

1 Sec. 1. 16 V.S.A. § 3445(a)(6) is amended to read:

2 (6) Award of construction aid.

3 (A) ~~The base amount of an award shall be 20~~ A school district that
4 receives final approval for construction aid shall be eligible to receive
5 construction aid of 100 percent of the eligible debt service cost of a the
6 approved project. ~~Projects are eligible for additional bonus incentives as~~
7 ~~specified in rule for up to an additional 20 percent of the eligible debt service~~
8 ~~cost.~~ ~~Amounts~~

9 (B) Construction aid shall be awarded annually for annual debt
10 service costs up to a maximum total annual amount of \$XX,000 and are is
11 subject to an annual appropriation for the purposes of the program.

12 ~~(B)~~(C) As used in subdivision (A) of this subdivision (6), “eligible
13 debt service cost” of a project means the product of the lifetime cost of the
14 bond authorized for the project and the ratio of the approved cost of a the
15 project to the total cost of the project.

16 Sec. 2. REPEAL

17 16 V.S.A. § 3454 (deferred maintenance) is repealed.

18 **Sec. 3. 16 V.S.A. § 4033 is added to read:**

19 **§ 4033. LEGACY DEBT AID**

20 **A school district shall be eligible to receive aid of 100 percent of the debt**
21 **service cost of the district’s outstanding indebtedness as of December 31,**

1 2025. Aid shall be awarded annually for annual debt service costs up to a
2 maximum total annual amount of \$XX,000 and is subject to an annual
3 appropriation for the purposes of the legacy debt aid.

4 Sec. 4. EFFECTIVE DATE

5 This act shall take effect on July 1, 2026.

DRAFT