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Adam Greshin, Commissioner

TO: Members of the H.951 Committee of Conference
CC: Autumn Crabtree, Elle Oille-Stanforth, Emily Byrne, Aimee Pope, Grady Nixon
FROM: Adam Greshin
RE: **Technical Corrections to H.951 - An act relating to making appropriations for the support of government**
DATE: May 7, 2026

I write to suggest the following clarifications and technical edits to H.951 - *An act relating to making appropriations for the support of government* – as passed by the Senate.

Sec. B.133 Vermont state retirement system

Personal services	<u>231,345</u>	<u>345,299</u>
Operating expenses	<u>3,536,781</u>	<u>3,422,827</u>
Total	3,768,126	
Source of funds		
Pension trust funds	<u>3,768,126</u>	
Total	3,768,126	

EXPLANATION:

\$54,329: Employee payroll costs for a new Policy and Research Manager position should be reflected in the Personal Services Major Object category.

\$59,625: Investment consulting contracts should be reflected in the Personal Services Major Object category.

Sec. B.134 Municipal employees' retirement system

Personal services	<u>234,016</u>	<u>274,161</u>
Operating expenses	<u>1,980,939</u>	<u>1,940,794</u>



Total	2,214,955
Source of funds	
Pension trust funds	<u>2,214,955</u>
Total	2,214,955

EXPLANATION:

\$40,145: Employee payroll costs for a new Policy and Research Manager position should be reflected in the Personal Services Major Object category.

Sec. B.138 Renter rebate

Grants	15,500,000	<u>13,500,000</u>
Total	15,500,000	<u>13,500,000</u>
Source of funds		
General fund	15,500,000	<u>13,500,000</u>
Total	15,500,000	<u>13,500,000</u>

EXPLANATION:

The Senate added \$4 million to the Section B.138 base appropriation and included language in Section E.138 indicating it was for a one-time appropriation. This adjustment eliminates the E.138 language, adds \$2 million of the \$4 million, added by the Senate, to the fiscal year 2027 base appropriation to account for the Tax Department's most recent demand projections, and adds a separate one-time appropriation in Section B.1100(z)(1).

Sec. B.222 Agriculture, food and markets - administration

Personal services	3,612,905	<u>3,629,076</u>
Operating expenses	462,506	<u>446,335</u>
Total	4,075,411	
Source of funds		
General fund	1,650,272	
Special funds	1,919,780	
Federal funds	497,859	
Interdepartmental transfers	<u>7,500</u>	
Total	4,075,411	



EXPLANATION:

\$16,171: The Senate removed the funding proposed by the Governor for the Administrative Services Manager III position. The Governor provided \$95,740 General Fund for the position and \$16,171 General Fund for associated operating expenses. The Senate removed the entire amount from Personal Services but \$16,171 should have been reduced from Operating Expenses.

Sec. B.329 Disabilities, aging, and independent living - administration & support

Personal services	54,488,657	<u>53,613,657</u>
Operating expenses	7,899,745	
<u>Grants</u>	<u>875,000</u>	
Total	62,388,402	
Source of funds		
General fund	28,240,734	
Special funds	3,476,056	
Federal funds	29,054,031	
Global Commitment fund	110,000	
Interdepartmental transfers	<u>1,507,581</u>	
Total	62,388,402	

EXPLANATION:

\$875,000 for HireAbility was moved from the Grants Major Object Category in B.332 by the House and put in Personal Services; it should continue to be in Grants.

Sec. B.514.1 State teachers' retirement system administration

Personal services	379,226	<u>479,000</u>
Operating expenses	3,792,259	<u>3,692,485</u>
Total	4,171,485	
Source of funds		
Pension trust funds	<u>4,171,485</u>	
Total	4,171,485	



EXPLANATION:

\$47,230: Employee payroll costs for a new Policy and Research Manager position should be reflected in the Personal Services Major Object category.

\$52,544: Investment consulting contracts should be reflected in the Personal Services Major Object category.

Sec. B.1100 MISCELLANEOUS FISCAL YEAR 2027 ONE-TIME APPROPRIATIONS

(c) Department for Children and Families. In fiscal year 2027, funds are appropriated for the following:

(1) \$21,183,809 General Fund for the provision of services, implementation of the Vermont Homelessness Response Continuum, shelter development and operation, emergency housing in hotels and motels, grants to municipalities, emergency cold weather shelters, and supportive services, including case management, staffing, grants, and contracts. This appropriation shall carry forward until fully expended or reverted by a future Act of the General Assembly.

(y) Center for Crime Victims' Services. In fiscal year 2027, funds are appropriated for the following:

(1) \$250,000 Domestic and Sexual Violence Special Fund for grants to the member organizations of the Vermont Network Against Domestic and Sexual Violence.

(z) Department of Tax. In fiscal year 2027, funds are appropriated for the following:

(1) \$2,000,000 General Fund for one-time supplemental renter rebate payments.

EXPLANATION:

(c)(1): Adds carryforward language intended under the original Section E.316.3 amended below.

(y)(1): The General Assembly transfers \$350,000 of General Fund to the Domestic and Sexual Violence Special Fund in Section D.101(a)(1)(F). Section E.220 requires the Center for Crime Victims' Services to "distribute" \$250,000 of the amount transferred. This is not possible under fund accounting since the transferred cash becomes part of the Domestic and Sexual Violence Special Fund and the Center for Crime Victims' Services cannot "distribute" grants without an appropriation. The Section E.220 language is repealed below and replaced by a one-time appropriation.

(z)(1): The Senate added \$4 million to the Section B.138 base appropriation and included language in Section E.138 indicating it was for a one-time appropriation. This adjustment eliminates the E.138 language, adds \$2 million of the \$4 million, added by the Senate, to the fiscal year 2027



base appropriation to account for the Tax Department’s most recent demand projections, and adds a separate one-time appropriation in Section B.1100(z)(1).

Sec. B.1101 FISCAL YEAR 2026 CLOSEOUT; FISCAL YEAR 2027 CONTINGENT TRANSACTIONS

(a) As part of the fiscal year 2026 closeout, the Department of Finance and Management shall execute the requirements of 2025 Acts and Resolves No. 27, Sec. D.103(a)(1)(D), as amended by 2026 Acts and Resolves No. 74, Sec. 55 and further amended by Sec. C.102 of this act; 32 V.S.A. § 308; and 32 V.S.A. § 308f. The Department of Finance and Management shall then, notwithstanding 32 V.S.A. § 308c, calculate the maximum number of contingent transactions that can be funded, in the order provided in subsection (b) of this section, and ~~designate reserve~~ that money ~~to remain unallocated~~ for such purpose in fiscal year 2027. Any residual balance ~~remaining after such designations~~ shall be reserved in accordance with 32 V.S.A. § 308c.

(b) In fiscal year 2027, any contingent reserve established per subsection (a) of this section shall be unreserved and the following ~~contingent~~ transactions ~~shall be~~ executed in the following order ~~from the designated unallocated balance as determined in subsection (a) of this section~~:

- (1) \$4,773,798 is transferred to the Technology Modernization Special Fund (#21951).
- (2) \$1,000,000 is transferred to the Farm and Forestry Operations Security Special Fund.
- (3) \$5,000,000 is ~~transferred to~~ reserved in the Human Services Caseload Reserve.

(4) \$30,000,000 is reserved ~~in the General Fund~~ for future appropriation or transfer by the General Assembly for addressing federal funding shortfalls, Vermont Medicaid and other human services needs, property tax relief, permanent housing initiatives, or any other uses determined to be in the best interests of the public.

EXPLANATION:

(a) Residual balances should be reserved to avoid confusion and contradiction with 32 V.S.A. § 308c. The creation of a contingent reserve designates residual funding for future uses, negating the need to notwithstand 32 V.S.A. § 308c codified law.

(b) Unreserves any balance from the contingent reserve for the purposes proscribed by the General Assembly. (3) Cash is not being transferred to the Human Services Caseload Reserve. It is being reserved within the fund where the cash already resides. (4) Stating “General Fund” is redundant since the entire section and all codified law citations are in regards to the General Fund.

Sec. C.103 2025 Acts and Resolves No. 73, Sec. 32 is amended to read:

Sec. 32. AGENCY OF EDUCATION; TRANSFORMATION APPROPRIATION; TRANSITION GRANTS



(b) The Agency shall use the funds appropriated in subdivision (a)(1) of this section to award transition facilitation grants to support the work required to transition to new governance and administrative models.

EXPLANATION:

The General Assembly added “and administrative models” to subsection (a)(1) but not subsection (b) leading to incompatible uses of the appropriation.

Sec. E.105.1 AGENCY OF DIGITAL SERVICES; INFORMATION TECHNOLOGY INTERNAL SERVICE FUND; DEFICIT MITIGATION PLAN

(a) On or before January 15, 2027, the Agency of Digital Services shall, in consultation with the Department of Finance and Management, provide a written plan to the House Committees on Appropriations and on Energy and Digital Infrastructure and the Senate Committees on Appropriations and on Institutions on how to reduce the fund deficit in the Information Technology Internal Service Fund established by 3 V.S.A. § 3304, including any recommended changes to ~~revenue sources to and expenditures from the~~ Fund sources, uses and transfers. The report shall include information on ~~revenues to and expenditures from the~~ Fund sources, uses, transfers and the Fund’s balance at fiscal year closeout for the previous 10 fiscal years. The report shall also include the most current available information on ~~revenues to and expenditures from the~~ Fund sources, uses, transfers and the estimated Fund balance at fiscal year 2027 closeout.

EXPLANATION:

The language omits transfers to and from the fund which are necessary to understand the year-end fund balance.

Sec. E.106 32 V.S.A. § 307(b) is amended to read:

(b) The budget shall also include in detail definite recommendations of the Governor relative to the amounts that should be appropriated to each of the activities referred to under this section. It shall also include definite recommendations of the Governor relative to the financing of the expenditures recommended and the appropriate amounts to be raised from ordinary revenue, direct taxes, bonds, or loans. The financing of the expenditures recommended, as proposed by the Governor, shall not include the funds from the Budget Stabilization Reserve as established in section 308 of this title. With the budget, the Governor shall submit to the General Assembly such messages, statements, or supplemental data with reference to the same, as the Governor may deem expedient; however, budget documentation shall include to the extent possible the following:

* * *

(5) A document outlining reversions and approved carryforward by appropriation for those funds subject to the Secretary of Administration’s carryforward authority or containing automatic carryforward provisions as designated by the General Assembly.



EXPLANATION:

32 V.S.A. § 703 requires all spending authority from all unique appropriations (totaling approximately 40,000 in number) to revert at fiscal year-end, unless otherwise specified by law. The recommended edit narrows the scope of the report to only those appropriations with spending authority from the funds designated by the General Assembly as being subject to the Secretary of Administration’s authorization or with automatic carryforward provisions as required by the General Assembly. All other appropriations will have reverted per 32 V.S.A. § 307.

Sec. E.127 JOINT FISCAL OFFICE; SPECIAL FUNDS REPORT

(c) The reports required by subsection (b) of this section shall include, for each special fund identified, the following information, if available:

- (1) the authorizing statute for the fund, its date of enactment, and any amendments to the statute;
- (2) a description of ~~revenue sources, uses and expenditures-transfers, and reservations,~~ including stated purposes of ~~expenditures-uses;~~
- (3) the prior fiscal year fund balance at closeout; and
- (4) other relevant information on the general management and oversight of the fund.

EXPLANATION:

Transfers and reserves are integral to understanding fund balances and operations.

Sec. E.131 HIGHER EDUCATION ENDOWMENT TRUST FUND; USES; REPORT

(a) In calendar year 2026, as part of the annual financial report on the Vermont Higher Education Endowment Trust Fund required by 16 V.S.A. § 2885(e), the Office of the State Treasurer shall, in consultation with the Vermont Higher Education Endowment Trust Fund Council, include recommendations on any changes to ~~revenue sources to or expenditures from the~~ Fund sources, uses, and transfers, including any expanded uses of the fund and adjustments to the current statutory allocation structure

EXPLANATION:

Transfers and reserves are integral to understanding fund balances and operations.

Sec. E.131.1 STATE PACE RESERVE FUND; REPEAL

(a) 24 V.S.A. § 3270 (state PACE reserve fund) is repealed and any balance remaining at that time shall be transferred to the General Fund.



EXPLANATION:

The language allows any additional interest earned on the balance prior to closing, beyond the transfer in Section D.101(a)(8), to be transferred to the General Fund.

~~Sec. E.138 RENTER REBATE FISCAL YEAR 2027 BASE INCREASE; ONE-TIME~~

~~(a) It is the intent of the General Assembly that the \$4,000,000 increase to the appropriation in Sec. B.138 of this act be a one-time increase in fiscal year 2027 that shall not recur in future fiscal years.~~

EXPLANATION:

The Senate added \$4 million to the Section B.138 base appropriation and included language in Section E.138 indicating it was for a one-time appropriation. This adjustment eliminates the E.138 language, adds \$2 million of the \$4 million, added by the Senate, to the fiscal year 2027 base appropriation to account for the Tax Department's most recent demand projections, and adds a separate one-time appropriation in Section B.1100(z)(1).

~~Sec. E.220 CENTER FOR CRIME VICTIM SERVICES; TRANSFER; GRANTS TO VERMONT NETWORK~~

~~(a) Of the amount transferred from the General Fund to the Domestic and Sexual Violence Special Fund in Sec. D.101(a)(1)(F) of this act, the Center for Crime Victim Services shall distribute \$250,000 as grants to the member organizations of the Vermont Network Against Domestic and Sexual Violence.~~

EXPLANATION:

The General Assembly transfers \$350,000 of General Fund to the Domestic and Sexual Violence Special Fund in Section D.101(a)(1)(F). Section E.220 requires the Center for Crime Victims' Services to "distribute" \$250,000 of the amount transferred. This is not possible under fund accounting since the transferred cash becomes part of the Domestic and Sexual Violence Special Fund and the Center for Crime Victims' Services cannot "distribute" any grants without an appropriation. The Section E.220 language should be repealed. A one-time appropriation should be created in Section B.1100 as previously indicated in this memo.

Sec. E.316.3 DEPARTMENT FOR CHILDREN AND FAMILIES; HOMELESSNESS RESPONSE BASE FUNDING

~~(a) In addition to the \$21,183,809 one-time General Fund appropriation made to the Department for Children and Families in Sec. B.1100(e)(1) \$XX,XXX,XXX of the [General, Federal, Special, etc.] Fund appropriation in Section B.316 of this act shall be for the implementation of the Vermont Homelessness Response Continuum, including shelter development and operation, emergency housing in hotels and motels, grants to municipalities, emergency cold weather shelters, and supportive services, and related case management, staffing, grants, and contracts; \$61,450,344 of~~



~~the appropriations made in Sees. B.316, B.321, and B.325 of this act shall be base funding to support those purposes.~~

(b) Any spending authority ~~referenced-designated for the purposes provided~~ in subsection (a) of this section that remains ~~unexpended~~ at the end of fiscal year 2027 shall be carried forward for the same purpose for which it was originally ~~appropriated-designated~~.

EXPLANATION:

The language, as enacted, provided a gross total amount across three appropriations with no identified funding sources. As written, there is no way to know which funds or how much within each appropriation is designated for the intended purpose and, therefore, subject to the carryforward provision. The language is therefore written to allow the General Assembly to provide this information for each appropriation involved.

Sec. E.317 SUPERVISED VISITATION PROGRAMS

(a)(1) \$137,500 of the General Fund appropriation in Sec. B.317 of this act, the \$130,000 General Fund appropriation in Sec. B.1100(c)(5) of this act, and \$100,000 of the federal funds appropriation in Sec. B.319 of this act shall be ~~distributed-granted~~ by the Department for Children and Families to supervised visitation programs as follows:

EXPLANATION:

State and Federal funds provided for the purposes provided in this section must be granted per State Bulletin requirements and federal 2 CFR 200.

Sec. E.321 DEPARTMENT FOR CHILDREN AND FAMILIES; HOMELESSNESS RESPONSE BASE FUNDING

~~(a) In addition to the \$21,183,809 one-time General Fund appropriation made to the Department for Children and Families in Sec. B.1100(e)(1) \$XX,XXX,XXX of the [General, Federal, Special, etc.] Fund appropriation in Section B.321 of this act shall be~~ for the implementation of the Vermont Homelessness Response Continuum, including shelter development and operation, emergency housing in hotels and motels, grants to municipalities, emergency cold weather shelters, and supportive services, and related case management, staffing, grants, and contracts, ~~\$61,450,344 of the appropriations made in Sees. B.316, B.321, and B.325 of this act shall be base funding to support those purposes.~~

(b) Any spending authority ~~referenced-designated for the purposes provided~~ in subsection (a) of this section that remains ~~unexpended~~ at the end of fiscal year 2027 shall be carried forward for the same purpose for which it was originally ~~appropriated-designated~~.



EXPLANATION:

The language as passed provides a gross total amount across three appropriations with no identified funding sources. As written, there is no way to know which funds or how much within each appropriation is designated for the intended purpose and, therefore, subject to the carryforward provision. The language should provide this information for each appropriation involved.

Sec. E.323 DEPARTMENT FOR CHILDREN AND FAMILIES; REACH FIRST

(a) 33 V.S.A. chapter 10 is repealed. The Department for Children and Families shall cease operation of the Reach First program on July 1, 2026.

EXPLANATION:

The elimination of this program must be accompanied by a repeal of its statutory language.

Sec. E.325.1 DEPARTMENT FOR CHILDREN AND FAMILIES; HOMELESSNESS RESPONSE BASE FUNDING

(a) In addition to the \$21,183,809 one time General Fund appropriation made to the Department for Children and Families in Sec. B.1100(e)(1) \$XX,XXX,XXX of the [General, Federal, Special, etc.] Fund appropriation in Section B.325 of this act shall be for the implementation of the Vermont Homelessness Response Continuum, including shelter development and operation, emergency housing in hotels and motels, grants to municipalities, emergency cold weather shelters, and supportive services, and related case management, staffing, grants, and contracts, \$61,450,344 of the appropriations made in Secs. B.316, B.321, and B.325 of this act shall be base funding to support those purposes.

(b) Any spending authority refereneed designated for the purposes provided in subsection (a) of this section that remains unexpended at the end of fiscal year 2027 shall be carried forward for the same purpose for which it was originally appropriated-designated.

EXPLANATION:

The language as passed provides a gross total amount across three appropriations with no identified funding sources. As written, there is no way to know which funds or how much within each appropriation is designated for the intended purpose and, therefore, subject to the carryforward provision. The language should provide this information for each appropriation involved.

Sec. E.329.1 CHOICES FOR CARE; FISCAL YEAR 2028 BUDGET

(a) For the fiscal year 2028 budget, the Department of Disabilities, Aging and Independent Living shall present as separate appropriations in the Choices for Care Program home and community based services and skilled nursing facility services.



EXPLANATION:

Choices for Care (CFC) is one program with two service lines; Nursing Homes, and Home and Community Based Services (HCBS) that cannot be managed across two separate appropriations.

CFC consumers choose which services they wish to receive. DAIL receives one invoice from Gainwell and then subsequently tracks by running reports to determine the appropriate service category, in addition to which claims are Money Follows the Person (MFP) eligible (Nursing Home residents who transition to HCBS). DAIL provides a quarterly report on CFC spending.

Furthermore, Title 33 Chapter 76 would need to be adjusted if there is a change in appropriation structure.

Sec. E.338.1 REENTRY SERVICES; GRANT

(a) Of the appropriation in Sec. B.338.1 of this act, \$85,000 General Fund shall be for a grant to Jenna’s Promise to support reentry services.

EXPLANATION:

This should be B.338.1.

Sec. E.504.4 16 V.S.A. § 4011(⊕) is amended to read:

~~(⊕) 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 base education amount for each student who completes the diagnostic portions of the adult education and secondary credential program, based on an average of the previous two completed fiscal years. Forty 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. [Repealed.]~~

EXPLANATION:

The language construction should be either “16 V.S.A. § 4011 is amended to read” – OR – “16 V.S.A. § 4011(f) is repealed”

Sec. E.915 32 V.S.A. § 3709 is amended to read:

§ 3709. PILOT SPECIAL FUND

(a) There is hereby established a PILOT Special Fund consisting of local option tax revenues paid to the State Treasurer pursuant to 24 V.S.A. § 138. This Fund shall be managed by the Commissioner of Taxes pursuant to chapter 7, subchapter 5 of this title. Notwithstanding subdivision 588(3) of this title, all interest earned on the Fund shall be retained in the Fund for use in meeting future obligations. The Fund shall be exclusively for payments required under ~~chapter 123~~, subchapters 4 and 4C of this ~~title~~ chapter, and for any additional State payments in lieu of



taxes for correctional facilities, and as provided in subsection (c) of this section. The Commissioner of Finance and Management may draw warrants for disbursements from this Fund in anticipation of receipts.

* * *

(c) If the local option tax ~~revenues-cash receipts~~ deposited in the PILOT Special Fund, pursuant to 24 V.S.A. § 138, in any State fiscal year exceed the ~~full amount of all payments-sum of all cash disbursements~~ made under subchapters 4 and 4C of this chapter; ~~plus any additional State payments in lieu of taxes for correctional facilities; and, any amounts appropriated from the PILOT Special Fund to the Department of Taxes for expenses related to~~ grand list and appraisal assistance during that same fiscal year, then an amount of PILOT Special Funds equal to three-fourths of the ~~surplus annual operating cash receipts excess amount~~ shall be transferred by the Commissioner of Finance and Management to the Local Option Municipal Transportation Special Fund, established pursuant to 19 V.S.A. § 306b, ~~as part of the annual fiscal year close out process.~~

EXPLANATION:

The language, as written, confuses modified accrual basis revenues and expenses with cash basis asset receipts, disbursements and transfers. Furthermore, PILOT Special Funds are transferred, not PILOT Special Fund revenues, by the Commissioner of Finance and Management. This must be completed as part of the annual fiscal year-end close out process to determine what the transfer amount must be. The effective date of this section is modified below, to be effective upon passage, so the Local Option Municipal Transportation Special Fund will begin fiscal year 2027 with a beginning balance available for appropriation.

Sec. E.915.1 19 V.S.A. § 306b is added to read:

§ 306b. LOCAL OPTION MUNICIPAL TRANSPORTATION SPECIAL FUND

(a) The Local Option Municipal Transportation Special Fund is established in the Agency of Transportation and shall be managed in accordance with 32 V.S.A. chapter 7, subchapter 5. The purpose of the Fund is to provide additional State aid for town highways pursuant to the provisions of section 306 of this chapter.

(b) The Fund shall consist of:

- (1) transfers from the PILOT Special Fund pursuant to 32 V.S.A. § 3709(c);
- (2) any gifts, grants, or contributions made to the Fund; and
- (3) any amounts transferred to the Fund by the General Assembly.
- (4) All interest earned on Fund balances

(c)(1) ~~All interest earned on Fund balances shall be credited to the Fund.~~

(2) The Secretary may seek and accept gifts, donations, and grants from any source, public or private, ~~to be dedicated~~ for deposit into the Fund.

(3) The Commissioner of Finance and Management shall anticipate receipts to the Fund and shall issue warrants based on the anticipated amounts.



(43)(A) ~~Monies in the~~ The Fund shall be used solely to provide State aid to municipalities pursuant to subsections 306(a), (e), and (h) of this chapter and for any administrative costs ~~incurred in of~~ administering the Fund.

(B) Notwithstanding any provision of subsections 306(a), (e), and (h) of this chapter to the contrary, the aggregate amount of ~~monies appropriated-appropriations~~ from the Fund pursuant to those subsections in any given State fiscal year shall not exceed 95 percent of the anticipated ~~cash~~ receipts to the Fund for that fiscal year.

EXPLANATION:

Interest receipts should be included with subsection (b).
Fund deposits are not dedicated. Appropriations may be designated and balances may be reserved.
“Monies” are not appropriated. Appropriations provide spending authority to an Agency/Department from a fund.

Sec. E.915.2 19 V.S.A. § 306 is amended to read:

§ 306. APPROPRIATION; STATE AID FOR TOWN HIGHWAYS

(a) General State aid to town highways.

* * *

(4)(A) In addition to the amounts appropriated pursuant to subdivision (1) of this subsection (a), a portion of ~~the anticipated annual revenue of~~ the Local Option Municipal Transportation Special Fund may be appropriated for class 1, 2, and 3 town highways in each State fiscal year in an amount that is consistent with the provisions of subdivision 306b(c)(4) of this chapter. Amounts ~~appropriated from the Fund~~ shall be apportioned, distributed, and used in the same manner as provided pursuant to subdivision (3) of this subsection (a).

(B) Amounts appropriated pursuant to this subdivision (4) shall be supplemental to and shall not supplant or decrease the amount appropriated pursuant to subdivision (1) of this subsection (a) or be subject to the annual inflationary adjustment provided for in subdivisions (1) and (2) of this subsection (a).

* * *

(e) State aid for town highway structures.

* * *

(6)(A) In addition to the amounts appropriated pursuant to subdivision (1) of this subsection (e), a portion of ~~the anticipated annual revenue of~~ the Local Option Municipal Transportation Special Fund may be appropriated for town highway structures in each State fiscal year in an amount that is consistent with the provisions of subdivision 306b(c)(4) of this chapter. Amounts ~~appropriated from the Fund~~ shall be used in the same manner and for the same purposes as provided pursuant to subdivisions (1) and (5) of this subsection (e).



(B) Amounts appropriated pursuant to this subdivision (6) shall be supplemental to and shall not supplant or decrease the amount appropriated pursuant to subdivision (1) of this subsection (e) or be subject to the annual inflationary adjustment provided for in subdivisions (1)–(3) of this subsection (e).

* * *

(h) Class 2 Town Highway Roadway Program.

* * *

(5) Funds received as grants for State aid under the Class 2 Town Highway Roadway Program may be used by a municipality to satisfy a portion of the matching requirements for federal earmarks, subject to subsection 309b(c) of this title.

(6)(A) In addition to the amounts appropriated pursuant to subdivision (1) of this subsection (h), a portion of ~~the anticipated annual revenue of~~ the Local Option Municipal Transportation Special Fund may be appropriated for town highway structures in each State fiscal year in an amount that is consistent with the provisions of subdivision 306b(c)(4) of this chapter. Amounts appropriated ~~from the Fund~~ shall be used in the same manner and for the same purposes as provided pursuant to subdivisions (1) and (5) of this subsection (h).

(B) Amounts appropriated pursuant to this subdivision (6) shall be supplemental to and shall not supplant or decrease the amount appropriated pursuant to subdivision (1) of this subsection (h) or be subject to the annual inflationary adjustment provided for in subdivisions (1)–(3) of this subsection (h).

* * *

EXPLANATION:

Per GASB, funds, not revenues, are appropriated.

Appropriations provide spending authority to an Agency or Department, not proceeds from a fund.

Sec. G.100 EFFECTIVE DATES

(a) This section and Secs. C.100, C.101, C.102, C.103, C.104, C.105, C.106, C.107, C.108, C.109, C.110, C.111, C.112, C.113, E.504.2, E.504.3, E.504.4 and ~~F.108.1~~ E.915 shall take effect on passage.

(b) Secs. E.307.1, E.307.2, E.307.3, and E.307.5 shall take effect on October 1, 2026.

(c) Secs. E.111.1, E.111.2, E.307.4, and E.923 shall take effect on July 1, 2027.



(d) Sec. E.504.5 (16 V.S.A. § 4021(b)) shall take effect upon the occurrence of the contingencies set forth in 2025 Acts and Resolves No. 73, Sec. 70(f).

(e) Secs. E.100, E.111, E.236, E.306.2, E.329.2, and E.711 shall take effect on August 15, 2026, provided that:

(1) the official State revenue estimate for the General Fund approved by the Emergency Board at its July 2026 meeting has not been reduced by one percent or more from the estimates determined and assumed for purposes of the current fiscal year's appropriations; or

(2) the official State revenue estimate for the General Fund approved by the Emergency Board at its July 2026 meeting has been reduced by one percent or more from the estimates determined and assumed for purposes of the current fiscal year's appropriations and the Joint Fiscal Committee approves a rescission plan at its July 2026 meeting that does not rescind the funding for the establishment of the positions in Secs. E.100, E.111, E.236, E.306.2, E.329.2, and E.711. Any position in Secs. E.100, E.111, E.236, E.306.2, E.329.2, and E.711 for which funding has been rescinded shall not be established.

(f) All other sections shall take effect on July 1, 2026.

EXPLANATION:

If E.915 is made effective upon passage, it can be implemented as part of the fiscal year 2026 close out process and provide initial capitalization assets for the Local Option Municipal Transportation Special Fund.

F.108.1 is removed from subsection (c) so that it would become effective on July 01, 2026. If F.108.1 is effective upon passage, then pursuant to the provisions of this section, if passage occurs during FY2026, current State's Attorneys meeting the criteria would either cease to be paid or would be required to return money to the state if they exceeded the 70% of current law requirement. This could shut down these positions, and their respective offices, for the remainder of the fiscal year. Salary compensation does not function on an hourly basis.

While not a technical correction per se, The Department of Finance and Management recommends that if the use of the PILOT Special Fund for Reappraisal and Listing Payments in Sec. B.139 will be an ongoing construct (as is implied by the use of this fund in a base appropriation), then the use of the fund for this purpose should be codified in statute as indicated in E.142.1 through E.142.4 below, and the notwithstanding language of E.139.1 can be eliminated.

Sec. E.139.1 TAX DEPARTMENT APPROPRIATION; PILOT FUND

(a) Notwithstanding 32 V.S.A. § 3709(a) or any other provision of law to the contrary, the appropriation in Sec. B.139 of this act shall be made from the PILOT Special Fund.



EXPLANATION:

Notwithstanding of statute is not required due to codifying language suggested below.

Sec. E.142.1 32 V.S.A. § 3436(e) is amended to read:

§ 3436. Assessment education

(e) A sum not to exceed \$100,000.00 each year shall be paid from the ~~Education Fund~~ PILOT Special Fund to the Division of Property Valuation and Review for the purpose of providing assessment education for municipal listers and assessors. The Director is authorized to establish guidelines and requirements for education programs to be provided using the funds described in this section. Education programs provided using funds described in this section shall be provided at no cost or minimal cost to the municipal listers and assessors. In addition to providing the annual education programs described in this section, up to 20 percent of the amount available for education programs may be reserved as a scholarship fund to permit municipal listers and assessors to attend national programs providing education opportunities on advanced assessment topics. All applications for scholarships shall be submitted to and approved by the Director.

EXPLANATION:

Changes the funding source for Lister and Assessor Education in Sec. B.139 of this act from the Education Fund to the PILOT Special Fund. This ensures that funds raised from municipal enactment of local option taxes are fully used by the state as aid for municipalities and state General Fund is used for state purposes. Note that while the existing language states Education Fund, it does not reflect actual current practice of payments being made from the General Fund.

GOV REC Sec. E.142.2 32 V.S.A. § 3709 is amended to read:

§ 3709. PILOT Special Fund

(a) There is hereby established a PILOT Special Fund consisting of local option tax revenues paid to the State Treasurer pursuant to 24 V.S.A. § 138. This Fund shall be managed by the Commissioner of Taxes pursuant to chapter 7, subchapter 5 of this title. Notwithstanding subdivision 588(3) of this title, all interest earned on the Fund shall be retained in the Fund for use in meeting future obligations. The Fund shall be exclusively for payments required under chapter 123, subchapters 4 and 4C of this title, subsections 3436(e), 4041a(a), and 5405(f) of this title, and for any additional State payments in lieu of taxes for correctional facilities. The Commissioner of Finance and Management may draw warrants for disbursements from this Fund in anticipation of receipts.



EXPLANATION:

Adds the following as authorized uses of the PILOT special fund: (1) Lister and Assessor Education funding from 32 V.S.A. §3436(e); (2) \$8.50 per parcel payment for Reappraisal and Listing assistance from 32 V.S.A. §4041a(a), and (3) \$1.00 per parcel payment for the Equalization Study from 32 V.S.A. §5405(f). Ensures receipts generated from municipal adoption of local option taxes are used for state assistance for municipalities, and state General Fund is used for other purposes.

GOV REC Sec. E.142.3 32 V.S.A. § 4041a is amended to read:

§ 4041a. Reappraisal

(a) A municipality shall be paid \$8.50 per grand list parcel per year from the General PILOT Special Fund to be used only for reappraisal and costs related to reappraisal of its grand list properties and for maintenance of the grand list.

EXPLANATION:

Changes the funding source for the Reappraisal and Listing payments in Sec. B.139 of this act from General Fund to PILOT Special Fund. This ensures that funds raised from municipal enactment of local options taxes are fully used by the state as aid for municipalities and frees up state General Fund for other purposes.

GOV REC Sec. E.142.4 32 V.S.A. § 5405 is amended to read:

§ 5405. Determination of equalized education property tax grand list and coefficient of dispersion

(f) Within the limits of the resources available for that purpose, the Commissioner may employ such individuals, whether on a permanent, temporary, or contractual basis, as shall be necessary, in the judgment of the Commissioner, to aid in the performance of duties under this section. The Commissioner shall pay from the PILOT Special Fund to each municipality the sum of \$1.00 per grand list parcel in the municipality for services provided to the Commissioner in connection with the performance of duties under this section. Each municipality shall deposit payments received under this subsection into a special fund that shall be used to support the preparation of the education property tax grand list.

EXPLANATION:

Changes the funding source for the Equalization Study payments in Sec. B.139 of this act from General Fund to PILOT Special Fund. This ensures that funds raised from municipal enactment of local options taxes are fully used by the state as aid for municipalities and frees up state General Fund for other purposes.

