

1 An act relating to fiscal year 2026 budget adjustments

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

3 * * *

4 Sec. 46. 2025 Acts and Resolves No. 27, Sec. B.1100 is amended to read:

5 Sec. B.1100 MISCELLANEOUS FISCAL YEAR 2026 ONE-TIME

6 APPROPRIATIONS

7 * * *

8 (c) Department of Taxes. In fiscal year 2026, funds are appropriated for

9 the following:

10 (1) \$1,000,000 PILOT Special Fund for the Municipal Grand List

11 Stabilization Program as established per Sec. E.142.2 of this act. These funds

12 shall carry forward each fiscal year until fully expended or reverted; and

13 (2) \$500,000 PILOT Special Fund, notwithstanding 32 V.S.A.

14 § 3709(a), for the purpose of inventorying and creating a property valuation

15 model for communications properties. These funds shall carry forward each

16 fiscal year until fully expended or reverted by an act of the General Assembly.

17 * * *

18 (e) Agency of Human Services Secretary's Office. In fiscal year 2026,

19 funds are appropriated for the following:

* * *

9 (4) \$385,000 General Fund for office fit-up costs at the Waterbury State
10 Office Complex and Pilgrim Place.

11 * * *

12 (g) Department of Health. In fiscal year 2026, funds are appropriated for
13 the following:

14 * * *

17 (6) \$250,000 General Fund for a grant to the Vermont Parent Child

18 Center Network for smoking cessation initiatives; and

3 * * *

9 (5) \$150,000 General Fund to make the current child abuse hotline
10 compatible with updated Agency of Digital Services server requirements.

11 * * *

12 (p) Vermont Housing and Conservation Board. In fiscal year 2026, funds
13 are appropriated for the following:

14 (1) \$5,000,000 General Fund to provide support and enhance capacity
15 for the production and preservation of affordable mixed-income rental housing
16 and homeownership units, including improvements to manufactured homes
17 and communities; permanent homes and emergency shelter for those
18 experiencing homelessness; recovery residences; and housing available to farm
19 workers, refugees, and individuals who are eligible to receive Medicaid-funded
20 home and community-based services; and

21 (2) \$1,000,000 General Fund for the Homes for All, Homes for All
22 Phase 2, and Secure Housing Coaching programs.

23 * * *

3 * * *

4 (3) \$10,800,000 Global Commitment for the Support and Services at
5 Home program, the Primary Care Medical Home, and Community Health
6 Team services under the Blueprint for Health; and

7 (4) \$1,250,000 Global Commitment for the first year of implementation
8 of the Maple Mountain Family Medicine Residency Program if the Centers for
9 Medicare and Medicaid Services approves the Agency of Human Services'
10 request for federal matching funds pursuant to Sec. E.306.5(a) of this act;

11 (5) \$2,727,046 General Fund for the Vermont Health Connect cloud
12 migration; and

21 * * *

22 (ff) Judiciary. In fiscal year 2026, funds are appropriated for the following:

1 (1) \$139,443 General Fund for the establishment and operations of the
2 Chittenden Pilot Court.

3 (gg) Department of State's Attorneys and Sheriffs. In fiscal year 2026,
4 funds are appropriated for the following:

5 (1) \$36,848 General Fund for Governor's Chittenden County
6 Accountability Court Project.

7 **EXPLANATION:** (c)(2): In fiscal year 2026 a repeal of the Telephone
8 Personal Property Tax will take effect and the communications tax base will
9 shift to the property tax. This multi-year appropriation will pay a vendor,
10 currently under contract, to collect inventories and create a new valuation
11 model for communications property over fiscal years 2026–2028. PILOT
12 funds are being used for this project because it enhances municipal grand lists
13 and gives municipalities additional revenues they have not received to date.
14 (e)(4): Office fit up costs for the Agency of Human Services in Waterbury,
15 including new leased space at Pilgrim Place.

16 (g)(7): The balance of the original appropriation, provided pursuant to 2021
17 Acts and Resolves No. 74, Sec. B.1106(a)(10), was reverted at the end of fiscal
18 year 2025 per 32 V.S.A. § 703. An amount equal to this reversion is
19 appropriated to the Health Department to continue activities related to health
20 disparities and health equity.

21 (h)(5): Ensures the Child Abuse Hotline is compatible with updated Agency of
22 Digital Services server requirements.

23 (r)(5): Vermont Health Connect software must migrate to a cloud-based
24 platform by the summer of 2027 to remain compliant with the security and
25 connectivity requirements of the Federal Data Services Hub. The migration
26 ensures support of real-time Medicaid eligibility.

27
28 (r)(6): Brattleboro Retreat Alternative Payment Model Year 5 reconciliation
29 payment.

30 (ff)(1): Establishment and operations of the Chittenden Pilot Court.

31 (gg)(1): To support the Governor's priority of relieving the backlog of repeat
32 offender criminal cases in Chittenden County, the States' Attorneys and
33 Sheriffs require additional administrative support. One temp employee's hours
34 have been increased by 20 per week, and 4 admins are permitted to work up to
35 4 hours per week to assist special prosecutor Zach Weight.

36 (hh)(1): The balance of the original appropriation, provided pursuant to 2024
37 Acts and Resolves No. 181, Sec. 91, was reverted at the end of fiscal year 2025
38 per 32 V.S.A. § 703. An amount equal to this reversion is appropriated to the
39 Land Access Opportunity Board to provide the resources needed for the

Homes for All, Homes for All Phase 2, and Secure Housing Coaching programs.

Sec. 47. 2025 Acts and Resolves No. 27, Sec. D.100 is amended to read:

Sec. D.100 PROPERTY TRANSFER TAX ALLOCATIONS

(a) This act contains the following amounts allocated to special funds that receive revenue from the property transfer tax. These allocations shall not exceed available revenues.

* * *

(2) Notwithstanding 10 V.S.A. § 312, amounts in excess of ~~\$36,964,250~~
\$36,471,750 from the property transfer tax and the surcharge established by
32 V.S.A. § 9602a deposited into the Vermont Housing and Conservation Trust
Fund shall be transferred to the General Fund.

(A) The dedication of \$2,500,000 in revenue from the property transfer tax pursuant to 32 V.S.A. § 9610(d) for the debt payments on the affordable housing bond pursuant to 10 V.S.A. § 314 shall be offset by the reduction of \$1,500,000 in the appropriation to the Vermont Housing and Conservation Board and \$1,000,000 from the surcharge established by 32 V.S.A. § 9602a. The fiscal year 2026 appropriation of \$36,964,250 \$36,471,750 to the Vermont Housing and Conservation Board reflects the \$1,500,000 reduction. The affordable housing bond and related property transfer tax and surcharge provisions are repealed after the life of the bond on July 1, 2039. Once the bond is retired, the \$1,500,000 reduction in the appropriation to the Vermont Housing and Conservation Board shall be restored.

12 EXPLANATION: Adjusts the Property Transfer Tax allocations for the \$1
13 million revenue downgrade adopted by the Emergency Board at its July 2025
14 meeting.

16 Sec. 48. 2025 Acts and Resolves No. 27, Sec. D.101 is amended to read:

17 Sec. D.101 FUND TRANSFERS

18 (a) Notwithstanding any other provision of law, the following amounts
19 shall be transferred from the funds indicated:

20 (1) From the General Fund (#10000) to the:

4 (2) From the Transportation Fund (#20105) to the:

5 * * *

9 * * *

10 (8) From the Cannabis Regulation Fund (#21998) to the:

4 (1) To the General Fund (#10000) from the:

5 (A) 8 V.S.A. § 80(d). Insurance Regulatory and Supervision Fund
6 (#21075); \$46,204,523.

7 (B) 9 V.S.A. § 5613(c). Securities Regulatory and Supervision Fund
8 (#21085): \$21 745 635

(C) 27 V.S.A. § 1543. Unclaimed Property Fund (#62100):
\$7,389,063 \$8,994,314

11 * * *

12 (c) Transfers from the following enterprise funds to the General Fund
13 (#10000) shall not exceed the actual fiscal year end profits earned by the
14 enterprise net of any amount necessary to absolve the fund of a deficit. The
15 following estimated transfers are for purposes of developing the fiscal year
16 2026 budget only.

17 (1) From the Sports Wagering Enterprise Fund (#50250): \$7,600,000
18 \$6,678,828

(2) From the Liquor Control Fund (#50300): \$14 849 754 \$16 802 502

20 EXPLANATION: (a)(1)(I): Revenues failed to meet expectations. Resources
21 are needed to prevent the fund from incurring a deficit due to the Department
22 of Public Safety – Vermont Crime Information Center salary and benefit costs.
23 (a)(2)(J): The \$1,150,000 PILOT Special Fund appropriation provided the
24 Agency of Transportation, per 2025 Acts and Resolves No. 27, Sec. E.917,
25 was not enough to cover the prior year costs due municipalities upon
26 submission of reimbursement requests. An excess receipt was authorized, per

1 32 V.S.A. 511, to provide the Agency the spending authority needed with the
2 expectation that the Agency would reimburse the PILOT Special Fund.
3 (a)(2)(C): The \$1,150,000 PILOT Special Fund appropriation provided the
4 Agency of Transportation, per 2025 Acts and Resolves No. 27, Sec. E.917,
5 was not enough to cover the prior year costs due municipalities upon
6 submission of reimbursement requests. An excess receipt was authorized, per
7 32 V.S.A. 511, to provide the Agency the spending authority needed with the
8 expectation that the Agency would reimburse the PILOT Special Fund.
9 (a)(8)(a): 2022 Acts and Resolves No. 83, Sec. 53(b)(1) transferred \$850,000 of
10 General Fund (#10000) to the Cannabis Regulation Fund (#21998). This
11 funding was intended for the acquisition of laboratory equipment and supplies
12 once a new location had been established.
13 2025 Acts and Resolves No. 27, Sec. C.102 transferred the \$15,417,084.32
14 fiscal year end 2024 balance in the Cannabis Regulation Fund (#21998) to the
15 General Fund (#10000). The transfer inadvertently captured the \$630,150
16 unobligated balance of the original \$850,000 transfer for laboratory equipment
17 and supplies. The proposed transfer returns this balance to the Cannabis
18 Regulation Fund.
19 The estimated transfers to the General Fund and Substance Misuse Prevention
20 Special Fund have been updated for actual net transfer amounts now that the
21 fiscal year end 2025 balance is known, post close out, and the retention amount
22 in the Cannabis Regulation Fund has been updated.
23 (b)(1)(C): Updated Unclaimed Property estimate provided by the State
24 Treasurer in November
25 (c)(1): Transfer estimates were revised down by the Department of Liquor and
26 Lottery in September. The \$921,172 transfer reduction is based on the revenue
27 share performance and FY25 actuals of \$6,300,000.
28 (c)(2): Transfer estimates were revised up by the Department of Liquor and
29 Lottery in October. Product sales have exceeded expectations in the current
30 year.
31 Sec. 49. 2025 Acts and Resolves No. 27, Sec. D.102 is amended to read:

32 Sec. D.102 REVERSIONS

33 (a) Notwithstanding any provision of law to the contrary, in fiscal year
34 2026, the following amounts shall revert to the General Fund from the
35 accounts indicated:

36 * * *

37	1260892201 TRE – Bond Redemption	\$6,000,000.00
38	<u>1210892401 LEG-Basic Needs Budget Members</u>	<u>\$7,000.00</u>

1 1220892402 JFO-Renewable Energy Standard \$65.00

2 1220892403 JFO-Basic Needs Budget Assist \$10,000.00

3 * * *

4 (c) Notwithstanding any provision of law to the contrary, in fiscal year

5 2026, the following amount shall revert to the Tobacco Litigation Settlement

6 Fund from the account indicated:

7 3400891802 Invest Substance Use Treat \$1,500.38

EXPLANATION: (a) 2025 Acts and Resolves No. 27, Sec. F.182(b) requires all unobligated and unexpended spending authority in the Legislative and Judicial branches remaining at the close of fiscal year 2025 to automatically carry forward for use in fiscal year 2026. Spending authority, therefore, does not revert automatically per 32 V.S.A. § 703 and can only be reverted by an act of the General Assembly.

14 (c) 2018 (Special Session) Acts and Resolves No. 11, Sec. C.106.1(a) requires
15 all unobligated and unexpended spending authority in the Tobacco Litigation
16 Special Fund remaining at the close of each fiscal year to automatically carry
17 forward for use in the next fiscal year. Spending authority, therefore, does not
18 revert automatically per 32 V.S.A. § 703 and can only be reverted by an act of
19 the General Assembly.

20 Sec. 50. 2025 Acts and Resolves No. 27, Sec. D.103 is amended to read:

21 Sec. D.103 RESERVES

22 (a) Notwithstanding any provision of law to the contrary, in fiscal year

23 2026, the following reserve transactions shall be implemented for the funds

24 provided:

25 (1) General Fund.

26 * * *

1 proceeds reserved in accordance with the requirements of this subdivision shall
2 automatically be unreserved for use on July 1 of the subsequent fiscal year.

3 * * *

4 (4) Education Fund.

5 (A) The \$13,000,000 reserved pursuant to 2023 Acts and Resolves
6 No. 52, Sec. 2 is unreserved.

7 EXPLANATION: (a)(1)(D): The first \$74,908,097.53 of any fiscal year end
8 2026 General Fund balance otherwise subject to reservation in the Balance
9 Reserve and prior to any child care contribution reservation shall instead be
10 reserved for use in fiscal year 2027. The provision automatically unreserves
11 any balance subject to this provision on July 01 of the subsequent fiscal year.
12 (a)(4)(A): 2023 Acts and Resolves No. 52, Sec.2 reserved \$13 million to offset
13 property tax increases in fiscal year 2025 and required the Tax Commissioner
14 to assume these funds would be unreserved when calculating the fiscal year
15 2025 Education Fund property tax yields. The yields were calculated as
16 required but the \$13 million was never unreserved. This is a technical
17 correction to a prior year oversight.

18 Sec. 51. 2025 Acts and Resolves No. 27, Sec. E.100 is amended to read:

19 Sec. E.100 POSITIONS

20 * * *

21 (e) The conversion of nine ten limited service exempt positions to
22 permanent exempt status is authorized in fiscal year 2026 as follows:

23 * * *

24 (2) Land Use Review Board:

25 (A) one Executive Director.

26 EXPLANATION: Converts the Land Use Review Board Executive Director
27 position from limited service exempt to permanent exempt.

28 Sec. 52. 2025 Acts and Resolves No. 27, Sec. E.301 is amended to read:

29 Sec. E.301 SECRETARY'S OFFICE; GLOBAL COMMITMENT

30 * * *

16 * * *

17 EXPLANATION: Subsection (b) is amended to reflect current estimates.

18 Sec. 53. 32 V.S.A. § 308d is added to read:

19 (a) Annually, not later than the close of the first week of the new fiscal
20 year, the Department of Taxes and the Joint Fiscal Office shall provide the
21 Department of Finance and Management a consensus estimate of the
22 anticipated fourth quarter receipts from the Child Care Contribution, pursuant
23 to chapter 246 of this title, for the fiscal year being closed.

1 (b) As part of the annual fiscal year closeout process, the Commissioner of
2 Finance and Management shall reserve an amount of General Fund dollars
3 equal to the consensus estimate provided in subsection (a) of this section prior
4 to executing the requirements of section 308c of this title.

5 (c) Upon completion of the annual fiscal year end General Fund closeout
6 process, the Commissioner of Finance and Management shall immediately
7 unreserve the amount reserved pursuant to subsection (b) of this section.

8 (d) If the amount unreserved pursuant to subsection (c) of this section is
9 determined to be greater than the actual receipts due to the Child Care
10 Contribution Special Fund, then the excess shall immediately be reserved in
11 accordance with section 308c of this title.

12 (e) If the amount unreserved pursuant to subsection (c) of this section is
13 determined to be less than the actual receipts due to the Child Care
14 Contribution Special Fund, then the amount of the deficiency shall
15 immediately be unreserved from the General Fund Balance Reserve
16 established pursuant to section 308c of this title.

17 EXPLANATION: Establishes an annual procedure to be implemented as part
18 of the fiscal year end close out process. The procedure ensures any cash
19 received in the General Fund, from the Child Care Contribution's fourth
20 quarter receipts, is not consumed by the General Fund Balance Reserve
21 process provided in 32 V.S.A. §308c during fiscal year end close. Upon
22 reconciliation of the actual receipts to the consensus estimate, the amount due
23 to the Child Care Contribution Special Fund is transferred from the General
24 Fund per current practice. This language was developed and agreed to by the
25 Department of Finance and Management, the Tax Department and the Joint
26 Fiscal Office for inclusion in the fiscal year 2026 Budget Adjustment.

27 Sec. 54. CARRYFORWARD

1 (a) Notwithstanding any other provisions of law and subject to the approval
2 of the Secretary of Administration, General Fund (#10000), Transportation
3 Fund (#20105), Transportation Infrastructure Bond Fund (#20191), Education
4 Fund (#20205), Technology Modernization Special Fund (#21951), Clean
5 Water Fund (#21932), and Agricultural Water Quality Fund (#21933)
6 appropriations remaining unexpended on June 30, 2026, in the Executive
7 Branch shall be carried forward and shall be designated for expenditure.

8 (b) Notwithstanding any other provisions of law, General Fund
9 appropriations remaining unexpended on June 30, 2026, in the Legislative and
10 Judicial Branches shall be carried forward and shall be designated for
11 expenditure.

12 EXPLANATION: (a) Standard annual language providing the Secretary of
13 Administration the authority to approve the carry forward of existing spending
14 authority into the next fiscal year, within the executive branch, for the funds
15 enumerated.

16 (b) Standard annual language allowing fiscal year end spending authority to
17 carryforward automatically for the Legislature and Judiciary.

18 19 Sec. 55. EFFECTIVE DATE

20 21 (a) This act shall take effect upon passage.

22 EXPLANATION: Standard annual language establishing the effective date for
the Act and any individual provisions within the act.