

Journal of the House

Tuesday, May 27, 2025

At ten o'clock in the forenoon, the Speaker called the House to order.

Devotional Exercises

Devotional exercises were conducted by Rep. Jonathan Cooper of Pownal.

Pledge of Allegiance

The Speaker led the House in the Pledge of Allegiance.

Ceremonial Reading

H.C.R. 152

Offered by Representatives Harvey of Castleton and Canfield of Fair Haven

Offered by Senators Collamore, Weeks, and Williams

House concurrent resolution honoring Silas R. Loomis for his more than half century of extraordinary municipal public service as the esteemed Castleton First Constable

Whereas, a lifelong Castleton resident, Si Loomis remembered his father's sage advice that "you owe more to your town than just paying taxes," and when approached to run for Castleton's first constable, he agreed, and

Whereas, when assuming this position in 1972, he probably never dreamed that his policing duties would extend until 2025, constituting one of the longest tenures ever for any elected Castleton law enforcement officer, and

Whereas, unique among Vermont constables, Si Loomis conducted his summer patrols on a police motorcycle, enabling him to work with the public on a more direct basis than if driving a police cruiser, and

Whereas, in an act of true bravery, Si Loomis once rescued a man from his car that had broken through the ice; on other occasions he assisted in roadside deliveries of babies; and he was especially proud to provide law enforcement support at the Castleton Elementary School for several years following the Sandy Hook Elementary School shooting in Connecticut, and

Whereas, from 1990 to 1992, Si Loomis served as Castleton Chief of Police, and over the years he had also worked as a part-time law enforcement official with the Addison County Sheriff's Department and the Rutland County Sheriff's Office and the Brandon and Middlebury Police Departments, and his first public safety position was as a Castleton volunteer firefighter, and

Whereas, Si Loomis chaired the Vermont Constables' Association, served as a member of the Vermont Criminal Justice Training Council, and is a life member of the National Constables and Marshals Association, and

Whereas, militarily, Si Loomis served as a U.S. Navy Seabee during the Vietnam War and later with the Army National Guard, including postings to Kuwait and Iraq, serving our country for a total of 40 years in uniform, and

Whereas, on March 4, 2025, after 53 years of patrolling the Castleton beat and earning a wonderful reputation for dedication and loyalty to his hometown, Si Loomis concluded his law enforcement career, *now therefore be it*

Resolved by the Senate and House of Representatives:

That the General Assembly honors Silas R. Loomis for his more than half century of extraordinary municipal public service as the esteemed Castleton First Constable, *and be it further*

Resolved: That the Secretary of State be directed to send a copy of this resolution to Si Loomis and to the Castleton town clerk.

Having been adopted in concurrence on Friday, May 23, 2025 in accord with Joint Rule 16b, was read.

**Third Reading; Bill Passed in Concurrence with Proposal of Amendment;
Rules Suspended, Messaged to Senate Forthwith**

S. 69

Senate bill, entitled

An act relating to an age-appropriate design code

Was taken up, read the third time, and passed in concurrence with proposal of amendment.

On motion of **Rep. McCoy of Poultney**, the rules were suspended and House action on the bill was ordered messaged to the Senate forthwith.

**Third Reading; Bill Passed in Concurrence with Proposal of Amendment;
Rules Suspended, Message to Senate Forthwith**

S. 127

Senate bill, entitled

An act relating to housing and housing development

Was taken up, read the third time, and passed in concurrence with proposal of amendment.

On motion of **Rep. McCoy of Poultney**, the rules were suspended and House action on the bill was ordered messaged to the Senate forthwith.

**Second Reading; Amendments Offered and Withdrawn;
Proposal of Amendment Agreed to; Third Reading Ordered;
Rules Suspended, All Remaining Stages of Passage; Third Reading;
Bill Passed in Concurrence with Proposal of Amendment;
Rules Suspended, Messaged to Senate Forthwith**

S. 123

Rep. Walker of Swanton, for the Committee on Transportation, to which had been referred Senate bill, entitled

An act relating to miscellaneous changes to laws related to motor vehicles

Reported in favor of its passage in concurrence with proposal of amendment by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Plug-in Electric Vehicles * * *

Sec. 1. 23 V.S.A. § 4(28) is amended to read:

(28) "Pleasure car" shall include all motor vehicles not otherwise defined in this title and shall include plug-in electric vehicles, battery electric vehicles, or plug-in hybrid electric vehicles as defined pursuant to subdivision (85) of this section.

* * * Veteran's Designation * * *

Sec. 2. 23 V.S.A. § 7 is amended to read:

§ 7. ENHANCED DRIVER'S LICENSE; MAINTENANCE OF DATABASE
INFORMATION; FEE

* * *

(b)(1) In addition to any other requirement of law or rule, before an enhanced license may be issued to an individual, the individual shall present for inspection and copying satisfactory documentary evidence to determine identity and U.S. citizenship. ~~At~~ A new application shall be accompanied by a photo identity document, documentation showing the individual's date and place of birth, proof of the individual's Social Security number, and documentation showing the individual's principal residence address. New and renewal application forms shall include a space for the applicant to request that a "veteran" designation be placed on the enhanced license.

(2) If a veteran, as defined in 38 U.S.C. § 101(2) and including an individual disabled during active military, naval, air, or space service, as defined in 38 U.S.C. § 101(24), requests a veteran designation and provides a Department of Defense Form 214 or other proof of veteran status specified by the Commissioner, and the Office of Veterans' Affairs confirms the individual's status as an honorably discharged veteran; a veteran discharged under honorable conditions; or an individual disabled during active military, naval, air, or space service, the identification card shall include the term "veteran" on its face.

(3) To be issued, an enhanced license must meet the same requirements as those for the issuance of a U.S. passport. Before an application may be processed, the documents and information shall be verified as determined by the Commissioner.

(4) Any additional personal identity information not currently required by the U.S. Department of Homeland Security shall need the approval of either the General Assembly or the Legislative Committee on Administrative Rules prior to the implementation of the requirements.

* * *

* * * Documentation of Anatomical Gift * * *

Sec. 3. 23 V.S.A. § 115 is amended to read:

§ 115. NONDRIVER IDENTIFICATION CARDS

* * *

(g) An identification card issued to a first-time applicant and any subsequent renewals by that person shall contain a photograph or imaged likeness of the applicant. The photographic identification card shall be available at a location designated by the Commissioner. An individual issued an identification card under this subsection that contains an imaged likeness may renew ~~his or her~~ the individual's identification card by mail. Except that a renewal by an individual required to have a photograph or imaged likeness under this subsection must be made in person so that an updated imaged likeness of the individual is obtained not less often than once every nine years.

* * *

(k) At the option of the applicant, ~~his or her~~ the applicant's valid Vermont license may be surrendered in connection with an application for an identification card. In those instances, the fee due under subsection (a) of this section shall be reduced by:

* * *

(n) The Commissioner shall provide a form that, upon the individual's execution, shall serve as a document of an anatomical gift under 18 V.S.A. chapter 110. An indicator shall be placed on the nondriver identification card of any individual who has executed an anatomical gift form in accordance with this section.

* * * Disability Placards for Volunteer Drivers * * *

Sec. 4. 23 V.S.A. § 304a is amended to read:

§ 304a. SPECIAL REGISTRATION PLATES AND PLACARDS FOR
INDIVIDUALS WITH DISABILITIES

(a) As used in this section:

(1) "Ambulatory disability" means an impairment that prevents or impedes walking. An individual shall be considered to have an ambulatory disability if ~~he or she~~ the individual:

* * *

(F) is severely limited in ~~his or her~~ the individual's ability to walk due to an arthritic, neurological, or orthopedic condition.

* * *

(b) Special registration plates or removable windshield placards, or both, shall be issued by the Commissioner. The placard shall be issued without a fee to an individual who is blind or has an ambulatory disability. One set of plates shall be issued without additional fees for a vehicle registered or leased to an individual who is blind or has an ambulatory disability or to a parent or guardian of an individual with a permanent disability. The Commissioner shall issue these placards or plates under rules adopted by ~~him or her~~ the Commissioner after proper application has been made to the Commissioner by any person residing within the State. Application forms shall be available on request at the Department of Motor Vehicles.

(1) Upon application for a special registration plate or removable windshield placard, the Commissioner shall send a form prescribed by ~~him or her~~ the Commissioner to the applicant to be signed and returned by a licensed physician, licensed physician assistant, or licensed advanced practice registered nurse. The Commissioner shall file the form for future reference and issue the placard or plate. A new application shall be submitted every four years in the case of placards and at every third registration renewal for plates but in no case greater than every four years. When a licensed physician, licensed physician assistant, or licensed advanced practice registered nurse has previously certified to the Commissioner that an applicant's condition is both

permanent and stable, a special registration plate or placard need not be renewed.

* * *

(3) An individual with a disability who abuses such privileges or allows individuals not disabled to abuse the privileges provided in this section may have this privilege revoked after suitable notice and opportunity for hearing has been given ~~him or her~~ the individual by the Commissioner. Hearings under the provisions of this section shall be held in accordance with sections 105–107 of this title and shall be subject to review by the Civil Division of the Superior Court of the county where the individual with a disability resides.

(4) An applicant for a registration plate or placard for individuals with disabilities may request the Civil Division of the Superior Court in the county in which ~~he or she~~ the applicant resides to review a decision by the Commissioner to deny ~~his or her~~ the applicant's application for a special registration plate or placard.

* * *

(6) On a form prescribed by the Commissioner, a nonprofit organization that provides volunteer drivers to transport individuals who have an ambulatory disability or are blind may apply to the Commissioner for a placard. ~~Placards shall be marked "volunteer driver."~~ The organization shall ensure proper use of placards and maintain an accurate and complete record of the volunteer drivers to whom the placards are given by the organization. Placards shall be returned to the organization when the volunteer driver is no longer performing that service. Abuse of the privileges provided by the placards may result in the privileges being revoked and the placards repossessed by the Commissioner. Revocation may occur only after suitable notice and opportunity for a hearing. Hearings shall be held in accordance with sections 105–107 of this title.

* * *

(e)(1) An individual, other than an eligible person, who for ~~his or her~~ the individual's own purposes parks a vehicle in a space for individuals with disabilities shall be subject to a civil penalty of not less than \$200.00 for each violation and shall be liable for towing charges.

(2) An individual, other than an eligible person, who displays a special registration plate or removable windshield placard not issued to ~~him or her~~ the individual under this section and parks a vehicle in a space for individuals with disabilities, shall be subject to a civil penalty of not less than \$400.00 for each violation and shall be liable for towing charges.

* * *

(f) Individuals who have a temporary ambulatory disability may apply for a temporary removable windshield placard to the Commissioner on a form prescribed by ~~him or her~~ the Commissioner. The placard shall be valid for a period of up to six months and displayed as required under the provisions of subsection (c) of this section. The application shall be signed by a licensed physician, licensed physician assistant, or licensed advanced practice registered nurse. The validation period of the temporary placard shall be established on the basis of the written recommendation from a licensed physician, licensed physician assistant, or licensed advanced practice registered nurse. The Commissioner shall adopt rules to implement the provisions of this subsection.

* * * Fees * * *

Sec. 5. 23 V.S.A. § 115(a) is amended to read:

(a)(1) Any Vermont resident may make application to the Commissioner and be issued an identification card that is attested by the Commissioner as to true name, correct age, residential address unless the listing of another address is requested by the applicant or is otherwise authorized by law, and any other identifying data as the Commissioner may require that shall include, in the case of minor applicants, the written consent of the applicant's parent, guardian, or other person standing in loco parentis.

(2) Every application for an identification card shall be signed by the applicant and shall contain such evidence of age and identity as the Commissioner may require, consistent with subsection (1) of this section. New and renewal application forms shall include a space for the applicant to request that a "veteran" designation be placed on the applicant's identification card. If a veteran, as defined in 38 U.S.C. § 101(2) and including an individual disabled during active military, naval, air, or space service, as defined in 38 U.S.C. § 101(24), requests a veteran designation and provides a Department of Defense Form 214 or other proof of veteran status specified by the Commissioner, and the Office of Veterans' Affairs confirms the veteran's status as an honorably discharged veteran; a veteran discharged under honorable conditions; or an individual disabled during active military, naval, air, or space service, the identification card shall include the term "veteran" on its face.

(3) The Commissioner shall require payment of a fee of \$29.00 at the time application for an identification card is made, except that an initial nondriver identification card shall be issued at no charge to:

(A) an individual who surrenders the individual's license in connection with a suspension or revocation under subsection 636(b) of this title due to a physical or mental condition; or

(B) an individual under 23 years of age who was in the care and custody of the Commissioner for Children and Families pursuant to 33 V.S.A. § 4903(4) in Vermont after attaining 14 years of age.

Sec. 6. 23 V.S.A. § 376 is amended to read:

§ 376. STATE, MUNICIPAL, FIRE DEPARTMENT, AND RESCUE
ORGANIZATION MOTOR VEHICLES

* * *

(h)(1) The EV infrastructure fee, required pursuant subsections 361(b) and (c) of this subchapter, shall not be charged for vehicles owned by the State.

(2) The EV infrastructure fee, required pursuant subsections 361(b) and (c) of this subchapter, shall not be charged for vehicles that are owned by any county or municipality in the State and used by that county or municipality or another county or municipality in this State for county or municipal purposes.

(i)(1) The EV infrastructure fee, required pursuant subsections 361(b) and (c) of this subchapter, shall not be charged for a motor truck, trailer, ambulance, or other motor vehicle that is:

(A) owned by a volunteer fire department or other volunteer firefighting organization, an ambulance service, or an organization conducting rescue operations; and

(B) used solely for firefighting, emergency medical, or rescue purposes, or any combination of those activities.

(2) A motor vehicle or trailer subject to the provisions of this subsection shall be plainly marked on both sides of the body or cab to indicate its ownership.

Sec. 7. 23 V.S.A. § 378 is amended to read:

§ 378. VETERANS' EXEMPTIONS

No fees, including the annual emissions fee required pursuant to 3 V.S.A. § 2822(m)(1) and the electric vehicle infrastructure fees required pursuant to section 361 of this subchapter, shall be charged ~~an honorably discharged to~~ a veteran of the U.S. Armed Forces who received a discharge under other than dishonorable conditions and is a resident of the State of Vermont for the registration of a motor vehicle that the veteran has acquired with financial assistance from the U.S. Department of Veterans Affairs, or for the registration

of a motor vehicle owned by ~~him or her~~ the veteran during ~~his or her~~ the veteran's lifetime obtained as a replacement thereof, when ~~his or her~~ the veteran's application is accompanied by a copy of an approved VA Form 21-4502 issued by the U.S. Department of Veterans Affairs certifying ~~him or her~~ the veteran to be entitled to the financial assistance.

Sec. 8. 23 V.S.A. § 608 is amended to read:

§ 608. FEES

* * *

(b) An additional fee of \$4.00 per year shall be paid for a motorcycle endorsement. The endorsement may be obtained for either a two-year or four-year period, to be coincidental with the length of the operator's license.

(c)(1) Individuals under 23 years of age who were in the care and custody of the Commissioner for Children and Families pursuant to 33 V.S.A. § 4903(4) in Vermont after attaining 14 years of age shall be provided with operator's licenses or operator privilege cards at no charge.

(2) No additional fee shall be due for a motorcycle endorsement for an individual under 23 years of age who was in the care and custody of the Commissioner for Children and Families pursuant to 33 V.S.A. § 4903(4) in Vermont after attaining 14 years of age.

* * * Learner's Permits * * *

Sec. 9. 23 V.S.A. § 617 is amended to read:

§ 617. LEARNER'S PERMIT

* * *

(b)(1) Notwithstanding the provisions of subsection (a) of this section, any licensed person may apply to the Commissioner of Motor Vehicles for a learner's permit for the operation of a motorcycle in the form prescribed by the Commissioner. The Commissioner shall offer both a motorcycle learner's permit that authorizes the operation of three-wheeled motorcycles only and a motorcycle learner's permit that authorizes the operation of any motorcycle. The Commissioner shall require payment of a fee of \$24.00 at the time application is made, except that no fee shall be charged for an individual under 23 years of age who was in the care and custody of the Commissioner for Children and Families pursuant to 33 V.S.A. § 4903(4) in Vermont after attaining 14 years of age.

(2) After the applicant has successfully passed all parts of the applicable motorcycle endorsement examination, other than a skill test, the Commissioner may issue to the applicant a learner's permit that entitles the applicant, subject

to subsection 615(a) of this title, to operate a three-wheeled motorcycle only, or to operate any motorcycle, upon the public highways for a period of 120 days from the date of issuance. The fee for the examination shall be \$11.00, except that no fee shall be charged for an individual under 23 years of age who was in the care and custody of the Commissioner for Children and Families pursuant to 33 V.S.A. § 4903(4) in Vermont after attaining 14 years of age.

(3) A motorcycle learner's permit may be renewed only twice upon payment of a \$24.00 fee. An individual under 23 years of age who was in the care and custody of the Commissioner for Children and Families pursuant to 33 V.S.A. § 4903(4) in Vermont after attaining 14 years of age shall not be charged a fee for the renewal of a motorcycle learner's permit.

(4) If, during the original permit period and two renewals the permittee has not successfully passed the applicable skill test or motorcycle rider training course, the permittee may not obtain another motorcycle learner's permit for a period of 12 months from the expiration of the permit unless:

(A) ~~he or she~~ the permittee has successfully completed the applicable motorcycle rider training course; or

(B) the learner's permit and renewals thereof authorized the operation of any motorcycle and the permittee is seeking a learner's permit for the operation of three-wheeled motorcycles only.

* * *

(c) No learner's permit may be issued to any person under 18 years of age unless the parent or guardian of, or a person standing in loco parentis to, the applicant files ~~his or her~~ written consent to the issuance with the Commissioner.

(d)(1) An applicant shall pay \$24.00 to the Commissioner for each learner's permit or a duplicate or renewal thereof.

(2) An applicant under 23 years of age who was in the care and custody of the Commissioner for Children and Families pursuant to 33 V.S.A. § 4903(4) in Vermont after attaining 14 years of age shall not be charged a fee for a learner's permit or a duplicate or renewal thereof.

(3) A replacement learner's permit for the operation of a motorcycle may be generated from the applicant's electronic account for no charge.

(e)(1) A learner's permit, ~~which is not a learner's permit~~ for the operation of a motorcycle, shall contain a photograph or imaged likeness of the individual. A learner's permit for a motor vehicle shall contain a photograph or imaged likeness of the individual if the permit is obtained in person. The

~~photographic learner's permit shall be available at locations designated by the Commissioner.~~

(2) An individual issued a permit under this subsection may renew ~~his or her~~ the individual's permit by mail or online, but a permit holder who chooses to have a photograph or imaged likeness under this subsection must renew in person so that an updated imaged likeness of the individual is obtained not less often than once every nine years.

* * *

* * * Commercial Learner's Permit * * *

Sec. 10. 23 V.S.A. § 4111a is amended to read:

§ 4111a. COMMERCIAL LEARNER'S PERMIT

(a) Contents of permit. A commercial learner's permit shall contain the following:

* * *

(3) physical and other information to identify and describe the permit holder, including the month, day, and year of birth; sex; ~~and~~ height; and photograph;

* * *

Sec. 11. 23 V.S.A. § 4122 is amended to read:

§ 4122. DEFERRING IMPOSITION OF SENTENCE; PROHIBITION ON
MASKING OR DIVERSION

(a) No court, State's Attorney, or law enforcement officer may utilize the provisions of 13 V.S.A. § 7041 or any other program to defer imposition of sentence or judgment if the defendant holds a commercial driver's license, commercial learner's permit, or was operating a commercial motor vehicle when the violation occurred and is charged with violating any State or local traffic law other than a parking ~~violation,~~ vehicle weight, or vehicle defect violations.

* * *

* * * License Examinations * * *

Sec. 12. 23 V.S.A. § 632 is amended to read:

§ 632. EXAMINATION REQUIRED; WAIVER

(a) Before an operator's or a junior operator's license is issued to an applicant for the first time in this State, or before a renewal license is issued to

an applicant whose previous Vermont license had expired more than three years prior to the application for renewal, the applicant shall pass a satisfactory examination, except that the Commissioner may, in ~~his or her~~ the Commissioner's discretion, waive the examination when the applicant holds a chauffeur's, junior operator's, or operator's license in force at the time of application or within three years prior to the application in some other jurisdiction where an examination is required similar to the examination required in this State.

(b) The examination shall consist of:

* * *

(3) at the discretion of the Commissioner, such other examination or demonstration as ~~he or she~~ the Commissioner may prescribe, including an oral eye examination.

(c) An applicant may have an individual of ~~his or her~~ the applicant's choosing at the oral examination or road test to serve as an interpreter, including to translate any oral commands given as part of the road test.

Sec. 13. 23 V.S.A. § 634 is amended to read:

§ 634. FEE FOR EXAMINATION

* * *

(b)(1) A Beginning on or before July 1, 2026, a scheduling fee of \$29.00 shall be paid by the applicant before the applicant may schedule the road test required under section 632 of this title. Unless an applicant gives the Department at least 48 hours' notice of cancellation, if

(2) If the applicant does not appear as scheduled, the \$29.00 scheduling fee is shall be forfeited, unless either:

(A) the applicant gives the Department at least 48 hours' notice; or

(B) the applicant shows good cause for the cancellation, as determined by the Commissioner.

(3) If the applicant appears for the scheduled road test, the fee shall be applied toward the license examination fee. ~~The Commissioner may waive the scheduling fee until the Department is capable of administering the fee electronically.~~

* * *

* * * Non-Real ID Operator's Privilege Cards * * *

Sec. 14. 23 V.S.A. § 603 is amended to read:

§ 603. APPLICATION FOR AND ISSUANCE OF LICENSE

(a)(1) The Commissioner or ~~his or her~~ the Commissioner's authorized agent may license operators and junior operators when an application, on a form prescribed by the Commissioner, signed and sworn to by the applicant for the license, is filed with ~~him or her~~ the Commissioner, accompanied by the required license fee and any valid license from another state or Canadian jurisdiction is surrendered.

(2) The Commissioner may, however, in ~~his or her~~ the Commissioner's discretion, refuse to issue a license to any person whenever ~~he or she~~ the Commissioner is satisfied from information given ~~him or her~~ the Commissioner by credible persons, and upon investigation, that the person is mentally or physically unfit or, because of ~~his or her~~ the person's habits or record as to crashes or convictions, is unsafe to be trusted with the operation of motor vehicles. A person refused a license under the provisions of this subsection shall be entitled to hearing as provided in sections 105–107 of this title.

* * *

(d) Except as provided in subsection (e) of this section:

(1) A An applicant who is a citizen of a foreign country shall produce ~~his or her~~ the applicant's passport and visa, alien registration receipt card (green card), or other proof of legal presence for inspection and copying as a part of the application process for an operator's license, junior operator's license, or learner's permit.

(2) An operator's license, junior operator's license, or learner's permit issued to an applicant who is a citizen of a foreign country shall expire coincidentally with ~~his or her~~ the applicant's authorized duration of stay.

(e)(1) A citizen of a foreign country unable to establish legal presence in the United States who furnishes reliable proof of Vermont residence and of name, date of birth, and place of birth, and who satisfies all other requirements of this chapter for obtaining a license or permit, shall be eligible to obtain an operator's privilege card, a junior operator's privilege card, or a learner's privilege card.

* * *

(f) ~~Persons~~ Applicant's able to establish lawful presence in the United States but who otherwise fail to comply with the requirements of the REAL ID Act of 2005, Pub. L. No. 109-13, §§ 201-202, shall be eligible for an operator's privilege card, a junior operator's privilege card, or a learner's privilege card, provided the applicant furnishes reliable proof of Vermont residence and of name, date of birth, and place of birth, and satisfies all other requirements of this chapter for obtaining a license or permit. The Commissioner shall require applicants under this subsection to furnish a document or a combination of documents that reliably proves the applicant's Vermont residence and ~~his or her~~ the applicant's name, date of birth, and place of birth.

* * *

(h) A privilege card issued under this section shall:

(1) on its face bear the phrase ~~"privilege card"~~ "non-Real ID" and text indicating that it is not valid for federal identification or official purposes; and

* * *

* * * License Extension * * *

Sec. 15. 23 V.S.A § 604 is added to read:

§ 604. EARLY RENEWAL

(a) The holder of an operator's license or privilege card issued under the provisions of this subchapter may renew the operator's license or privilege card at any time prior to the expiration of the operator's license or privilege card. If one or more years remain before the expiration of the operator's license or privilege card, the Commissioner shall reduce the cost of the renewed operator's license or privilege card by an amount that is proportionate to the number of years rounded down to the next whole year remaining before the expiration of the operator's license or privilege card.

(b) All application and documentation requirements for the renewal of an operator's license or privilege card shall apply to the early renewal of an operator's license or privilege card.

Sec. 16. 23 V.S.A. § 115b is added to read:

§ 115b. EARLY RENEWAL

(a) The holder of nondriver identification card issued under the provisions of section 115 of this chapter may renew the nondriver identification card at any time prior to the expiration of the nondriver identification card. If one or more years remain before the expiration of the nondriver identification card, the Commissioner shall reduce the cost of the renewed nondriver identification

card by an amount that is proportionate to the number of years rounded down to the next whole year remaining before the expiration of the nondriver identification card.

(b) All application and documentation requirements for the renewal of a nondriver identification card pursuant to section 115 of this chapter shall apply to the early renewal of a nondriver identification card.

Sec. 17. INFORMATION REGARDING PRIVILEGE CARDS AND

NONDRIVER IDENTIFICATION CARDS; INTENT

It is the intent of the General Assembly that the Commissioner of Motor Vehicles shall ensure that any individual who is unable to or does not wish to comply with the requirements of the REAL ID Act of 2005, Pub. L. No. 109-13, §§ 201 and 202 shall continue to be informed of the option of obtaining an operator's privilege card pursuant to the provisions of 23 V.S.A. § 603(f) or a nondriver identification card pursuant to the provisions of 23 V.S.A. § 115.

Sec. 18. OUTREACH; UPDATES

(a) On or before November 15, 2025, the Department of Motor Vehicles shall develop and implement a public education and outreach campaign to inform Vermont residents about:

(1) an individual's ability to obtain an operator's license, operator's privilege card, or nondriver identification card;

(2) an individual's ability under Vermont law to self-attest with respect to the gender marker on the individual's operator's license, operator's privilege card, or nondriver identification card; and

(3) reduced fees that are available to individuals who meet certain requirements.

(b) The Commissioner shall provide two brief, written updates to the House and Senate Committees on Transportation regarding the implementation and utilization of 23 V.S.A. §§ 115b and 604. The first shall be due not more than 30 days after the Department implements the provisions of 23 V.S.A. §§ 115b and 604 and the second shall be due in January 2026.

* * * Commercial Driving Instructors * * *

Sec. 19. 23 V.S.A. § 705 is amended to read:

§ 705. QUALIFICATIONS FOR INSTRUCTOR'S LICENSE

(a) In order to qualify for an instructor's license, each applicant shall:

(1) not have been convicted of:

(A) a felony nor incarcerated for a felony within the 10 years prior to the date of application;

(B) a violation of section 1201 of this title or a like offense in another jurisdiction reported to the Commissioner pursuant to subdivision 3905(a)(2) of this title within the three years prior to the date of application;

(C) a subsequent violation of an offense listed in subdivision 2502(a)(5) of this title or of section 674 of this title; or

(D) a sex offense that requires registration pursuant to 13 V.S.A. chapter 167, subchapter 3;

(2) ~~pass such~~ an examination as required by the Commissioner ~~shall~~ require on:

(A) traffic laws;

(B) safe driving practices;

(C) operation of motor vehicles; and

(D) qualifications as a teacher;

(3) be physically able to operate a motor vehicle and to train others in such operation;

(4) have five years' experience as a licensed operator and be at least 21 years of age on date of application; and

(5) pay the application and license fees prescribed in section 702 of this title.

(b) Commercial motor vehicle instructors shall satisfy the requirements of subdivisions (a)(1), (2), (3), and (5) of this section, and:

(1) If the commercial motor vehicle instructor is a behind the wheel (BTW) instructor, shall either:

(A)(i) hold a CDL of the same or higher class and with all endorsements necessary to operate the commercial motor vehicle for which training is to be provided;

(ii) have at least two years of experience driving a commercial motor vehicle requiring the same or higher class of CDL and any applicable endorsements required to operate the commercial motor vehicle for which training is to be provided; and

(iii) meet any additional applicable State requirements for commercial motor vehicle instructors; or

(B)(i) hold a CDL of the same or higher class and with all endorsements necessary to operate the commercial motor vehicle for which training is to be provided;

(ii) have at least two years' experience as a BTW instructor; and

(iii) meet any additional applicable State requirements for commercial motor vehicle instructors.

(2) If the commercial motor vehicle instructor is a theory instructor, the instructor shall:

(A)(i) hold a CDL of the same or higher class and with all endorsements necessary to operate the commercial motor vehicle for which training is to be provided;

(ii) have at least two years of experience driving a commercial motor vehicle requiring the same or higher class of CDL and any applicable endorsements required to operate the commercial motor vehicle for which training is to be provided; and

(iii) meet any additional applicable State requirements for commercial motor vehicle instructors; or

(B)(i) hold a CDL of the same or higher class and with all endorsements necessary to operate the commercial motor vehicle for which training is to be provided;

(ii) have at least two years' experience as a BTW instructor; and

(iii) meet any additional applicable State requirements for commercial motor vehicle instructors.

* * * Motorcycle Instructors * * *

Sec. 20. 23 V.S.A. § 734 is amended to read:

§ 734. INSTRUCTOR REQUIREMENTS AND TRAINING

* * *

(b) The Department shall establish minimum requirements for the qualifications of a rider training instructor. The minimum requirements shall include the following:

* * *

(3) the instructor shall have at least ~~four~~ two years of licensed experience as a motorcycle riding-experience operator during the last ~~five~~ four years;

* * *

(7) an applicant shall not be eligible for instructor status until ~~his or her~~ the applicant's driving record for the preceding five years, or the maximum number of years less than five for which a state retains driving records, is furnished; and

* * *

* * * Motor Vehicle Taxes * * *

Sec. 21. 32 V.S.A. § 8902 is amended to read:

§ 8902. DEFINITIONS

Unless otherwise expressly provided, as used in this chapter:

* * *

(5)(A) "Taxable cost" means the purchase price as defined in subdivision (4) of this section or the taxable cost as determined under section 8907 of this title.

(B) For any purchaser who has paid tax on the purchase or use of a motor vehicle that was sold or traded by the purchaser or for which the purchaser received payment under a contract of insurance, the taxable cost of the replacement motor vehicle other than a leased vehicle shall exclude:

(A)(i) The value allowed by the seller on any motor vehicle accepted by the seller as part of the consideration of the motor vehicle, provided the motor vehicle accepted by the seller is owned and previously or currently registered or titled by the purchaser, with no change of ownership since registration or titling, except for motor vehicles for which registration is not required under the provisions of Title 23 or motor vehicles received under the provisions of subdivision 8911(8) of this title.

(B)(ii) The amount received from the sale of a motor vehicle last registered or titled in the seller's name, the amount not to exceed the clean trade-in value of the same make, type, model, and year of manufacture as designated by the manufacturer and as shown in the ~~NADA Official Used Car Guide (New England edition)~~ J.D. Power Values, or any comparable publication, provided ~~such~~ the sale occurs within three months after the taxable purchase. However, this three-month period shall be extended day-for-day for any time that a member of a guard unit or of the U.S. Armed Forces, as defined in 38 U.S.C. § 101(10), spends outside Vermont due to activation or deployment and an additional 60 days following the individual's return from activation or deployment. ~~Such~~ The amount shall be reported on forms supplied by the Commissioner of Motor Vehicles.

~~(C)~~(iii) The amount actually paid to the purchaser within three months prior to the taxable purchase by any insurer under a contract of collision, comprehensive, or similar insurance with respect to a motor vehicle owned by ~~him or her~~ the purchaser, provided that the vehicle is not subject to the tax imposed by subsection 8903(d) of this title and provided that one of these events occur:

(i)(I) the motor vehicle with respect to which ~~such~~ the payment is made by the insurer is accepted by the seller as a trade-in on the purchased motor vehicle before the repair of the damage giving rise to insurer's payment; or

(ii)(II) the motor vehicle with respect to which ~~such~~ the payment is made to the insurer is treated as a total loss and is sold for dismantling.

~~(D)~~(C) A purchaser shall be entitled to a partial or complete refund of taxes paid under subsection 8903(a) or (b) of this title if an insurer makes a payment to ~~him or her~~ the purchaser under contract of collision, comprehensive, or similar insurance after ~~he or she~~ the purchaser has paid the tax imposed by this chapter, if ~~such~~ the payment by the insurer is either:

* * *

~~(E)~~(D) The purchase price of a motor vehicle subject to the tax imposed by subsections 8903(a) and (b) of this title shall not be reduced by the value received or allowed in connection with the transfer of a vehicle that was registered for use as a short-term rental vehicle.

* * *

Sec. 22. 32 V.S.A. § 8907 is amended to read:

§ 8907. COMMISSIONER; COMPUTATION OF TAXABLE COSTS

(a) The Commissioner may investigate the taxable cost of any motor vehicle transferred subject to the provisions of this chapter. If the motor vehicle is not acquired by purchase in Vermont or is received for an amount that does not represent actual value, or if no tax form is filed or it appears to the Commissioner that a tax form contains fraudulent or incorrect information, the Commissioner may, in the Commissioner's discretion, fix the taxable cost of the motor vehicle at the clean trade-in value of vehicles of the same make, type, model, and year of manufacture as designated by the manufacturer, as shown in ~~the NADA Official Used Car Guide (New England Edition)~~ J.D. Power Values or any comparable publication, less the lease end value of any leased vehicle. The Commissioner may develop a process to determine the value of vehicles that do not have clean trade-in value in J.D. Power Values. The Commissioner may compute and assess the tax due and notify the

purchaser verbally, if the purchaser is at a DMV location, or immediately by certified mail, and the purchaser shall remit the same within 15 days thereafter after notice is sent or provided.

* * *

Sec. 23. 32 V.S.A. § 8914 is amended to read:

§ 8914. REFUND

Any overpayment of such tax as determined by the Commissioner shall be refunded. To be eligible to receive a refund, a person shall submit a request for a refund within one year after paying the tax.

* * * Refund of Registration Fee * * *

Sec. 24. 23 V.S.A. § 326 is amended to read:

§ 326. REFUND UPON LOSS OF VEHICLE

The Commissioner may cancel the registration of a motor vehicle when the owner of the motor vehicle proves to the Commissioner's satisfaction that the motor vehicle has been totally destroyed by fire or, through crash or wear, has become wholly unfit for use and has been dismantled. After the Commissioner cancels the registration and the owner returns to the Commissioner either the registration certificate or the number plate or number plates, or other proof of cancellation to the satisfaction of the Commissioner, the Commissioner shall certify to the Commissioner of Finance and Management the fact of the cancellation, giving the name of the owner of the motor vehicle, the owner's address, the amount of the registration fee paid, and the date of cancellation. The Commissioner of Finance and Management shall issue the Commissioner of Finance and Management's warrant in favor of the owner for such percent of the registration fee paid as the unexpired term of the registration bears to the entire registration period, but in no case shall the Commissioner of Finance and Management retain less than \$5.00 of the fee paid.

* * * Fuel Tax Refunds * * *

Sec. 25. 23 V.S.A. § 3020 is amended to read:

§ 3020. CREDITS AND REFUNDS

(a) Credits.

(1) A user who purchased fuel within this State from a dealer or distributor upon which ~~he or she~~ the user paid the tax at the time of purchase, or a user exempt from the payment of the tax under subsection 3003(d) of this title who purchased fuel within this State upon which ~~he or she~~ the user paid

tax at the time of purchase, shall be entitled to a credit equal to the amount of tax per gallon in effect when the fuel was purchased. When the amount of the credit to which any user is entitled for any reporting period exceeds the amount of ~~his or her~~ the user's tax for the same period, the excess shall be credited to the user's tax account and the user shall be notified of the date and amount of the credit by mail.

* * *

(3) A user who also sells or delivers fuel subject to the tax imposed by 32 V.S.A. chapter 233 upon which the tax imposed by this chapter has been paid shall be entitled to a credit equal to the amount of such tax paid pursuant to this chapter. When the amount of the credit to which any user is entitled for any reporting period exceeds the amount of ~~his or her~~ the user's tax for the same period, the excess shall be credited to the user's tax account and the user shall be notified of the date and amount of the credit by mail.

* * *

(b) Refunds. A user may request, in writing by mail, a refund of any credits in the user's tax account, but in no case may a user collect a refund requested more than ~~33~~ 12 months following the date the amount was credited to the user's tax account.

* * *

* * * Alteration of Odometers * * *

Sec. 26. 23 V.S.A. § 1704a is amended to read:

§ 1704a. ALTERATION OF ODOMETERS

(a) ~~Any person who sells~~ No person shall:

(1) ~~sell, attempts attempt to sell, or causes cause to be sold any motor vehicle, highway building appliance, motorboat, all-terrain vehicle, or snowmobile and has actual knowledge that if the odometer, hubometer reading, or clock meter reading has been changed, tampered with, or defaced without first disclosing same and a person who changes, tampers with, or defaces, or who attempts that information to the buyer;~~

(2) ~~change, tamper with, or deface, or attempt to change, tamper with, or deface, any gauge, dial, or other mechanical instrument, commonly known as an odometer, hubometer, or clock meter, in a motor vehicle, highway building appliance, motorboat, all-terrain vehicle, or snowmobile, which, under normal circumstances and without being changed, tampered with, or defaced, is designed to show by numbers or words the distance that the motor~~

~~vehicle, highway building appliance, motorboat, all-terrain vehicle, or snowmobile travels;~~ or who

(3) willfully ~~misrepresents~~ misrepresent the odometer, hubometer, or clock meter reading on the odometer disclosure statement or similar statement, title, or bill of sale.

(b) A person who violates subsection (a) of this section shall be fined not more than \$1,000.00 for a first offense and fined not more than \$2,500.00 for each subsequent offense.

* * * Definition of Conviction * * *

Sec. 27. 23 V.S.A. § 102 is amended to read:

§ 102. DUTIES OF COMMISSIONER

* * *

(d)(1) The Commissioner may authorize background investigations for potential employees, which may include criminal, traffic, and financial records checks; provided, however, that the potential employee is notified and has the right to withdraw ~~his or her~~ their name from application. Additionally, employees who are involved in the manufacturing or production of operator's licenses and identification cards, including enhanced licenses, or who have the ability to affect the identity information that appears on a license or identification card, or current employees who will be assigned to such positions, shall be subject to appropriate background checks and shall be provided notice of the background check and the contents of that check. These background checks shall include a name-based and fingerprint-based criminal history records check using at a minimum the Federal Bureau of Investigation's National Crime Information Center and the Integrated Automated Fingerprint Identification database and State repository records on each covered employee.

(2) Employees may be subject to further appropriate security clearances if required by federal law, including background investigations that may include criminal and traffic records checks and providing proof of U.S. citizenship.

(3) The Commissioner may, in connection with a formal disciplinary investigation, authorize a criminal or traffic record background investigation of a current employee; provided, however, that the background review is relevant to the issue under disciplinary investigation. Information acquired through the investigation shall be provided to the Commissioner or designated division director and must be maintained in a secure manner. If the information acquired is used as a basis for any disciplinary action, it must be

given to the employee during any pretermination hearing or contractual grievance hearing to allow the employee an opportunity to respond to or dispute the information. If no disciplinary action is taken against the employee, the information acquired through the background check shall be destroyed.

(e) As used in this section, “conviction” has the same meaning as in subdivision 4(60) of this title.

Sec. 28. 23 V.S.A. § 108 is amended to read:

§ 108. APPLICATION FORMS

(a) The Commissioner shall prepare and furnish all forms for applications, crash reports, conviction reports, a pamphlet containing the full text of the motor vehicle laws of the State, and all other forms needed in the proper conduct of ~~his or her~~ the Commissioner’s office. ~~He or she~~ The Commissioner shall furnish an adequate supply of ~~such~~ registration forms, license applications, and motor vehicle laws each year to each town clerk, and to ~~such~~ other persons as ~~may so~~ upon request.

(b) As used in this section, “conviction” has the same meaning as in subdivision 4(60) of this title.

Sec. 29. 23 V.S.A. § 1709 is amended to read:

§ 1709. REPORT OF CONVICTIONS TO COMMISSIONER OF MOTOR VEHICLES

(a) The Judicial Bureau and every court having jurisdiction over offenses committed under any law of this State or municipal ordinance regulating the operation of motor vehicles on the highways shall forward a record of any conviction to the Commissioner within 10 days for violation of any State or local law relating to motor vehicle traffic control, other than a parking violation.

(b) As used in this section, “conviction” has the same meaning as in subdivision 4(60) of this title.

Sec. 30. 23 V.S.A. § 1200 is amended to read:

§ 1200. DEFINITIONS

As used in this subchapter:

* * *

(11) As used in this section, “conviction” has the same meaning as in subdivision 4(60) of this title.

* * * Drunken Driving * * *

Sec. 31. 23 V.S.A. § 1205 is amended to read:

§ 1205. CIVIL SUSPENSION; SUMMARY PROCEDURE

(a) Refusal; alcohol concentration at or above legal limits; suspension periods.

* * *

(2) Upon affidavit of a law enforcement officer that the officer had reasonable grounds to believe that the person was operating, attempting to operate, or in actual physical control of a vehicle in violation of section 1201 of this title and that the person submitted to a test and the test results indicated that the person's alcohol concentration was at or above a limit specified in subsection 1201(a) of this title, at the time of operating, attempting to operate, or being in actual physical control, the Commissioner shall suspend the person's operating license or nonresident operating privilege or the privilege of an unlicensed operator to operate a vehicle for a period of 90 days and until the person complies with section 1209a of this title. However, during the suspension, an eligible person may operate under the terms of an ignition interlock RDL or ignition interlock certificate issued pursuant to section 1213 of this title.

* * *

(b) Form of officer's affidavit. A law enforcement officer's affidavit in support of a suspension under this section shall be in a standardized form for use throughout the State and shall be sufficient if it contains the following statements:

* * *

(4) The officer informed the person of ~~his or her~~ the person's rights under subsection 1202(d) of this title.

(5) The officer obtained an evidentiary test (noting the time and date the test was taken) and the test indicated that the person's alcohol concentration was at or above a legal limit specified in subsection 1201(a) or (d) of this title, or the person refused to submit to an evidentiary test.

* * *

(c) Notice of suspension. On behalf of the Commissioner of Motor Vehicles, a law enforcement officer requesting or directing the administration of an evidentiary test shall serve notice of intention to suspend and of suspension on a person who refuses to submit to an evidentiary test or on a person who submits to a test the results of which indicate that the person's

alcohol concentration was at or above a legal limit specified in subsection 1201(a) or (d) of this title, at the time of operating, attempting to operate, or being in actual physical control of a vehicle in violation of section 1201 of this title. The notice shall be signed by the law enforcement officer requesting the test. A copy of the notice shall be sent to the Commissioner of Motor Vehicles, and a copy shall be mailed or given to the defendant within three business days after the date the officer receives the results of the test. If mailed, the notice is deemed received three days after mailing to the address provided by the defendant to the law enforcement officer. A copy of the affidavit of the law enforcement officer shall also be mailed by first-class mail or given to the defendant within seven days after the date of notice.

* * *

(h) Final hearing.

(1) 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 after the date of the preliminary hearing. In no event may a final hearing occur more than 42 days after the date of the alleged offense without the consent of the defendant or for good cause shown. The final hearing may only be continued by the consent of the defendant or for good cause shown. The issues at the final hearing shall be limited to the following:

* * *

(D) Whether the test was taken and the test results indicated that the person's alcohol concentration was at or above a legal limit specified in subsection 1201(a) or (d) of this title, at the time of operating, attempting to operate, or being in actual physical control of a vehicle in violation of section 1201 of this title, whether the testing methods used were valid and reliable, and whether the test results were accurate and accurately evaluated. Evidence that the test was taken and evaluated in compliance with rules adopted by the Department of Public Safety shall be prima facie evidence that the testing methods used were valid and reliable and that the test results are accurate and were accurately evaluated.

* * *

(i) Finding by the court. The court shall electronically forward a report of the hearing to the Commissioner. Upon a finding by the court that the law enforcement officer had reasonable grounds to believe that the person was operating, attempting to operate, or in actual physical control of a vehicle in violation of section 1201 of this title and that the person refused to submit to a test, or upon a finding by the court that the law enforcement officer had reasonable grounds to believe that the person was operating, attempting to

operate, or in actual physical control of a vehicle in violation of section 1201 of this title and that the person submitted to a test and the test results indicated that the person's alcohol concentration was at or above a legal limit specified in subsection 1201(a) or (d) of this title, at the time the person was operating, attempting to operate, or in actual physical control, the person's operating license, or nonresident operating privilege, or the privilege of an unlicensed operator to operate a vehicle shall be suspended or shall remain suspended for the required term and until the person complies with section 1209a of this title. Upon a finding in favor of the person, the Commissioner shall cause the suspension to be canceled and removed from the record, without payment of any fee.

* * *

(n) Presumption. In a proceeding under this section, if at any time within two hours of operating, attempting to operate, or being in actual physical control of a vehicle a person had an alcohol concentration of at or above a legal limit specified in subsection 1201(a) or (d) of this title, it shall be a rebuttable presumption that the person's alcohol concentration was at or above the applicable limit at the time of operating, attempting to operate, or being in actual physical control.

* * *

Sec. 32. 23 V.S.A. § 1205(d) is amended to read:

(d) Form of notice. The notice of intention to suspend and of suspension shall be in a form prescribed by the Supreme Court. The notice shall include an explanation of rights, a form to be used to request a hearing, and, if a hearing is requested, the date, time, and location of the Criminal Division of the Superior Court where the person must appear for a preliminary hearing. The notice shall also contain, in boldface print, the following:

(1) You have the right to ask for a hearing to contest the suspension of your operator's license.

(2) ~~This notice shall serve as a temporary operator's license and is valid until 12:01 a.m. of the date of suspension.~~ If this is your first violation of section 1201 of this title and if you do not request a hearing, your license will be suspended as provided in this notice. If this is your second or subsequent violation of section 1201 of this title, your license will be suspended on the 11th day after you receive this notice. It is a crime to drive while your license is suspended unless you have been issued an ignition interlock restricted driver's license or ignition interlock certificate.

* * *

* * * Registration Fees for Trucks * * *

Sec. 33. 23 V.S.A. § 367 is amended to read:

§ 367. TRUCKS

(a)(1) The annual fee for registration of tractors, truck-tractors, or motor trucks except truck cranes, truck shovels, road oilers, bituminous distributors, and farm trucks used as specified in subsection (f) of this section shall be based on the total weight of the truck-tractor or motor truck, including body and cab plus the heaviest load to be carried. In computing the fees for registration of tractors, truck-tractors, or motor trucks with trailers or semi-trailers attached, except trailers or semi-trailers with a gross weight of less than ~~6,000~~ 6,099 pounds, the fee shall be based upon the weight of the tractor, truck-tractor, or motor truck, the weight of the trailer or semi-trailer, and the weight of the heaviest load to be carried by the combined vehicles. In addition to the fee set out in the following schedule, the fee for vehicles weighing between ~~10,000~~ 10,100 and ~~25,999~~ 26,099 pounds inclusive shall be an additional \$42.53, the fee for vehicles weighing between ~~26,000~~ 26,100 and ~~39,999~~ 40,099 pounds inclusive shall be an additional \$85.03, the fee for vehicles weighing between ~~40,000~~ 40,100 and ~~59,999~~ 60,099 pounds inclusive shall be an additional \$297.68, and the fee for vehicles ~~60,000~~ 60,100 pounds and over shall be an additional \$467.80. The fee shall be computed at the following rates per 1,000 pounds of weight determined pursuant to this subdivision and rounded up to the nearest whole dollar; the minimum fee for registering a tractor, truck-tractor, or motor truck to ~~6,000~~ 6,099 pounds shall be the same as for the pleasure car type:

\$18.21 when the weight ~~exceeds 6,000 pounds but does not exceed 8,000 pounds~~ is at least 6,100 pounds but not more than 8,099 pounds.

\$20.83 when the weight ~~exceeds 8,000 pounds but does not exceed 12,000 pounds~~ is at least 8,100 pounds but not more than 12,099 pounds.

\$22.97 when the weight ~~exceeds 12,000 pounds but does not exceed 16,000 pounds~~ is at least 12,100 pounds but not more than 16,099 pounds.

\$24.56 when the weight ~~exceeds 16,000 pounds but does not exceed 20,000 pounds~~ is at least 16,100 pounds but not more than 20,099 pounds.

\$25.71 when the weight ~~exceeds 20,000 pounds but does not exceed 30,000 pounds~~ is at least 20,100 pounds but not more than 30,099 pounds.

\$26.26 when the weight ~~exceeds 30,000 pounds but does not exceed 40,000 pounds~~ 30,100 pounds but not more than 40,099 pounds.

\$26.90 when the weight ~~exceeds 40,000 pounds but does not exceed 50,000 pounds~~ is at least 40,100 pounds but not more than 50,099 pounds.

~~\$27.13 when the weight exceeds 50,000 pounds but does not exceed 60,000 pounds~~ is at least 50,100 pounds but not more than 60,099 pounds.

~~\$28.06 when the weight exceeds 60,000 pounds but does not exceed 70,000 pounds~~ is at least 60,100 pounds but not more than 70,099 pounds.

~~\$29.00 when the weight exceeds 70,000 pounds but does not exceed 80,000 pounds~~ is at least 70,100 pounds but not more than 80,099 pounds.

~~\$29.94 when the weight exceeds 80,000 pounds but does not exceed 90,000 pounds~~ is at least 80,100 pounds but not more than 90,099 pounds.

~~(2) Fractions of 1,000 pounds shall be computed at the next highest 1,000 pounds, excepting, however, fractions of hundredweight shall be disregarded. [Repealed.]~~

* * *

* * * Purchase and Use Tax * * *

Sec. 34. 32 V.S.A. § 8902 is amended to read:

§ 8902. DEFINITIONS

Unless otherwise expressly provided, as used in this chapter:

* * *

(6) "Motor vehicle" ~~shall have~~ has the same ~~definition~~ meaning as in 23 V.S.A. § 4(21).

* * *

(12) "Mail" has the same meaning as in 23 V.S.A. § 4(87).

Sec. 35. 32 V.S.A. § 8905 is amended to read:

§ 8905. COLLECTION OF TAX; EDUCATION; APPEALS

(a) Every purchaser of a motor vehicle subject to a tax under subsection 8903(a) of this title shall forward ~~such~~ the tax form to the Commissioner, together with the amount of tax due at the time of first registering or transferring a registration to ~~such~~ the motor vehicle as a condition precedent to registration ~~thereof~~ of the vehicle.

(b) Every person subject to a use tax under subsection 8903(b) of this title shall forward ~~such~~ the tax form and the tax due to the Commissioner with the registration application or transfer, as the case may be, and fee at the time of first registering or transferring a registration to ~~such~~ the motor vehicle as a condition precedent to registration ~~thereof~~ of the vehicle.

* * *

(d) Every person required to collect the use tax under subsection 8903(d) of this title shall forward ~~such~~ the tax and a report of ~~same~~ the tax on forms prescribed and furnished by the Commissioner at the frequency determined by the Commissioner.

* * *

(f) Every person subject to the tax imposed by subsection 8903(g) of this title shall forward the tax form and the tax due to the Commissioner along with the title application and fee at the time of applying for a certificate of title to ~~such~~ the motor vehicle as a condition precedent to the titling ~~thereof~~ of the motor vehicle.

(g) The Commissioner shall establish procedures for taxpayers to file an appeal regarding the taxpayer's liability for the tax due pursuant to section 8903 of this chapter and compliance with the requirements of this section. The procedures shall include a process by which a taxpayer can resolve the dispute prior to the issuance of a final administrative decision on the appeal.

(h) The Commissioner shall create educational and outreach materials for taxpayers that provide information regarding the appeal process established pursuant to subsection (g) of this section and opportunities to resolve disputes.

* * * Excessive Speed * * *

Sec. 36. 23 V.S.A. § 2502 is amended to read:

§ 2502. POINT ASSESSMENT; SCHEDULE

(a) Unless the assessment of points is waived by a Superior judge or a Judicial Bureau hearing officer in the interests of justice and in accordance with subsection 2501(b) of this title, a person operating a motor vehicle shall have points assessed against ~~his or her~~ the person's driving record for convictions for moving violations of the indicated motor vehicle statutes in accord with the following schedule: (All references are to this title of the Vermont Statutes Annotated.)

* * *

(9) Eight points assessed for sections 1003 ~~and~~, 1007, ~~and~~ 1097. State speed zones and local speed limits, more than 30 miles per hour over and in excess of the speed limit.

* * *

* * * Tinted Windows * * *

Sec. 37. 2024 Acts and Resolves No. 165, Secs. 14, 15, and 16 are amended to read:

Sec. 14. [Deleted.]

Sec. 15. [Deleted.]

Sec. 16. [Deleted.]

* * * All-Terrain Vehicles * * *

Sec. 38. 23 V.S.A. § 3501 is amended to read:

§ 3501. DEFINITIONS

As used in this chapter:

(1) “All-terrain vehicle” or “ATV” means any nonhighway recreational vehicle, except snowmobiles, having not less than two low pressure tires (10 pounds per square inch, or less); not wider than ~~64~~ 72 inches, with two-wheel ATVs having permanent, full-time power to both wheels; and having a dry weight of less than 2,500 pounds, when used for cross-country travel on trails or on any one of the following or a combination thereof: land, water, snow, ice, marsh, swampland, and natural terrain. An ATV on a public highway shall be considered a motor vehicle, as defined in section 4 of this title, only for the purposes of those offenses listed in subdivisions 2502(a)(1)(H), (N), (R), (U), (Y), (FF), (GG), (II), and (AAA); (2)(A) and (B); (3)(A), (B), (C), and (D); (4)(A) and (B); and (5) of this title and as provided in section 1201 of this title. An ATV does not include an electric personal assistive mobility device, a motor-assisted bicycle, or an electric bicycle.

* * *

* * * Purchase and Use Tax and Inspections Report * * *

Sec. 39. MOTOR VEHICLE PURCHASE AND USE TAX; INSPECTIONS;
REPORT

(a) On or before January 31, 2026, the Commissioner of Motor Vehicles shall submit a written report to the House Committees on Transportation and on Ways and Means and the Senate Committees on Finance and on Transportation regarding the process for determining the taxable cost of a used motor vehicle for purposes of the purchase and use tax and the impact of annual motor vehicle safety and emissions inspections on Vermonters.

(b) The report shall include, at a minimum, the following:

(1) the number of persons during calendar years 2024 and 2025 who utilized the dealer appraisal process for determining the taxable cost of a used motor vehicle for purposes of the purchase and use tax;

(2) the age and type of vehicles for which the dealer appraisal process was utilized during calendar years 2024 and 2025;

(3) the difference between the clean trade-in value and the appraised value of vehicles for which the dealer appraisal process was utilized during calendar years 2024 and 2025;

(4) the number of appeals of the taxable cost of a motor vehicle that were filed in calendar years 2024 and 2025;

(5) the number appeals that resulted in a revision of the taxable cost and the difference between the originally assessed taxable cost and the revised taxable cost following the appeal;

(6) a summary of issues identified by persons contacting the Department pursuant to subsection (c) of this section;

(7) a summary of funding and other assistance related to annual motor vehicle safety and emissions inspections that is available to Vermonters with lower income;

(8) an examination of the potential approaches to reduce the financial burden of annual motor vehicle safety and emissions inspections on Vermonters, including the potential to reduce the frequency of inspections to every two years; and

(9) any recommendations for legislative action.

(c)(1) The Commissioner of Motor Vehicles shall establish an email address or other electronic means, or both, for Vermonters to contact the Department of Motor Vehicles regarding concerns with the motor vehicle purchase and use tax process.

(2) The Commissioner of Motor Vehicles shall establish an email address or other electronic means, or both, for Vermonters to contact the Department of Motor Vehicles regarding the affordability of the annual motor vehicle inspection process and suggestions for reducing the financial impact of the inspection process on Vermonters.

(3) The Commissioner shall conduct outreach at Department locations, on the Department's website, and through motor vehicle dealers to make the public aware of the opportunity to contact the Department pursuant to subdivisions (1) and (2) of this subsection.

* * * Operation of Bicycles * * *

Sec. 40. 23 V.S.A. § 1139 is amended to read:

§ 1139. RIDING ON ROADWAYS AND BICYCLE PATHS

(a) ~~A person~~ Due care and riding on the right. An individual operating a bicycle upon a roadway shall exercise due care when passing a standing vehicle or one proceeding in the same direction. Bicyclists generally shall ride as near to the right side of the improved area of the highway right-of-way as is safe, except that a bicyclist:

* * *

(b) ~~Persons riding~~ Riding two abreast. Individuals operating bicycles upon a roadway ~~may shall~~ not ride more than two abreast except on paths or parts of roadways set aside for the exclusive use of bicycles or except as otherwise permitted by the Commissioner of Public Safety in connection with a public sporting event in which case the Commissioner shall be authorized to adopt such rules as the public good requires. ~~Persons~~ Individuals riding two abreast shall not impede the normal and reasonable movement of traffic and, on a laned roadway, shall ride within a single lane.

(c) Obedience to traffic-control devices and traffic-control signals. An individual operating a bicycle shall follow all traffic-control devices and traffic-control signals governing motor vehicles except that an individual operating a bicycle who is facing a “walk” signal, as defined in section 1023 of this chapter, may make a turn or proceed across the roadway or intersection in the direction of the signal but shall yield the right of way to any vehicles or pedestrians in the roadway or intersection.

(d) Riding on a partially controlled access highway. Bicycles may be operated on the shoulders of partially controlled access highways, which are those highways where access is controlled by public authority but where there are some connections with selected public highways, some crossings at grade, and some private driveway connections. The Traffic Committee may determine that any portion of these highways is unsafe and therefore closed to bicycle operation.

Sec. 41. 23 V.S.A. § 1139a is added to read:

§ 1139a. BICYCLE CONTROL SIGNALS

(a) Bicycles shall obey bicycle-control signals. An individual operating a bicycle shall obey the instructions of a bicycle-control signal, if present, instead of any traffic-control signal for motor vehicles.

(b) Bicycle-control signal legend.

(1) Green bicycle signal.

(A) An individual operating a bicycle facing a green bicycle signal may proceed straight through the intersection or turn right or left unless a sign prohibits such a turn, provided that:

(i) the individual operating the bicycle will not be in conflict with any simultaneous motor vehicle movements at that location; or

(ii) the bicycle movement at that location is not modified by lane-use signs, turn-prohibition signs, pavement markings, separate turn signal indications, or other traffic-control devices.

(B) An individual operating a bicycle pursuant to a green bicycle signal, including when turning right and left, shall yield the right-of-way to other individuals operating bicycles and pedestrians that are in the intersection when the signal is exhibited.

(2) Steady yellow bicycle signal. An individual operating a bicycle facing a steady yellow bicycle signal is warned that the steady green signal is being terminated and that the red signal will be exhibited immediately following the steady yellow signal, at which time bicycle traffic traveling in that direction shall not enter the intersection.

(3) Steady red bicycle signal.

(A) An individual operating a bicycle facing a steady red bicycle signal alone shall stop at a clearly marked stop line, or if there is none, shall stop before entering the crosswalk on the near side of the intersection.

(B) Except when a sign is in place prohibiting a turn, an individual operating a bicycle facing a steady red bicycle signal may:

(i) cautiously enter the intersection to turn right; or

(ii) after stopping as required pursuant to subdivision (A) of this subdivision (b)(3), turn left from a one-way street onto a one-way street.

(C) An individual making a turn pursuant to subdivision (B) of this subdivision (b)(3) shall yield the right-of-way to pedestrians and other vehicles that are in the intersection.

(D) An individual operating a bicycle shall not turn right when facing a red arrow signal unless a sign permitting such a turn is present.

(E) An individual operating a bicycle to the left of adjacent motor vehicle traffic approaching the same intersection shall be prohibited from turning right when facing a steady red bicycle signal and an individual

operating a bicycle to the right of adjacent motor vehicle traffic approaching the same intersection shall be prohibited from turning left when facing a steady red bicycle signal.

Sec. 42. BICYCLE OPERATION AT STOP SIGNS AND SIGNALS;

EDUCATION; OUTREACH

On or before April 1, 2026, the Commissioners of Motor Vehicles and of Public Safety, in consultation with stakeholders representing bicyclists, pedestrians, municipalities, and law enforcement agencies, shall develop education and outreach materials to inform vehicle operators, law enforcement officers, municipalities, and members of the public regarding the laws governing to the operation of bicycles on roadways, including at signalized intersections. The materials shall include both written and graphical materials explaining permitted bicycle operations and requirements for the operation of motor vehicles in relation to bicycles, including safe passing distance requirements.

* * * Legal Trails * * *

Sec. 43. FINDINGS; INTENT; LEGAL TRAILS

(a) Findings. The General Assembly finds the following:

(1) Outdoor recreation is a significant part of Vermont's identity and economy.

(2) Trails provide Vermonters and visitors with access to natural beauty throughout the State and are used for a wide variety of outdoor recreational activities throughout the year.

(3) Some trails are also used by Vermonters for travel or to access their homes and properties.

(4) The State and municipalities use some trails to provide maintenance to State and municipal lands and facilities, as well as to provide public safety and rescue services.

(5) Trails may require regular maintenance to ensure that they remain passable and can continue to support recreation, travel, access, and various public services.

(6) While many trails in Vermont have been established through private easements or other agreements, a subset of trails, known as legal trails, lie along public rights-of-way that were once town highways and are governed by the provisions of 19 V.S.A. chapter 3.

(b) Intent. It is the intent of the General Assembly to clarify municipalities' authority to exclusively or cooperatively maintain legal trails under the provisions of 19 V.S.A. chapter 3.

Sec. 44. 19 V.S.A. chapter 3 is amended to read:

CHAPTER 3. TOWN HIGHWAYS

§ 301. DEFINITIONS

As used in this chapter:

* * *

(2) "Legislative body" includes boards of selectmen, aldermen, and village trustees means a legislative body as defined in 24 V.S.A. § 2001.

(3) "Selectmen" includes village trustees and aldermen "Selectboard" means a selectboard as defined in 24 V.S.A. § 2001.

* * *

(8)(A) "Trail" means a public right-of-way that is not a highway and that:

(i) municipalities have the authority to exclusively or cooperatively maintain; and

(A)(ii)(I) previously was a designated town highway having the same width as the designated town highway, or a lesser width if so designated; or

(B)(II) a new public right-of-way laid out as a trail by the selectmen legislative body for the purpose of providing access to abutting properties or for recreational use.

(B) Nothing in this section subdivision (8) shall be deemed to independently authorize the condemnation of land for recreational purposes or to affect the authority of selectmen legislative bodies to reasonably regulate the uses of recreational trails.

§ 302. CLASSIFICATION OF TOWN HIGHWAYS

(a) For the purposes of this section and receiving State aid, all town highways shall be categorized into one or another of the following classes:

* * *

(2) Class 2 town highways are those town highways selected as the most important highways in each town. As far as practicable, they shall be selected with the purposes of securing trunk lines of improved highways from town to town and to places that by their nature have more than normal amount of

traffic. The ~~selectmen~~ legislative body, with the approval of the Agency, shall determine which highways are to be class 2 highways.

(3) Class 3 town highways:

(A) Class 3 town highways are all traveled town highways other than class 1 or 2 highways. The ~~selectmen~~ legislative body, after conference with a representative of the Agency, shall determine which highways are class 3 town highways.

* * *

(5) Trails shall not be considered highways ~~and the town.~~ A municipality shall have the authority to maintain trails but shall not be responsible for any maintenance, including culverts and bridges.

* * *

§ 303. TOWN HIGHWAY CONTROL

Town highways shall be under the general supervision and control of the ~~selectmen~~ legislative body of the town where the roads are located. ~~Selectmen~~ The legislative body of a town shall supervise all expenditures.

§ 304. DUTIES OF SELECTBOARD

(a) It shall be the duty and responsibility of the selectboard of the town to, or acting as a board, it shall have the authority to:

* * *

(16) Unless the town electorate votes otherwise, under the provisions of 17 V.S.A. § 2646, appoint a road commissioner, or remove ~~him or her~~ the road commissioner from office, pursuant to 17 V.S.A. § 2651. Road commissioners, elected or appointed, shall have only the powers and authority regarding highways granted to them by the selectboard.

* * *

(24) Maintain trails, but shall not be required to maintain trails.

* * *

* * * Effective Dates * * *

Sec. 45. EFFECTIVE DATES

(a) This section and Secs. 15 and 16 (early renewal of operator's licenses, operator's privilege cards, and nondriver identification) shall take effect on passage.

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

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

Rep. Kascenska of Burke, for the Committee on Appropriations, recommended that the bill pass in concurrence with the proposal of amendment recommended by the Committee on Transportation.

The bill, having appeared on the Notice Calendar, was taken up and read the second time.

Pending the question, Shall the House propose to the Senate to amend the bill as recommended by the Committee on Transportation?, **Reps. Headrick of Burlington, Bos-Lun of Westminster, Burrows of West Windsor, Carris-Duncan of Whitingham, Casey of Montpelier, Cina of Burlington, Cole of Hartford, Cordes of Bristol, Critchlow of Colchester, Galfetti of Barre Town, Logan of Burlington, McCann of Montpelier, Minier of South Burlington, Nelson of Derby, Priestley of Bradford, Rachelson of Burlington, Sibilia of Dover, Surprenant of Barnard, Sweeney of Shelburne, and Tomlinson of Winooski** moved to amend the report of the Committee on Transportation as follows:

First: After Sec. 15, 23 V.S.A. § 604, early renewal, by adding four new sections to be Secs. 15a–15d to read as follows:

Sec. 15a. 23 V.S.A. § 601 is amended to read:

§ 601. LICENSE REQUIRED

* * *

(b)(1) All operator's licenses issued under this chapter shall expire, unless earlier cancelled, at midnight on the eve of the second ~~or~~ fourth, or eighth anniversary of the date of birth of the license holder following the date of issue. Renewed licenses shall expire at midnight on the eve of the second ~~or~~ fourth, or eighth anniversary of the date of birth of the license holder following the date the renewed license expired.

(2) All junior operator's licenses shall expire, unless earlier cancelled, at midnight on the eve of the second anniversary of the date of birth of the license holder following the date of issue.

(3) A person born on February 29 shall, for the purposes of this section, be considered as born on March 1.

* * *

Sec. 15b. 23 V.S.A. § 603 is amended to read:

§ 603. APPLICATION FOR AND ISSUANCE OF LICENSE

* * *

(h) A privilege card issued under this section shall:

* * *

(2) ~~expire at midnight on the eve of the second birthday of the applicant following the date of issuance or, at the option of an applicant for an operator's privilege card and upon payment of the required four-year fee, at midnight on the eve of the, fourth, or eighth birthday of the applicant following the date of issuance.~~

* * *

Sec. 15c. 23 V.S.A. § 608 is amended to read:

§ 608. FEES

(a)(1) The eight-year fee required to be paid the Commissioner for licensing an operator of motor vehicles or for issuing an operator's privilege card shall be \$156.00.

(2) The four-year fee required to be paid the Commissioner for licensing an operator of motor vehicles or for issuing an operator's privilege card shall be \$62.00.

(3) The two-year fee required to be paid the Commissioner for licensing an operator or for issuing an operator's privilege card shall be \$39.00, and the two-year fee for licensing a junior operator or for issuing a junior operator's privilege card shall be \$39.00.

* * *

(c)(1) The Operator's License Revenue Stabilization Special Fund is established pursuant to 32 V.S.A. chapter 7, subchapter 5. Notwithstanding 19 V.S.A. § 11(1), one-half of the fees for eight-year operator's licenses collected pursuant to subdivision (a)(1) of this section shall be deposited into the Treasury and credited to the Fund.

(2)(A) Monies in the Fund shall be used to support the operations of the Department of Motor Vehicles and the State's Transportation Program and for necessary costs incurred in administering the Fund.

(B) Monies to support the operations of the Department of Motor Vehicles and the State's Transportation Program shall be transferred into the Transportation Fund each fiscal year in an amount necessary to offset cyclical

variation in license fee revenue, provided that the amount transferred shall not result in a negative balance in the Fund.

(3) All interest earned on Fund balances shall be credited to the Fund and any balance remaining in the Fund at the end of the fiscal year shall be carried forward in the Fund.

Sec. 15d. 23 V.S.A. § 7 is amended to read:

§ 7. ENHANCED DRIVER'S LICENSE; MAINTENANCE OF DATABASE INFORMATION; FEE

* * *

(d) The fee for an enhanced license shall be:

(1) for a two-year or four-year license, \$36.00 in addition to the fees otherwise established by this title; and

(2) for an eight-year license, \$72.00 in addition to the fees otherwise established by this title.

Second: After Sec. 16, 23 V.S.A. § 115b, early renewal, by adding a new section to be Sec. 16a to read as follows:

Sec. 16a. 23 V.S.A. § 115 is amended to read:

§ 115. NONDRIVER IDENTIFICATION CARDS

(a)(1) Any Vermont resident may make application to the Commissioner and be issued an identification card that is attested by the Commissioner as to true name, correct age, residential address unless the listing of another address is requested by the applicant or is otherwise authorized by law, and any other identifying data ~~as the Commissioner may require that shall include, in required by the Commissioner.~~ In the case of minor applicants, the Commissioner shall require the written consent of the applicant's parent, guardian, or other person standing in loco parentis.

(2) Every application for an identification card shall be signed by the applicant and shall contain such evidence of age and identity as the Commissioner may require, consistent with subsection (1) of this section.

(3) New and renewal application forms shall include a space for the applicant to request that a "veteran" designation be placed on the applicant's identification card. If a veteran, as defined in 38 U.S.C. § 101(2) and including an individual disabled during active military, naval, air, or space service, as defined in 38 U.S.C. § 101(24), requests a veteran designation and provides a Department of Defense Form 214 or other proof of veteran status specified by the Commissioner, and the Office of Veterans' Affairs confirms

the veteran's status as an honorably discharged veteran; a veteran discharged under honorable conditions; or an individual disabled during active military, naval, air, or space service, the identification card shall include the term "veteran" on its face.

(4) The Commissioner shall require payment of a fee of \$29.00 for a four-year nondriver identification card or \$58.00 for an eight-year nondriver identification card at the time application for an identification card is made, except that an initial nondriver identification card shall be issued at no charge to an individual who surrenders the individual's license in connection with a suspension or revocation under subsection 636(b) of this title due to a physical or mental condition.

(b)(1) Every identification card shall expire, unless earlier canceled, at 12:00 midnight on the eve of the fourth or eighth anniversary of the date of birth of the cardholder following the date of original issue and may be renewed ~~every~~ for four years upon payment of a \$29.00 fee or for eight years upon payment of a \$58.00 fee.

(2) A renewed identification card shall expire, unless earlier canceled, at 12:00 midnight on the eve of the fourth or eighth anniversary of the date of birth of the cardholder following the expiration of the card being renewed.

(3) At least 30 days before an identification card will expire, the Commissioner shall mail first-class to the cardholder or send the cardholder electronically an application to renew the identification card; ~~a.~~ A cardholder shall be sent the renewal notice by mail unless the cardholder opts in to receive electronic notification.

(4) An individual born on February 29 shall, for the purposes of this section, be considered as born on March 1.

* * *

Thereupon, **Rep. Headrick of Burlington** asked and was granted leave of the House to withdraw the amendment.

Pending the question, Shall the House propose to the Senate to amend the bill as recommended by the Committee on Transportation?, **Rep. Noyes of Wolcott** moved to amend the report of the Committee on Transportation by striking out Sec. 45, effective dates, and its reader assistance heading in their entirety and by inserting three new sections to be Secs. 45, 46, and 47 and their associated reader assistance headings to read as follows:

* * * Motor Vehicle Inspections * * *

Sec. 45. 23 V.S.A. § 1222 is amended to read:

§ 1222. INSPECTION OF REGISTERED VEHICLES

(a) Except for school buses, which shall be inspected as prescribed in section 1282 of this title, and motor buses as defined in subdivision 4(17) of this title, which shall be inspected twice during the calendar year at six-month intervals, all motor vehicles registered in this State shall undergo a safety and visual emissions inspection once ~~each year~~ every two years and all motor vehicles that are registered in this State and are 16 model years old or less shall undergo an emissions or on board diagnostic (OBD) systems inspection once ~~each year~~ every two years as applicable. Any motor vehicle, trailer, or semi-trailer not currently inspected in this State shall be inspected within 15 days following the date of its registration in the State of Vermont.

* * *

Sec. 46. 23 V.S.A. § 1230 is amended to read:

§ 1230. CHARGE

For each inspection certificate issued by the Department of Motor Vehicles, the Commissioner shall be paid ~~\$8.00~~ \$16.00, provided that State and municipal inspection stations that inspect only State or municipally owned and registered vehicles shall not be required to pay a fee. All vehicle inspection certificate charge revenue shall be allocated to the Transportation Fund with one-half reserved for bridge maintenance activities.

* * * Effective Dates * * *

Sec. 47. EFFECTIVE DATES

(a) This section and Secs. 15 and 16 (early renewal of operator's licenses, operator's privilege cards, and nondriver identification) shall take effect on passage.

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

Thereupon, **Rep. Noyes of Wolcott** asked and was granted leave of the House to withdraw the amendment.

Thereafter, the report of the Committee on Transportation was agreed to, and third reading ordered.

On motion of **Rep. McCoy of Poultney**, the rules were suspended and the bill placed in all remaining stages of passage. Thereupon, the bill was read the third time and passed in concurrence with proposal of amendment.

On motion of **Rep. McCoy of Poultney**, the rules were suspended and House action on the bill was ordered messaged to the Senate forthwith.

Action on Bill Postponed

H. 479

House bill, entitled

An act relating to housing

Was taken up and pending consideration of the Senate proposal of amendment, on motion of **Rep. Mihaly of Calais**, action on the bill was postponed until May 30, 2025.

Rules Suspended, Immediate Consideration; Senate Proposal of Amendment Not Concurred in; Committee of Conference Requested and Appointed; Rules Suspended, Messaged to Senate Forthwith

H. 91

Pending entry on the Notice Calendar, on motion of **Rep. McCoy of Poultney**, the rules were suspended and House bill, entitled

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

Was taken up for immediate consideration.

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

* * * Findings and Legislative Intent * * *

Sec. 1. FINDINGS

The General Assembly finds that:

(1) according to the U.S. Department of Housing and Urban Development's 2024 Annual Homelessness Assessment Report, Vermont had the fourth highest rate of homelessness in 2024 in that 53 of every 10,000 Vermonters are experiencing homelessness, with only Hawaii, New York, and Oregon experiencing higher rates;

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

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

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

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

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

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

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

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

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

Sec. 2. LEGISLATIVE INTENT

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

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

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

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

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

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

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

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

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

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

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

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

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

§ 2201. SHORT TITLE

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

§ 2202. PURPOSE

It is the purpose of the General Assembly to:

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

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

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

§ 2203. DEFINITIONS

As used in this chapter:

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

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

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

(4) “Department” means the Department for Children and Families.

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

(6) “Homeless” means:

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

(B) facing imminent loss of primary nighttime residence;

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

(D) otherwise defined as homeless under federal law.

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

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

§ 2204. REGIONAL ADVISORY COUNCILS

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

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

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

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

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

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

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

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

* * *

§ 2203. DEFINITIONS

As used in this chapter:

* * *

(2) “Community action agency” means an agency designated pursuant to 3 V.S.A. chapter 59 or the entity or entities otherwise authorized by the Department pursuant to section 2205 of this chapter to fulfill the duties of a community action agency under this chapter.

* * *

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

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

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

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

§ 2205. AUTHORIZATION PROCESS; REAUTHORIZATION REVIEW

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

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

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

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

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

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

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

(E) any outcome measures established in this chapter;

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

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

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

§ 2206. VHEARTH CORE SERVICES

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

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

(1) supportive services, including:

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

(B) household needs assessments;

- (C) individualized household plans to address identified needs;
- (D) housing navigation and retention services;
- (E) assistance obtaining and retaining housing, including financial assistance;
- (F) landlord-tenant outreach, education, and conflict resolution;
- (G) navigation to other services and supports as identified in the household's housing plan, including economic benefits, peer-supported services, job training and employment services, services related to disability and independent living, and referral to health care assistance such as treatment for mental health conditions and substance use disorder as provided by the designated and specialized services agencies and preferred providers, respectively;
- (H) advocacy; and
- (I) progress monitoring and interventions; and

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

(3) the operation of emergency shelters in a manner that builds upon the federally required community planning process and prioritizes households in need of the services of an emergency shelter, which may include community-based shelters, temporary use of hotels or motels, lease agreements for full or partial use of an existing building, need-specific shelter arrangements, master grant leases, the development of shelter capacity, or other arrangements or combinations of arrangements that comply with the intent of this chapter.

§ 2207. USE OF HOTEL AND MOTEL ROOMS

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

region pursuant to this subsection for the purpose of informing regional planning and expectations.

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

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

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

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

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

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

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

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

§ 2208. VHEARTH; DUTIES OF THE DEPARTMENT

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

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

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

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

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

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

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

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

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

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

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

§ 2209. REGIONAL PLANNING; NEEDS ASSESSMENTS

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

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

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

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

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

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

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

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

§ 2210. REPORTING REQUIREMENTS

On or before the last day of every third month, the Department shall submit a report, in consultation with the community action agencies and the statewide organization serving households experiencing domestic or sexual violence, to the House Committee on Human Services, the Senate Committee on Health and Welfare, and the Joint Fiscal Committee addressing:

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

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

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

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

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

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

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

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

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

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

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

§ 2204 2211. REGIONAL ADVISORY COUNCILS

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

* * *

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

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

§ 2202. PURPOSE

It is the purpose of the General Assembly to:

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

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

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

Sec. 6. VHEARTH IMPLEMENTATION PLANNING

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

(1) a process that community action agencies, in coordination with the Department, shall use to conduct regularly occurring regional needs assessments and develop future regional plans, including consideration of municipal needs;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(10) any anticipated challenges requiring a legislative solution.

Sec. 7. INTERIM AND FINAL NEEDS ASSESSMENT PLANS

Prior to the enactment of the Vermont Homeless Emergency Assistance and Responsive Transition to Housing Program on July 1, 2026, the statewide organization serving households experiencing or that have experienced domestic or sexual violence and community action agencies shall conduct initial needs assessments in accordance with the process developed in Sec. 6(a)(1) of this act. On or before January 15, 2026, the community action agencies shall submit one comprehensive progress report and the statewide organization shall submit a separate report to the House Committees on Appropriations and on Human Services and the Senate Committees on Appropriations and on Health and Welfare, including estimated fiscal year 2027 budget proposals, estimated costs of administering the Program, and an analysis of any barriers to generating additional shelter and permanent housing in the region. On or before April 1, 2026, the statewide organization shall submit a report and the community action agencies shall submit a separate comprehensive report detailing the results of each region's needs assessment and implementation plans, which shall not exceed the budgetary proposals provided in the January 15, 2026 progress report, to the House Committees on Appropriations and on Human Services and the Senate Committees on Appropriations and on Health and Welfare. The initial needs assessment conducted pursuant to this section shall include:

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

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

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

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

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

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

Sec. 8. ACCELERATED IMPLEMENTATION PATHWAY

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

* * * Community Action Agencies * * *

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

CHAPTER 59. COMMUNITY SERVICES ACTION AGENCIES

§ 3901. FINDINGS AND PURPOSE

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

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

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

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

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

§ 3902. OFFICE OF ECONOMIC OPPORTUNITY

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

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

(1) to secure and retain meaningful employment;

(2) to obtain adequate education;

(3) to make better use of available income;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

* * *

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

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

(c) Each member of ~~the~~ a board selected to represent a specific geographic area within a community shall reside in the area ~~he or she~~ the member represents. ~~No person selected under subdivisions (2) or (3) of subsection (b) as a member of a board shall serve on such board for more than five~~

consecutive years, or more than a total of 10 years Each board shall adopt term limits to govern its members.

* * * Appropriations * * *

Sec. 10. APPROPRIATION; TRANSITION PLANNING

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

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

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

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

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

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

Sec. 11. FUTURE APPROPRIATIONS; LEGISLATIVE INTENT

It is the intent of the General Assembly that:

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

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

Sec. 12. TRANSITION; HOUSING OPPORTUNITY GRANT PROGRAM

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

* * * Effective Dates * * *

Sec. 13. EFFECTIVE DATES

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

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

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

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

Pending the question, Shall the House concur in the Senate proposal of amendment?, **Rep. Wood of Waterbury** moved that the House refuse to concur and ask for a Committee of Conference, which was agreed to, and the Speaker appointed as members of the Committee of Conference on the part of the House:

Rep. Wood of Waterbury
Rep. Maguire of Rutland City
Rep. McGill of Bridport

On motion of **Rep. McCoy of Poultney**, the rules were suspended and House action on the bill was ordered messaged to the Senate forthwith.

Recess

At eleven o'clock and nine minutes in the forenoon, the Speaker declared a recess until the fall of the gavel.

Message from the Senate No. 67

A message was received from the Senate by Ms. Gradel, its Assistant Secretary, as follows:

Madam Speaker:

I am directed to inform the House that:

The Senate has considered a bill originating in the House of the following title:

H. 480. An act relating to miscellaneous amendments to education law.

And has passed the same in concurrence with proposal of amendment in the adoption of which the concurrence of the House is requested.

Called to Order

At three o'clock and ten minutes in the afternoon, the Speaker called the House to order.

Rules Suspended, Immediate Consideration; Senate Proposal of Amendment Not Concurred in; Committee of Conference Requested and Appointed; Rules Suspended, Messaged to Senate Forthwith

H. 454

Pending entry on the Notice Calendar, on motion of **Rep. McCoy of Poultney**, the rules were suspended and House bill, entitled

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

Was taken up for immediate consideration.

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

* * * Findings and Intent * * *

Sec. 1. FINDINGS; INTENT; PLAN

(a) The General Assembly finds that:

(1) In 1997, the first piece of law the General Assembly enacted in response to the Brigham decision stated, "[t]he right to public education is integral to Vermont's constitutional form of government and its guarantees of political and civil rights...[and] fundamental for the success of Vermont's children in a rapidly-changing society and global marketplace as well as the State's own economic and social prosperity." 16 V.S.A. § 1.

(2) From the very first attempt at creating a basic frame of government, Vermont's founders chose to include a right to public education, the only governmental service included in Vermont's first Constitution of 1777.

(3) As the U.S. Supreme Court stated in Brown v. Board of Education, 347 U.S. 483 (1954), "education is perhaps the most important function of state and local governments...[i]t is required in the performance of our most basic public responsibilities...[i]t is the very foundation of good citizenship."

(4) The most enduring legacy of *Brigham v. State*, 166 Vt. 246 (1997) is the State's responsibility to ensure substantially equal educational opportunities for all Vermont students.

(5) The education system is still reeling from the effects of a global pandemic, yet the same challenges that have faced Vermont's education system remain. Thirty to 40 years ago, Vermont educated more than 110,000 students each year. Today, there are approximately 84,000 students in the public education system. Many schools have lost a significant number of students and, with them, the ability to offer robust services and programs at every school. Vermont's youth need to be prepared for a rapidly evolving future.

(6) Vermonters deserve an exceptional educational system that is stable and predictable and where a student's home address does not dictate the quality of education they receive. School district size and boundaries, school size, and class size are all influential factors in shaping the quality of instruction and overall student outcomes. The effectiveness of our schools depends on teacher quality, resource availability, and the unique strengths of local communities. Change in our educational system is needed. Systems are made of people, so change must come carefully and thoughtfully, with meaningful engagement by all Vermonters.

(b) Intent; plan.

(1) To ensure each student is provided substantially equal educational opportunities that will prepare them 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) It is further the intent of the General Assembly to:

(A) in the 2026 session:

(i) enact new, larger school district boundaries that would be effective July 1, 2027;

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

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

(B) provide or enable the provision of the necessary staffing, resources, and support to the Agency of Education, the Secretary of State's Office, town clerks, and other integral parties to the election system to hold the first school board member elections within the newly created school districts in a special election in March 2028; and

(C) provide or enable the provision of the necessary staffing, resources, and support to the Agency of Education, State Board of Education, and other integral parties to ensure that the necessary guidance and funding is in place to allow for a smooth and successful transition between the operation of Vermont's current 119 school districts to the new, larger school districts, with new school districts assuming responsibility for the education of all resident students on July 1, 2029.

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

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

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

(a) Creation. There is hereby created the Commission on the Future of Public Education in Vermont. The right to education is fundamental for the success of Vermont's children in a rapidly changing society and global marketplace as well as for the State's own economic and social prosperity. The Commission shall study the provision of education in Vermont and make recommendations for a statewide vision for Vermont's public education system to ensure that all students are afforded substantially equal educational opportunities in an efficient, sustainable, and stable education system. The Commission shall also make recommendations for the strategic policy changes necessary to make Vermont's educational vision a reality for all Vermont students.

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

- (1) the Secretary of Education or designee;
- (2) the Chair of the State Board of Education or designee;
- (3) the Tax Commissioner or designee;
- (4) one current member of the House of Representatives, appointed by the Speaker of the House;
- (5) one current member of the Senate, appointed by the Committee on Committees;

(6) one representative from the Vermont School Boards Association (VSBA), appointed by the VSBA Executive Director;

(7) one representative from the Vermont Principals' Association (VPA), appointed by the VPA Executive Director;

(8) one representative from the Vermont Superintendents Association (VSA), appointed by the VSA Executive Director;

(9) one representative from the Vermont National Education Association (VTNEA), appointed by the VTNEA Executive Director;

(10) one representative from the Vermont Association of School Business Officials (VASBO) with experience in school construction projects, appointed by the President of VASBO;

(11) the Chair of the Census-Based Funding Advisory Group, created under 2018 Acts and Resolves No. 173;

(12) the Executive Director of the Vermont Rural Education Collaborative; and

(13) one representative from the Vermont Independent Schools Association (VISA), appointed by the President of VISA.

(c) Steering group. On or before July 1, 2024, the Speaker of the House shall appoint two members of the Commission, the Committee on Committees shall appoint two members of the Commission, and the Governor shall appoint two members of the Commission to serve as members of a steering group. The steering group shall provide leadership to the Commission and shall work with a consultant or consultants to analyze the issues, challenges, and opportunities facing Vermont's public education system, as well as develop and propose a work plan to formalize the process through which the Commission shall seek to achieve its final recommendations. The formal work plan shall be approved by a majority of the Commission members. The steering group shall ~~form a subcommittee of the Commission to address education finance topics in greater depth and~~ may form one or more additional subcommittees of the Commission to address ~~other~~ key topics in greater depth, as necessary. ~~The steering group may appoint non-Commission members to the education finance subcommittee. All other subcommittees shall be composed solely of Commission members.~~

(d) Collaboration and information review.

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

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

(2) The Commission shall also review and take into consideration existing educational laws and policy, including legislative reports the Commission deems relevant to its work and, at a minimum, 2015 Acts and Resolves No. 46, 2018 Acts and Resolves No. 173, 2022 Acts and Resolves No. 127, and 2023 Acts and Resolves No. 76.

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

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

Commission shall include all public feedback received as an addendum to its final report. The public feedback process shall include:

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

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

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

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

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

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

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

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

~~(v) the effective integration of career and technical education in the recommended education vision of the State~~ how to maintain and improve community engagement and local decision-making with transitional and new school boards and how to improve voter turnout for school elections throughout the creation and implementation of new school districts and a new school funding formula; and

(vi) an analysis of the impact of health care costs on the Education Fund, including recommendations for whether, and if so, what, changes need to be made to contain costs.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

~~(iii) whether, and if so, what, alternative funding models would create a more affordable, sustainable, and equitable education finance system in Vermont, including the consideration of a statutory, formal base amount of per-pupil education spending and whether school districts should be allowed to spend above the base amount;~~

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(h) Meetings.

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

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

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

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

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

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

* * * School District Redistricting * * *

Sec. 3. SCHOOL DISTRICT REDISTRICTING TASK FORCE; REPORT

(a) Creation. There is created the School District Redistricting Task Force to recommend new school district boundaries and configurations to the General Assembly.

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

(1) the Director of the Vermont Center for Geographic Information;

(2) the Chair of the Vermont School Boards Association or designee;

(3) the Secretary of Education or designee;

(4) the Chair of the Vermont Superintendents Association or designee;

(5) the Chair of the Vermont Association of Planning and Development Agencies or designee;

(6) two members, appointed by the Speaker of the House:

(A) one member who shall be a current member of the House of Representatives; and

(B) one member with expertise in education data analysis who shall not be a current member of the House of Representatives;

(7) two members, appointed by the Senate Committee on Committees:

(A) one member who shall be a current member of the Senate; and

(B) one member with expertise in GIS analysis who shall not be a current member of the Senate;

(8) the chair of the Commission on the Future of Public Education or designee; and

(9) the Executive Director of the Vermont Association of School Business Officials or designee.

(c) Powers and duties. In consultation with the Commission on the Future of Public Education, the Task Force shall study and consider different configurations for school district consolidation and propose not fewer than three options for new school district boundaries. At least one boundary proposal recommendation shall consider the use of supervisory unions and supervisory districts, allow for the continuation of a tuitioning system that provides continued access to independent schools that have served geographic areas that do not operate public schools for the grades served by the independent schools, and to the extent practical, not separate geographic areas that contain nonoperating school districts as such districts exist on July 1, 2025.

(1) Proposed new school districts shall not have an average daily membership of more than 8,000 prekindergarten through grade 12 students.

(2) Proposed new school districts shall also be, to the greatest extent possible, grand list and pupil count balanced, demographically equitable, logistically feasible, and create the least amount of disruption to students as possible.

(3) In creating the proposed districts, the Task Force shall consider:

(A) current school district and town boundaries and other historic and current community connections, including access to regional services for students, such as designated agencies;

(B) geographic barriers, including mountains and rivers;

(C) population distribution;

(D) location, capacity, and the facility condition index score of current school buildings;

(E) transportation and employment patterns and practices;

(F) grand list values and current education spending;

(G) student demographics;

(H) the debt, liabilities, and assets of current school districts;

(I) staffing levels and salary scales; and

(J) any other factor the Task Force deems relevant.

(4) The report of the Task Force shall include detailed maps for each proposal, which shall include:

- (A) boundaries of the new proposed school districts;
- (B) average daily membership for the new proposed school districts;
- (C) grand list value of the new proposed school districts; and
- (D) the pros and cons for each proposal.

(5) The Task Force shall hold not fewer than two public hearings to receive and consider feedback from members of the public regarding school district consolidation and proposed boundaries and may coordinate with the Commission on the Future of Public Education's public engagement process to maximize public input regarding the development of the proposed new school district boundaries.

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

(e) Report and maps. On or before November 1, 2025, the Task Force shall submit a written report to the House Committees on Education and on Government Operations and Military Affairs and the Senate Committees on Education and on Government Operations with its proposals for new consolidated school district boundaries. The report shall include how each proposal meets the requirements contained in subdivisions (c)(1) and (2) of this section, how the considerations in subdivision (c)(3) of this section factored into each proposal, and the pros and cons of each proposal. The detailed maps required under subdivision (c)(4) of this section shall also be included with the report.

(f) Meetings.

(1) The Chair of the Vermont School Boards Association shall call the first meeting of the Task Force to occur on or before July 15, 2025.

(2) The Chair of the Vermont School Boards Association shall be the chair.

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

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

(g) Compensation and reimbursement. Members of the Task Force shall be entitled to per diem compensation and reimbursement of expenses as permitted under 32 V.S.A. § 1010 for not more than eight meetings. These payments shall be made from monies appropriated to the Agency of Digital Services.

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

Sec. 3a. TRANSITIONAL SCHOOL BOARDS; TRANSITION GRANTS

(a) Definitions. As used in this section:

(1) “Base amount” means a per pupil amount of \$15,033.00, which shall be adjusted for inflation annually on or before November 15 by the Secretary of Education. As used in this subdivision, “adjusted for inflation” means adjusting the base dollar amount by the National Income and Product Accounts (NIPA) implicit price deflator for state and local government consumption expenditures and gross investment published by the U.S. Department of Commerce, Bureau of Economic Analysis, from fiscal year 2025 through the fiscal year for which the amount is being determined, and rounding upward to the nearest whole dollar amount.

(2) “Forming districts” means all school districts, including union school districts, that are located within the geographical boundaries of a new school district created by the General Assembly during the 2026 session, prior to the operational date of the new school district.

(3) “New school district” means a larger, consolidated school district created by the General Assembly during the 2026 session.

(4) “New school district school board” means the elected school board of a new school district.

(5) “Operational date” means the date on which the new school district will assume full and sole responsibility for the education of all resident students in the grades for which it is organized.

(b) Creation of transitional school boards. On or before January 1, 2027, a transitional school board shall be formed for each new school district created by the General Assembly during the 2026 session. Each transitional school board shall be composed of the chair of each school board from each of the forming districts, as such school boards existed on December 31, 2026; provided, however, that by majority vote the board of a forming district may designate another board member to serve on the transitional board instead of the chair.

(c) Initial meeting of transitional board. The superintendent of the supervisory union with the forming district with the highest average daily membership shall convene the first meeting of the transitional board to occur not later than 14 days after the organizational meeting of the new school district. The agenda for the first meeting of the transitional board shall include the election by the transitional board members of:

(1) one of their members to serve as chair of the transitional board; and

(2) one of their members to serve as clerk of the transitional board.

(d) Duties and authority of transitional board. During the period of its existence, the transitional board shall serve as the new district's school board and shall perform all functions required of and have all authority granted to the transitional board and the new school district school board, including:

(1) preparing an initial budget for the new school district;

(2) following the principles of apportionment followed by the legislative apportionment board, create voting districts within each new school district that are compact, contiguous, and drawn to achieve substantially equal weighting of votes and that meet the requirements of applicable State and federal law to allow for initial elections of the new school district school board members to occur in March 2028; and

(3) performing all necessary transitional processes, including:

(A) the transitional processes enumerated in 16 V.S.A. § 716;

(B) the hiring of a superintendent; and

(C) any other business process necessary to ensure the new school district is ready to assume the full and sole responsibility for the education of all resident students in the grades for which it is organized on July 1, 2029.

(e) New school district school board. The transitional board shall cease to exist and the new school district school board shall be solely responsible for the governance of the new school district upon the swearing in of all new school district school board members, which shall occur within 14 days after the initial election of new school district school board members in March 2028.

(f) Transition facilitation grants.

(1) Upon notice of formation of a transitional school board pursuant to subsection (b) of this section, the Secretary of Education shall pay the transitional school board of each new school district a transition facilitation grant from the Education Fund equal to the lesser of:

(A) five percent of the base amount, as defined in subdivision (a)(1) of this section, multiplied by the greater of either the combined enrollment or the average daily membership of the forming districts on October 1, 2026; or

(B) \$250,000.00.

(2) Grants awarded under this subsection shall be used by new school districts for the legal and other consulting services necessary ensure new school districts are fully operational on July 1, 2029.

* * * Scale * * *

Sec. 4. SCALE; INTENT

It is the intent of the General Assembly to transform education in Vermont by leveraging attainable and research-based scale to increase equity of opportunity and promote efficiency and affordability.

Sec. 5. 16 V.S.A. § 165 is amended to read:

§ 165. EDUCATION QUALITY STANDARDS; EQUAL EDUCATIONAL OPPORTUNITIES; INDEPENDENT SCHOOL MEETING EDUCATION QUALITY STANDARDS

(a) In order to carry out Vermont's policy that all Vermont children will be afforded educational opportunities that are substantially equal in quality, each Vermont public school, including each career technical center, shall meet the following education quality standards:

* * *

(9) The school complies with average class size minimum standards; provided, however, that when class size minimums apply to content areas, an individual class may be smaller than the minimum average. As used in this subdivision, "content area" means a group of courses within a specific licensing endorsement area.

(A) Class size standards.

(i) The average class size minimum for kindergarten and first grade classes shall be 10 students.

(ii) The average class size minimum for grades two through five shall be 12 students.

(iii) The average class size minimum for grades six through eight in all required content areas shall be 15 students.

(iv) The average class size minimum for grades nine through 12 in all required content area classes shall be 18 students.

(v) Multiage classrooms for grades kindergarten through eight shall be limited to two grade levels per classroom.

(vi) Prekindergarten, career and technical education, flexible pathways, terminal courses, advanced placement courses, courses that require specialized equipment, and driver's education classes shall be excluded from the class size minimum requirements in this subdivision (9). Small group services for the purpose of providing special education, supplemental or targeted academic intervention, or English learner instruction shall also be excluded from the class size minimum requirements in this subdivision (9).

(vii) Class sizes shall not exceed the maximum occupancy limits established by local and State fire codes, including egress and safety requirements.

(B) Waivers. If a school board determines that it operates a school that 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 standards contained in this subdivision (9) that may include consolidation or merger, the school board may ask the State Board of Education to grant it waiver from this subdivision (9). The State Board shall define what qualifies as geographic isolation in its rules adopted pursuant to subdivision (a)(3) of this section. The State Board's decision shall be final.

(C) State Board action. If the Secretary determines that a school is not meeting the class size minimum standards set forth in this subdivision (9) over the course of three consecutive school years, the Secretary may recommend to the State Board one or more of the actions listed in subsection (b) of this section, regardless of whether the school is meeting all other education quality standards. The State Board shall then follow the procedure of subsection (c) of this section.

(b) Annually, the Secretary shall determine whether students in each Vermont public school are provided educational opportunities substantially equal to those provided in other public schools. If the Secretary determines that a school is not meeting the education quality standards listed in subsection (a) of this section or that the school is making insufficient progress in improving student performance in relation to the standards for student performance set forth in subdivision 164(9) of this title, ~~he or she~~ the Secretary shall describe in writing actions that a district must take in order to meet either or both sets of standards and shall provide technical assistance to the school. If the school fails to meet the standards or make sufficient progress within two years of following the determination, the Secretary shall recommend to the State Board one or more of the following actions:

(1) the Agency continue to provide technical assistance for one more cycle of review;

(2) the State Board adjust supervisory union boundaries or responsibilities of the superintendency pursuant to section 261 of this title;

(3) the Secretary assume administrative control of an individual school, school district, or supervisory union, including budgetary control to ensure sound financial practices, only to the extent necessary to correct deficiencies;

(4) the State Board close an individual school or schools and require that the school district pay tuition to another public school or an approved independent school pursuant to chapter 21 of this title; or

(5) the State Board require two or more school districts to consolidate their governance structures.

(c) The State Board, after offering the school board an opportunity for a hearing, shall either dismiss the Secretary's recommendation or order that one or more of the actions listed in subsection (b) of this section be taken. The action ordered by the State Board shall be the least intrusive consistent with the need to provide students attending the school substantially equal educational opportunities. A school board aggrieved by an order of the State Board may appeal the order in accordance with the Rules of Civil Procedure.

* * *

(e) If the Secretary determines at any time that the failure of a school to meet the education quality standards listed in subsection (a) of this section is severe or pervasive, potentially results in physical or emotional harm to students or significant deprivation of equal education opportunities, and the school has either unreasonably refused to remedy the problem or its efforts have proved ineffective, ~~he or she~~ the Secretary may recommend to the State Board one or more of the actions listed in subsection (b) of this section. The State Board shall then follow the procedure of subsection (c) of this section.

* * *

(g) In addition to the education quality standards provided in subsection (a) of this section, each Vermont school district shall meet the school district quality standards adopted by rule of the Agency of Education regarding the business, facilities management, and governance practices of school districts. These standards shall include a process for school district quality reviews to be conducted by the Agency of Education. Annually, the Secretary shall publish metrics regarding the outcomes of school district quality reviews.

Sec. 6. FAILURE TO COMPLY WITH EDUCATION QUALITY
STANDARDS; STATE BOARD ACTION

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.

Sec. 7. STATE BOARD OF EDUCATION; RULES; REPORT

(a) Rules. On or before August 1, 2026, the State Board of Education shall initiate rulemaking to amend:

(1) The Education Quality Standards rule 2000 series, Agency of Education, Education Quality Standards (22-000-003), pursuant to 3 V.S.A. chapter 25 to ensure compliance with the class size minimum standards set pursuant to 16 V.S.A. § 165(a)(9).

(2) The approved independent school rule 2200 series, Agency of Education, Independent School Program Approval (22-000-004), pursuant to 3 V.S.A. chapter 25, to require approved independent schools that intend to accept public tuition to comply with the class size minimum standards set pursuant to 16 V.S.A. § 165(a)(9). The amendments shall also 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; provided, however, that the Board shall provide an approved independent school a substantially similar opportunity to come into compliance with class size minimum standards that it would provide to a public school.

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

Sec. 8. PROHIBITION ON SCHOOL CLOSURE AND TRANSITION TO
PAYING TUITION

Notwithstanding any provision of law to the contrary, a school district shall be prohibited from closing an existing public school and then providing for the education of its resident students by paying tuition for its students to attend a public or approved independent school chosen by the parents of the district's students. If a school district that closes an existing public school is unable to

provide for the education of its affected resident students in a different school or schools operated by the district, the school district shall provide for the education of its resident students by designating three or fewer public schools to serve as the public school or schools of the district; provided, however, that if the closed public school is located in a geographically isolated area, as defined by the State Board of Education, and there is no reasonably accessible public school to designate, the applicable school district may provide for the education of its affected resident students by offering tuition pursuant to 16 V.S.A. chapter 21. Notwithstanding any provision of law to the contrary, if designation is required pursuant to this section, the designation process contained in 16 V.S.A. § 827 shall apply to schools operating grades kindergarten through grade 12, or any subset of grades therein.

Sec. 9. 16 V.S.A. § 3440 is added to read:

§ 3440. STATEMENT OF POLICY

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

Sec. 10. 16 V.S.A. § 3442 is added to read:

§ 3442. STATE AID FOR SCHOOL CONSTRUCTION PROGRAM

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

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

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

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

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

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

(6) providing technical advice and assistance, training, and education to school districts, supervisory unions, general contractors, subcontractors, construction or project managers, designers, and other vendors in the planning, maintenance, and establishment of school facility space;

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

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

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

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

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

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

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

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

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

Sec. 11. 16 V.S.A. § 3443 is added to read:

§ 3443. STATE AID FOR SCHOOL CONSTRUCTION ADVISORY BOARD

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

(b) Membership.

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

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

(i) the State Treasurer or designee;

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

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

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

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

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

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

(2) Members with four-year terms.

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

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

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

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

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

(2) project priorities;

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

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

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

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

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

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

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

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

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

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

(d) Meetings.

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

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

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

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

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

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

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

Sec. 12. PROSPECTIVE REPEAL OF STATE AID FOR SCHOOL
CONSTRUCTION ADVISORY BOARD

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

Sec. 13. 16 V.S.A. § 3444 is added to read:

§ 3444. SCHOOL CONSTRUCTION AID SPECIAL FUND

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

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

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

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

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

(b) Funds. The Fund shall consist of:

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

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

(3) any interest earned by the Fund.

Sec. 14. 16 V.S.A. § 3445 is added to read:

§ 3445. APPROVAL AND FUNDING OF SCHOOL CONSTRUCTION PROJECTS

(a) Construction aid.

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

(2) Approval of preliminary application.

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

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

(ii) economic efficiencies;

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

(iv) statewide educational initiatives.

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

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

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

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

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

(dd) deterioration of an existing building; or

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

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

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

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

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

(I) engages robust community involvement;

(II) considers regional solutions;

(III) evaluates environmental contaminants; and

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

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

(4) Request for legislative appropriation. The Agency shall submit its annual school construction funding request to the Governor as part of its budget pursuant to subdivision 212(21) of this title. Following submission of

the Governor's recommended budget to the General Assembly pursuant to 32 V.S.A. § 306, the House Committee on Education and the Senate Committee on Education shall recommend a total school construction appropriation for the next fiscal year to the General Assembly.

(5) Final approval for construction aid.

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

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

(i) the project has received preliminary approval;

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

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

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

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

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

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

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

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

(6) Award of construction aid.

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

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

(b) Emergency aid. Notwithstanding any other provision of this section, the Secretary may grant aid for a project the Secretary deems to be an emergency in the amount of 30 percent of eligible project costs, up to a maximum eligible total project cost of \$300,000.00.

Sec. 15. 16 V.S.A. § 3446 is added to read:

§ 3446. APPEAL

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

Sec. 16. TRANSFER OF RULEMAKING AUTHORITY; TRANSFER OF
RULES

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

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

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

Sec. 17. REPEALS

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

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

Sec. 18. 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:

(A) is located in Vermont;

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

(C) is located within either:

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

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

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

(E) complies with the minimum class size requirements contained in subdivision 165(a)(9) 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;

(3) an independent school meeting education quality standards;

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

(5) an approved education program; or;

(6) an independent school in another state or country approved under the laws of that state or country, that complies with the reporting requirement under subsection 4010(c) of this title, a public school located in another state; or

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

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

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

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

Sec. 19. TUITION TRANSITION

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

* * * Statewide Cohesion * * *

Sec. 20. STATEWIDE COHESION; INTENT

It is the intent of the General Assembly to consolidate structures and systems that are foundational to the administration of education.

Sec. 21. AGENCY OF EDUCATION; REPORT

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

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

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

(3) A progress report regarding the development of clear, unambiguous guidance that would be provided to school officials and school board members regarding the business processes and transactions that would need to occur to facilitate school district mergers into larger, consolidated school districts,

including the merging of data systems, asset and liability transfers, and how to address collective bargaining agreements for both educators and staff. The report shall include a detailed description of how the Agency will provide support and consolidation assistance to the field in each of these areas and an estimate of the costs associated with such work.

(4) In consultation with superintendents, directors of therapeutic independent schools, special education directors, and, in the opinion of the Agency, other experts, recommendations for the need for cooperative education services and the oversight of therapeutic schools within the school governance framework both at a State and local level.

* * * State-Level Governance * * *

Sec. 22. STATE-LEVEL GOVERNANCE; INTENT

It is the intent of the General Assembly to ensure that the State Board of Education is the independent, transparent, and public facing body for public education and to ensure the Board maintains its ability provide an important outlet for the public to engage in the rulemaking process and regularly provide public comment regarding the state of Vermont's education system.

Sec. 23. 16 V.S.A. § 161 is amended to read:

§ 161. STATE BOARD OF EDUCATION; APPOINTMENT OF MEMBERS; TERM; VACANCY

The State Board shall consist of ~~ten~~ 10 members. Two of the members shall be secondary students, one of whom shall be a full member and the other of whom shall be a junior member who may not vote. ~~All Eight~~ including the two student members, shall be appointed by the Governor with the advice and consent of the Senate. One member shall be appointed by the Speaker of the House and one member shall be appointed by the Senate Committee on Committees. In the appointment of the nonstudent members, priority shall be given to the selection of persons with a demonstrated commitment to ensuring quality education for Vermont students. To the extent possible, the members shall represent the State's geographic, gender, racial, and ethnic diversity. The Secretary shall serve on the State Board as a nonvoting member.

(1) Upon the expiration of the respective terms of those members of the Board previously appointed, excluding the student members, the ~~Governor~~ appointing authority that made the initial appointment to the expired term shall, biennially in the month of February with the advice and consent of the Senate, as applicable, appoint members for terms of six years. The terms shall begin March 1 of the year in which the appointments are made. A member

serving a term of six years shall not be eligible for reappointment for successive terms.

(2) In the event of any vacancy occurring in the membership of the Board, the ~~Governor~~ appointing authority that made the initial appointment to the vacated term shall fill the vacancy with a qualified person whose appointment shall be for the unexpired portion of the term.

(3) Biennially, the Board shall choose a member of the Board to be its chair.

(4) Annually, using an application process that is open and accessible to all eligible students, the Governor shall appoint a Vermont secondary school student who will continue to be a secondary student for at least two years following taking office, to serve on the State Board for two years, beginning on July 1 of the year of appointment. The student member shall not vote during the first year and shall be a full and voting member during the second year of ~~his or her~~ the student's term.

Sec. 24. TRANSITION PERIOD APPOINTMENTS; STATE BOARD OF EDUCATION

(a) Members currently serving on the State Board of Education may continue to serve for the duration of the term to which they were appointed.

(b) Beginning on July 1, 2025, as terms of currently serving members expire, appointments of successors shall be made in accordance with the considerations and appointment authority contained in 16 V.S.A. § 161.

(1) The Speaker of the House shall make the first appointment to a vacant or expired seat that occurs after July 1, 2025 and shall make any subsequent appointments to fill the vacated or expired term for that same seat after the initial transition period appointment.

(2) The Senate Committee on Committees shall make the second appointment to a vacant or expired seat that occurs after July 1, 2025 and shall make any subsequent appointments to fill the vacated or expired term for that same seat after the initial transition period appointment.

(3) The Governor shall make the third appointment, with the advice and consent of the Senate, to a vacant or expired seat that occurs after July 1, 2025 and shall make any subsequent appointments to fill the vacated or expired term for that same seat after the initial transition period appointment.

(c) Once the first three appointments after July 1, 2025 are made in accordance with subsection (b) of this section, the Governor shall make all subsequent appointments for the remaining five non-student seats, with the advice and consent of the Senate, in accordance with 16 V.S.A. § 161.

Sec. 25. 16 V.S.A. § 162 is amended to read:

§ 162. REMOVAL OF BOARD MEMBERS

After notice and hearing, the Governor may remove a member of the State Board for incompetency, failure to discharge ~~his or her~~ the member's duties, malfeasance, illegal acts, or other cause inimical to the welfare of the public schools; and in case of such removal, ~~he or she~~ the appointing authority that made the initial appointment shall appoint a person to fill the unexpired term.

Sec. 26. STATE BOARD OF EDUCATION; REVIEW OF RULES;
APPROPRIATION

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

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

* * * Tuition * * *

Sec. 27. 16 V.S.A. § 823 is amended to read:

§ 823. ELEMENTARY TUITION

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

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

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

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

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

~~(3) the average per-pupil tuition the district pays for its other resident elementary students in the year in which the student is enrolled in the approved independent school. [Repealed.]~~

Sec. 28. REPEALS

16 V.S.A. §§ 824 (high school tuition), 825 (maximum tuition rate; calculated net cost per pupil defined), 826 (notice of tuition rates; special education charges), and 836 (tuition overcharge or undercharge) are repealed on July 1, 2029.

* * * Special Education Delivery * * *

Sec. 29. STATE OF SPECIAL EDUCATION DELIVERY; AGENCY OF EDUCATION; REPORT

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

(1) improving the delivery of special education services and managing the rising extraordinary special education costs as Vermont's special education finance system transitions from a census block grant to a weight for special education costs;

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

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

(4) ensuring that the delivery of special education is responsive to student needs; and

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

(b) The report shall include:

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

(A) disability categories served;

(B) grade levels served;

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

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

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

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

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

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

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

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

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

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

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

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

(B) an assessment of the ability of the State to ensure State resources are used in the most efficient and effective way possible to support the success of students with disabilities and their access to a free and appropriate public education;

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

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

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

(F) recommendations for whether the Agency has capacity to ensure timely review of approved independent schools and provide sufficient oversight for specialized programs in nonprofit independent schools and for-profit independent schools.

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

(9) An analysis of whether more strategic support for better primary first instruction and more successful implementation of Act 173 needs to be in place for a weighted funding model for special education to succeed, including a suggested transition timeline, with indicators, to be incorporated into the Agency's strategic plan.

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

Sec. 30. SPECIAL EDUCATION STRATEGIC PLAN; AGENCY OF EDUCATION

(a) Strategic plan. In consultation with the State Advisory Panel on Special Education established under 16 V.S.A. § 2945, the Agency of Education shall develop a three-year strategic plan for the delivery of special education services in Vermont. The strategic plan shall include unambiguous measurable outcomes and a timeline for implementation. The strategic plan shall be informed by the analysis and findings of the report required of the Agency under Sec. 29 of this act and be designed to ensure successful implementation of 2018 Acts and Resolves No. 173 (Act 173) and provide the supports and processes that need to be in place for the transition to a weighted funding model for special education to succeed, including a suggested transition timeline, with benchmarks for success. The strategic plan shall also include contingency recommendations for special education funding in the event federal special education funding under the Individuals with Disabilities Education Act, 20 U.S.C. §§ 1400–1482, is no longer available or transitions to a system that requires more planning and management on the part of the State to ensure funds are distributed equitably.

(b) Reports.

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

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

ensure a successful transition to a weighted funding model and continued successful implementation of Act 173.

Sec. 31. POSITION; AGENCY OF EDUCATION

(a) Establishment of one new permanent, classified position is authorized in the Agency of Education in fiscal year 2026, to support development and implementation of the three-year strategic plan required under Sec. 30 of this act.

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

* * * Agency of Education Transformation Support * * *

Sec. 32. AGENCY OF EDUCATION; TRANSFORMATION
APPROPRIATION

The sum of \$3,400,000.00 is appropriated from the General Fund to the Agency of Education in fiscal year 2026 to support education transformation work as follows:

(1) \$200,000.00 to support school boards transitioning to new governance models as contemplated in this act;

(2) \$562,500.00 for positions established in Sec. 33 of this act; and

(3) \$2,637,500.00 for contracted services to support school districts with administrative activities relating to consolidation, including accounting, budget and operational practice, and to support education quality activities including the alignment of curricula, instructional materials, and teaching activities.

Sec. 33. EDUCATION TRANSFORMATION; POOL POSITIONS

The General Fund appropriation in Sec. 32 of this act shall fund five limited service classified positions taken from the position pool. The pool positions shall be used to establish the following limited service classified positions at the Agency of Education in fiscal year 2026 to support education transformation work:

(1) one Business Operations Support Specialist;

(2) one Data Integration Support Specialist;

(3) one Curriculum and Education Quality Standards Integration Specialist;

(4) one Learning and Teaching Integration Specialist; and

(5) one School Facilities Field Support Specialist.

* * * State Funding of Public Education * * *

Sec. 34. 16 V.S.A. § 4001 is amended to read:

§ 4001. DEFINITIONS

As used in this chapter:

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

* * *

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

(A) ~~[Repealed.]~~

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

* * *

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

(14) ~~“Per pupil education spending” of a school district in any school year means the per pupil education spending of that school district as determined under subsection 4010(f) of this title. [Repealed.]~~

* * *

(16) “Base amount” means a per pupil cost-factor amount of \$15,033.00, which shall be adjusted for inflation annually on or before November 15 by the Secretary of Education. As used in this subdivision, “adjusted for inflation” means adjusting the base dollar amount by the National Income and Product Accounts (NIPA) implicit price deflator for state

and local government consumption expenditures and gross investment published by the U.S. Department of Commerce, Bureau of Economic Analysis, from fiscal year 2025 through the fiscal year for which the amount is being determined, and rounding upward to the nearest whole dollar amount.

(17) “Educational opportunity payment” means the base amount multiplied by the school district’s weighted long-term membership as determined under section 4010 of this title.

Sec. 35. 16 V.S.A. § 4010 is amended to read:

§ 4010. DETERMINATION OF WEIGHTED LONG-TERM MEMBERSHIP
AND PER-PUPIL EDUCATION SPENDING EDUCATION
OPPORTUNITY PAYMENT

(a) Definitions. As used in this section:

(1) “EL pupils” means pupils described under section 4013 of this title.

(2) “FPL” means the Federal Poverty Level.

(3) “Weighting categories” means the categories listed under subsection (b) of this section.

(4) “Child with a disability” has the same meaning as in section 2942 of this title.

(5) “Disability” means any of:

(A) a specific learning disability or a speech or language impairment, each of which is identified as “Category A”;

(B) an emotional disturbance, intellectual disability, developmental delay, or other health impairment, each of which is identified as “Category B”;
or

(C) autism spectrum disorder, deaf-blindness, hearing impairment, orthopedic impairment, traumatic brain injury, or visual impairment, each of which is identified as “Category C.”

(6) “English language proficiency level” means each of the English language proficiency levels published as a standardized measure of academic language proficiency in WIDA ACCESS for ELLs 2.0 and available to members of the WIDA consortium of state departments of education.

(7) “Newcomer or SLIFE” means a pupil identified as a New American or as a student with limited or interrupted formal education.

(b) Determination of average daily membership and weighting categories. On or before the first day of December during each school year, the Secretary shall determine the average daily membership, as defined in subdivision

4001(1) of this title, of each school district for the current school year and shall ~~perform the following tasks.~~

~~(1) Using~~ using average daily membership, list for each school district the number of:

~~(A) pupils in prekindergarten;~~

~~(B) pupils in kindergarten through grade five;~~

~~(C) pupils in grades six through eight;~~

~~(D) pupils in grades nine through 12;~~

~~(E)(1)~~ pupils whose families are at or below 185 percent of FPL, using the highest number of pupils in the district:

~~(i)(A)~~ that meet this definition under the universal income declaration form; or

~~(ii)(B)~~ who are directly certified for free and reduced-priced meals;
and

~~(F)(2)~~ EL pupils that have been most recently assessed at an English language proficiency level of:

(A) Level 1;

(B) Level 2 or 3;

(C) Level 4; or

(D) Level 5 or 6;

(3) EL pupils that are identified as Newcomer or SLIFE; and

(4) Children with a disability whose disability is identified as:

(A) Category A;

(B) Category B; or

(C) Category C, provided that a child with multiple disabilities shall be counted solely under this subdivision (C).

~~(2)(A) Identify all school districts that have low population density, measured by the number of persons per square mile residing within the land area of the geographic boundaries of the district as of July 1 of the year of determination, equaling:~~

~~(i) fewer than 36 persons per square mile;~~

~~(ii) 36 or more persons per square mile but fewer than 55 persons per square mile; or~~

~~(iii) 55 or more persons per square mile but fewer than 100 persons per square mile.~~

~~(B) Population density data shall be based on the best available U.S. Census data as provided to the Agency of Education by the Vermont Center for Geographic Information.~~

~~(C) Using average daily membership, list for each school district that has low population density the number of pupils in each of subdivisions (A)(i)-(iii) of this subdivision (2).~~

~~(3)(A) Identify all school districts that have one or more small schools, which are schools that have an average two-year enrollment of:~~

~~(i) fewer than 100 pupils; or~~

~~(ii) 100 or more pupils but fewer than 250 pupils.~~

~~(B) As used in subdivision (A) of this subdivision (3), "average two-year enrollment" means the average enrollment of the two most recently completed school years, and "enrollment" means the number of pupils who are enrolled in a school operated by the district on October 1. A pupil shall be counted as one whether the pupil is enrolled as a full-time or part-time student.~~

~~(C) Using average two-year enrollment, list for each school district that has a small school the number of pupils in each of subdivisions (A)(i)-(ii) of this subdivision (3).~~

(c) Reporting on weighting categories to the Agency of Education. Each school district shall annually report to the Agency of Education by a date established by the Agency the information needed in order for the Agency to compute the weighting categories under subsection (b) of this section for that district. In order to fulfill this obligation, a school district that pays public tuition on behalf of a resident student (sending district) to a public school in another school district, an approved independent school, or an out-of-state school (each a receiving school) may request the receiving school to collect this information on the sending district's resident student, and if requested, the receiving school shall provide this information to the sending district in a timely manner.

(d) Determination of weighted long-term membership. For each weighting category ~~except the small schools weighting category under subdivision (b)(3) of this section~~, the Secretary shall compute the weighting count by using the long-term membership, as defined in subdivision 4001(7) of this title, in that category.

(1) ~~The Secretary shall first apply grade level weights. Each pupil included in long-term membership shall count as one, multiplied by the following amounts:~~

- ~~(A) prekindergarten—negative 0.54;~~
- ~~(B) grades six through eight—0.36; and~~
- ~~(C) grades nine through 12—0.39. [Repealed.]~~

(2) ~~The Secretary shall next apply a weight for pupils whose family is at or below 185 percent of FPL. Each pupil included in long-term membership whose family is at or below 185 percent of FPL shall receive an additional weighting amount of 1.03~~ 1.02.

(3) ~~The Secretary shall next apply a weight for EL pupils. Each EL pupil included in long-term membership shall receive an additional weighting amount, based on the EL pupil's English language proficiency level, of 2.49:~~

- ~~(A) 2.11, if assessed as Level 1;~~
- ~~(B) 1.41, if assessed as Level 2 or 3;~~
- ~~(C) 1.20, if assessed as Level 4; or~~
- ~~(D) 0.12, if assessed as Level 5 or 6.~~

(4) ~~The Secretary shall then apply a weight for pupils living in low population density school districts. Each EL pupil that is a Newcomer or SLIFE included in long-term membership residing in a low population density school district, measured by the number of persons per square mile residing within the land area of the geographic boundaries of the district as of July 1 of the year of determination, shall receive an additional weighting amount of:~~ 0.42

- ~~(A) 0.15, where the number of persons per square mile is fewer than 36 persons;~~
- ~~(B) 0.12, where the number of persons per square mile is 36 or more but fewer than 55 persons; or~~
- ~~(C) 0.07, where the number of persons per square mile is 55 or more but fewer than 100.~~

(5) ~~The Secretary shall lastly apply a weight for pupils who attend a small school. If the number of persons per square mile residing within the land area of the geographic boundaries of a school district as of July 1 of the year of determination is 55 or fewer, then, for each pupil listed under subdivision (b)(3)(C) of this section (pupils who attend small schools) Each child with a disability included in long-term membership shall receive an~~

additional weighting amount, based on the categorization of the child's disability, of:

(A) ~~where the school has fewer than 100 pupils in average two-year enrollment, the school district shall receive an additional weighting amount of 0.21 for each pupil included in the small school's average two-year enrollment 0.79, if the disability is identified as Category A; or~~

(B) ~~where the small school has 100 or more but fewer than 250 pupils, the school district shall receive an additional weighting amount of 0.07 for each pupil included in the small school's average two-year enrollment 1.89, if the disability is identified as Category B; or~~

(C) 2.49, if the disability is identified as Category C.

(6) A school district's weighted long-term membership shall equal long-term membership plus the cumulation of the weights assigned by the Secretary under this subsection.

(e) Hold harmless. A district's weighted long-term membership shall in no case be less than 96 and one-half percent of its actual weighted long-term membership the previous year prior to making any adjustment under this subsection.

(f) ~~Determination of per pupil education spending~~ educational opportunity payment. ~~As soon as reasonably possible after a school district budget is approved by voters, the Secretary shall determine the per pupil education spending for the next fiscal year for the school district. Per pupil education spending shall equal a school district's education spending divided by its weighted long-term membership~~ The Secretary shall determine each school district's educational opportunity payment by multiplying the school district's weighted long-term membership determined under subsection (d) of this section by the base amount.

* * *

(h) Updates to weights, base amount, and transportation reimbursement. On or before January 1, ~~2027~~ 2026 and on or before January 1 of every fifth year thereafter, the Agency of Education and the Joint Fiscal Office shall calculate, based on their consensus view, updates to the weights and the base amount, including any inflationary measure, to account for cost changes underlying those weights and shall issue a written report on their work to the House and Senate Committees on Education, the House Committee on Ways and Means, and the Senate Committee on Finance. The General Assembly shall update the weights under this section, the base amount, and transportation reimbursement under section 4016 of this title not less than every five years and the implementation date for the updated weights and transportation

reimbursement shall be delayed by a year in order to provide school districts with time to prepare their budgets. Updates to the weights may include recalibration, recalculation, adding or eliminating weights, or any combination of these actions.

Sec. 36. 16 V.S.A. § 4011 is amended to read:

§ 4011. EDUCATION PAYMENTS

(a) Annually, the General Assembly shall appropriate funds to pay for ~~statewide education spending~~ each school district's educational opportunity payment and supplemental district spending, as defined in 32 V.S.A. § 5401, the small schools and sparsity support grants under section 4019 of this chapter, and a portion of a ~~base education~~ categorical base amount for each adult education and secondary credential program student.

(b) For each fiscal year, the categorical ~~base education~~ amount shall be \$6,800.00, which shall be adjusted for inflation annually on or before November 15 by the Secretary of Education. As used in this subsection, "adjusted for inflation" means adjusting the categorical base dollar amount by the National Income and Product Accounts (NIPA) implicit price deflator for state and local government consumption expenditures and gross investment published by the U.S. Department of Commerce, Bureau of Economic Analysis, from fiscal year 2005 through the fiscal year for which the amount is being determined, and rounding upward to the nearest whole dollar amount.

(c) Annually, each school district shall receive ~~an education spending payment~~ for support of education costs its educational opportunity payment determined pursuant to subsection 4010(f) of this chapter and a dollar amount equal to its supplemental district spending, if applicable to that school district, as defined in 32 V.S.A. § 5401. ~~An unorganized town or gore shall receive an amount equal to its per pupil education spending for that year for each student. No district shall receive more than its education spending amount.~~

(d) [Repealed.]

(e) [Repealed.]

(f) Annually, the Secretary shall pay to a local adult education and literacy provider, as defined in section 942 of this title, that provides an adult education and secondary credential program an amount equal to 26 percent of the categorical ~~base education~~ amount for each student who completes the diagnostic portions of the program, based on an average of the previous two years; 40 percent of the payment required under this subsection shall be from State funds appropriated from the Education Fund and 60 percent of the payment required under this subsection shall be from State funds appropriated from the General Fund.

* * *

(i) Annually, on or before October 1, the Secretary shall send to school boards for inclusion in town reports and publish on the Agency website ~~the following information:~~

~~(1) the statewide average district per pupil education spending for the current fiscal year; and~~

~~(2) a statewide comparison of student-teacher ratios among schools that are similar in number of students and number of grades.~~

Sec. 37. 16 V.S.A. § 4019 is added to read:

§ 4019. SMALL SCHOOLS; SPARSE SCHOOLS; SUPPORT GRANTS

(a) Definitions. As used in this section:

(1) "Enrollment" means the number of students 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.

(2) "Small school" means a school that:

(A) has fewer than 100 pupils in two-year average enrollment; and

(B) has been determined by the State Board of Education, on an annual basis, to be "small by necessity" under standards consistent with those submitted to the General Assembly pursuant to Sec. 7(b) of this act.

(3) "Sparse area" means a geographic area corresponding to a zip code where the number of persons per square mile residing within the land area of the geographic boundaries of the zip code as of July 1 of the year of determination is fewer than 55 persons.

(4) "Sparse school" means a school within a sparse area.

(4) "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 within 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 within 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.

Sec. 38. 16 V.S.A. § 4025 is amended to read:

§ 4025. EDUCATION FUND

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

(1) all revenue paid to the State from the statewide education tax on nonhomestead and homestead property under 32 V.S.A. chapter 135;

(2) all revenue paid to the State from the supplemental district spending tax imposed pursuant to 32 V.S.A. § 5402(f);

* * *

(b) Monies in the Education Fund shall be used for the following:

* * *

~~(3) To make payments required under 32 V.S.A. § 6066(a)(1) and only that portion attributable to education taxes, as determined by the Commissioner of Taxes, of payments required under 32 V.S.A. § 6066(a)(3). The State Treasurer shall withdraw funds from the Education Fund upon warrants issued by the Commissioner of Finance and Management based on information supplied by the Commissioner of Taxes. The Commissioner of Finance and Management may draw warrants for disbursements from the Fund in anticipation of receipts. All balances in the Fund at the end of any fiscal year shall be carried forward and remain a part of the Fund. Interest accruing from the Fund shall remain in the Fund.~~

* * *

Sec. 39. 16 V.S.A. § 4026 is amended to read:

§ 4026. EDUCATION FUND BUDGET STABILIZATION RESERVE;
~~CREATION AND PURPOSE~~

* * *

~~(e) The enactment of this chapter and other provisions of the Equal Educational Opportunity Act of which it is a part have been premised upon~~

~~estimates of balances of revenues to be raised and expenditures to be made under the act for such purposes as education spending payments, categorical State support grants, provisions for property tax income sensitivity, payments in lieu of taxes, current use value appraisals, tax stabilization agreements, the stabilization reserve established by this section, and for other purposes. If the stabilization reserve established under this section should in any fiscal year be less than 5.0 percent of the prior fiscal year's appropriations from the Education Fund, as defined in subsection (b) of this section, the Joint Fiscal Committee shall review the information provided pursuant to 32 V.S.A. § 5402b and provide the General Assembly its recommendations for change necessary to restore the stabilization reserve to the statutory level provided in subsection (b) of this section.~~

Sec. 40. 16 V.S.A. § 4028 is amended to read:

§ 4028. FUND PAYMENTS TO SCHOOL DISTRICTS

(a) ~~On or before September 10, December 10, and April 30 of each school year, one-third of the education spending payment under section 4011 of this title each school district's educational opportunity payment as determined under subsection 4010(f) of this chapter and supplemental district spending, as defined in 32 V.S.A. § 5401, shall become due to school districts, except that districts that have not adopted a budget by 30 days before the date of payment under this subsection shall receive one-quarter of the base education amount and upon adoption of a budget shall receive additional amounts due under this subsection.~~

(b) Payments made for special education under chapter 101 of this title, for career technical education under chapter 37 of this title, and for other aid and categorical grants paid for support of education shall also be from the Education Fund.

~~(c)(1) Any district that has adopted a school budget that includes high spending, as defined in 32 V.S.A. § 5401(12), shall, upon timely notice, be authorized to use a portion of its high spending penalty to reduce future education spending;~~

~~(A) by entering into a contract with an operational efficiency consultant or a financial systems consultant to examine issues such as transportation arrangements, administrative costs, staffing patterns, and the potential for collaboration with other districts;~~

~~(B) by entering into a contract with an energy or facilities management consultant; or~~

~~(C) by engaging in discussions with other school districts about reorganization or consolidation for better service delivery at a lower cost.~~

~~(2) To the extent approved by the Secretary, the Agency shall pay the district from the property tax revenue to be generated by the high spending increase to the district's spending adjustment as estimated by the Secretary, up to a maximum of \$5,000.00. For the purposes of this subsection, "timely notice" means written notice from the district to the Secretary by September 30 of the budget year. If the district enters into a contract with a consultant pursuant to this subsection, the consultant shall not be an employee of the district or of the Agency. A copy of the consultant's final recommendations or a copy of the district's recommendations regarding reorganization, as appropriate, shall be submitted to the Secretary, and each affected town shall include in its next town report an executive summary of the consultant's or district's final recommendations and notice of where a complete copy is available. No district is authorized to obtain funds under this section more than one time in every five years. [Repealed.]~~

* * *

Sec. 41. 16 V.S.A. § 563 is amended to read:

§ 563. POWERS OF SCHOOL BOARDS; FORM OF VOTE

The school board of a school district, in addition to other duties and authority specifically assigned by law:

* * *

(11)(A) Shall prepare and distribute annually a proposed budget for the next school year according to such major categories as may from time to time be prescribed by the Secretary.

(B) [Repealed.]

(C) At a school district's annual or special meeting, the electorate may vote to provide notice of availability of the school budget required by this subdivision to the electorate in lieu of distributing the budget. If the electorate of the school district votes to provide notice of availability, it must specify how notice of availability shall be given, and such notice of availability shall be provided to the electorate at least 30 days before the district's annual meeting. The proposed budget shall be prepared and distributed at least ~~ten~~ 10 days before a sum of money is voted on by the electorate. Any proposed budget shall show the following information in a format prescribed by the Secretary:

(i) all revenues from all sources, and expenses, including as separate items any assessment for a supervisory union of which it is a member and any tuition to be paid to a career technical center; and including the report

required in subdivision 242(4)(D) of this title itemizing the component costs of the supervisory union assessment;

(ii) the specific amount of any deficit incurred in the most recently closed fiscal year and how the deficit was or will be remedied;

(iii) the anticipated homestead tax rate and ~~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~~ nonhomestead tax rate; and

(iv) the definition of “education spending supplemental district spending,” ~~the number of pupils and number of equalized pupils in long-term membership of the school district, and the district’s education spending per equalized pupil~~ supplemental district spending in the proposed budget and in each of the prior three years; and

(v) the supplemental district spending yield.

(D) The board shall present the budget to the voters by means of a ballot in the following form:

“Article #1 (School Budget):

Shall the voters of the school district approve the school board to expend \$ _____, which is the amount the school board has determined to be necessary in excess of the school district’s educational opportunity payment for the ensuing fiscal year?

The _____ District estimates that this proposed budget, if approved, will result in per pupil education supplemental district spending of \$_____, which is _____% higher/lower than per pupil education supplemental district spending for the current year, and a supplemental district spending tax rate of _____ per \$100.00 of equalized education property value.”

* * *

Sec. 42. REPEALS

(a) 16 V.S.A. § 4031 (unorganized towns and gores) is repealed.

(b) 2022 Acts and Resolves No. 127, Sec. 8 (suspension of excess spending penalty, hold harmless provision, and ballot language requirement) is repealed.

(c) 16 V.S.A. § 2961 (census grant; special education) is repealed.

Sec. 43. 16 V.S.A. § 4032 is added to read

§ 4032. SUPPLEMENTAL DISTRICT SPENDING RESERVE

(a) There is hereby created the Supplemental District Spending Reserve within the Education Fund. Any recapture, as defined in 32 V.S.A. § 5401, paid to the Education Fund as part of the revenue from the supplemental district spending tax imposed pursuant to 32 V.S.A. § 5402(f) shall be reserved within the Supplemental District Spending Reserve.

(b) In any fiscal year in which the amounts raised through the supplemental district spending tax imposed pursuant to 32 V.S.A. § 5402(f) are insufficient to cover payment to each school district of its supplemental district spending, the Supplemental District Spending Reserve shall be used by the Commissioner of Finance and Management to the extent necessary to offset the deficit as determined by generally accepted accounting principles.

(c) Any funds remaining in the Supplemental District Spending Reserve at the close of the fiscal year after accounting for the process under subsection (b) of this section shall be transferred into the School Construction Aid Special Fund established in section 3444 of this title.

Sec. 44. AGENCY OF EDUCATION; TRANSPORTATION
REIMBURSEMENT GUIDELINES

On or before December 15, 2025, the Agency of Education shall submit a written report to the House Committees on Ways and Means and on Education and the Senate Committees on Finance and on Education on clear and equitable guidelines for minimum transportation to be provided and covered by transportation reimbursement grant under 16 V.S.A. § 4016 as part of Vermont's education transformation.

Sec. 45. REPORTS; JOINT FISCAL OFFICE; INFLATIONARY
MEASURES; PREKINDERGARTEN EDUCATION FUNDING

(a) On or before December 15, 2025, the Joint Fiscal Office shall submit a report to the House Committees on Ways and Means and on Education and the Senate Committees on Finance and on Education that analyzes the National Income and Product Accounts (NIPA) implicit price deflator for state and local government consumption expenditures and gross investment published by the U.S. Department of Commerce, Bureau of Economic Analysis, and alternative inflationary measures that may be applied to state education funding systems. As part of the report, the Joint Fiscal Office shall analyze options and provide considerations for selecting an inflationary measure appropriate to Vermont's education funding system.

(b) On or before December 15, 2025, the Joint Fiscal Office shall submit a report to the House Committee on Ways and Means, the Senate Committee on Finance, and the House and Senate Committees on Education on the current funding systems for prekindergarten education, the Child Care Financial Assistance Program, or any other early care and learning systems. The report shall review financial incentives in these existing early care and learning systems. As part of the report, the Joint Fiscal Office shall provide considerations for changing the funding streams associated with these early care and learning systems to align with the education transformation initiatives envisioned in this act.

Sec. 45a. FOUNDATION FORMULA; JOINT FISCAL OFFICE; REPORT

(a) The Joint Fiscal Office shall contract with a contractor with expertise in Vermont's education funding system to develop a cost-factor foundation formula for Vermont's education system that includes tiered weights for CTE, English learners, and special education, and any other weights determined to be empirically necessary for an adequate and equitable education. The contractor shall recommend suitable geographic measures for determining sparsity within the foundation formula and shall specifically address the effects of using zip code as a geographic measure. The report shall include a detailed explanation of the analysis of the work done to arrive at the recommended weights and whether it costs more to educate a secondary student than an elementary student in Vermont. The contractor shall submit the foundation formula and analysis of geographic measures to the House Committee on Ways and Means, the Senate Committee on Finance, and the House and Senate Committees on Education on or before December 1, 2026.

(b) The sum of \$150,000.00 is appropriated to the Joint Fiscal Office from the General Fund in fiscal year 2026 to hire a consultant for the purposes in subsection (a) of this section.

Sec. 45b. EDUCATIONAL OPPORTUNITY PAYMENTS; TRANSITION;
FYS 2030–2033

(a) Notwithstanding 16 V.S.A. § 4001(16), in each of fiscal years 2030, 2031, 2032, and 2033, 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 2030, the transition gap multiplied by 0.80;
- (2) in fiscal year 2031, the transition gap multiplied by 0.60;
- (3) in fiscal year 2032, the transition gap multiplied by 0.40; and

(4) in fiscal year 2033, the transition gap multiplied by 0.20.

(b) As used in this section:

(1) “Adjusted for inflation” means adjusting the school district’s education spending by the National Income and Product Accounts (NIPA) implicit price deflator for state and local government consumption expenditures and gross investment published by the U.S. Department of Commerce, Bureau of Economic Analysis, from fiscal year 2028 through the fiscal year for which the amount is being determined and rounding upward to the nearest whole dollar amount.

(2) “Transition gap” means the amount, whether positive or negative, that results from subtracting the school district’s educational opportunity payment as calculated pursuant to 16 V.S.A. § 4010(f) from the school district’s education spending in fiscal year 2028, as adjusted for inflation. The school district’s education spending shall be adjusted for inflation annually on or before November 15 by the Secretary of Education.

Sec. 45c. 32 V.S.A. § 5414 is amended to read:

§ 5414. CREATION; EDUCATION FUND ADVISORY COMMITTEE

* * *

(e) Meetings.

(1) The Commissioner of Taxes shall call the first meeting of the Committee to occur on or before July 15, 2025 2027.

* * *

* * * Education Property Tax Rate Formula * * *

Sec. 46. 32 V.S.A. § 5401 is amended to read:

§ 5401. DEFINITIONS

As used in this chapter:

* * *

(8) ~~“Education spending” means “education spending” as defined in 16 V.S.A. § 4001(6).~~ [Repealed.]

* * *

(12) “Excess spending” means:

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

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

~~(13)(A) "Education property tax spending adjustment" means the greater of one or a fraction in which the numerator is the district's per pupil education spending plus excess spending for the school year, and the denominator is the property dollar equivalent yield for the school year, as defined in subdivision (15) of this section.~~

~~(B) "Education income tax spending adjustment" means the greater of one or a fraction in which the numerator is the district's per pupil education spending plus excess spending for the school year, and the denominator is the income dollar equivalent yield for the school year, as defined in subdivision (16) of this section. [Repealed.]~~

* * *

~~(15) "Property dollar equivalent yield" means the amount of per pupil education spending that would result if the homestead tax rate were \$1.00 per \$100.00 of equalized education property value and the statutory reserves under 16 V.S.A. § 4026 and section 5402b of this title were maintained. [Repealed.]~~

~~(16) "Income dollar equivalent yield" means the amount of per pupil education spending that would result if the income percentage in subdivision 6066(a)(2) of this title were 2.0 percent and the statutory reserves under 16 V.S.A. § 4026 and section 5402b of this title were maintained. [Repealed.]~~

~~(17) "Statewide adjustment" means the ratio of the aggregate education property tax grand list of all municipalities to the aggregate value of the equalized education property tax grand list of all municipalities. [Repealed.]~~

~~(18) "Recapture" means the amount of revenue raised through imposition of the supplemental district spending tax pursuant to subsection 5402(f) of this chapter that is in excess of the school district's supplemental district spending.~~

~~(19) "Supplemental district spending" means the spending that the voters of a school district approve in excess of the school district's educational opportunity payment, as defined in 16 V.S.A. § 4001(17), for the fiscal year, provided that the voters of a school district other than an interstate school~~

district shall not approve spending in excess of 10 percent of the product of the base amount, as defined in 16 V.S.A. § 4001(16), and the school district's long-term membership, as defined in 16 V.S.A. § 4001(7).

(20) "Supplemental district spending yield" means the amount of property tax revenue per long-term membership as defined in 16 V.S.A. § 4001(7) that would be raised in the school district with the lowest taxing capacity using a supplemental district spending tax rate of \$1.00 per \$100.00 of equalized education property value.

(21) "Per pupil supplemental district spending" means the per pupil amount of supplemental district spending resulting from dividing a school district's supplemental district spending by its long-term membership as defined in 16 V.S.A. § 4001(7).

(22) "School district with the lowest taxing capacity" means the school district other than an interstate school district anticipated to have the lowest aggregate equalized education property tax grand list of its municipal members per long-term membership as defined in 16 V.S.A. § 4001(7) in the following fiscal year.

Sec. 47. 32 V.S.A. § 5402 is amended to read:

§ 5402. EDUCATION PROPERTY TAX LIABILITY

(a) A statewide education tax is imposed on all nonhomestead and homestead property at the following rates:

~~(1) The tax rate for nonhomestead property shall be \$1.59 per \$100.00 divided by the statewide adjustment.~~

~~(2) The tax rate for homestead property shall be \$1.00 multiplied by the education property tax spending adjustment for the municipality per \$100.00 of equalized education property value as most recently determined under section 5405 of this title. The homestead property tax rate for each municipality that is a member of a union or unified union school district shall be calculated as required under subsection (e) of this section. a uniform tax rate for nonhomestead property and a uniform tax rate for homestead property set sufficient to cover expenditures from the Education Fund other than supplemental district spending, after accounting for the forecasted available revenues. It is the intention of the General Assembly that the nonhomestead property tax rate and the homestead property tax rate under this section shall be adopted for each fiscal year by act of the General Assembly.~~

(b) The statewide education tax shall be calculated as follows:

(1) The Commissioner of Taxes shall determine for each municipality the education tax rates under subsection (a) of this section divided by the

~~number resulting from dividing the municipality's most recent common level of appraisal by the statewide adjustment.~~ The legislative body in each municipality shall then bill each property taxpayer at the homestead or nonhomestead rate determined by the Commissioner under this subdivision, multiplied by the education property tax grand list value of the property, properly classified as homestead or nonhomestead property and without regard to any other tax classification of the property not authorized under this chapter. Statewide education property tax bills shall show the tax due and the calculation of the rate determined under subsection (a) of this section, divided by ~~the number resulting from dividing the municipality's most recent common level of appraisal by the statewide adjustment~~, multiplied by the current grand list value of the property to be taxed. Statewide education property tax bills shall also include language provided by the Commissioner pursuant to subsection 5405(g) of this title.

(2) Taxes assessed under this section shall be assessed and collected in the same manner as taxes assessed under chapter 133 of this title with no tax classification other than as homestead or nonhomestead property; provided, however, that the tax levied under this chapter shall be billed to each taxpayer by the municipality in a manner that clearly indicates the tax is separate from any other tax assessed and collected under chapter 133, including an itemization of the separate taxes due. The bill may be on a single sheet of paper with the statewide education tax and other taxes presented separately and side by side.

~~(3) If a district has not voted a budget by June 30, an interim homestead education tax shall be imposed at the base rate determined under subdivision (a)(2) of this section, divided by the number resulting from dividing the municipality's most recent common level of appraisal by the statewide adjustment, but without regard to any spending adjustment under subdivision 5401(13) of this title. Within 30 days after a budget is adopted and the deadline for reconsideration has passed, the Commissioner shall determine the municipality's homestead tax rate as required under subdivision (1) of this subsection. [Repealed.]~~

(c)(1) The treasurer of each municipality shall by December 1 of the year in which the tax is levied and on June 1 of the following year pay to the State Treasurer for deposit in the Education Fund one-half of the municipality's statewide nonhomestead tax and one-half of the municipality's homestead education tax, as determined under subdivision (b)(1) of this section.

(2) The Secretary of Education shall determine each municipality's net nonhomestead education tax payment and its net homestead education tax payment to the State based on grand list information received by the Secretary

not later than the March 15 prior to the June 1 net payment. Payment shall be accompanied by a return prescribed by the Secretary of Education. Each municipality may retain 0.225 of one percent of the total education tax collected, only upon timely remittance of net payment to the State Treasurer or to the applicable school district or districts.

(d) [Repealed.]

(e) ~~The Commissioner of Taxes shall determine a homestead education tax rate for each municipality that is a member of a union or unified union school district as follows:~~

~~(1) For a municipality that is a member of a unified union school district, use the base rate determined under subdivision (a)(2) of this section and a spending adjustment under subdivision 5401(13) of this title based upon the per pupil education spending of the unified union.~~

~~(2) For a municipality that is a member of a union school district:~~

~~(A) Determine the municipal district homestead tax rate using the base rate determined under subdivision (a)(2) of this section and a spending adjustment under subdivision 5401(13) of this title based on the per pupil education spending in the municipality who attends a school other than the union school.~~

~~(B) Determine the union district homestead tax rate using the base rate determined under subdivision (a)(2) of this section and a spending adjustment under subdivision 5401(13) of this title based on the per pupil education spending of the union school district.~~

~~(C) Determine a combined homestead tax rate by calculating the weighted average of the rates determined under subdivisions (A) and (B) of this subdivision (2), with weighting based upon the ratio of union school long-term membership, as defined in 16 V.S.A. § 4001(7), from the member municipality to total long-term membership of the member municipality; and the ratio of long-term membership attending a school other than the union school to total long-term membership of the member municipality. Total long-term membership of the member municipality is based on the number of pupils who are legal residents of the municipality and attending school at public expense. If necessary, the Commissioner may adopt a rule to clarify and facilitate implementation of this subsection (e). [Repealed.]~~

(f)(1) A supplemental district spending tax is imposed on all homestead and nonhomestead property in each member municipality of a school district that approves spending pursuant to a budget presented to the voters of a school district under 16 V.S.A. § 563. The Commissioner of Taxes shall determine the supplemental district spending tax rate for each school district by dividing

the school district's per pupil supplemental district spending as certified by the Secretary of Education by the supplemental district spending yield. The legislative body in each member municipality shall then bill each property taxpayer at the rate determined by the Commissioner under this subsection, divided by the municipality's most recent common level of appraisal and multiplied by the current grand list value of the property to be taxed. The bill shall show the tax due and the calculation of the rate.

(2) The supplemental district spending tax assessed under this subsection shall be assessed and collected in the same manner as taxes assessed under chapter 133 of this title with no tax classification other than as homestead or nonhomestead property; provided, however, that the tax levied under this chapter shall be billed to each taxpayer by the municipality in a manner that clearly indicates the tax is separate from any other tax assessed and collected under chapter 133 and the statewide education property tax under this section, including an itemization of the separate taxes due. The bill may be on a single sheet of paper with the supplemental district spending tax, the statewide education tax, and other taxes presented separately and side by side.

(3) The treasurer of each municipality shall on or before December 1 of the year in which the tax is levied and on or before June 1 of the following year pay to the State Treasurer for deposit in the Education Fund one-half of the municipality's supplemental district spending tax, as determined under subdivision (1) of this subsection.

(4) The Secretary of Education shall determine each municipality's net supplemental district spending tax payment to the State based on grand list information received by the Secretary not later than the March 15 prior to the June 1 net payment. Payment shall be accompanied by a return prescribed by the Secretary of Education. Each municipality may retain 0.225 of one percent of the total supplemental district spending tax collected, only upon timely remittance of net payment to the State Treasurer or to the applicable school district.

Sec. 48. 32 V.S.A. § 5402b is amended to read:

§ 5402b. STATEWIDE EDUCATION TAX ~~YIELDS~~ RATES;
SUPPLEMENTAL DISTRICT SPENDING YIELD;
RECOMMENDATION OF THE COMMISSIONER

(a) Annually, not later than December 1, the Commissioner of Taxes, after consultation with the Secretary of Education, the Secretary of Administration, and the Joint Fiscal Office, shall calculate and recommend a ~~property dollar equivalent yield, an income dollar equivalent yield, and a nonhomestead property tax rate,~~ a homestead property tax rate, and the supplemental district

spending yield for the following fiscal year. In making these calculations, the Commissioner shall assume: the statutory reserves are maintained at five percent pursuant to 16 V.S.A. § 4026 and the amounts in the Supplemental District Spending Reserve are unavailable for any purpose other than that specified in 16 V.S.A. § 4032(b)

~~(1) the homestead base tax rate in subdivision 5402(a)(2) of this title is \$1.00 per \$100.00 of equalized education property value;~~

~~(2) the applicable percentage in subdivision 6066(a)(2) of this title is 2.0;~~

~~(3) the statutory reserves under 16 V.S.A. § 4026 and this section were maintained at five percent;~~

~~(4) the percentage change in the average education tax bill applied to nonhomestead property and the percentage change in the average education tax bill of homestead property and the percentage change in the average education tax bill for taxpayers who claim a credit under subsection 6066(a) of this title are equal;~~

~~(5) the equalized education grand list is multiplied by the statewide adjustment in calculating the property dollar equivalent yield; and~~

~~(6) the nonhomestead rate is divided by the statewide adjustment.~~

~~(b) For each fiscal year, the property dollar equivalent supplemental district spending yield and the income dollar equivalent yield shall be the same as in the prior fiscal year, unless set otherwise by the General Assembly.~~

* * *

~~(d) Along with the recommendations made under this section, the Commissioner shall include:~~

~~(1) the base amount as defined in 16 V.S.A. § 4001(16);~~

~~(2) for each school district, the estimated long-term membership, weighted long-term membership, and aggregate equalized education property tax grand list of its municipal members;~~

~~(3) for each school district, the estimated aggregate equalized education property tax grand list of its municipal members per long-term membership;~~

~~(4) the estimated school district with the lowest taxing capacity; and~~

~~(5) the range of per pupil supplemental district spending between all districts in the State for the previous year.~~

* * *

Sec. 48a. HOMESTEAD PROPERTY TAX RATE; TRANSITION; FYS
2030–2033

(a) Notwithstanding 32 V.S.A. § 5402, in each of fiscal years 2030, 2031, 2032, and 2033, 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 2030, the transition gap multiplied by 0.80;
- (2) in fiscal year 2031, the transition gap multiplied by 0.60;
- (3) in fiscal year 2032, the transition gap multiplied by 0.40; and
- (4) in fiscal year 2033, 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 2030 were it calculated assuming no tax rate transition under this section from the homestead property tax rate for the school district in fiscal year 2029.

* * * Conforming Revisions; Statewide Property Tax Rate * * *

Sec. 49. 32 V.S.A. § 5404a(b)(1) is amended to read:

(b)(1) An agreement affecting the education property tax grand list defined under subsection (a) of this section shall reduce the municipality’s education property tax liability under this chapter for the duration of the agreement or exemption without extension or renewal, and for a maximum of 10 years. A municipality’s property tax liability under this chapter shall be reduced by any difference between the amount of the education property taxes collected on the subject property and the amount of education property taxes that would have been collected on such property if its fair market value were taxed at the equalized ~~nonhomestead~~ rate for the tax year.

Sec. 50. 32 V.S.A. § 5405(g) is amended to read:

(g) The Commissioner shall provide to municipalities for the front of property tax bills the ~~district~~ homestead property tax rate before equalization, the ~~nonresidential~~ nonhomestead property tax rate before equalization, and the calculation process that creates the equalized homestead and nonhomestead tax rates. The Commissioner shall further provide to municipalities for the back of property tax bills an explanation of the common level of appraisal, including its origin and purpose.

* * * Statewide Property Tax Credit Repeal; Homestead Exemption
Created * * *

Sec. 51. 32 V.S.A. § 5400 is amended to read:

§ 5400. STATUTORY PURPOSES

* * *

(c) The statutory purpose of the exemption for qualified housing in subdivision 5404a(a)(6) of this title is to ensure that taxes on this rent-restricted housing provided to Vermonters of low and moderate income are more equivalent to property taxed using the State as a homestead rate property and to adjust the costs of investment in rent-restricted housing to reflect more accurately the revenue potential of such property.

* * *

(j) The statutory purpose of the homestead property tax exemption in subdivision 6066(a)(1) of this title is to reduce the property tax liability for Vermont households with low and moderate household income.

Sec. 52. 32 V.S.A. chapter 154 is amended to read:

CHAPTER 154. HOMESTEAD PROPERTY TAX EXEMPTION,
MUNICIPAL PROPERTY TAX CREDIT, AND RENTER CREDIT

§ 6061. DEFINITIONS

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

(1) ~~“Property Municipal property tax credit” means a credit of the prior tax year’s statewide or municipal property tax liability or a homestead owner credit, as authorized under section subdivision 6066(a)(2) of this title, as the context requires chapter.~~

* * *

(8) ~~“Annual tax levy” means the property taxes levied on property taxable on April 1 and without regard to the year in which those taxes are due or paid. [Repealed.]~~

(9) “Taxable year” means the calendar year preceding the year in which the claim is filed.

(10) [Repealed.]

(11) “Housesite” means that portion of a homestead, as defined under subdivision 5401(7) of this title but not under subdivision 5401(7)(G) of this title, that includes as much of the land owned by the claimant surrounding the dwelling as is reasonably necessary for use of the dwelling as a home, but in

no event more than two acres per dwelling unit, and, in the case of multiple dwelling units, not more than two acres per dwelling unit up to a maximum of 10 acres per parcel.

(12) "Claim year" means the year in which a claim is filed under this chapter.

(13) "Homestead" means a homestead as defined under subdivision 5401(7) of this title, but not under subdivision 5401(7)(G) of this title, and declared on or before October 15 in accordance with section 5410 of this title.

(14) ~~"Statewide education tax rate" means the homestead education property tax rate multiplied by the municipality's education spending adjustment under subdivision 5402(a)(2) of this title and used to calculate taxes assessed in the municipal fiscal year that began in the taxable year.~~
[Repealed.]

* * *

(21) "Homestead property tax exemption" means a reduction in the amount of housesite value subject to the statewide education tax and the supplemental district spending tax in the claim year as authorized under sections 6066 and 6066a of this chapter.

§ 6062. NUMBER AND IDENTITY OF CLAIMANTS; APPORTIONMENT

* * *

(d) Whenever a housesite is an integral part of a larger unit such as a farm or a multi-purpose or multi-dwelling building, property taxes paid shall be that percentage of the total property tax as the value of the housesite is to the total value. Upon a claimant's request, the listers shall certify to the claimant the value of ~~his or her~~ the claimant's homestead and housesite.

* * *

§ 6063. CLAIM AS PERSONAL; CREDIT AND EXEMPTION AMOUNT AT TIME OF TRANSFER

(a) The right to file a claim under this chapter is personal to the claimant and shall not survive ~~his or her~~ the claimant's death, but the right may be exercised on behalf of a claimant by ~~his or her~~ the claimant's legal guardian or attorney-in-fact. When a claimant dies after having filed a timely claim, the municipal property tax credit and the homestead exemption amount shall be credited applied to the ~~homestead~~ property tax liability of the claimant's estate as provided in section 6066a of this title.

(b) In case of sale or transfer of a residence, after April 1 of the claim year:

(1) any municipal property tax credit ~~amounts~~ amount related to that residence shall be allocated to the ~~seller~~ transferor at closing unless the parties otherwise agree;

(2) any homestead property tax exemption related to that residence based on the transferor's household income under subdivision 6066(a)(1) of this chapter shall cease to be in effect upon transfer; and

(3) a transferee who is eligible to declare the residence as a homestead but for the requirement to own the residence on April 1 of the claim year shall, notwithstanding subdivision 5401(7) and subsection 5410(b) of this title, be eligible to apply for a homestead property tax exemption in the claim year when the transfer occurs by filing with the Commissioner of Taxes a homestead declaration pursuant to section 5410 of this title and a claim for exemption on or before the due date prescribed under section 6068 of this chapter.

* * *

§ 6065. FORMS; TABLES; NOTICES

(a) In administering this chapter, the Commissioner shall provide suitable claim forms with tables of allowable claims, instructions, and worksheets for claiming a homestead property tax exemption and municipal property tax credit.

(b) Prior to June 1, the Commissioner shall also prepare and supply to each town in the State notices describing the homestead property tax exemption and municipal property tax credit for inclusion in property tax bills. The notice shall be in simple, plain language and shall explain how to file for a homestead property tax exemption and a municipal property tax credit, where to find assistance filing for a credit or an exemption, or both, and any other related information as determined by the Commissioner. The notice shall direct taxpayers to a resource where they can find versions of the notice translated into the five most common non-English languages in the State. A town shall include such notice in each tax bill and notice of delinquent taxes that it mails to taxpayers who own in that town a residential property, without regard for whether the property was declared a homestead pursuant to subdivision 5401(7) of this title.

(c) Notwithstanding the provisions of subsection (b) of this section, towns that use envelopes or mailers not able to accommodate notices describing the homestead property tax exemption and municipal property tax credit may distribute such notices in an alternative manner.

§ 6066. COMPUTATION OF HOMESTEAD PROPERTY TAX
EXEMPTION, MUNICIPAL PROPERTY TAX CREDIT, AND
RENTER CREDIT

(a) ~~An eligible claimant who owned the homestead on April 1 of the year in which the claim is filed shall be entitled to a credit for the prior year's homestead property tax liability amount determined as follows:~~

~~(1)(A) For a claimant with household income of \$90,000.00 or more:~~

~~(i) the statewide education tax rate, multiplied by the equalized value of the housesite in the taxable year;~~

~~(ii) minus (if less) the sum of:~~

~~(I) the income percentage of household income for the taxable year; plus~~

~~(II) the statewide education tax rate, multiplied by the equalized value of the housesite in the taxable year in excess of \$225,000.00.~~

~~(B) For a claimant with household income of less than \$90,000.00 but more than \$47,000.00, the statewide education tax rate, multiplied by the equalized value of the housesite in the taxable year, minus (if less) the sum of:~~

~~(i) the income percentage of household income for the taxable year; plus~~

~~(ii) the statewide education tax rate, multiplied by the equalized value of the housesite in the taxable year in excess of \$400,000.00.~~

~~(C) For a claimant whose household income does not exceed \$47,000.00, the statewide education tax rate, multiplied by the equalized value of the housesite in the taxable year, minus the lesser of:~~

~~(i) the sum of the income percentage of household income for the taxable year plus the statewide education tax rate, multiplied by the equalized value of the housesite in the taxable year in excess of \$400,000.00; or~~

~~(ii) the statewide education tax rate, multiplied by the equalized value of the housesite in the taxable year reduced by \$15,000.00.~~

~~(2) "Income percentage" in this section means two percent, multiplied by the education income tax spending adjustment under subdivision 5401(13)(B) of this title for the property tax year that begins in the claim year for the municipality in which the homestead residence is located~~

(1) An eligible claimant who owned the homestead on April 1 of the claim year and whose household income does not exceed \$100,000.00 shall be entitled to a homestead property tax exemption in the claim year in an amount determined as follows:

<u>If household income (rounded to the nearest dollar) is:</u>	<u>then the claimant is entitled to a homestead property tax exemption against the first \$425,000.00 in housesite value of this percent:</u>
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<u>\$0.00 — 9,999.00</u>	<u>99.00</u>
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<u>\$10,000.00 — 14,999.00</u>	<u>97.00</u>
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<u>\$15,000.00 — 24,999.00</u>	<u>95.00</u>
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<u>\$25,000.00 — 39,999.00</u>	<u>90.00</u>
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<u>\$40,000.00 — 44,999.00</u>	<u>85.00</u>
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<u>\$45,000.00 — 49,999.00</u>	<u>80.00</u>
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<u>If household income (rounded to the nearest dollar) is:</u>	<u>then the claimant is entitled to a homestead property tax exemption against the first \$400,000.00 in housesite value of this percent:</u>
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<u>\$50,000.00 — 54,999.00</u>	<u>75.00</u>
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<u>\$55,000.00 — 59,999.00</u>	<u>65.00</u>
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<u>\$60,000.00 — 64,999.00</u>	<u>55.00</u>
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<u>\$65,000.00 — 69,999.00</u>	<u>45.00</u>
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<u>\$70,000.00 — 74,999.00</u>	<u>35.00</u>
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<u>\$75,000.00 — 79,999.00</u>	<u>25.00</u>
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<u>\$80,000.00 — 84,999.00</u>	<u>20.00</u>
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<u>\$85,000.00 — 89,999.00</u>	<u>15.00</u>
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<u>\$90,000.00 — 94,999.00</u>	<u>10.00</u>
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<u>\$95,000.00 — 100,000.00</u>	<u>5.00</u>
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(3)(2) A An eligible claimant who owned the homestead on April 1 of the claim year and whose household income does not exceed \$47,000.00 shall also be entitled to an additional a credit amount from against the claimant's municipal taxes for the upcoming fiscal year that is equal to the amount by

which the municipal property taxes for the municipal fiscal year that began in the taxable year upon the claimant's housesite exceeds a percentage of the claimant's household income for the taxable year as follows:

If household income (rounded to the nearest dollar) is:	then the taxpayer is entitled to credit for the reduced property tax in excess of this percent of that income:
\$0.00 — 9,999.00	1.50
\$10,000.00 — 47,000.00	3.00

~~(4) A claimant whose household income does not exceed \$47,000.00 shall also be entitled to an additional credit amount from the claimant's statewide education tax for the upcoming fiscal year that is equal to the amount by which the education property tax for the municipal fiscal year that began in the taxable year upon the claimant's housesite, reduced by the credit amount determined under subdivisions (1) and (2) of this subsection, exceeds a percentage of the claimant's household income for the taxable year as follows:~~

If household income (rounded to the nearest dollar) is:	then the taxpayer is entitled to credit for the reduced property tax in excess of this percent of that income:
\$0.00 — 9,999.00	0.5
\$10,000.00 — 24,999.00	1.5
\$25,000.00 — 47,000.00	2.0

~~(5)(3) In no event shall the homestead property tax exemption provided for in subdivision (1) of this subsection reduce the housesite value below zero. In no event shall the municipal property tax credit provided for in subdivision (3) or (4)(2) of this subsection exceed the amount of the reduced municipal property tax. The credits under subdivision (4) of this subsection shall be calculated considering only the tax due on the first \$400,000.00 in equalized housesite value.~~

(4) Each dollar amount in subdivision (1) of this subsection shall be adjusted for inflation annually on or before November 15 by the Commissioner of Taxes. As used in this subdivision, "adjusted for inflation" means adjusting the dollar amount by the National Income and Product Accounts (NIPA) implicit price deflator for state and local government consumption expenditures and gross investment published by the U.S. Department of Commerce, Bureau of Economic Analysis, from fiscal year

2025 through the fiscal year for which the amount is being determined and rounding upward to the nearest whole dollar amount.

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

* * *

(c) To be eligible for an ~~adjustment~~ exemption or credit under this chapter, the claimant:

(1) must have been domiciled in this State during the entire taxable year;

(2) may not be a person claimed as a dependent by any taxpayer under the federal Internal Revenue Code during the taxable year; and

(3) in the case of a renter, shall have rented property for at least six calendar months, which need not be consecutive, during the taxable year.

(d) The owner of a mobile home that is sited on a lot not owned by the homeowner may include an amount determined under subdivision 6061(7) of this title as allocable rent paid on the lot with the amount of property taxes paid by the homeowner on the home for the purpose of computation of ~~credits~~ the municipal property tax credit under subdivision (a)(3)(2) of this section, unless the homeowner has included in the claim an amount of property tax on common land under the provisions of subsection (e) of this section.

(e) Property taxes paid by a cooperative, not including a mobile home park cooperative, allocable to property used as a homestead shall be attributable to the co-op member for the purpose of computing the ~~credit~~ of property tax liability of the co-op member under this section. Property owned by a cooperative declared as a homestead may only include the homestead and a pro rata share of any common land owned or leased by the cooperative, not to exceed the two-acre housesite limitation. The share of the cooperative's assessed value attributable to the housesite shall be determined by the cooperative and specified annually in a notice to the co-op member. Property taxes paid by a mobile home park cooperative, allocable to property used as a housesite, shall be attributed to the owner of the housesite for the purpose of computing the ~~credit~~ of property tax liability of the housesite owner under this section. Property owned by the mobile home park cooperative and declared as a housesite may only include common property of the cooperative contiguous with at least one mobile home lot in the park, not to exceed the two-acre housesite limitation. The share attributable to any mobile home lot shall be determined by the cooperative and specified in the cooperative agreement. A co-op member who is the housesite owner shall be entitled to a property tax

credit in an amount determined by multiplying the property taxes allocated under this subsection by the percentage of the exemption for which the housesite owner's household income qualifies under subdivision (a)(1) of this section.

(f) [Repealed.]

(g) Notwithstanding subsection (d) of this section, if the land surrounding a homestead is owned by a nonprofit corporation or community land trust with tax exempt status under 26 U.S.C. § 501(c)(3), the homeowner may include an allocated amount as property tax paid on the land with the amount of property taxes paid by the homeowner on the home for the purposes of computation of the credit property tax liability under this section. The allocated amount shall be determined by the nonprofit corporation or community land trust on a proportional basis. The nonprofit corporation or community land trust shall provide to that homeowner, by January 31, a certificate specifying the allocated amount. The certificate shall indicate the proportion of total property tax on the parcel that was assessed for municipal property tax and for statewide property tax and the proportion of total value of the parcel. A homeowner under this subsection shall be entitled to a property tax credit in an amount determined by multiplying the property taxes allocated under this subsection by the percentage of the exemption for which the homeowner's household income qualifies under subdivision (a)(1) of this section.

(h) A homestead owner shall be entitled to an additional property tax credit amount equal to one percent of the amount of income tax refund that the claimant elects to allocate to payment of homestead property tax under section 6068 of this title.

(i) Adjustments The homestead property tax exemption and the municipal property tax credit under subsection (a) of this section shall be calculated without regard to any exemption under subdivision 3802(11) of this title.

§ 6066a. DETERMINATION OF HOMESTEAD PROPERTY TAX
EXEMPTION AND MUNICIPAL PROPERTY TAX CREDIT

(a) Annually, the Commissioner shall determine the homestead property tax exemption and the municipal property tax credit amount under section 6066 of this title, related to a homestead owned by the claimant, based on the prior taxable year's income and for the municipal property tax credit, crediting property taxes paid in the prior year, and for the homestead property tax exemption, exempting the housesite value in the claim year. The Commissioner shall notify the municipality in which the housesite is located of the amount of the homestead property tax exemption and municipal property tax credit for the claimant for homestead property tax liabilities on a monthly

basis. The municipal property tax credit of a claimant who was assessed property tax by a town that revised the dates of its fiscal year, however, is the excess of the property tax that was assessed in the last 12 months of the revised fiscal year, over the adjusted property tax of the claimant for the revised fiscal year, as determined under section 6066 of this title, related to a homestead owned by the claimant.

(b) The Commissioner shall include in the total homestead property tax exemption and municipal property tax credit amount determined under subsection (a) of this section, for credit to the taxpayer for homestead property tax and supplemental district spending tax liabilities, any income tax overpayment remaining after allocation under section 3112 of this title and setoff under section 5934 of this title, which the taxpayer has directed to be used for payment of property taxes.

(c) The Commissioner shall notify the municipality of any claim and refund amounts unresolved by November 1 at the time of final resolution, including adjudication, if any; provided, however, that towns will not be notified of any additional credit amounts after November 1 of the claim year, and such amounts shall be paid to the claimant by the Commissioner.

(d) [Repealed.]

(e) At the time of notice to the municipality, the Commissioner shall notify the taxpayer of the homestead property tax credit exemption amount determined under subdivision 6066(a)(1) of this title, ~~the amount determined under subdivision 6066(a)(3) of this title;~~ any additional municipal property credit amounts amount due the homestead owner under ~~section~~ subdivision 6066(a)(2) of this title; the amount of income tax refund, if any, allocated to payment of homestead property tax liabilities; and any late-claim reduction amount.

(f)(1) For taxpayers and amounts stated in the notice to towns on or before July 1, municipalities shall create and send to taxpayers a homestead property tax bill, instead of the bill required under subdivision 5402(b)(1) of this title, providing the total amount allocated to payment of homestead education property tax liabilities and notice of the balance due. Municipalities shall apply the amount of the homestead property tax exemption allocated under this chapter to current year property taxes in equal amounts to each of the taxpayers' property tax installments that include education taxes and the amount of the municipal property tax credit allocated under this chapter to current year municipal property taxes in equal amounts to each of the taxpayers' property tax installments that include municipal taxes. Notwithstanding section 4772 of this title, if a town issues a corrected bill as a result of the notice sent by the Commissioner under subsection (a) of this

section, issuance of the corrected new bill does not extend the time for payment of the original bill nor relieve the taxpayer of any interest or penalties associated with the original bill. If the corrected bill is less than the original bill, and there are also no unpaid current year taxes, interest, or penalties, and no past year delinquent taxes or penalties and interest charges, any overpayment shall be reflected on the corrected tax bill and refunded to the taxpayer.

(2) For homestead property tax exemption and municipal property tax credit amounts for which municipalities receive notice after November 1, municipalities shall issue a new homestead property tax bill with notice to the taxpayer of the total amount allocated to payment of homestead property tax liabilities and notice of the balance due.

(3) The homestead property tax exemption and municipal property tax credit amount determined for the taxpayer shall be allocated first to current year housesite value and property tax on the homestead parcel, next to current-year homestead parcel penalties and interest, next to any prior year homestead parcel penalties and interest, and last to any prior year housesite value and property tax on the homestead parcel. No homestead property tax exemption or municipal credit shall be allocated to a housesite value or property tax liability for any year after the year for which the claim or refund allocation was filed. No municipal tax-reduction incentive for early payment of taxes shall apply to any amount allocated to the property tax bill under this chapter.

(4) If the homestead property tax exemption or the municipal property tax credit amount as described in subsection (e) of this section exceeds the property tax, penalties, and interest due for the current and all prior years, the municipality shall refund the excess to the taxpayer, without interest, within 20 days of the first date upon which taxes become due and payable or 20 days after notification of the exemption or credit amount by the Commissioner of Taxes, whichever is later.

(g) The Commissioner of Taxes shall pay monthly to each municipality the amount of municipal property tax credit of which the municipality was last notified related to municipal property tax on homesteads within that municipality, as determined by the Commissioner of Taxes.

§ 6067. CREDIT CLAIM LIMITATIONS

(a) Claimant. Only one individual per household per taxable year shall be entitled to a homestead exemption claim or property tax credit claim, or both, under this chapter.

(b) Other states. An individual who received a homestead exemption or credit with respect to property taxes assessed by another state for the taxable year shall not be entitled to receive a credit under this chapter.

(c) Dollar amount. No ~~taxpayer claimant~~ shall receive a renter credit under subsection 6066(b) of this title in excess of \$2,500.00. No ~~taxpayer claimant~~ shall receive a municipal property tax credit under subdivision 6066(a)(3)(2) of this title greater than \$2,400.00 ~~or cumulative credit under subdivisions 6066(a)(1)-(2) and (4) of this title greater than \$5,600.00.~~

§ 6068. APPLICATION AND TIME FOR FILING

(a) A homestead property tax exemption or municipal property tax credit claim or request for allocation of an income tax refund to homestead property tax payment shall be filed with the Commissioner on or before the due date for filing the Vermont income tax return, without extension, and shall describe the school district in which the homestead property is located and shall particularly describe the homestead property for which the exemption or credit ~~or allocation~~ is sought, including the school parcel account number prescribed in subsection 5404(b) of this title. A renter credit claim shall be filed with the Commissioner on or before the due date for filing the Vermont income tax return, without extension.

(b)(1) If ~~the~~ a claimant files a municipal property tax credit claim after October 15 but on or before March 15 of the following calendar year, the municipal property tax credit under this chapter:

(1)(A) shall be reduced in amount by \$150.00, but not below \$0.00;

(2)(B) shall be issued directly to the claimant; and

(3)(C) shall not require the municipality where the claimant's property is located to issue an adjusted ~~homestead~~ property tax bill.

(2) If a claimant files a homestead property tax exemption claim under this chapter after October 15 but on or before March 15 of the following calendar year, the claimant shall pay a penalty of \$150.00 and the municipality where the claimant's property is located shall not be required to issue an adjusted property tax bill.

(c) No request for allocation of an income tax refund or for a renter credit claim may be made after October 15. No homestead property tax exemption or municipal property tax credit claim may be made after March 15 of the calendar year following the due date under subsection (a) of this section.

* * *

§ 6070. DISALLOWED CLAIMS

A claim shall be disallowed if the claimant received title to ~~his or her~~ the claimant's homestead primarily for the purpose of receiving benefits under this chapter.

§ 6071. EXCESSIVE AND FRAUDULENT CLAIMS

(a) In any case in which it is determined under the provisions of this title that a claim is or was excessive and was filed with fraudulent intent, the claim shall be disallowed in full and the Commissioner may impose a penalty equal to the amount claimed. A disallowed claim may be recovered by assessment as income taxes are assessed. The assessment, including assessment of penalty, shall bear interest from the date the claim was credited against property tax or income tax or paid by the State until repaid by the claimant at the rate per annum established from time to time by the Commissioner pursuant to section 3108 of this title. The claimant in that case, and any person who assisted in the preparation of filing of such excessive claim or supplied information upon which the excessive claim was prepared, with fraudulent intent, shall be fined not more than \$1,000.00 or be imprisoned not more than one year, or both.

(b) In any case in which it is determined that a claim is or was excessive, the Commissioner may impose a 10 percent penalty on such excess, and if the claim has been paid or credited against property tax or income tax otherwise payable, the municipal property tax credit or homestead exemption shall be reduced or canceled and the proper portion of any amount paid shall be similarly recovered by assessment as income taxes are assessed, and such assessment shall bear interest at the rate per annum established from time to time by the Commissioner pursuant to section 3108 of this title from the date of payment or, in the case of credit of a municipal property tax bill under section 6066a of this title, from December 1 of the year in which the claim is filed until refunded or paid.

* * *

§ 6073. REGULATIONS RULES OF THE COMMISSIONER

The Commissioner may, from time to time, ~~issue~~ adopt, amend, and withdraw ~~regulations~~ rules interpreting and implementing this chapter.

§ 6074. AMENDMENT OF CERTAIN CLAIMS

At any time within three years after the date for filing claims under subsection 6068(a) of this chapter, a claimant who filed a claim by October 15 may file to amend that claim with regard to housesite value, ~~housesite~~

~~education tax~~, housesite municipal tax, and ownership percentage or to correct the amount of household income reported on that claim.

Sec. 53. DEPARTMENT OF TAXES; HOMESTEAD DECLARATION;
SAMPLE FORM;

On or before December 15, 2025, the Department of Taxes shall provide to the House Committee on Ways and Means and the Senate Committee on Finance suggestions for updating the homestead declaration under 32 V.S.A. § 5410 to address the implementation of the homestead exemption under section 19 of this act, which may be provided as a sample form.

Sec. 53a. DEPARTMENT OF TAXES; HOMESTEAD EXEMPTION;
REPORT

(a) It is the intent of the General Assembly to transition the way income-based property tax relief is provided to homestead property owners from the existing credit system towards an income-based homestead exemption.

(b) On or before January 15, 2026, the Department of Taxes, in consultation with the Joint Fiscal Office, shall submit a proposal to the House Committee on Ways and Means and the Senate Committee on Finance designing a homestead exemption structure that minimizes the:

(1) property tax impacts for homestead property owners under the new education tax structure established in this act;

(2) benefit cliffs compared to those in the existing credit system; and

(3) aggregate fiscal impact relative to the existing credit system.

(c) The Department of Taxes shall additionally include with its proposal recommendations for an inflationary adjustment measure suited to the income sensitivity and housesite value measures of the proposed homestead exemption.

* * * Conforming Revisions; Property Tax Credit Repeal * * *

Sec. 54. 11 V.S.A. § 1608 is amended to read:

§ 1608. ELIGIBILITY FOR PROPERTY TAX RELIEF

Members of cooperative housing corporations shall be eligible to apply for and receive a homestead property tax ~~adjustment~~ exemption and municipal property tax credit under 32 V.S.A. § 6066, subject to the conditions of eligibility set forth therein.

Sec. 55. 32 V.S.A. § 3102(j) is amended to read:

(j) Tax bills prepared by a municipality under subdivision 5402(b)(1) of this title showing only the amount of total tax due shall not be considered

confidential return information under this section. For the purposes of calculating ~~credits~~ the homestead property tax exemption and the municipal property tax credit under chapter 154 of this title, information provided by the Commissioner to a municipality under subsection 6066a(a) of this title and information provided by the municipality to a taxpayer under subsection 6066a(f) shall be considered confidential return information under this section.

Sec. 56. 32 V.S.A. § 3206(b) is amended to read:

(b) As used in this section, “extraordinary relief” means a remedy that is within the power of the Commissioner to grant under this title, a remedy that compensates for the result of inaccurate classification of property as homestead or nonhomestead pursuant to section 5410 of this title through no fault of the taxpayer, or a remedy that makes changes to a taxpayer’s homestead property tax exemption, municipal property tax credit, or renter credit claim necessary to remedy the problem identified by the Taxpayer Advocate.

* * * Future Review of Foundation Formula * * *

Sec. 57. 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, assist with the transformation of Vermont’s education finance system, and perform the duties under subsection (c) of this section.

* * *

(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) means to adjust the revenue sources for the Education Fund;

(E) means to improve equity, transparency, and efficiency in education funding statewide;

(F) the amount of the Education Fund stabilization reserve;

(G) school district use of reserve fund accounts;

(H) national best practices for addressing intra-school district effects of a foundation formula, including through the use of weighting factors;

(I) whether to transition from a cost-based foundation formula to an evidence-based foundation formula;

(J) methods for ensuring school districts spend their educational opportunity payments on the costs that underlie Vermont's foundation formula;
and

(K) any other topic, factor, or issue the Committee deems relevant to its work and recommendations.

* * *

Sec. 58. 16 V.S.A. § 4001 is amended to read:

§ 4001. DEFINITIONS

As used in this chapter:

* * *

(16) “Base amount” means a per pupil ~~cost-factor~~ evidence-based amount of ~~\$15,033.00~~ 10,000.00, which shall be adjusted for inflation annually on or before November 15 by the Secretary of Education. As used in this subdivision, “adjusted for inflation” means adjusting the base dollar amount by the National Income and Product Accounts (NIPA) implicit price deflator for state and local government consumption expenditures and gross investment published by the U.S. Department of Commerce, Bureau of Economic Analysis, from fiscal year 2025 through the fiscal year for which the amount is being determined, and rounding upward to the nearest whole dollar amount.

* * *

Sec. 59. 16 V.S.A. § 4010 is amended to read:

§ 4010. DETERMINATION OF WEIGHTED LONG-TERM MEMBERSHIP AND EDUCATION OPPORTUNITY PAYMENT

* * *

(d) Determination of weighted long-term membership. For each weighting category, the Secretary shall compute the weighting count by using the long-

term membership, as defined in subdivision 4001(7) of this title, in that category.

(1) [Repealed.]

(2) Each pupil included in long-term membership whose family is at or below 185 percent of FPL shall receive an additional weighting amount of ~~1.02~~ 1.00.

(3) Each EL pupil included in long-term membership shall receive an additional weighting amount, based on the EL pupil's English language proficiency level, of:

(A) ~~2.11~~ 1.00, if assessed as Level 1;

(B) ~~1.41~~ 1.00, if assessed as Level 2 or 3;

(C) ~~1.20~~ 1.00, if assessed as Level 4; or

(D) ~~0.12~~ 1.00, if assessed as Level 5 or 6.

(4) Each EL pupil that is a Newcomer or SLIFE included in long-term membership shall receive an additional weighting amount of ~~0.42~~ 1.00.

(5) Each child with a disability included in long-term membership shall receive an additional weighting amount, based on the categorization of the child's disability, of:

(A) ~~0.79~~ 1.00, if the disability is identified as Category A;

(B) ~~1.35~~ 1.00, if the disability is identified as Category B; or

(C) ~~2.49~~ 1.00, if the disability is identified as Category C.

* * *

* * * Grand List Parcel Data * * *

Sec. 60. 32 V.S.A. § 4152 is amended to read:

§ 4152. CONTENTS

(a) When completed, the grand list of a town shall be in such form as the Director prescribes and shall contain such information as the Director prescribes, including:

(1) In alphabetical order, the name of each real property owner and each owner of taxable personal property.

(2) The last known mailing address of all such owners.

(3) A brief description of each parcel of taxable real estate in the town. ~~"Parcel"~~ As used in this subdivision, "parcel" means a separate and sellable lot

or piece of real estate. Parcels may be combined to represent all contiguous land in the same ownership, together with all improvements thereon.

Sec. 61. PROPERTY TAX CLASSIFICATIONS STUDY;
IMPLEMENTATION PROPOSAL

On or before December 15, 2025, in consultation with relevant stakeholders, the Commissioner of Taxes shall submit in writing to the House Committee on Ways and Means and the Senate Committee on Finance a report regarding the establishment of a system for property tax classifications that would allow for different tax rates on different classes of property. The report shall include:

(1) one or more ways to define, identify, and classify residential properties based on present-day use;

(2) a proposed method for classifying mixed-use parcels wherein different portions of the same parcel are used for different purposes;

(3) proposed methods for collecting the data necessary to administer the proposed tax classification system, including a description of any new or revised forms;

(4) a proposed method for appeals under the proposed tax classification system; and

(5) proposed methods to ensure taxpayer compliance with the new system, including ways to prevent taxpayers from circumventing the legislative intent to tax properties used primarily as second homes and short-term rentals at a higher rate.

* * * Regional Assessment Districts * * *

Sec. 62. 32 V.S.A. chapter 121, subchapter 1A is added to read:

Subchapter 1A. Statewide and Regional Property Assessment

§ 3415. LEGISLATIVE INTENT

It is the intent of the General Assembly in adopting this subchapter to create regional assessment districts so that:

(1) properties on grand lists are regularly reappraised;

(2) property data collection is consistent and standardized across the State; and

(3) property valuation is conducted by trained and certified individuals and firms.

§ 3416. REGIONAL ASSESSMENT DISTRICTS; ESTABLISHMENT

(a) There are hereby established 12 regional assessment districts, whose member municipalities shall fully and jointly reappraise their grand lists every six years pursuant to subsection 3417(b) of this subchapter. Member municipalities shall contract jointly with one or more third parties to conduct reappraisals.

(b) Each county shall constitute one regional assessment district, except that Franklin and Grand Isle Counties shall constitute one district and Essex and Orleans Counties shall constitute one district.

§ 3417. STANDARD GUIDELINES; PROCEDURES; RULEMAKING

(a) The Director of Property Valuation and Review shall establish standard guidelines and procedures, and may adopt rules, for regional assessment districts, including:

(1) guidelines for contracting with third parties to conduct or assist with reappraisals, including standard reappraisal contract terms;

(2) standards for the collection and recordation of parcel data;

(3) requirements relating to information technology, including standards for data software contracts and computer-assisted mass appraisal systems; and

(4) standardized practices for a full reappraisal, including cases in which physical inspections are unnecessary and how technology is to be utilized.

(b) The Director of Property Valuation and Review shall establish a schedule for each regional assessment district to fully reappraise every six years. The Director, at the Director's discretion, may alter the reappraisal schedule for a regional assessment district or for one or more of a regional assessment district's member municipalities.

* * * Transition to Regional Assessment Districts * * *

Sec. 63. TRANSITION; ANNUAL PROGRESS REPORT

(a) Notwithstanding 32 V.S.A. § 4041a or any other provision of law to the contrary:

(1) the Director of Property Valuation and Review shall not order any new municipal reappraisals of grand list properties that is not part of a regionalized reappraisal system on and after January 1, 2027;

(2) a reappraisal order for which a municipality does not have a contract in place before January 1, 2030 shall no longer have the force and effect of law on and after January 1, 2030, except for those that are part of a regionalized reappraisal system; and

(3) a municipality shall not enter into a new reappraisal contract on or after January 1, 2027, except for those that are part of a regionalized reappraisal system.

(b) On or before every January 15 from January 15, 2027 to January 15, 2030, the Commissioner of Taxes shall submit a report to the House Committee on Ways and Means and the Senate Committee on Finance relating to the progress made in preparing for the implementation of regional assessment districts pursuant to this act.

Sec. 64. REGIONAL ASSESSMENT DISTRICT STAKEHOLDER
WORKING GROUP

On or before January 15, 2026, the Department of Taxes, in consultation with relevant stakeholders, shall submit recommendations to the House Committee on Ways and Means and the Senate Committee on Finance advising on the implementation of regional assessment districts and on the development of guidelines, procedures, and rules needed to effectuate a regionalized reappraisal system. The recommendations will include an analysis of the advantages and disadvantages of having the State take full responsibility for regionalized appraisals. In making its recommendation, the Department of Taxes shall provide suggestions for legislative language that address:

(1) the authority or authorities who will contract for and conduct reappraisals;

(2) the authority or authorities who will hear and decide property valuation appeals;

(3) amendments necessary to conform statute to the change from an April 1 to January 1 grand list assessment date; and

(4) any other recommended revisions to achieve a regionalized reappraisal system.

* * * Miscellaneous Tax * * *

Sec. 65. 32 V.S.A. § 6066a(f)(1) is amended to read:

(f)(1) For taxpayers and amounts stated in the notice to towns on or before July 1, municipalities shall create and send to taxpayers a homestead property tax bill, instead of the bill required under subdivision 5402(b)(1) of this title, providing the total amount allocated to payment of homestead education property tax liabilities and notice of the balance due. Nothing in this subdivision, however, shall be interpreted as altering the requirement under subdivision 5402(b)(2) of this title that the statewide education homestead tax be billed in a manner that is stated clearly and separately from any other tax.

Municipalities shall apply the amount allocated under this chapter to current year property taxes in equal amounts to each of the taxpayers' property tax installments that include education taxes. Notwithstanding section 4772 of this title, if a town issues a corrected bill as a result of the notice sent by the Commissioner under subsection (a) of this section, issuance of the corrected new bill does not extend the time for payment of the original bill nor relieve the taxpayer of any interest or penalties associated with the original bill. If the corrected bill is less than the original bill, and there are also no unpaid current year taxes, interest, or penalties, and no past year delinquent taxes or penalties and interest charges, any overpayment shall be reflected on the corrected tax bill and refunded to the taxpayer.

Sec. 66. 32 V.S.A. § 5252 is amended to read:

§ 5252. LEVY AND NOTICE OF SALE; SECURING PROPERTY

(a) When the collector of taxes of a town or of a municipality within it has for collection a tax assessed against real estate in the town and the taxpayer owes a minimum of \$1,500.00 and is delinquent for a period longer than one year, the collector may extend a warrant on such land. However, no warrant shall be extended until a delinquent taxpayer is given an opportunity to enter a written reasonable repayment plan pursuant to subsection (c) of this section. If a collector receives notice from a mobile home park owner pursuant to 10 V.S.A. § 6248(b), the collector shall, within 15 days after the notice, commence tax sale proceedings to hold a tax sale within 60 days after the notice. If the collector fails to initiate such proceedings, the town may initiate tax sale proceedings only after complying with 10 V.S.A. § 6249(f). If the tax collector extends the warrant, the collector shall:

* * *

Sec. 67. 32 V.S.A. § 4465 is amended to read:

§ 4465. APPOINTMENT OF PROPERTY VALUATION HEARING
OFFICER; OATH; PAY

When an appeal to the Director is not withdrawn or forwarded by the Director to Superior Court pursuant to subsection 4461(a) of this title, the Director shall refer the appeal in writing to a person not employed by the Director, appointed by the Director as hearing officer. The Director shall have the right to remove a hearing officer for inefficiency, malfeasance in office, or other cause. In like manner, the Director shall appoint a hearing officer to fill any vacancy created by resignation, removal, or other cause. Before entering into their duties, persons appointed as hearing officers shall take and subscribe the oath of the office prescribed in the Constitution, which oath shall be filed with the Director. ~~The Director~~ Commissioner of Taxes shall pay each hearing

~~officer a sum not to exceed \$150.00 per diem for each day wherein hearings are held \$38.00 per hour plus a cost-of-living adjustment in an amount equal to any adjustment approved for exempt employees by the Secretary of Administration, together with reasonable expenses as the Director Commissioner may determine. A hearing officer may subpoena witnesses, records, and documents in the manner provided by law for serving subpoenas in civil actions and may administer oaths to witnesses.~~

Sec. 68. 32 V.S.A. § 5402(c)(2) is amended to read:

(2) The Secretary of Education shall determine each municipality's net nonhomestead education tax payment and its net homestead education tax payment to the State based on grand list information received by the Secretary not later than the March 15 prior to the June 1 net payment. Payment shall be accompanied by a return prescribed by the Secretary of Education. Each municipality may retain 0.225 of one percent of the total education tax collected, only upon timely remittance of net payment to the State Treasurer or to the applicable school district or districts. ~~Each municipality may also retain \$15.00 for each late property tax credit claim filed after April 15 and before September 2, as notified by the Department of Taxes, for the cost of issuing a new property tax bill.~~

Sec. 69. 32 V.S.A. § 5401(13) is amended to read:

(13)(A) "Education property tax spending adjustment" means the greater of one or a fraction in which:

(i) the numerator is the district's per pupil education spending plus excess spending for the school year, and

(ii) the denominator is the property dollar equivalent yield for the school year, as defined in subdivision (15) of this section, ~~multiplied by the statewide adjustment.~~

(B) "Education income tax spending adjustment" means the greater of one or a fraction in which the numerator is the district's per pupil education spending plus excess spending for the school year, and the denominator is the income dollar equivalent yield for the school year, as defined in subdivision (16) of this section.

* * * Effective Dates * * *

Sec. 70. EFFECTIVE DATES

(a) This section and the following sections shall take effect on passage:

(1) Sec. 1 (findings; intent; plan);

(2) Sec. 2 (Commission on the Future of Public Education);

- (3) Sec. 3 (School District Redistricting Task Force);
- (4) Sec. 32 (Agency of Education transformation support);
- (5) Sec. 33. (Agency of Education positions);
- (6) Sec. 44 (transportation reimbursement guidelines);
- (7) Sec. 45 (inflationary measures; prekindergarten; reports);
- (8) Sec. 45a (foundation formula report);
- (9) Sec. 45c (Education Fund Advisory Committee; delay);
- (10) Sec. 53 (homestead declaration sample form);
- (11) Sec. 53a (homestead exemption report);
- (12) Sec. 61 (tax classification study);
- (13) Sec. 63 (regional assessment district transition);
- (14) Sec. 64 (RAD stakeholder working group);
- (15) Sec. 65 (inadvertently removed language);
- (16) Sec. 66 (minimum debt for tax sales);
- (17) Sec. 68 (property tax credit late fee); and
- (18) Sec. 69 (education property tax spending adjustment).
- (b) The following sections shall take effect on July 1, 2025:
 - (1) Sec. 4 (scale; intent);
 - (2) Sec. 7 (SBE rules; report);
 - (3) Sec. 8 (school closure);
 - (4) Sec. 11 (16 V.S.A. § 3443);
 - (5) Sec. 12 (School Construction Advisory Board sunset);
 - (6) Sec. 18 (16 V.S.A. § 828);
 - (7) Sec. 19 (tuition transition);
 - (8) Sec. 20 (statewide cohesion; intent);
 - (9) Sec. 21 (AOE report; graduation requirements);
 - (10) Sec. 22 (State-level governance; intent);
 - (11) Sec. 23 (16 V.S.A. § 161);
 - (12) Sec. 24 (SBE appointments transition);
 - (13) Sec. 25 (16 V.S.A. § 162);

- (14) Sec. 26 (SBE rule review; appropriation);
- (15) Sec. 29 (special education report);
- (16) Sec. 30 (AOE special education strategic plan);
- (17) Sec. 31 (AOE position);
- (18) Sec. 60 (grand list parcel definition); and
- (19) Sec. 67 (PVR hearing officer pay).

(c) The following sections shall take effect on July 1, 2026:

- (1) Sec. 3a (transitional school boards);
- (2) Sec. 5 (class size minimums);
- (3) Sec. 6 (failure to comply with class size minimums);
- (4) Sec. 9 (school construction policy);
- (5) Sec. 10 (16 V.S.A. § 3442);
- (6) Sec. 13 (16 V.S.A. § 3444);
- (7) Sec. 14 (16 V.S.A. § 3445);
- (8) Sec. 15 (16 V.S.A. § 3446);
- (9) Sec. 16 (transfer of rulemaking authority); and
- (10) Sec. 17 (repeals).

(d) Sec. 48 (December 1 letter) shall take effect on July 1, 2028.

(e) The following sections shall take effect on July 1, 2029, 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:

- (1) Secs. 27 (16 V.S.A. § 823) and 28 (repeals);
- (2) Secs. 34–43 (transition to cost-factor foundation formula);
- (3) Sec. 45b (educational opportunity payment transition);
- (4) Secs. 46, 47, 49, and 50 (statewide education tax; supplemental district spending tax);
- (5) Sec. 48a (homestead property tax rate transition);
- (6) Secs. 51, 52, and 54–56 (property tax credit repeal; creation of homestead exemption); and

(7) Sec. 57 (Education Fund Advisory Committee; review of foundation formula).

(f) Sec. 62 (regional assessment districts) shall take effect on January 1, 2030.

(g) Secs. 58 and 59 (transition to evidence-based foundation formula) shall take effect upon:

(1) development and review of an evidence-based foundation formula by professional judgment panels;

(2) compliance by 90 percent of Vermont classes with class-size minimum standards set in the education quality standards;

(3) compliance by 90 percent of Vermont school buildings with school size standards set in the education quality standards; and

(4) implementation of a multitiered system of supports in each classroom in each Vermont school.

Pending the question, Shall the House concur in the Senate proposal of amendment?, **Rep. Conlon of Cornwall** moved that the House refuse to concur and ask for a Committee of Conference, which was agreed to, and the Speaker appointed as members of the Committee of Conference on the part of the House:

Rep. Conlon of Cornwall

Rep. Kornheiser of Brattleboro

Rep. Taylor of Milton

On motion of **Rep. McCoy of Poultney**, the rules were suspended and House action on the bill was ordered messaged to the Senate forthwith.

Adjournment

At three o'clock and sixteen minutes in the afternoon, on motion of **Rep. McCoy of Poultney**, the House adjourned until tomorrow at ten o'clock in the forenoon.