyze the State Aid for School Construction Program by providing State aid in the form of up to an additional $50,000,000.00 annually in State bonding capacity to support the construction or renovation of school facilities that support the consolidation of school governance structures and improve access to educational opportunities for public school students;

(5) in the long term, provide State aid in the form of a debt service subsidy to school districts pursuing school construction projects that align with the goals of the State Aid for School Construction Program;

(6) throughout Vermont's education transformation, provide State aid through multiple funding streams until the burden on property taxpayers imposed by school construction expenditures can be reduced; and

(7) leverage the capacities of the Vermont Bond Bank to simplify bond issuances for school districts, increase financing opportunities, and protect the State's credit rating.

Sec. 66. AGENCY OF EDUCATION; SCHOOL CONSTRUCTION DIVISION; POSITIONS; APPROPRIATION

(a) The establishment of the following new limited service classified positions is authorized in the Agency of Education in fiscal year 2027:

(1) one School Construction Program Director;

(2) one Financial Manager I;

(3) one School Construction Coordinator; and

(4) one Architectural Design Reviewer or Educational Facility Planner.

(b) The sum of $500,000.00 is appropriated from the General Fund to the Agency of Education in fiscal year 2027 for the positions established in subsection (a) of this section.

(c) The Secretary of Education shall include as part of the Agency's budget submitted to the Governor pursuant to 16 V.S.A. § 212(21) for fiscal year 2028 a request to provide appropriate funding levels for the positions created by this section, and any other positions necessary, to permanently staff the School Construction Division of the Agency.

(d) The School Construction Division shall provide comprehensive technical assistance to the Agency of Education and the State Aid for School Construction Advisory Board on the implementation of the State Aid for School Construction Program.

Sec. 66a. FACILITIES MASTER PLAN GRANT PROGRAM; APPROPRIATION

The sum of $1,000,000.00 is transferred from the General Fund to the School Construction Aid Special Fund in fiscal year 2027 for the purpose of awarding grants through the Facilities Master Plan Grant Program established in 16 V.S.A. § 3441 to supervisory unions for the development of educational facilities master plans as part of the study committee process created in Sec. 13 of this act.

Sec. 67. AGENCY OF EDUCATION; STATE AID FOR SCHOOL CONSTRUCTION; RULEMAKING

On or before March 1, 2028, the Agency of Education, in consultation with the State Aid for School Construction Advisory Board, shall adopt rules on school construction and capital outlay pursuant to 3 V.S.A. chapter 25 and 16 V.S.A. § 3442(2), including rules to address prioritization and bonus incentives that reward school districts for:

(1) consolidating school governance structures, whether through the study committee process under Sec. 13 of this act or by other voluntary means;

(2) improving access for public school students to excellent educational opportunities, including CTE, shared special education services for high-needs students, and improved comprehensive curricular offerings; and

(3) remediating or eliminating health and safety issues.

Sec. 68. STATE AID FOR SCHOOL CONSTRUCTION ADVISORY BOARD; IDENTIFICATION OF REGIONAL HIGH SCHOOLS AND REHABILITATION OPPORTUNITIES; REPORT

(a) On or before December 1, 2026, the State Aid for School Construction Advisory Board shall provide a written report to the General Assembly that:

(1) identifies three to five feasible opportunities for the construction or renovation of regional high schools to promote the consolidation of school governance structures and improve access for public school students to excellent educational opportunities, including CTE, shared special education services for high-needs students, and improved comprehensive curricular offerings; and

(2) provides a preliminary siting study for each identified school construction project that includes the cost, location, and any other factor the Board deems relevant to the General Assembly's consideration of the project.

(b) In developing the Board's report, the Board shall specifically consider how to achieve appropriate scale, given research on school size and travel times, and how to achieve regional comprehensive high schools.

Sec. 68a. STATE AID FOR SCHOOL CONSTRUCTION PROGRAM; INTENT

It is the intent of the General Assembly to clarify that the State shall not offer aid under the State Aid for School Construction Program under 16 V.S.A. chapter 123 until the General Assembly has received the Treasurer's recommendation under 16 V.S.A. § 3445(a)(6)(C) on total State bonding support and annual debt service subsidies to be awarded under the Program, the Agency of Education has operationalized its School Construction Division and completed rulemaking on school construction and capital outlay, and the General Assembly has committed to a stable funding source, which may be State bonding support, to support the Program.

Sec. 69. 16 V.S.A. § 3440 is amended to read:

§ 3440. STATEMENT OF POLICY

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

needs of Vermont students. Joint construction projects between two or more school districts and consolidation of buildings within a district where feasible and educationally appropriate are encouraged.

(b) It is further the intent of this chapter to prioritize school construction projects that align with the creation of new school governance structures under legislation enacted by the General Assembly in 2026 that requires each school board to participate in a study committee to study the advisability of forming a unified union school district. It is the intent of this chapter to leverage additional State bonding capacity to support the construction of these projects while the State identifies the total school construction need to be supported by State aid offered under this chapter.

Sec. 70. 16 V.S.A. § 3442 is amended to read:

§ 3442. STATE AID FOR SCHOOL CONSTRUCTION PROGRAM

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

* * *

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

(3) including as part of its budget submitted to the Governor pursuant to subdivision 212(21) of this title its annual school construction funding request, including any projects contemplated under subsection 3440(b) of this chapter for funding through State bonding;

* * *

Sec. 71. 16 V.S.A. § 3443 is amended to read:

§ 3443. STATE AID FOR SCHOOL CONSTRUCTION ADVISORY BOARD

* * *

(e) Assistance. The Board shall have the administrative, technical, and legal assistance of the Agency of Education, the School Construction Division, and the School Construction Program Director.

* * *

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

Sec. 72. 16 V.S.A. § 3445 is amended to read:

§ 3445. APPROVAL AND FUNDING OF SCHOOL CONSTRUCTION PROJECTS

(a) Construction aid.

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

(2) Approval of preliminary application.

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

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

(ii) economic efficiencies;

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

(iv) statewide educational initiatives.

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

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

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

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

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

(dd) deterioration of an existing building; or

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

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

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

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

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

(I) engages robust community involvement;

(II) considers regional solutions;

(III) evaluates environmental contaminants; and

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

(vi) if the applicant school district is applying for construction aid for a school building that was constructed or renovated before 1980, the applicant has completed indoor air quality testing for polychlorinated biphenyls that was conducted according to the Department of Environmental Conservation's standards for testing.

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

(4) Request for legislative appropriation. The Agency shall submit its annual school construction funding request to the Governor as part of its

budget pursuant to subdivision 212(21) of this title and shall clearly identify those projects contemplated under subsection 3440(b) of this chapter for funding through State bonding. Following submission of the Governor's recommended budget to the General Assembly pursuant to 32 V.S.A. § 306 and submission of the Governor's recommended capital budget to the General Assembly pursuant to 32 V.S.A. § 309, the House ~~Committee~~ Committees on Education and on Ways and Means and the Senate ~~Committee~~ Committees on Education and on Finance shall recommend a total school construction appropriation for the next fiscal year to the General Assembly for inclusion in the education payment under subsection 4011(a) of this title.

(5) Final approval for construction aid.

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

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

(i) the project has received preliminary approval;

(ii) the district has voted funds or authorized a bond for the total estimated cost of the project, provided that the district shall not issue the bond until the Secretary notifies the district of its State bonding support;

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

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

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

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

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

(C) The Secretary may provide that a grant for a high school project is conditioned upon the agreement of the recipient to provide high school

instruction for any high school pupil living in an area prescribed by the Agency who may elect to attend the school.

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

(6) Award of construction aid.

(A) The base amount of an award shall ~~be~~ fund ~~20~~ 30 percent of the ~~eligible debt service~~ total approved cost of a project. Projects are eligible for additional bonus incentives as specified in rule ~~for~~ to fund up to an additional ~~20~~ 45 percent of the ~~eligible debt service~~ total approved cost.

(B) Construction aid shall be awarded as a debt service subsidy, as support through State bonding, or as a combination of both. Amounts shall be awarded annually and are subject to an annual appropriation for the purposes of the program.

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

(C) Annually, the Treasurer, in consultation with the Capital Debt Affordability Advisory Committee (CDAAC), shall recommend to the House Committees on Education, on Ways and Means, and on Corrections and Institutions and the Senate Committees on Education, on Finance, and on Institutions the annual total State bonding support available for the capital budget and this Program and the annual debt service subsidies to be awarded under this chapter. The recommendation shall include an analysis of how the use of State bonding support for school construction under this Program affects overall capital budget capacity.

(b) Emergency aid. Notwithstanding any other provision of this section, the Secretary may grant aid for a project the Secretary deems to be an emergency in the amount of 30 percent of eligible project costs, up to a maximum eligible total project cost of $300,000.00.

(c) Wage requirements. Any contract awarded for school construction that is paid for with State aid shall adhere to the higher of:

(1) the prevailing wage requirements established for State construction projects under 29 V.S.A. § 161(b); or

(2) the prevailing local wage requirements as determined by the U.S. Department of Labor under the Davis-Bacon Act, 40 U.S.C. §§ 3141–3148, and related federal acts and regulations.

Sec. 73. REPEAL

16 V.S.A. § 3454 (deferred maintenance) is repealed.

Sec. 74. 16 V.S.A. § 4033 is added to read:

§ 4033. LEGACY DEBT AID

(a) A school district shall be eligible to receive legacy debt aid pursuant to this section only if the district is not identified as a bad faith participant in the facilitator report submitted pursuant to Sec. 15 of legislation enacted by the General Assembly in 2026 that requires each school board to participate in a study committee to study the advisability of forming a unified union school district.

(b) An eligible school district's legacy debt aid shall equal 75 percent of the debt service cost of any debt that is approved by the voters of the district related to facility construction and renovation and for which construction has begun as of December 31, 2025.

(c) Aid shall be awarded annually for annual debt service costs up to a maximum total annual amount of $45,750,000.00 and is subject to an annual appropriation for the purposes of the legacy debt aid.

Sec. 75. 16 V.S.A. § 4011(a) is amended to read:

(a) Annually, the General Assembly shall appropriate funds for an education payment to pay for statewide education spending ~~and,~~ a portion of a base education amount for each adult education and secondary credential program student, and any other amounts the State is obligated to provide under this chapter or chapter 123 of this title.

Sec. 76. 16 V.S.A. § 4011(a) is amended to read:

(a) Annually, the General Assembly shall appropriate funds for an education payment to pay for each school district's educational opportunity payment and supplemental district spending, as defined in 32 V.S.A. § 5401, the small schools and sparsity support grants under section 4019 of this chapter, ~~and~~ a portion of a categorical base amount for each adult education and secondary credential program student, and any other amounts the State is obligated to provide under this chapter or chapter 123 of this title.

Sec. 77. 32 V.S.A. § 5401(22) is amended to read:

(22) "Supplemental district spending" means the spending that the voters of a school district approve in excess of the school district's educational opportunity payment, as defined in 16 V.S.A. § 4001(17), for the fiscal year, provided that the voters of a school district other than an interstate school district shall not approve spending in excess of five percent of the product of the base amount, as defined in 16 V.S.A. § 4001(16), and the school district's long-term membership, as defined in 16 V.S.A. § 4001(7). The cap on supplemental district spending shall not apply to school construction expenditures.

Sec. 77a. 24 V.S.A. § 1758 is amended to read:

§ 1758. CONDUCT OF MEETINGS

(a) Meetings of voters in municipal corporations under this subchapter shall be conducted in the same manner as the annual city and town meetings are conducted. The qualifications of voters at such meetings shall be the same as the qualifications of voters at annual city and town meetings. The vote on the question of issuing bonds for such improvements shall be by Australian ballot. The form of the ballot to be used shall be substantially as follows:

I. Shall the bonds of the ..... of ..... in an amount not to exceed ..... be issued for the purpose of .....?

If in favor of the bond issue, make a cross (x) in this square □.

If opposed to the bond issue, make a cross (x) in this square □.

In the discretion of the ~~legislative branch~~ Legislative Branch, the form of the ballot may also state the maximum rate of interest to be paid on the bonds, in which case the form of the ballot to be used shall be substantially as follows:

I. Shall bonds of the ..... of ..... in an amount not to exceed ..... bearing interest not to exceed ..... percent, be issued for the purpose of .....?

If in favor of the bond issue, make a cross (x) in this square □.

If opposed to the bond issue, make a cross (x) in this square □.

(b) If a school board submits to its voters the proposition of incurring a bonded debt to pay for an improvement, the form of the ballot shall be as set forth in subsection (a) of this section, however:

(1) If the entire costs of the improvement are not eligible for State construction aid pursuant to 16 V.S.A. chapter 123 because the costs exceed

the maximum allowed by formula established by the ~~State Board of Education~~ Agency of Education, the ballot text set forth in subsection (a) shall be preceded by the following introductory sentences:

The ..... school board proposes to incur bonded indebtedness for the purpose of ..... at the estimated total project cost of $ ..... . It is estimated that ..... percent of the project will not be eligible for State school construction aid because its (unit costs and/or allowable space) cause it to exceed the maximum cost for state participation under the ~~State Board of Education's~~ Agency of Education's formula for school construction. Therefore, the ..... percent of the project that is estimated to be ineligible under the formula shall be built at 100% school district cost without State participation. The cost of the portion of construction which is ineligible under the formula is $ ..... .

(2) The ballot may contain language conditioning commencement of the improvement by the school board on receipt of final approval by the ~~State Board of Education~~ Agency of Education for State construction aid under 16 V.S.A. § ~~3448(a)(5)~~ 3445(a)(5).

(3) The warning and ballot shall contain the following set forth in bold-faced type:

State funds may not be available at the time this project is otherwise eligible to receive State school construction aid. The district is responsible for all costs incurred in connection with any borrowing done in anticipation of State school construction aid.

Funds to cover annual debt service costs on the bonds shall be raised through the district's supplemental district spending tax. Any bonded indebtedness incurred for school construction shall constitute an ongoing obligation of the district not subject to annual authorization of supplemental district spending.

(c) A public informational hearing adhering to the requirements of 17 V.S.A. § 2680(g) shall be held to discuss the proposition of a school district incurring a bonded debt to pay for an improvement. At such hearing, the school board shall distribute to the participants a written estimate of the following factors:

(1) ~~the~~ The percentage of the costs of the improvement that will not be eligible for State school construction aid because its unit costs or allowable space, or both, cause it to exceed the maximum cost for State participation under the ~~State Board of Education's~~ Agency of Education's formula for school construction.

(2)(A) The estimated supplemental district spending tax rate that would be required to pay annual debt service costs on the bonds for each of the following aid scenarios:

(i) if the district receives no State aid for the project;

(ii) if the district receives State aid of 30% of the total approved cost of the project; and

(iii) if the district receives State aid of 75% of the total approved cost of the project.

(B) The board shall notify the participants of the following assumptions that shall be made when estimating annual supplemental district spending tax rates to pay annual debt service costs on the bonds:

(i) supplemental district spending yield equal to the current yield;

(ii) long-term membership equal to the district's current long-term membership; and

(iii) supplemental district spending equal to the estimated annual debt service cost on the bond.

(C) The board shall further notify the participants that future supplemental district spending tax rates will vary annually based on the supplemental district spending yield, the district's long-term membership, and any other supplemental district spending that the district approves for the year.

Sec. 78. 16 V.S.A. § 563 is amended to read:

§ 563. POWERS OF SCHOOL BOARDS; FORM OF VOTE

The school board of a school district, in addition to other duties and authority specifically assigned by law:

* * *

(11)(A) Shall prepare and distribute annually a proposed budget for the next school year according to such major categories as may from time to time be prescribed by the Secretary.

(B) [Repealed.]

(C) At a school district's annual or special meeting, the electorate may vote to provide notice of availability of the school budget required by this subdivision to the electorate in lieu of distributing the budget. If the electorate of the school district votes to provide notice of availability, it must specify how notice of availability shall be given, and such notice of availability shall be provided to the electorate at least 30 days before the district's annual

meeting. The proposed budget shall be prepared and distributed at least ~~ten~~ 10 days before a sum of money is voted on by the electorate. Any proposed budget shall show the following information in a format prescribed by the Secretary:

(i) all revenues from all sources, and expenses, including as separate items any assessment for a supervisory union of which it is a member and any tuition to be paid to a career technical center; and including the report required in subdivision 242(4)(D) of this title itemizing the component costs of the supervisory union assessment;

(ii) the specific amount of any deficit incurred in the most recently closed fiscal year and how the deficit was or will be remedied;

(iii) the anticipated ~~homestead~~ statewide education tax rate ~~and the percentage of household income used to determine income sensitivity in the district as a result of passage of the budget, including those portions of the tax rate attributable to supervisory union assessments~~, as adjusted for each tax classification pursuant to 32 V.S.A. § 5402; ~~and~~

(iv) the definition of "~~education spending~~ supplemental district spending," the ~~number of pupils and number of equalized pupils in~~ long-term membership of the school district, and the district's ~~education spending~~ per ~~equalized~~ pupil supplemental district spending in the proposed budget and in each of the prior three years;

(v) the supplemental district spending yield; and

(vi) the annual debt service cost of any outstanding capital indebtedness.

(D) ~~The~~ If the board determines that the district should raise funds to cover expenditures other than annual debt service obligations on outstanding capital indebtedness for school construction, the board shall present ~~the~~ a supplemental district spending budget to the voters by means of a ballot in the following form:

"Article #1 (School Budget):

Shall the voters of the school district approve the school board to expend $ _____ for expenditures other than annual debt service obligations on any outstanding capital indebtedness, which is the amount the school board has determined to be necessary in excess of the school district's educational opportunity payment for the ensuing fiscal year?

The _____ District estimates that this proposed budget, if approved, will result in per pupil ~~education~~ supplemental district spending of

$_____, which is _____% higher/lower than per pupil ~~education~~ supplemental district spending for the current year, and a supplemental district spending tax rate of _____ per $100.00 of equalized education property value.

If these expenditures are not approved, the District estimates a supplemental district spending tax rate of _____ per $100.00 of equalized education property value to pay for the District's annual debt service obligations on outstanding capital indebtedness."

(E) If the board receives a determination of the district's State aid for school construction pursuant to 16 V.S.A. § 3445(a)(5), prior to issuing any bonds for school construction, the board shall present to the voters for one-time authorization a supplemental district spending budget to cover the annual debt service obligations for school construction by means of a ballot in the following form:

"Article #1 (School Budget):

Shall the voters of the school district approve the school board to expend $ _____, which is the amount the school board has determined to be necessary to cover the annual debt service obligations on school construction for the ensuing fiscal year?

The _____ District estimates that this proposed budget, if approved, will result in per pupil supplemental district spending of $_____, which is_____% higher/lower than per pupil supplemental district spending for the current year, and a supplemental district spending tax rate of _____ per $100.00 of equalized education property value.

If the District separately approves supplemental district spending for the ensuing fiscal year to cover expenditures other than the annual debt service obligations on school construction, the total supplemental district spending tax rate provided on the ballot for approval of those expenditures shall reflect the rate required to cover all expenditures, including the annual debt service obligations on school construction."

* * *

* * * Foundation Formula Transition Measures and Reports * * *

Sec. 79. REPEALS

The following sections of 2025 Acts and Resolves No. 73 are repealed:

(1) Sec. 41 (16 V.S.A. § 563);

(2) Sec. 45b (educational opportunity payment transition);

(3) Sec. 46a (supplemental district spending; cap; transition);

(4) Sec. 48a (tax rate transition); and

(5) Sec. 57 (Education Fund Advisory Committee).

Sec. 80. EDUCATIONAL OPPORTUNITY PAYMENTS; TUITION; TRANSITION; FISCAL YEARS 2031–2034

(a) Notwithstanding 16 V.S.A. § 4001(17), in each of fiscal years 2031–2034, the educational opportunity payment for a school district shall equal the educational opportunity payment for the school district as calculated pursuant to 16 V.S.A. § 4010(f) plus a yearly adjustment equal to:

(1) in fiscal year 2031, the transition gap multiplied by 0.80;

(2) in fiscal year 2032, the transition gap multiplied by 0.60;

(3) in fiscal year 2033, the transition gap multiplied by 0.40; and

(4) in fiscal year 2034, the transition gap multiplied by 0.20.

(b) Notwithstanding 16 V.S.A. § 823(a), in each of fiscal years 2031–2034, a school district shall pay as tuition to a receiving school for each resident student attending the receiving school an amount equal to the adjusted base multiplied by the sum of one and any weights applicable to the resident student under section 16 V.S.A. § 4010.

(c) As used in this section:

(1) "Adjusted base" means the quotient resulting from dividing the school district's educational opportunity payment, as adjusted by the yearly adjustment, by the school district's weighted long-term membership as defined in 16 V.S.A. § 4001.

(2) "Adjusted for inflation" means adjusting the school district's education spending by the National Income and Product Accounts (NIPA) implicit price deflator for state and local government consumption expenditures and gross investment published by the U.S. Department of Commerce, Bureau of Economic Analysis, from fiscal year 2025 through fiscal year 2031 and rounding upward to the nearest whole dollar amount.

(3) "Transition gap" means the amount, whether positive or negative, that results from subtracting the school district's educational opportunity payment as calculated pursuant to 16 V.S.A. § 4010(f) for fiscal year 2031 from the school district's education spending in fiscal year 2025, as adjusted for inflation. The school district's education spending shall be adjusted for inflation on or before November 15 by the Secretary of Education.

Sec. 81. SUPPLEMENTAL DISTRICT SPENDING; CAP; TRANSITION; FISCAL YEARS 2031–2039

Notwithstanding 32 V.S.A. § 5401(22), in each of fiscal years 2031–2039, the voters of a school district other than an interstate school district shall not approve spending in excess of the following percentage of the product of the base amount, as defined in 16 V.S.A. § 4001(16), and the school district's long-term membership, as defined in 16 V.S.A. § 4001(7):

(1) in fiscal years 2031–2035, 10 percent;

(2) in fiscal year 2036, 9 percent;

(3) in fiscal year 2037, 8 percent;

(4) in fiscal year 2038, 7 percent; and

(5) in fiscal year 2039, 6 percent.

Sec. 82. HOMESTEAD PROPERTY TAX RATE; TRANSITION; FISCAL YEARS 2031–2034;

(a) Notwithstanding 32 V.S.A. § 5402, in each of fiscal years 2031–2034, the homestead property tax rate for a school district shall equal the homestead property tax rate imposed pursuant to 32 V.S.A. § 5402 plus a yearly adjustment equal to:

(1) in fiscal year 2031, the transition gap multiplied by 0.80;

(2) in fiscal year 2032, the transition gap multiplied by 0.60;

(3) in fiscal year 2033, the transition gap multiplied by 0.40; and

(4) in fiscal year 2034, the transition gap multiplied by 0.20.

(b) As used in this section, "transition gap" means the amount, whether positive or negative, that results from subtracting the uniform homestead property tax rate for fiscal year 2031 were it calculated assuming no tax rate transition under this section from the homestead property tax rate for the school district in fiscal year 2030.

Sec. 83. HOMESTEAD PROPERTY TAX RATE; TRANSITION; REPORT

On or before December 15, 2028, the Department of Taxes, in consultation with the Joint Fiscal Office and the Agency of Education, shall submit a written report to the House Committee on Ways and Means and the Senate Committee on Finance with recommendations and an implementation plan to ensure that homestead education property tax rates do not increase as part of the transition to the new foundation formula.

Sec. 84. 2025 Acts and Resolves No. 73, Sec. 53(b) is amended to read:

(b) On or before December 15, ~~2026~~ 2028, the Department of Taxes, in consultation with the Joint Fiscal Office, shall submit a proposal to the House Committee on Ways and Means and the Senate Committee on Finance designing a homestead exemption structure that minimizes the:

* * *

Sec. 85. 32 V.S.A. § 5414 is amended to read:

§ 5414. CREATION; EDUCATION FUND ADVISORY COMMITTEE

(a) Creation. There is created the Education Fund Advisory Committee to monitor Vermont's education financing system, conduct analyses, and perform the duties under subsection (c) of this section.

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

(1) ~~the Commissioner of Taxes or designee;~~

~~(2) the Secretary of Education or designee;~~

~~(3) the Chair of the State Board of Education or designee;~~

~~(4)~~ two members of the public with expertise in education financing, who shall be appointed by the Speaker of the House;

~~(5)~~(2) two members of the public with expertise in education financing, who shall be appointed by the Committee on Committees;

~~(6)~~(3) ~~one member~~ two members of the public with expertise in education financing, who shall be appointed by the Governor; and

~~(7) the President of the Vermont Association of School Business Officials or designee;~~

~~(8)~~(4) one representative from the Vermont School Boards Association (VSBA) with expertise in education financing, selected by the Executive Director of VSBA~~;~~

~~(9) one representative from the Vermont Superintendents Association (VSA) with expertise in education financing, selected by the Executive Director of VSA; and~~

~~(10) one representative from the Vermont National Education Association (VTNEA) with expertise in education financing, selected by the Executive Director of VTNEA~~.

(c) Powers and duties.

~~(1)~~ Annually, on or before December 15, the Committee shall make recommendations to the General Assembly regarding:

~~(A) updating the weighting factors using the weighting model and methodology used to arrive at the weights enacted under 2022 Acts and Resolves No. 127, which may include recalibration, recalculation, adding or eliminating weights, or any combination of these actions, as necessary;~~

~~(B) changes to, or the addition of new or elimination of existing, categorical aid, as necessary;~~

~~(C) changes to income levels eligible for a property tax credit under section 6066 of this title;~~

~~(D)~~(1) means to adjust the revenue sources for the Education Fund;

~~(E)~~(2) means to improve equity, transparency, and efficiency in education funding statewide;

~~(F)~~(3) the amount of the Education Fund stabilization reserve;

~~(G)~~(4) school district use of reserve fund accounts;

(5) enactment of any updates to weights or categorical aid recommended by the Joint Fiscal Office and the Agency of Education;

(6) the appropriations required to fully fund each school district's educational opportunity payment under the foundation formula established in 16 V.S.A. chapter 133 for the current and upcoming fiscal year; and

~~(H)~~(7) any other topic, factor, or issue the Committee deems relevant to its work and recommendations.

~~(2) The Committee shall review and recommend updated weights, categorical aid, and changes to the excess spending threshold to the General Assembly not less than every three years, which may include a recommendation not to make changes where appropriate. In reviewing and recommending updated weights, the Committee shall use the weighting model and methodology used to arrive at the weights enacted under 2022 Acts and Resolves No. 127.~~

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

(e) Meetings.

(1) The Commissioner of Taxes shall call the first meeting of the Committee to occur on or before July 15, ~~2026~~ 2031.

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

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

(f) Compensation and reimbursement. Members of the Committee shall be entitled to per diem compensation and reimbursement of expenses as permitted under section 1010 of this title for up to four meetings per year.

* * * Effective Dates * * *

Sec. 86. EFFECTIVE DATES

This act shall take effect on July 1, 2026, except as follows:

(1) This section, Sec. 18 (Act 73 effective dates), Sec. 27a (rulemaking; reserve guidance), Sec. 27c (student profile form), Sec. 34(a) (repeal of 2025 Acts and Resolves No. 73, Secs. 62 and 63), Sec. 53 (transition provisions), Sec. 61 (repeals), Sec. 62 (rate multipliers), Sec. 63 (prospective repeal), Sec. 79 (transition repeals), Sec. 83 (tax rate transition report), Sec. 84 (homestead exemption structure report delay), and Sec. 85 (Education Fund Advisory Committee) shall take effect on passage.

(2) Sec. 2a (16 V.S.A. § 604; services offered) shall take effect on July 1, 2027.

(3) Sec. 57 (grand list contents) shall take effect on July 1, 2027, and shall apply to grand lists lodged beginning in calendar year 2028.

(4) Sec. 60 (transition provisions) shall take effect on January 1, 2029, provided that the conditions under 2025 Acts and Resolves No. 73, Sec. 70(f)(1)(A), (B), and (C), as amended by this act, have been met.

(5) Sec. 54 (regional assessment district boundaries) shall take effect and the boundary submission to the General Assembly shall be due on December 15, 2029, provided that the conditions under 2025 Acts and Resolves No. 73, Sec. 70(f)(1)(A), as amended by this act, have been met.

(6) Sec. 29 (16 V.S.A. § 4019), Secs. 58 and 59 (tax classifications), Sec. 64 (homestead definition), Sec. 74 (legacy debt aid), Sec. 76 (education payments), Sec. 77 (supplemental district spending definition), Sec. 77a (school district incurrence of indebtedness), Sec. 78 (supplemental district spending budget vote), and Secs. 80–82 (foundation formula transitions) shall take effect on July 1, 2030, provided that the conditions under 2025 Acts and Resolves No. 73, Sec. 70(f)(1), as amended by this act, have been met.

(7) Sec. 30 (creation of regional assessment districts), Secs. 31–33 (conforming changes for regional assessment), Sec. 34(b) (repeal of 32 V.S.A.

chapter 131), and Secs. 37–52 (conforming changes for repeal of 32 V.S.A. chapter 131) shall take effect on January 1, 2031, provided regional assessment district appeals boards shall commence jurisdiction over valuation appeals and notices of changes of valuation on July 1, 2031.

(Committee vote: 5-2-0)

(For House amendments, see House Journal of April 16, 2026, pages 3790-3848)

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

The Committee recommends that the bill ought to pass in concurrence with proposal of amendment as recommended by the Committee on Finance, with further proposals of amendment as follows:

First: In Sec. 66a, Facilities Master Plan Grant Program; appropriation, by striking out "$1,000,000.00" and inserting in lieu thereof "$900,000.00"

Second: In Sec. 36, 32 V.S.A. § 5252(b)(3), by striking out the word "or" and inserting in lieu thereof the word "and"

(Committee vote: 4-3-0)

CONCURRENT RESOLUTIONS FOR ACTION

Concurrent Resolutions For Action Under Joint Rule 16

The following joint concurrent resolutions have been introduced for approval by the Senate and House. They will be adopted by the Senate unless a Senator requests floor consideration before the end of the session. Requests for floor consideration should be communicated to the Secretary's Office.

S.C.R. 13 (For text of Resolutions, see Addendum to Senate Calendar for May 14, 2026)

H.C.R. 294-305 (For text of Resolutions, see Addendum to House Calendar for May 14, 2026)

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)

John Hollar of Montpelier, VT – Member of the Capitol Complex Commission – By Senator Plunkett for the Committee on Institutions (May 13, 2026)

Jon Murad of Burlington, VT – Commissioner of the Department of Corrections – By Senator Plunkett for the Committee on Institutions (May 13, 2026)

Phil Zalinger of Montpelier, VT – Member of the Transportation Board – By Senator Perchlik for the Committee on Transportation (May 15, 2026)

Rick Hildebrant of Clarendon, VT – Commissioner, Department of Health – By Senator Benson for the Committee on Health and Welfare (May 15, 2026)

Sandi Hoffman of Essex Junction, VT – Commissioner, Department for Children and Families – By Senator Gulick for the Committee on Health and Welfare (May 15, 2026)

Suzanne S. Jones of Mendon, VT – Physician Assistant Member of the Board of Medical Practice – By Senator Benson for the Committee on Health and Welfare (May 15, 2026)

Sara Teachout of Stowe, VT – Member of the Green Mountain Care Board – By Senator Gulick for the Committee on Health and Welfare (May 15, 2026)

Gail Falk of Plainfield, VT – Public Member of the Board of Medical Practice – By Senator Cummings for the Committee on Health and Welfare (May 19, 2026)

Owen Foster of Jericho, VT – Chair of the Green Mountain Care Board – By Senator Lyons for the Committee on Health and Welfare (May 19, 2026)

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 #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).