

1 H.454

2 An act relating to transforming Vermont’s education governance, quality,  
3 and finance systems

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

5 \* \* \* Findings and Intent \* \* \*

6 Sec. 1. FINDINGS; INTENT; PLAN

7 (a) The General Assembly finds that:

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

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

17 (3) As the U.S. Supreme Court stated in Brown v. Board of Education,  
18 347 U.S. 483 (1954), “education is perhaps the most important function of  
19 state and local governments...[i]t is required in the performance of our most  
20 basic public responsibilities...[i]t is the very foundation of good citizenship.”

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

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

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

21           (b) Intent; plan.

1           (1) To ensure each student is provided substantially equal educational  
2           opportunities that will prepare them to thrive in a 21st-century world, it is the  
3           intent of the General Assembly to work strategically, intentionally, and  
4           thoughtfully to ensure that each incremental change made to Vermont’s public  
5           education system provides strength and support to its only constitutionally  
6           required governmental service.

7           (2) It is further the intent of the General Assembly to:

8                   (A) in the 2026 session:

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

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

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

18                           (iv) enact student-centered updates to career and technical  
19                          education funding within a foundation formula that does not create competition  
20                          between sending schools and career and technical education programs for  
21                          available funds; and

1                   (v) begin the process to create voting wards within each school  
2                   district to ensure school board membership is apportioned in such a manner as  
3                   to achieve substantially equal weighting of the votes of all voters in the  
4                   election of school board members;

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

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

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

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

19                   Sec. 1. THE COMMISSION ON THE FUTURE OF PUBLIC

20                               EDUCATION; REPORTS

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

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

15                (1) Voting members. The following members shall be voting members  
16          of the Commission:

17                    (A) the Secretary of Education or designee;

18                    ~~(2)~~(B) the Chair of the State Board of Education or designee;

19                    ~~(3)~~(C) the Tax Commissioner or designee;

20                    ~~(4)~~(D) one current member of the House of Representatives, appointed  
21          by the Speaker of the House;

1           ~~(5)~~(E) one current member of the Senate, appointed by the Committee  
2 on Committees;

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

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

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

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

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

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

16           ~~(12)~~(L) the Executive Director of the Vermont Rural Education  
17 Collaborative; and

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

1           (2) Nonvoting members. The following nine members shall be  
2           nonvoting members of the Commission who shall be appointed on or before  
3           July 15, 2025:

4           (A) Nonlegislative members. There shall be five nonlegislative,  
5           nonvoting members, all of whom shall have extensive experience working  
6           within the Vermont public education system. Appointing authorities shall  
7           coordinate to ensure that, to the extent possible, each of the five nonvoting  
8           members represents a different geographic region of the State.

9           (i) Two members, appointed by the Speaker of the House, one of  
10          whom shall be a retired or former Vermont superintendent of a supervisory  
11          union with multiple member school districts and one of whom shall be either a  
12          retired or former Vermont school business manager or a retired or former  
13          school board member.

14          (ii) Two members, appointed by the Committee on Committees,  
15          one of whom shall be a retired or former Vermont superintendent and one of  
16          whom shall be a retired or former Vermont school business manager.

17          (iii) One member, appointed by the Governor, who shall be a  
18          retired or former Vermont superintendent.

19          (B) Legislative members. There shall be four legislative, nonvoting  
20          members.

1                   (i) Two current members of the House of Representatives, not all  
2                   from the same political party or same school district, who shall be appointed  
3                   by the Speaker of the House.

4                   (ii) Two current members of the Senate, not all from the same  
5                   political party or same school district, who shall be appointed by the  
6                   Committee on Committees.

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



1 ~~subcommittee. All other subcommittees shall be composed solely of~~  
2 ~~Commission members.~~

3 (d) Collaboration and information review.

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

7 (A) the Department of Mental Health;

8 (B) the Department of Labor;

9 (C) the President of the University of Vermont or designee;

10 (D) the Chancellor of the Vermont State Colleges Corporation or  
11 designee;

12 (E) a representative from the Prekindergarten Education  
13 Implementation Committee;

14 (F) the Office of Racial Equity;

15 (G) a representative with expertise in the Community Schools model  
16 in Vermont;

17 (H) the Vermont Youth Council;

18 (I) the Commission on Public School Employee Health Benefits; and

19 (J) an organization committed to ensuring equal representation and  
20 educational equity.

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

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

17           (1) Public engagement. The Commission shall conduct not fewer than  
18 14 public meetings to inform the work required under this section. At least one  
19 meeting of the Commission as a whole or a subcommittee of the Commission  
20 shall be held in each county. The Commission shall publish a draft of its final  
21 recommendations on or before October 1, 2025, solicit public feedback, and

1 incorporate such feedback into its final recommendations. When submitting its  
2 final recommendations to the General Assembly, the Commission shall include  
3 all public feedback received as an addendum to its final report. The public  
4 feedback process shall include:

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

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

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

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

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

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

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

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

10 ~~(v) the effective integration of career and technical education in~~  
11 ~~the recommended education vision of the State.~~

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

19 (i) ~~an analysis and recommendation for the most efficient and~~  
20 ~~effective number and location of school buildings, school districts, and~~  
21 ~~supervisory unions needed to achieve Vermont's vision for education,~~

1 ~~provided that if there is a recommendation for any change, the~~  
2 ~~recommendation shall include an implementation plan;~~

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

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

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

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

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

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

21 [Repealed.]

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

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

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

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

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

17           (D) ~~Education finance system. The Commission shall explore the~~  
18           ~~efficacy and potential equity gains of changes to the education finance system,~~  
19           ~~including weighted educational opportunity payments as a method to fund~~  
20           ~~public education. The Commission's recommendations shall be intended to~~  
21           ~~result in an education funding system designed to afford substantially equal~~

1 ~~access to a quality basic education for all Vermont students in accordance with~~  
2 ~~State v. Brigham, 166 Vt. 246 (1997). Recommendations under this~~  
3 ~~subdivision (D) shall include, at a minimum, the following:~~

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

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

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

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

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

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

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

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

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

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

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

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

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

16                   (2) a written report containing its preliminary findings and  
17 recommendations, including short-term cost containment considerations for the  
18 2025 legislative session, on or before December 15, 2024; and

19                   (3) a written report containing its final findings and recommendations  
20 ~~for a statewide vision for Vermont's public education system and the policy~~  
21 ~~changes necessary to make that educational vision a reality based on its~~



1 analysis of the State-level governance topics contained in subdivision (e)(2)(A)  
2 of this section, on or before December 1, 2025;~~and~~

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

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

13 (h) Meetings.

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

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

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

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

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

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

6 (j) School district boundary subcommittee. There is created a  
7 subcommittee of the Commission to be composed of the nine nonvoting  
8 members of the Commission that shall determine the most efficient number of  
9 school districts and proposed boundary lines, based on educational research;  
10 Vermont's geographic and cultural landscape; historic attendance patterns; the  
11 distribution of equalized grand list value per pupil; the provision of career and  
12 technical education; and a comprehensive analysis of school locations,  
13 conditions, and capacity.

14 (1) Duties of the district boundaries subcommittee.

15 (A) The subcommittee shall recommend not more than three school  
16 district boundary proposals to the General Assembly and may consult with the  
17 Vermont Association of Career and Technical Education Directors regarding  
18 how to incorporate career and technical education into the proposals. The  
19 proposed school district boundaries shall:

20 (i) increase equitable access to educational opportunity;

1                    (ii) maximize opportunities for modern, regional middle and high  
2 schools, with the least disruption to students;

3                    (iii) provide access to education for their resident students in  
4 grades kindergarten through 12;

5                    (iv) provide access to career and technical education (CTE) for all  
6 eligible students;

7                    (v) to the extent practical, not separate towns within school  
8 districts as those boundaries exist on July 1, 2025;

9                    (vi) to the extent practical, consider the availability of regional  
10 services for students, such as designated agencies, and how those services  
11 would integrate into the new proposed school district boundaries;

12                    (vii) to the extent practical, result in school districts with a  
13 minimum average daily membership of approximately 4,000 students; and

14                    (viii) to the extent practical, consider historic attendance patterns  
15 in geographic areas that do not operate public schools at all grade levels from  
16 kindergarten through grade 12.

17                    (B) The subcommittee may consider and make recommendations for  
18 the optimal location of schools, including CTE programs, to meet the  
19 requirements contained in subdivision (A) of this subdivision (1).

20                    (C) The subcommittee shall provide regular updates to the  
21 Commission regarding its work.

1           (D) The subcommittee shall have the sole authority to determine the  
2           contents of the report and maps required under subdivision (4) of this  
3           subsection (j). The Commission may provide its own comments to the  
4           subcommittee and the relevant committees of jurisdiction, either as an  
5           addendum to the report of the subcommittee or as a separate report.

6           (2) Public engagement. The district boundary subcommittee shall  
7           engage and coordinate with the Commission’s public engagement  
8           subcommittee and the public engagement consultant to maximize public input  
9           and feedback regarding the development of the proposed new school district  
10          boundaries.

11          (3) Assistance. The district boundary subcommittee shall have the  
12          assistance of the Agency of Digital Services, Vermont Center for Geographic  
13          Information, which may also retain the services of one or more independent  
14          third parties to provide facilitation and mediation services to the subcommittee.

15          (4) Report and maps. On or before December 1, 2025, the district  
16          boundary subcommittee shall submit the following to the House and Senate  
17          Committees on Education, the House Committee on Government Operations  
18          and Military Affairs, the Senate Committee on Government Operations, the  
19          House Committee on Ways and Means, and the Senate Committee on Finance:

20                (A) Report. The district boundary subcommittee shall submit a  
21                written report with the subcommittee’s proposed new school district

1 boundaries. The report shall detail how each proposed option meets the  
2 requirements of subdivision (1)(A) of this subsection (j).

3 (B) Maps. The subcommittee shall also submit detailed maps for  
4 each school district boundary proposal, which, in addition to the school district  
5 boundaries themselves, shall include:

6 (i) average daily membership for each proposed school district for  
7 the 2023–2024 school year;

8 (ii) the member towns for each school district;

9 (iii) the location of public schools and nontherapeutic approved  
10 independent schools that are eligible to receive public tuition as of July 1,  
11 2025, and the grades operated by each of those schools;

12 (iv) the five-year facility condition index score for each school;

13 (v) PCB testing score for each school; and

14 (vi) 10-year change in enrollment between 2013 and 2023 for each  
15 school.

16 \* \* \* School District Voting Ward Task Force \* \* \*

17 Sec. 2a. SCHOOL DISTRICT VOTING WARD TASK FORCE; REPORT;

18 MAPS

19 (a) Creation. There is created the School District Voting Ward Task Force  
20 to create voting district wards within the new school districts contemplated by  
21 this act, to ensure school board membership is apportioned in such a manner as

1 to achieve substantially equal weighting of the votes of all voters in the choice  
2 of school board members.

3 (b) Membership. The Task Force shall be composed of the following  
4 members who shall have substantial understanding of Vermont geography,  
5 trade, travel, social interaction, and Vermont's public education system:

6 (1) the Secretary of State or designee, who shall be the chair;

7 (2) three members, who shall be appointed by the Vermont Municipal  
8 Clerk Treasurer Association;

9 (3) two members, appointed by the Vermont School Boards  
10 Association; and

11 (4) the Director of the Vermont Center for Geographic Information or  
12 designee.

13 (c) Powers and duties. On or before October 15, 2025, the Task Force shall  
14 consult with the school district boundary subcommittee created in Sec. 2 of this  
15 act to gain an understanding of the status of the work of the subcommittee and  
16 to determine whether the subcommittee has one or more boundary proposals  
17 ready for the Task Force to begin the work of creating voting wards. Using the  
18 boundary proposals of the subcommittee, the Task Force shall, following the  
19 principles of apportionment followed by the legislative apportionment board,  
20 make recommendations to the General Assembly to achieve voting districts  
21 within each school district that are compact, contiguous, and drawn to achieve

1 substantially equal weighting of votes and that meet the requirements of  
2 applicable State and federal law. If at any time during the work of the Task  
3 Force the General Assembly enacts new school district boundaries, or it  
4 appears clear the General Assembly is focused on only one proposal, the Task  
5 Force shall focus its work and recommendations to align with the work of the  
6 General Assembly. The Task Force's recommendations shall include:

7 (1) the optimal number of school board members per school board to  
8 maximize public representation and democratic input while maintaining  
9 effective school board size; and

10 (2) boundaries for school district voting wards within each school  
11 district, with alternative options if necessary, including detailed maps clearly  
12 and unambiguously delineating ward boundaries that respect current municipal  
13 boundary lines.

14 (d) Assistance. The Task Force shall have the administrative, technical,  
15 and legal assistance of the Secretary of State's office and the technical  
16 assistance of the Agency of Digital Services, Vermont Center for Geographic  
17 Information. The Task Force may contract for such expert services as may be  
18 necessary to carry out its duties.

19 (e) Meetings.

20 (1) The Secretary of State shall call the first meeting of the Task Force  
21 to occur on or before July 15, 2025.

- 1       (2) The Secretary of State shall be the chair.
- 2       (3) A majority of the membership shall constitute a quorum.
- 3       (4) The Task Force shall cease to exist on June 30, 2026.
- 4       (f) Compensation and reimbursement. Members of the Task Force shall be  
5       entitled to per diem compensation and reimbursement of expenses as permitted  
6       under 32 V.S.A. § 1010 for not more than 10 meetings. These payments shall  
7       be made from monies appropriated to the Secretary of State's office.

\* \* \* Scale \* \* \*

9       Sec. 3. SCALE; INTENT

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

13       Sec. 4. 16 V.S.A. § 165 is amended to read:

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

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

\* \* \*



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

6           (A) Class size standards.

7           (i) The average class size minimum for kindergarten classes shall  
8           be 12 students.

9           (ii) The average class size minimum for grades one through four  
10          shall be 15 students.

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

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

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

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

4                   (B) Waivers. If a school board determines that it operates a school  
5                   that is unable to comply with the class size minimum standards due to  
6                   geographic isolation, or a school has developed an implementation plan to  
7                   meet the standards contained in this subdivision (9) that may include  
8                   consolidation or merger, the school board may ask the State Board of  
9                   Education to grant it waiver from this subdivision (9). The State Board shall  
10                  define what qualifies as geographic isolation in its rules adopted pursuant to  
11                  subdivision (a)(3) of this section. The State Board's decision shall be final.

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

19                  (b) Annually, the Secretary shall determine whether students in each  
20                  Vermont public school are provided educational opportunities substantially  
21                  equal to those provided in other public schools. If the Secretary determines

1 that a school is not meeting the education quality standards listed in subsection  
2 (a) of this section or that the school is making insufficient progress in  
3 improving student performance in relation to the standards for student  
4 performance set forth in subdivision 164(9) of this title, ~~he or she~~ the Secretary  
5 shall describe in writing actions that a district must take in order to meet either  
6 or both sets of standards and shall provide technical assistance to the school. If  
7 the school fails to meet the standards or make sufficient progress within two  
8 years ~~of~~ following the determination, the Secretary shall recommend to the  
9 State Board one or more of the following actions:

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

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

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

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

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

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

8 \* \* \*

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

17 \* \* \*

18 (g) In addition to the education quality standards provided in subsection (a)  
19 of this section, each Vermont school district shall meet the school district  
20 quality standards adopted by rule of the Agency of Education regarding the  
21 business, facilities management, and governance practices of school districts.

1 These standards shall include a process for school district quality reviews to be  
2 conducted by the Agency of Education. Annually, the Secretary shall publish  
3 metrics regarding the outcomes of school district quality reviews.

4 Sec. 5. FAILURE TO COMPLY WITH EDUCATION QUALITY

5 STANDARDS; STATE BOARD ACTION

6 Notwithstanding 16 V.S.A. § 165(b)(4) and (5) and any other provision of  
7 law to the contrary, the State Board shall be prohibited from ordering school  
8 district consolidation or school consolidation if a school fails to comply with  
9 class size minimum education quality standards and the resulting consolidation  
10 would result in school construction costs in excess of the applicable district's  
11 capital reserve account until the General Assembly establishes new school  
12 district boundaries and takes further action regarding the consequences for  
13 failure to meet education quality standards.

14 Sec. 6. STATE BOARD OF EDUCATION; RULES; REPORT

15 (a) Rules.

16 (1) The State Board of Education shall initiate rulemaking to amend the  
17 Education Quality Standards rule 2000 series, Agency of Education, Education  
18 Quality Standards (22-000-003), pursuant to 3 V.S.A. chapter 25:

19 (A) on or before August 1, 2026, to ensure compliance with the class  
20 size minimum standards set pursuant to 16 V.S.A. § 165(a)(9); and

1           (B) on or before July 1, 2027, to adopt standards for statewide  
2           proficiency-based graduation requirements based on standards adopted by the  
3           State Board and recommendations from the Agency of Education, which shall  
4           take effect beginning in the 2027–2028 school year for the graduating class of  
5           2031 and every graduating class thereafter.

6           (2) On or before August 1, 2026, the State Board of Education shall  
7           initiate rulemaking to amend the approved independent school rule 2200 series,  
8           Agency of Education, Independent School Program Approval (22-000-004),  
9           pursuant to 3 V.S.A. chapter 25, to require approved independent schools that  
10          intend to accept public tuition to comply with the class size minimum  
11          standards set pursuant to 16 V.S.A. § 165(a)(9). The amendments shall also  
12          create a process for review by the State Board for failure to meet the class size  
13          minimum requirements and the corresponding actions the Board may take for  
14          such noncompliance; provided, however, that the Board shall provide an  
15          approved independent school a substantially similar opportunity to come into  
16          compliance with class size minimum standards that it would provide to a  
17          public school.

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

1       Sec. 7. SCHOOL SIZE; INTENT

2           (a) It is the intent of the General Assembly to encourage the efficient use of  
3       public funds to modernize school infrastructure to deliver identified 21st  
4       century educational goals.

5           (b) It is further the intent of the General Assembly that each public school  
6       operating grades six through 12, or some subset of those grades, shall have a  
7       minimum average daily membership of at least 450 students, at least in part by  
8       providing a robust State aid for school construction program that is driven by  
9       standards for quality for public schools, geographic accessibility, statewide  
10       enrollment trends, and capacity and scale that support substantially equal  
11       educational opportunities for all Vermont students.

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

14           Notwithstanding any provision of law to the contrary, a school district shall  
15       be prohibited from closing an existing public school and then providing for the  
16       education of its resident students by paying tuition for its students to attend a  
17       public or approved independent school chosen by the parents of the district's  
18       students. If a school district that closes an existing public school is unable to  
19       provide for the education of its affected resident students in a different school  
20       or schools operated by the district, the school district shall provide for the  
21       education of its resident students by designating three or fewer public schools

1 to serve as the public school or schools of the district. Notwithstanding any  
2 provision of law to the contrary, if designation is required pursuant to this  
3 section, the designation process contained in 16 V.S.A. § 827 shall apply to  
4 schools operating grades kindergarten through grade 12, or any subset of  
5 grades therein.

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

7 § 3440. STATEMENT OF POLICY

8 It is the intent of this chapter to encourage the efficient use of public funds  
9 to modernize school infrastructure in alignment with current educational needs.

10 School construction projects supported by this chapter should be developed  
11 taking consideration of standards of quality for public schools under section  
12 165 of this title and prioritizing cost, geographic accessibility, 21st century  
13 education facilities standards, statewide enrollment trends, and capacity and  
14 scale that support best educational practices. Further, it is the intent of this  
15 chapter to encourage the use of existing infrastructure to meet the needs of  
16 Vermont students. Joint construction projects between two or more school  
17 districts and consolidation of buildings within a district where feasible and  
18 educationally appropriate are encouraged.

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

20 § 3442. STATE AID FOR SCHOOL CONSTRUCTION PROGRAM



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

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

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

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

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

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

19            (6) providing technical advice and assistance, training, and education to  
20            school districts, supervisory unions, general contractors, subcontractors,

1 construction or project managers, designers, and other vendors in the planning,  
2 maintenance, and establishment of school facility space;

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

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

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

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

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

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

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

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

3           (15) notwithstanding 2 V.S.A. § 20(d), annually on or before December  
4           15, submitting a written report to the General Assembly regarding the status  
5           and implementation of the State Aid for School Construction Program,  
6           including the data required to be collected pursuant to this section.

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

8           § 3443. STATE AID FOR SCHOOL CONSTRUCTION ADVISORY

9                   BOARD

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

16           (b) Membership.

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

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

20                           (i) the State Treasurer or designee;

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

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

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

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

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

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

14                  (2) Members with four-year terms.

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

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

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

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

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

12           (2) project priorities;

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

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

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

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

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

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

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

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

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

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

1        (d) Meetings.

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

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

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

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

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

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

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

19        Sec. 12. PROSPECTIVE REPEAL OF STATE AID FOR SCHOOL

20            CONSTRUCTION ADVISORY BOARD

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

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

4        § 3444. SCHOOL CONSTRUCTION AID SPECIAL FUND

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

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

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

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

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

15        (b) Funds. The Fund shall consist of:

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

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

20           (3) any interest earned by the Fund.



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

2 § 3445. APPROVAL AND FUNDING OF SCHOOL CONSTRUCTION

3 PROJECTS

4 (a) Construction aid.

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

12 (2) Approval of preliminary application.

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

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

18 (ii) economic efficiencies;

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

21 (iv) statewide educational initiatives.

- 1           (B) The Secretary may approve a preliminary application if:
- 2                   (i)(I) the project or part of the project fulfills a need occasioned
- 3 by:
- 4                           (aa) conditions that threaten the health or safety of students
- 5 or employees;
- 6                           (bb) facilities that are inadequate to provide programs
- 7 required by State or federal law or regulation;
- 8                           (cc) excessive energy use resulting from the design of a
- 9 building or reliance on fossil fuels or electric space heat; or
- 10                           (dd) deterioration of an existing building; or
- 11                   (II) the project results in consolidation of two or more school
- 12 buildings and will serve the educational needs of students in a more cost-
- 13 effective and educationally appropriate manner as compared to individual
- 14 projects constructed separately;
- 15                   (ii) the need addressed by the project cannot reasonably be met by
- 16 another means;
- 17                   (iii) the proposed type, kind, quality, size, and estimated cost of
- 18 the project are suitable for the proposed curriculum and meet all legal
- 19 standards;

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

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

6                               (I) engages robust community involvement;

7                               (II) considers regional solutions;

8                               (III) evaluates environmental contaminants; and

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

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

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

1 32 V.S.A. § 306, the House Committee on Education and the Senate  
2 Committee on Education shall recommend a total school construction  
3 appropriation for the next fiscal year to the General Assembly.

4 (5) Final approval for construction aid.

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

10 (B) The Secretary may approve a final application for a project  
11 provided that:

12 (i) the project has received preliminary approval;

13 (ii) the district has voted funds or authorized a bond for the total  
14 estimated cost of the project;

15 (iii) the district has made arrangements for project construction  
16 supervision by persons competent in the building trades;

17 (iv) the district has provided for construction financing of the  
18 project during a period prescribed by the Agency;

19 (v) the project has otherwise met the requirements of this chapter;

20 (vi) if the proposed project includes a playground, the project  
21 includes a requirement that the design and construction of playground

1 equipment follow the guidelines set forth in the U.S. Consumer Product Safety  
2 Commission Handbook for Public Playground Safety; and

3 (vii) if the total estimated cost of the proposed project is less than  
4 \$50,000.00, no performance bond or irrevocable letter of credit shall be  
5 required.

6 (C) The Secretary may provide that a grant for a high school project  
7 is conditioned upon the agreement of the recipient to provide high school  
8 instruction for any high school pupil living in an area prescribed by the Agency  
9 who may elect to attend the school.

10 (D) A district may begin construction upon receipt of final approval.  
11 However, a district shall not be reimbursed for debt incurred due to borrowing  
12 of funds in anticipation of aid under this section.

13 (6) Award of construction aid.

14 (A) The base amount of an award shall be 20 percent of the eligible  
15 debt service cost of a project. Projects are eligible for additional bonus  
16 incentives as specified in rule for up to an additional 20 percent of the eligible  
17 debt service cost. Amounts shall be awarded annually.

18 (B) As used in subdivision (A) of this subdivision (6), “eligible debt  
19 service cost” of a project means the product of the lifetime cost of the bond  
20 authorized for the project and the ratio of the approved cost of a project to the  
21 total cost of the project.

1       (b) Emergency aid. Notwithstanding any other provision of this section,  
2       the Secretary may grant aid for a project the Secretary deems to be an  
3       emergency in the amount of 30 percent of eligible project costs, up to a  
4       maximum eligible total project cost of \$300,000.00.

5       Sec. 15. 16 V.S.A. § 3446 is added to read:

6       § 3446. APPEAL

7       Any municipal corporation as defined in section 3447 of this title aggrieved  
8       by an order, allocation, or award of the Agency of Education may, within 30  
9       days, appeal to the Superior Court in the county in which the project is located.

10       Sec. 16. TRANSFER OF RULEMAKING AUTHORITY; TRANSFER OF  
11       RULES

12       (a) The statutory authority to adopt rules by the State Board of Education  
13       pertaining to school construction and capital outlay adopted under 16 V.S.A.  
14       § 3448(e) and 3 V.S.A. chapter 25 is transferred from the State Board of  
15       Education to the Agency of Education.

16       (b) All rules pertaining to school construction and capital outlay adopted by  
17       the State Board of Education under 3 V.S.A. chapter 25 prior to July 1, 2026  
18       shall be deemed the rules of the Agency of Education and remain in effect until  
19       amended or repealed by the Agency of Education pursuant to 3 V.S.A. chapter  
20       25.

1        (c) The Agency of Education shall provide notice of the transfer to the  
2        Secretary of State and the Legislative Committee on Administrative Rules in  
3        accordance with 3 V.S.A. § 848(d)(2).

4        Sec. 17. REPEALS

5        (a) 16 V.S.A. § 3448 (approval of funding of school construction projects;  
6        renewable energy) is repealed on July 1, 2026.

7        (b) 16 V.S.A. § 3448a (appeal) is repealed on July 1, 2026.

8        Sec. 18. 16 V.S.A. § 828 is amended to read:

9        § 828. TUITION TO APPROVED SCHOOLS; AGE; APPEAL

10       (a) A school district shall not pay the tuition of a student except to:

11       (1) a public school; located in Vermont;

12       (2) an approved independent school; that:

13       (A) is located in Vermont;

14       (B) is approved under section 166 of this title on or before July 1,  
15       2025;

16       (C) has at least 51 percent of its student enrollment composed of  
17       students attending on a district-funded tuition basis pursuant to chapter 21 of  
18       this title during the 2024–2025 school year; and

19       (D) complies with the minimum class size requirements contained in  
20       subdivision 165(a)(9) of this title and State Board rule; provided, however, that  
21       if a school is unable to comply with the class size minimum standards due to

1 geographic isolation or a school has developed an implementation plan to meet  
2 the class size minimum requirements, the school may ask the State Board to  
3 grant it a waiver from this subdivision (D), which decision shall be final;

4 (3) an independent school meeting education quality standards;

5 (4) a tutorial program approved by the State Board;

6 (5) an approved education program, or;

7 (6) an independent school in another state or country approved under the  
8 laws of that state or country, that complies with the reporting requirement  
9 under subsection 4010(e) of this title, a public school located in another state;

10 or

11 (7) a therapeutic approved independent school located in Vermont or  
12 another state or country that is approved under the laws of that state or country.

13 (b) nor shall payment Payment of tuition on behalf of a person shall not be  
14 denied on account of age.

15 (c) Unless otherwise provided, a person who is aggrieved by a decision of a  
16 school board relating to eligibility for tuition payments, the amount of tuition  
17 payable, or the school the person may attend, may appeal to the State Board  
18 and its decision shall be final.

19 (d) As used in this section, “therapeutic approved independent school”  
20 means an approved independent school that limits enrollment for publicly  
21 funded students residing in Vermont to students who are on an individualized



1 education program or plan under Section 504 of the Rehabilitation Act of  
2 1973, 29 U.S.C. § 794, or who are enrolled pursuant to a written agreement  
3 between a local education agency and the school or pursuant to a court order.

4 Sec. 19. TUITION TRANSITION

5 A school district that pays tuition pursuant to the provisions of 16 V.S.A.  
6 chapter 21 in effect on June 30, 2025 shall continue to pay tuition on behalf of  
7 a resident student enrolled for the 2024–2025 school year in or who has been  
8 accepted for enrollment for the 2025–2026 school year by an approved  
9 independent school subject to the provisions of 16 V.S.A. § 828 in effect on  
10 June 30, 2025, until such time as the student graduates from that school.

11 \* \* \* Statewide Cohesion \* \* \*

12 Sec. 20. STATEWIDE COHESION; INTENT

13 It is the intent of the General Assembly to consolidate structures and  
14 systems that are foundational to the administration of education.

15 Sec. 21. AGENCY OF EDUCATION; SCHOOL CALENDAR;

16 GRADUATION REQUIREMENTS; REPORT

17 (a) Statewide graduation requirements. On or before January 1, 2026, the  
18 Agency of Education shall recommend to the State Board of Education  
19 standards for statewide proficiency-based graduation requirements based on  
20 standards adopted by the State Board.

21 (b) Statewide school calendar.

1           (1) On or before January 15, 2027, the Secretary of Education shall  
2           develop and publish a statewide calendar for the public schools of the State,  
3           including career and technical centers, that shall be in effect in the  
4           2028–2029 academic year and after.

5           (2) On or before January 15, 2027, the Secretary shall present to the  
6           House and Senate Committees on Education a list of the statutory amendments  
7           necessary to effect the intent of this subsection.

8           (c) Report. On or before December 1, 2025, the Agency of Education shall  
9           submit a written report and recommended legislative language, as applicable,  
10          to the House and Senate Committees on Education with the following:

11           (1) In consultation with educators and administrators, a proposed  
12          implementation plan for statewide financial data and student information  
13          systems.

14           (2) Recommendations for a school construction division within the  
15          Agency of Education, including position descriptions and job duties for each  
16          position within the division, a detailed description of the assistance the division  
17          would provide to the field, and the overall role the Agency would play within a  
18          State aid to school construction program.

19           (3) A progress report regarding the development of clear, unambiguous  
20          guidance that would be provided to school officials and school board members  
21          regarding the business processes and transactions that would need to occur to

1 facilitate school district mergers into larger, consolidated school districts,  
2 including the merging of data systems, asset and liability transfers, and how to  
3 address collective bargaining agreements for both educators and staff. The  
4 report shall include a detailed description of how the Agency will provide  
5 support and consolidation assistance to the field in each of these areas and an  
6 estimate of the costs associated with such work.

7 (4) In consultation with superintendents, directors of therapeutic  
8 independent schools, special education directors, and, in the opinion of the  
9 Agency, other experts, recommendations for the need for cooperative  
10 education services and the oversight of therapeutic schools within the school  
11 governance framework both at a State and local level.

12 \* \* \* State-Level Governance \* \* \*

13 Sec. 22. STATE-LEVEL GOVERNANCE; INTENT

14 It is the intent of the General Assembly to ensure that the State Board of  
15 Education is the independent, transparent, and public facing body for public  
16 education and to ensure the Board maintains its ability provide an important  
17 outlet for the public to engage in the rulemaking process and regularly provide  
18 public comment regarding the state of Vermont's education system.

19 Sec. 23. 16 V.S.A. § 161 is amended to read:

20 § 161. STATE BOARD OF EDUCATION; APPOINTMENT OF  
21 MEMBERS; TERM; VACANCY

1       The State Board shall consist of ~~ten~~ 10 members. Two of the members shall  
2       be secondary students, one of whom shall be a full member and the other of  
3       whom shall be a junior member who may not vote. ~~All~~ Eight members,  
4       including the two student members, shall be appointed by the Governor with  
5       the advice and consent of the Senate. One member shall be appointed by the  
6       Speaker of the House and one member shall be appointed by the Senate  
7       Committee on Committees. In the appointment of the nonstudent members,  
8       priority shall be given to the selection of persons with a demonstrated  
9       commitment to ensuring quality education for Vermont students. To the extent  
10      possible, the members shall represent the State's geographic, gender, racial,  
11      and ethnic diversity. The Secretary shall serve on the State Board as a  
12      nonvoting member.

13           (1) Upon the expiration of the respective terms of those members of the  
14      Board previously appointed, excluding the student members, the ~~Governor~~  
15      appointing authority that made the initial appointment to the expired term  
16      shall, biennially in the month of February with the advice and consent of the  
17      Senate, as applicable, appoint members for terms of six years. The terms shall  
18      begin March 1 of the year in which the appointments are made. A member  
19      serving a term of six years shall not be eligible for reappointment for  
20      successive terms.

1           (2) In the event of any vacancy occurring in the membership of the  
2 Board, the ~~Governor~~ appointing authority that made the initial appointment to  
3 the vacated term shall fill the vacancy with a qualified person whose  
4 appointment shall be for the unexpired portion of the term.

5           (3) Biennially, the Board shall choose a member of the Board to be its  
6 chair.

7           (4) Annually, using an application process that is open and accessible to  
8 all eligible students, the Governor shall appoint a Vermont secondary school  
9 student who will continue to be a secondary student for at least two years  
10 following taking office, to serve on the State Board for two years, beginning on  
11 July 1 of the year of appointment. The student member shall not vote during  
12 the first year and shall be a full and voting member during the second year of  
13 ~~his or her~~ the student's term.

14 Sec. 24. TRANSITION PERIOD APPOINTMENTS; STATE BOARD OF  
15 EDUCATION

16           (a) Members currently serving on the State Board of Education may  
17 continue to serve for the duration of the term to which they were appointed.

18           (b) Beginning on July 1, 2025, as terms of currently serving members  
19 expire, appointments of successors shall be made in accordance with the  
20 considerations and appointment authority contained in 16 V.S.A. § 161.

1           (1) The Speaker of the House shall make the first appointment to a  
2           vacant or expired seat that occurs after July 1, 2025 and shall make any  
3           subsequent appointments to fill the vacated or expired term for that same seat  
4           after the initial transition period appointment.

5           (2) The Senate Committee on Committees shall make the second  
6           appointment to a vacant or expired seat that occurs after July 1, 2025 and shall  
7           make any subsequent appointments to fill the vacated or expired term for that  
8           same seat after the initial transition period appointment.

9           (3) The Governor shall make the third appointment, with the advice and  
10          consent of the Senate, to a vacant or expired seat that occurs after July 1, 2025  
11          and shall make any subsequent appointments to fill the vacated or expired term  
12          for that same seat after the initial transition period appointment.

13          (c) Once the first three appointments after July 1, 2025 are made in  
14          accordance with subsection (b) of this section, the Governor shall make all  
15          subsequent appointments for the remaining five non-student seats, with the  
16          advice and consent of the Senate, in accordance with 16 V.S.A. § 161.

17          Sec. 25. 16 V.S.A. § 162 is amended to read:

18          § 162. REMOVAL OF BOARD MEMBERS

19                 After notice and hearing, the Governor may remove a member of the State  
20          Board for incompetency, failure to discharge ~~his or her~~ the member's duties,  
21          malfeasance, illegal acts, or other cause inimical to the welfare of the public

1 schools; and in case of such removal, ~~he or she~~ the appointing authority that  
2 made the initial appointment shall appoint a person to fill the unexpired term.

3 Sec. 26. STATE BOARD OF EDUCATION; REVIEW OF RULES;

4 APPROPRIATION

5 (a) The State Board of Education shall review each rule series the State  
6 Board is responsible for and make a determination as to the continuing need  
7 for, appropriateness of, or need for updating of said rules. On or before  
8 December 1, 2026, the State Board of Education shall submit a written report  
9 to the House and Senate Committees on Education with its recommendation  
10 for rules that are no longer needed and a plan to update rules that are still  
11 necessary, including the order in which the Board proposes to update the rules  
12 and any associated costs or staffing needs.

13 (b) The sum of \$200,000.00 is appropriated from the General Fund to the  
14 Agency of Education in fiscal year 2026 to provide the State Board of  
15 Education with the contracted resources necessary to review and update the  
16 Board's rules.

17 \* \* \* Tuition \* \* \*

18 Sec. 27. 16 V.S.A. § 823 is amended to read:

19 § 823. ~~ELEMENTARY~~ TUITION

20 (a) Tuition for ~~elementary~~ students shall be paid by the district in which the  
21 student is a resident. The district shall pay ~~the full tuition charged its students~~

1 ~~attending a public elementary school~~ to a receiving school an amount equal to  
2 the base amount contained in subdivision 4001(16) of this title multiplied by  
3 the sum of one and any weights applicable to the resident student under section  
4 4010 of this title, for each resident student attending the receiving school. ~~If a~~  
5 ~~payment made to a public elementary school is three percent more or less than~~  
6 ~~the calculated net cost per elementary pupil in the receiving school district for~~  
7 ~~the year of attendance, the district shall be reimbursed, credited, or refunded~~  
8 ~~pursuant to section 836 of this title. Notwithstanding the provisions of this~~  
9 ~~subsection or of subsection 825(b) of this title, the boards of both the receiving~~  
10 ~~and sending districts may enter into tuition agreements with terms differing~~  
11 ~~from the provisions of those subsections, provided that the receiving district~~  
12 ~~must offer identical terms to all sending districts, and further provided that the~~  
13 ~~statutory provisions apply to any sending district that declines the offered~~  
14 ~~terms.~~

15 (b) ~~Unless the electorate of a school district authorizes payment of a higher~~  
16 ~~amount at an annual or special meeting warned for the purpose, the tuition paid~~  
17 ~~to an approved independent elementary school or an independent school~~  
18 ~~meeting education quality standards shall not exceed the least of:~~

19 (1) ~~the average announced tuition of Vermont union elementary schools~~  
20 ~~for the year of attendance;~~



1           ~~(2) the tuition charged by the approved independent school for the year~~  
2           ~~of attendance; or~~

3           ~~(3) the average per pupil tuition the district pays for its other resident~~  
4           ~~elementary students in the year in which the student is enrolled in the approved~~  
5           ~~independent school. [Repealed.]~~

6           Sec. 28. REPEALS

7           16 V.S.A. §§ 824 (high school tuition), 825 (maximum tuition rate;  
8           calculated net cost per pupil defined), 826 (notice of tuition rates; special  
9           education charges), and 836 (tuition overcharge or undercharge) are repealed  
10          on July 1, 2029.

11                                   \* \* \* Adult Education Funding \* \* \*

12          Sec. 29. 16 V.S.A. § 4011 is amended to read:

13          § 4011. EDUCATION PAYMENTS

14           (a) Annually, the General Assembly shall appropriate funds to pay for  
15           statewide education spending and a portion of a base education amount for  
16           each adult education and secondary credential program student.

17           (b) For each fiscal year, the base education amount shall be \$6,800.00,  
18           ~~increased by the most recent New England Economic Project Cumulative Price~~  
19           ~~Index, as of November 15, for state and local government purchases of goods~~  
20           ~~and services~~ which shall be adjusted for inflation annually on or before  
21           November 15 by the Secretary of Education. As used in this subsection,

1 “adjusted for inflation” means adjusting the base education amount by the  
2 National Income and Product Accounts (NIPA) implicit price deflator for state  
3 and local government consumption expenditures and gross investment  
4 published by the U.S. Department of Commerce, Bureau of Economic  
5 Analysis, from fiscal year 2005 through the fiscal year for which the amount is  
6 being determined, ~~plus an additional one tenth of one percent~~ and rounding  
7 upward to the nearest whole dollar amount.

8 \* \* \*

9 (f) ~~Annually, the Secretary shall pay to a local adult education and literacy~~  
10 ~~provider, as defined in section 942 of this title, that provides an adult education~~  
11 ~~and secondary credential program from funds appropriated for this subsection~~  
12 ~~to the Agency in~~ an amount equal to 26 percent of the base education amount  
13 for each student who completes the diagnostic portions of ~~the~~ an adult  
14 education and secondary credential program, based on an average of the  
15 previous two years; ~~40, the Secretary shall pay to a local adult education and~~  
16 ~~literacy provider, as defined in section 942 of this title, that provides an adult~~  
17 ~~education and secondary credential program an amount that shall be calculated~~  
18 ~~pursuant to the funding formula contained in the State Board of Education~~  
19 ~~adult education rules. Forty percent of the payment required under this~~  
20 subsection shall be from State funds appropriated from the Education Fund and

1 60 percent of the payment required under this subsection shall be from State  
2 funds appropriated from the General Fund.

3 \* \* \*

4 Sec. 30. ADULT EDUCATION; FUNDING; REPORT

5 (a) On or before December 1, 2025, the Agency of Education, in  
6 consultation with local adult education and literacy providers, shall submit a  
7 written report to the House Committee on Commerce and Economic  
8 Development, the Senate Committee on Economic Development, Housing and  
9 General Affairs, and the House and Senate Committees on Education with  
10 recommendations to modernize adult education funding to ensure funds are  
11 distributed equitably across all regions of the State.

12 (b) For fiscal year 2026, the Agency of Education shall negotiate in good  
13 faith to extend the existing contracts with local adult education and literacy  
14 providers for a term of one year. The Agency shall endeavor to maintain the  
15 terms of the existing contracts to the greatest extent possible.

16 Sec. 31. STATE OF SPECIAL EDUCATION DELIVERY; AGENCY OF  
17 EDUCATION; REPORT

18 (a) On or before September 1, 2025, the Agency of Education shall submit  
19 a written report to the House and Senate Committees on Education, the House  
20 Committee on Ways and Means, and the Senate Committee on Finance  
21 addressing the factors contributing to growth in extraordinary special education

1 reimbursement costs. The report shall include detailed information regarding  
2 the current state of special education delivery in Vermont, including an update  
3 on the implementation of special education changes enacted pursuant to 2018  
4 Acts and Resolves No. 173 (Act 173). The report shall include a description of  
5 the current state of support for students with disabilities in Vermont and  
6 recommended changes to structure, practice, and law with the goal of:

7 (1) improving the delivery of special education services and managing  
8 the rising extraordinary special education costs as Vermont's special education  
9 finance system transitions from a census block grant to a weight for special  
10 education costs;

11 (2) ensuring better, more inclusive services in the least restrictive  
12 environment in a way that makes efficient and effective use of limited  
13 resources while resulting in the best outcomes;

14 (3) responding to the challenges of fully implementing Act 173 and the  
15 lessons learned from implementation efforts to date;

16 (4) ensuring that the delivery of special education is responsive to  
17 student needs; and

18 (5) addressing drivers of growth of extraordinary expenditures in special  
19 education.

20 (b) The report shall include:

1           (1) An analysis of the costs of and services provided for students with  
2           extraordinary needs in specialized settings, separated by school-district-  
3           operated specialized programs, independent nonprofit programs, and  
4           independent for-profit programs. The report shall include a geographic map  
5           with the location of all specialized programs within the State of Vermont, as  
6           well as the following information for each individual specialized program:

7                   (A) disability categories served;

8                   (B) grade levels served;

9                   (C) the number of students with IEPs and the average duration of  
10           time each student spent in the program over the last 10 years;

11                   (D) average cost per pupil, inclusive of extraordinary spending and  
12           any costs in excess of general tuition rates;

13                   (E) years of experience, training, and tenure of licensed special  
14           education staff;

15                   (F) a review of the findings of all investigations conducted by the  
16           Agency of Education; and

17                   (G) a review of the Agency's public assurance capabilities, with  
18           respect to special education programs in all settings, and an analysis of the  
19           effectiveness of current oversight or rule, and recommended changes if needed.

1           (2) An evaluation of the state of implementation of Act 173, including  
2           examples of where implementation has been successful, where it has not, and  
3           why.

4           (3) Identification of drivers of accelerating costs within the special  
5           education system.

6           (4) Identification of barriers to the success of students with disabilities.

7           (5) A description of how specialized programs for students with  
8           extraordinary needs operated by school districts, independent nonprofit  
9           schools, and independent for-profit schools are funded, with an analysis of the  
10          benefits and risks of each funding model.

11          (6) An assessment of whether Vermont’s current special education laws  
12          ensure equitable access for all students with disabilities to education alongside  
13          their peers in a way that is consistent with the Vermont education quality  
14          standards for public schools and the right to a free appropriate public education  
15          (FAPE) under the Individuals with Disabilities Education Act, 20 U.S.C.  
16          §§ 1400–1482.

17          (7) A review of the capacity of the Agency to support and guide school  
18          districts on the effective support of students with disabilities, as well as  
19          compliance with federal law, which shall include:

20                 (A) a review of final reports of investigations conducted by the  
21                 Agency in school-district-operated specialized programs, independent

1 nonprofit programs, and independent for-profit programs in the previous 10  
2 years and an evaluation of what practices could reduce adverse findings in  
3 these settings;

4 (B) an assessment of the ability of the State to ensure State resources  
5 are used in the most efficient and effective way possible to support the success  
6 of students with disabilities and their access to a free and appropriate public  
7 education;

8 (C) a review of any pending and recent federal findings against the  
9 State or school districts, as well as progress on corrective actions;

10 (D) a review of the Agency's staffing and capacity to review and  
11 conduct monitoring and visits to schools, especially independent settings;

12 (E) a description of the process and status of reviews and approvals  
13 of approved independent schools that provide special education and therapeutic  
14 schools; and

15 (F) recommendations for whether the Agency has capacity to ensure  
16 timely review of approved independent schools and provide sufficient  
17 oversight for specialized programs in nonprofit independent schools and for-  
18 profit independent schools.

19 (8) Recommendations for needed capacity at the Agency to provide  
20 technical assistance and support to school districts in the provision of special  
21 education services.

1           (9) An analysis of whether more strategic support for better primary first  
2           instruction and more successful implementation of Act 173 needs to be in  
3           place for a weighted funding model for special education to succeed, including  
4           a suggested transition timeline, with indicators, to be incorporated into the  
5           Agency's strategic plan.

6           (10) If warranted, a review of options for changes to practice, structure,  
7           and law that ensure students with disabilities are provided access to quality  
8           education, in the least restrictive environment, in a cost-effective way that is  
9           consistent with State and federal law, which may include a review of the  
10           possible role of BOCES and the impact of larger districts on effective, high-  
11           quality support for students with disabilities.

12           Sec. 32. SPECIAL EDUCATION STRATEGIC PLAN; AGENCY OF  
13           EDUCATION

14           (a) Strategic plan. In consultation with the State Advisory Panel on Special  
15           Education established under 16 V.S.A. § 2945, the Agency of Education shall  
16           develop a three-year strategic plan for the delivery of special education  
17           services in Vermont. The strategic plan shall include unambiguous measurable  
18           outcomes and a timeline for implementation. The strategic plan shall be  
19           informed by the analysis and findings of the report required of the Agency  
20           under Sec. 31 of this act and be designed to ensure successful implementation  
21           of 2018 Acts and Resolves No. 173 (Act 173) and provide the supports and



1 processes that need to be in place for the transition to a weighted funding  
2 model for special education to succeed, including a suggested transition  
3 timeline, with benchmarks for success. The strategic plan shall also include  
4 contingency recommendations for special education funding in the event  
5 federal special education funding under the Individuals with Disabilities  
6 Education Act, 20 U.S.C. §§ 1400–1482, is no longer available or transitions  
7 to a system that requires more planning and management on the part of the  
8 State to ensure funds are distributed equitably.

9 (b) Reports.

10 (1) On or before December 1, 2025, the Agency shall submit the three-  
11 year strategic plan created pursuant to subsection (a) of this section to the  
12 House and Senate Committees on Education, the House Committee on Ways  
13 and Means, and the Senate Committee on Finance.

14 (2) On or before December 1 of 2026, 2027, 2028, and 2029, the  
15 Agency shall submit a written report to the House and Senate Committees on  
16 Education, the House Committee on Ways and Means, and the Senate  
17 Committee on Finance with a detailed update on the Agency’s implementation  
18 of its strategic plan and any recommendations for legislative changes needed to  
19 ensure a successful transition to a weighted funding model and continued  
20 successful implementation of Act 173.

1       Sec. 33. POSITION; AGENCY OF EDUCATION

2           (a) Establishment of one new permanent, classified position is authorized  
3       in the Agency of Education in fiscal year 2026, to support development and  
4       implementation of the three-year strategic plan required under Sec. 32 of this  
5       act.

6           (b) The sum of \$150,000.00 is appropriated from the General Fund to the  
7       Agency of Education’s base budget in fiscal year 2026 for the purposes of  
8       funding the position created in subsection (a) of this section. The Agency shall  
9       include funding for this permanent position in their annual base budget request  
10       in subsequent years.

11                           \* \* \* State Funding of Public Education \* \* \*

12       Sec. 34. 16 V.S.A. § 4001 is amended to read:

13       § 4001. DEFINITIONS

14       As used in this chapter:

15           (1) “Average daily membership” of a school district ~~or, if needed in~~  
16       ~~order to calculate the appropriate homestead tax rate, of the municipality as~~  
17       ~~defined in 32 V.S.A. § 5401(9), in any year means:~~

18                           \* \* \*

19           (6) ~~“Education spending” means the amount of the school district~~  
20       ~~budget, any assessment for a joint contract school, career technical center~~  
21       ~~payments made on behalf of the district under subsection 1561(b) of this title,~~

1 and any amount added to pay a deficit pursuant to ~~24 V.S.A. § 1523(b)~~ that is  
2 paid for by the school district, but excluding any portion of the school budget  
3 paid for from any other sources such as endowments, parental fundraising,  
4 federal funds, nongovernmental grants, or other State funds such as special  
5 education funds paid under chapter 101 of this title.

6 (A) ~~[Repealed.]~~

7 (B) ~~For all bonds approved by voters prior to July 1, 2024, voter-~~  
8 ~~approved bond payments toward principal and interest shall not be included in~~  
9 ~~“education spending” for purposes of calculating excess spending pursuant to~~  
10 ~~32 V.S.A. § 5401(12). [Repealed.]~~

11 \* \* \*

12 (13) ~~“Base education~~ Categorical base amount” means a number used to  
13 calculate categorical grants awarded under this title that is equal to \$6,800.00  
14 per equalized pupil, adjusted as required under section 4011 of this title.

15 (14) ~~“Per pupil education spending” of a school district in any school~~  
16 ~~year means the per pupil education spending of that school district as~~  
17 ~~determined under subsection 4010(f) of this title. [Repealed.]~~

18 \* \* \*

19 (16) “Base amount” means a per pupil cost-factor amount of  
20 \$15,033.00, which shall be adjusted for inflation annually on or before  
21 November 15 by the Secretary of Education. As used in this subdivision,

1 “adjusted for inflation” means adjusting the base dollar amount by the National  
2 Income and Product Accounts (NIPA) implicit price deflator for state and local  
3 government consumption expenditures and gross investment published by the  
4 U.S. Department of Commerce, Bureau of Economic Analysis, from fiscal  
5 year 2025 through the fiscal year for which the amount is being determined,  
6 and rounding upward to the nearest whole dollar amount.

7 (17) “Educational opportunity payment” means the base amount  
8 multiplied by the school district’s weighted long-term membership as  
9 determined under section 4010 of this title.

10 Sec. 35. 16 V.S.A. § 4010 is amended to read:

11 § 4010. DETERMINATION OF WEIGHTED LONG-TERM MEMBERSHIP  
12 ~~AND PER PUPIL EDUCATION SPENDING~~ EDUCATION  
13 OPPORTUNITY PAYMENT

14 (a) Definitions. As used in this section:

15 (1) “EL pupils” means pupils described under section 4013 of this title.

16 (2) “FPL” means the Federal Poverty Level.

17 (3) “Weighting categories” means the categories listed under subsection  
18 (b) of this section.

19 (4) “Child with a disability” has the same meaning as in section 2942 of  
20 this title.

21 (5) “Disability” means any of:

1           (A) a specific learning disability or a speech or language impairment,  
2           each of which is identified as “Category A”;

3           (B) an emotional disturbance, intellectual disability, developmental  
4           delay, or other health impairment, each of which is identified as “Category B”;  
5           or

6           (C) autism spectrum disorder, deaf-blindness, hearing impairment,  
7           orthopedic impairment, traumatic brain injury, or visual impairment, each of  
8           which is identified as “Category C.”

9           (6) “English language proficiency level” means each of the English  
10          language proficiency levels published as a standardized measure of academic  
11          language proficiency in WIDA ACCESS for ELLs 2.0 and available to  
12          members of the WIDA consortium of state departments of education.

13          (7) “Newcomer or SLIFE” means a pupil identified as a New American  
14          or as a student with limited or interrupted formal education.

15          (b) Determination of average daily membership and weighting categories.  
16          On or before the first day of December during each school year, the Secretary  
17          shall determine the average daily membership, as defined in subdivision  
18          4001(1) of this title, of each school district for the current school year and shall  
19          ~~perform the following tasks.~~

20          ~~(1) Using~~ using average daily membership, list for each school district  
21          the number of:

1           ~~(A)~~ pupils in prekindergarten;

2           ~~(B)~~ pupils in kindergarten through grade five;

3           ~~(C)~~ pupils in grades six through eight;

4           ~~(D)~~ pupils in grades nine through 12;

5           ~~(E)~~(1) pupils whose families are at or below 185 percent of FPL, using  
6 the highest number of pupils in the district:

7           ~~(i)~~(A) that meet this definition under the universal income declaration  
8 form; or

9           ~~(ii)~~(B) who are directly certified for free and reduced-priced meals;

10         and

11           ~~(F)~~(2) EL pupils that have been most recently assessed at an English  
12 language proficiency level of:

13           (A) Level 1;

14           (B) Level 2 or 3;

15           (C) Level 4; or

16           (D) Level 5 or 6;

17           (3) EL pupils that are identified as Newcomer or SLIFE; and

18           (4) Children with a disability whose disability is identified as:

19           (A) Category A;

20           (B) Category B; or

1            (C) Category C, provided that a child with multiple disabilities shall  
2            be counted solely under this subdivision (C).

3            ~~(2)(A) Identify all school districts that have low population density,~~  
4            ~~measured by the number of persons per square mile residing within the land~~  
5            ~~area of the geographic boundaries of the district as of July 1 of the year of~~  
6            ~~determination, equaling:~~

7                    ~~(i) fewer than 36 persons per square mile;~~

8                    ~~(ii) 36 or more persons per square mile but fewer than 55 persons~~  
9            ~~per square mile; or~~

10                   ~~(iii) 55 or more persons per square mile but fewer than 100~~  
11            ~~persons per square mile.~~

12            ~~(B) Population density data shall be based on the best available U.S.~~  
13            ~~Census data as provided to the Agency of Education by the Vermont Center for~~  
14            ~~Geographic Information.~~

15            ~~(C) Using average daily membership, list for each school district that~~  
16            ~~has low population density the number of pupils in each of subdivisions~~  
17            ~~(A)(i)-(iii) of this subdivision (2).~~

18            ~~(3)(A) Identify all school districts that have one or more small schools,~~  
19            ~~which are schools that have an average two year enrollment of:~~

20                    ~~(i) fewer than 100 pupils; or~~

21                    ~~(ii) 100 or more pupils but fewer than 250 pupils.~~

1           ~~(B) As used in subdivision (A) of this subdivision (3), “average two-~~  
2           ~~year enrollment” means the average enrollment of the two most recently~~  
3           ~~completed school years, and “enrollment” means the number of pupils who are~~  
4           ~~enrolled in a school operated by the district on October 1. A pupil shall be~~  
5           ~~counted as one whether the pupil is enrolled as a full-time or part-time student.~~

6           ~~(C) Using average two-year enrollment, list for each school district~~  
7           ~~that has a small school the number of pupils in each of subdivisions (A)(i)–(ii)~~  
8           ~~of this subdivision (3).~~

9           (c) Reporting on weighting categories to the Agency of Education. Each  
10          school district shall annually report to the Agency of Education by a date  
11          established by the Agency the information needed in order for the Agency to  
12          compute the weighting categories under subsection (b) of this section for that  
13          district. In order to fulfill this obligation, a school district that pays public  
14          tuition on behalf of a resident student (sending district) to a public school in  
15          another school district, an approved independent school, or an out-of-state  
16          school (each a receiving school) may request the receiving school to collect  
17          this information on the sending district’s resident student, and if requested, the  
18          receiving school shall provide this information to the sending district in a  
19          timely manner.

20          (d) Determination of weighted long-term membership. For each weighting  
21          category ~~except the small schools weighting category under subdivision (b)(3)~~



1 ~~of this section~~, the Secretary shall compute the weighting count by using the  
2 long-term membership, as defined in subdivision 4001(7) of this title, in that  
3 category.

4 (1) ~~The Secretary shall first apply grade level weights. Each pupil~~  
5 ~~included in long-term membership shall count as one, multiplied by the~~  
6 ~~following amounts:~~

7 (A) ~~prekindergarten—negative 0.54;~~

8 (B) ~~grades six through eight—0.36; and~~

9 (C) ~~grades nine through 12—0.39. [Repealed.]~~

10 (2) ~~The Secretary shall next apply a weight for pupils whose family is at~~  
11 ~~or below 185 percent of FPL. Each pupil included in long-term membership~~  
12 ~~whose family is at or below 185 percent of FPL shall receive an additional~~  
13 ~~weighting amount of 1.03 1.02.~~

14 (3) ~~The Secretary shall next apply a weight for EL pupils. Each EL~~  
15 ~~pupil included in long-term membership shall receive an additional weighting~~  
16 ~~amount, based on the EL pupil's English language proficiency level, of 2.49:~~

17 (A) 2.11, if assessed as Level 1;

18 (B) 1.41, if assessed as Level 2 or 3;

19 (C) 1.20, if assessed as Level 4; or

20 (D) 0.12, if assessed as Level 5 or 6.

1           ~~(4) The Secretary shall then apply a weight for pupils living in low~~  
2 ~~population density school districts. Each EL pupil that is a Newcomer or~~  
3 ~~SLIFE included in long-term membership residing in a low population density~~  
4 ~~school district, measured by the number of persons per square mile residing~~  
5 ~~within the land area of the geographic boundaries of the district as of July 1 of~~  
6 ~~the year of determination, shall receive an additional weighting amount of:~~

7           0.42

8           ~~(A) 0.15, where the number of persons per square mile is fewer than~~  
9 ~~36 persons;~~

10           ~~(B) 0.12, where the number of persons per square mile is 36 or more~~  
11 ~~but fewer than 55 persons; or~~

12           ~~(C) 0.07, where the number of persons per square mile is 55 or more~~  
13 ~~but fewer than 100.~~

14           ~~(5) The Secretary shall lastly apply a weight for pupils who attend a~~  
15 ~~small school. If the number of persons per square mile residing within the land~~  
16 ~~area of the geographic boundaries of a school district as of July 1 of the year of~~  
17 ~~determination is 55 or fewer, then, for each pupil listed under subdivision~~  
18 ~~(b)(3)(C) of this section (pupils who attend small schools) Each child with a~~  
19 ~~disability included in long-term membership shall receive an additional~~  
20 ~~weighting amount, based on the categorization of the child's disability, of:~~

1           (A) ~~where the school has fewer than 100 pupils in average two-year~~  
2 ~~enrollment, the school district shall receive an additional weighting amount of~~  
3 ~~0.21 for each pupil included in the small school's average two-year enrollment~~  
4 0.79, if the disability is identified as Category A; or

5           (B) ~~where the small school has 100 or more but fewer than 250~~  
6 ~~pupils, the school district shall receive an additional weighting amount of 0.07~~  
7 ~~for each pupil included in the small school's average two-year enrollment 1.89,~~  
8 if the disability is identified as Category B; or

9           (C) 2.49, if the disability is identified as Category C.

10           (6) A school district's weighted long-term membership shall equal long-  
11 term membership plus the cumulation of the weights assigned by the Secretary  
12 under this subsection.

13           (e) Hold harmless. A district's weighted long-term membership shall in no  
14 case be less than 96 and one-half percent of its actual weighted long-term  
15 membership the previous year prior to making any adjustment under this  
16 subsection.

17           (f) Determination of ~~per pupil education spending~~ educational opportunity  
18 payment. ~~As soon as reasonably possible after a school district budget is~~  
19 ~~approved by voters, the Secretary shall determine the per pupil education~~  
20 ~~spending for the next fiscal year for the school district. Per pupil education~~  
21 ~~spending shall equal a school district's education spending divided by its~~

1 ~~weighted long-term membership~~ The Secretary shall determine each school  
2 district's educational opportunity payment by multiplying the school district's  
3 weighted long-term membership determined under subsection (d) of this  
4 section by the base amount.

5 \* \* \*

6 (h) Updates to weights, base amount, and transportation reimbursement.  
7 On or before January 1, ~~2027~~ 2026 and on or before January 1 of every fifth  
8 year thereafter, the Agency of Education and the Joint Fiscal Office shall  
9 calculate, based on their consensus view, updates to the weights and the base  
10 amount, including any inflationary measure, to account for cost changes  
11 underlying those weights and shall issue a written report on their work to the  
12 House and Senate Committees on Education, the House Committee on Ways  
13 and Means, and the Senate Committee on Finance. The General Assembly  
14 shall update the weights under this section, the base amount, and transportation  
15 reimbursement under section 4016 of this title not less than every five years  
16 and the implementation date for the updated weights and transportation  
17 reimbursement shall be delayed by a year in order to provide school districts  
18 with time to prepare their budgets. Updates to the weights may include  
19 recalibration, recalculation, adding or eliminating weights, or any combination  
20 of these actions.

1 Sec. 36. 16 V.S.A. § 4011 is amended to read:

2 § 4011. EDUCATION PAYMENTS

3 (a) Annually, the General Assembly shall appropriate funds to pay for  
4 ~~statewide education spending~~ each school district's educational opportunity  
5 payment and supplemental district spending, as defined in 32 V.S.A. § 5401,  
6 the small schools and sparsity support grants under section 4019 of this  
7 chapter, and a portion of a ~~base education~~ categorical base amount for each  
8 adult education and secondary credential program student.

9 (b) For each fiscal year, the categorical ~~base education~~ amount shall be  
10 \$6,800.00, which shall be adjusted for inflation annually on or before  
11 November 15 by the Secretary of Education. As used in this subsection,  
12 "adjusted for inflation" means adjusting the categorical base dollar amount by  
13 the National Income and Product Accounts (NIPA) implicit price deflator for  
14 state and local government consumption expenditures and gross investment  
15 published by the U.S. Department of Commerce, Bureau of Economic  
16 Analysis, from fiscal year 2005 through the fiscal year for which the amount is  
17 being determined, and rounding upward to the nearest whole dollar amount.

18 (c) Annually, each school district shall receive ~~an education spending~~  
19 ~~payment~~ for support of education costs its educational opportunity payment  
20 determined pursuant to subsection 4010(f) of this chapter and a dollar amount  
21 equal to its supplemental district spending, if applicable to that school district,

1 ~~as defined in 32 V.S.A. § 5401. An unorganized town or gore shall receive an~~  
2 ~~amount equal to its per pupil education spending for that year for each student.~~  
3 ~~No district shall receive more than its education spending amount.~~

4 (d) [Repealed.]

5 (e) [Repealed.]

6 (f) Annually, the Secretary shall pay to a local adult education and literacy  
7 provider, as defined in section 942 of this title, that provides an adult education  
8 and secondary credential program an amount equal to 26 percent of the  
9 categorical base education amount for each student who completes the  
10 diagnostic portions of the program, based on an average of the previous two  
11 years; 40 percent of the payment required under this subsection shall be from  
12 State funds appropriated from the Education Fund and 60 percent of the  
13 payment required under this subsection shall be from State funds appropriated  
14 from the General Fund.

15 \* \* \*

16 (i) Annually, on or before October 1, the Secretary shall send to school  
17 boards for inclusion in town reports and publish on the Agency website ~~the~~  
18 ~~following information:~~

19 ~~(1) the statewide average district per pupil education spending for the~~  
20 ~~current fiscal year; and~~

1           ~~(2)~~ a statewide comparison of student-teacher ratios among schools that  
2 are similar in number of students and number of grades.

3           Sec. 37. 16 V.S.A. § 4019 is added to read:

4           § 4019. SMALL SCHOOLS; SPARSE SCHOOL DISTRICTS;

5                           SUPPORT GRANTS

6           (a) Definitions. As used in this section:

7                           (1) “Enrollment” means the number of students who are enrolled in a  
8 school operated by the school district on October 1. A student shall be counted  
9 as one whether the student is enrolled as a full-time or part-time student.

10                          (2) “Small school” means a school that:

11                                   (A) has fewer than 100 pupils in two-year average enrollment; and

12                                   (B) has been determined by the State Board of Education, on an  
13 annual basis, to be “small by necessity” under standards consistent with those  
14 submitted to the General Assembly pursuant to Sec. 6(b) of this act.

15                          (3) “Sparse school district” means a school district where the number of  
16 persons per square mile residing within the land area of the geographic  
17 boundaries of the district as of July 1 of the year of determination is fewer than  
18 55 persons.

19                          (4) “Two-year average enrollment” means the average enrollment of the  
20 two most recently completed school years.

1        (b) Small schools support grant. Annually, the Secretary shall pay a small  
2        schools support grant to each school district for each small school within the  
3        school district in an amount determined by multiplying the two-year average  
4        enrollment in the small school by \$3,157.00.

5        (c) Sparsity support grant. Annually, the Secretary shall pay a sparsity  
6        support grant to each sparse school district in an amount determined by  
7        multiplying the two-year average enrollment of each public school in the  
8        school district by \$1,954.00.

9        (d) Inflationary adjustment. Each dollar amount under subsections (b) and  
10       (c) of this section shall be adjusted for inflation annually on or before  
11       November 15 by the Secretary. As used in this subsection, “adjusted for  
12       inflation” means adjusting the dollar amount by the National Income and  
13       Product Accounts (NIPA) implicit price deflator for state and local government  
14       consumption expenditures and gross investment published by the U.S.  
15       Department of Commerce, Bureau of Economic Analysis, from fiscal year  
16       2025 through the fiscal year for which the amount is being determined, and  
17       rounding upward to the nearest whole dollar amount.

18       Sec. 38. 16 V.S.A. § 4025 is amended to read:

19       § 4025. EDUCATION FUND

20       (a) The Education Fund is established to comprise the following:





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\* \* \*

(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

1 ~~defined in 32 V.S.A. § 5401, shall become due to school districts, except that~~  
2 ~~districts that have not adopted a budget by 30 days before the date of payment~~  
3 ~~under this subsection shall receive one quarter of the base education amount~~  
4 ~~and upon adoption of a budget shall receive additional amounts due under this~~  
5 ~~subsection.~~

6 (b) Payments made for special education under chapter 101 of this title, for  
7 career technical education under chapter 37 of this title, and for other aid and  
8 categorical grants paid for support of education shall also be from the  
9 Education Fund.

10 ~~(c)(1) Any district that has adopted a school budget that includes high~~  
11 ~~spending, as defined in 32 V.S.A. § 5401(12), shall, upon timely notice, be~~  
12 ~~authorized to use a portion of its high spending penalty to reduce future~~  
13 ~~education spending:~~

14 ~~(A) by entering into a contract with an operational efficiency~~  
15 ~~consultant or a financial systems consultant to examine issues such as~~  
16 ~~transportation arrangements, administrative costs, staffing patterns, and the~~  
17 ~~potential for collaboration with other districts;~~

18 ~~(B) by entering into a contract with an energy or facilities~~  
19 ~~management consultant; or~~

20 ~~(C) by engaging in discussions with other school districts about~~  
21 ~~reorganization or consolidation for better service delivery at a lower cost.~~



1           (11)(A) Shall prepare and distribute annually a proposed budget for the  
2 next school year according to such major categories as may from time to time  
3 be prescribed by the Secretary.

4           (B) [Repealed.]

5           (C) At a school district's annual or special meeting, the electorate  
6 may vote to provide notice of availability of the school budget required by this  
7 subdivision to the electorate in lieu of distributing the budget. If the electorate  
8 of the school district votes to provide notice of availability, it must specify how  
9 notice of availability shall be given, and such notice of availability shall be  
10 provided to the electorate at least 30 days before the district's annual meeting.  
11 The proposed budget shall be prepared and distributed at least ~~ten~~ 10 days  
12 before a sum of money is voted on by the electorate. Any proposed budget  
13 shall show the following information in a format prescribed by the Secretary:

14           (i) all revenues from all sources, and expenses, including as  
15 separate items any assessment for a supervisory union of which it is a member  
16 and any tuition to be paid to a career technical center; and including the report  
17 required in subdivision 242(4)(D) of this title itemizing the component costs of  
18 the supervisory union assessment;

19           (ii) the specific amount of any deficit incurred in the most recently  
20 closed fiscal year and how the deficit was or will be remedied;

1           (iii) the anticipated ~~homestead~~ statewide education tax rate ~~and the~~  
2 ~~percentage of household income used to determine income sensitivity in the~~  
3 ~~district as a result of passage of the budget, including those portions of the tax~~  
4 ~~rate attributable to supervisory union assessments, as adjusted for each tax~~  
5 ~~classification pursuant to 32 V.S.A. § 5402; and~~

6           (iv) the definition of “~~education spending~~ supplemental district  
7 spending,” the ~~number of pupils and number of equalized pupils in long-term~~  
8 membership of the school district, and the district’s ~~education spending~~ per  
9 ~~equalized pupil~~ supplemental district spending in the proposed budget and in  
10 each of the prior three years; and

11           (v) the supplemental district spending yield.

12           (D) The board shall present the budget to the voters by means of a  
13 ballot in the following form:

14           “Article #1 (School Budget):

15           Shall the voters of the school district approve the school board  
16 to expend \$ \_\_\_\_\_, which is the amount the school board has determined to  
17 be necessary in excess of the school district’s educational opportunity payment  
18 for the ensuing fiscal year?

19           The \_\_\_\_\_ District estimates that this proposed budget, if  
20 approved, will result in per pupil ~~education~~ supplemental district spending of  
21 \$\_\_\_\_\_, which is \_\_\_\_\_% higher/lower than per pupil ~~education~~

1 supplemental district spending for the current year, and a supplemental district  
2 spending tax rate of \_\_\_\_\_ per \$100.00 of equalized education property  
3 value.”

4 \* \* \*

5 Sec. 42. REPEALS

6 (a) 16 V.S.A. § 4031 (unorganized towns and gores) is repealed.

7 (b) 2022 Acts and Resolves No. 127, Sec. 8 (suspension of excess spending  
8 penalty, hold harmless provision, and ballot language requirement) is repealed.

9 (c) 16 V.S.A. § 2961 (census grant; special education) is repealed.

10 Sec. 43. 16 V.S.A. § 4032 is added to read

11 § 4032. SUPPLEMENTAL DISTRICT SPENDING RESERVE

12 (a) There is hereby created the Supplemental District Spending Reserve  
13 within the Education Fund. Any recapture, as defined in 32 V.S.A. § 5401,  
14 paid to the Education Fund as part of the revenue from the supplemental  
15 district spending tax imposed pursuant to 32 V.S.A. § 5402(f) shall be reserved  
16 within the Supplemental District Spending Reserve.

17 (b) In any fiscal year in which the amounts raised through the supplemental  
18 district spending tax imposed pursuant to 32 V.S.A. § 5402(f) are insufficient  
19 to cover payment to each school district of its supplemental district spending,  
20 the Supplemental District Spending Reserve shall be used by the

1 Commissioner of Finance and Management to the extent necessary to offset  
2 the deficit as determined by generally accepted accounting principles.

3 (c) Any funds remaining in the Supplemental District Spending Reserve at  
4 the close of the fiscal year after accounting for the process under subsection (b)  
5 of this section shall be transferred into the School Construction Aid Special  
6 Fund established in section 3444 of this title.

7 Sec. 44. AGENCY OF EDUCATION; TRANSPORTATION

8 REIMBURSEMENT GUIDELINES

9 On or before December 15, 2025, the Agency of Education shall submit a  
10 written report to the House Committees on Ways and Means and on Education  
11 and the Senate Committees on Finance and on Education on clear and  
12 equitable guidelines for minimum transportation to be provided and covered by  
13 transportation reimbursement grant under 16 V.S.A. § 4016 as part of  
14 Vermont's education transformation.

15 Sec. 45. REPORT; JOINT FISCAL OFFICE; INFLATIONARY

16 MEASURES; PREKINDERGARTEN EDUCATION FUNDING

17 (a) On or before December 15, 2025, the Joint Fiscal Office shall submit a  
18 report to the House Committees on Ways and Means and on Education and the  
19 Senate Committees on Finance and on Education that analyzes the National  
20 Income and Product Accounts (NIPA) implicit price deflator for state and local  
21 government consumption expenditures and gross investment published by the



1 U.S. Department of Commerce, Bureau of Economic Analysis, and alternative  
2 inflationary measures that may be applied to state education funding systems.  
3 As part of the report, the Joint Fiscal Office shall analyze options and provide  
4 considerations for selecting an inflationary measure appropriate to Vermont's  
5 education funding system.

6 (b) On or before December 15, 2025, the Joint Fiscal Office shall submit a  
7 report to the House Committee on Ways and Means, the Senate Committee on  
8 Finance, and the House and Senate Committees on Education on the current  
9 funding systems for prekindergarten education, the Child Care Financial  
10 Assistance Program, or any other early care and learning systems. The report  
11 shall review financial incentives in these existing early care and learning  
12 systems. As part of the report, the Joint Fiscal Office shall provide  
13 considerations for changing the funding streams associated with these early  
14 care and learning systems to align with the education transformation initiatives  
15 envisioned in this act.

16 \* \* \* Education Property Tax Rate Formula \* \* \*

17 Sec. 46. 32 V.S.A. § 5401 is amended to read:

18 § 5401. DEFINITIONS

19 As used in this chapter:

20 \* \* \*





1           (19) “Supplemental district spending” means the spending that the  
2           voters of a school district approve in excess of the school district’s educational  
3           opportunity payment, as defined in 16 V.S.A. § 4001(17), for the fiscal year,  
4           provided that the voters of a school district other than an interstate school  
5           district shall not approve spending in excess of 10 percent of the school  
6           district’s educational opportunity payment for the fiscal year.

7           (20) “Supplemental district spending yield” means the amount of  
8           property tax revenue per long-term membership as defined in 16 V.S.A.  
9           § 4001(7) that would be raised in the school district with the lowest taxing  
10          capacity using a supplemental district spending tax rate of \$1.00 per \$100.00  
11          of equalized education property value.

12          (21) “Per pupil supplemental district spending” means the per pupil  
13          amount of supplemental district spending resulting from dividing a school  
14          district’s supplemental district spending by its long-term membership as  
15          defined in 16 V.S.A. § 4001(7).

16          (22) “School district with the lowest taxing capacity” means the school  
17          district other than an interstate school district anticipated to have the lowest  
18          aggregate equalized education property tax grand list of its municipal members  
19          per long-term membership as defined in 16 V.S.A. § 4001(7) in the following  
20          fiscal year.

1 Sec. 47. 32 V.S.A. § 5402 is amended to read:

2 § 5402. EDUCATION PROPERTY TAX LIABILITY

3 (a) A statewide education tax is imposed on all nonhomestead and  
4 homestead property at ~~the following rates:~~

5 ~~(1) The tax rate for nonhomestead property shall be \$1.59 per \$100.00~~  
6 ~~divided by the statewide adjustment.~~

7 ~~(2) The tax rate for homestead property shall be \$1.00 multiplied by the~~  
8 ~~education property tax spending adjustment for the municipality per \$100.00 of~~  
9 ~~equalized education property value as most recently determined under section~~  
10 ~~5405 of this title. The homestead property tax rate for each municipality that is~~  
11 ~~a member of a union or unified union school district shall be calculated as~~  
12 ~~required under subsection (e) of this section. a rate sufficient to cover~~  
13 ~~expenditures from the Education Fund under 16 V.S.A. § 4025(b) other than~~  
14 ~~supplemental district spending, after accounting for the forecasted available~~  
15 ~~revenues. It is the intention of the General Assembly that the statewide~~  
16 ~~education tax rate under this section shall be adopted for each fiscal year by act~~  
17 ~~of the General Assembly. The statewide education tax rate shall be adjusted~~  
18 ~~for homestead property and each general class of nonhomestead property~~  
19 ~~provided under section 4152a of this title as follows:~~

20 If the tax classification of the then the statewide education tax rate  
21 property subject to taxation is: is multiplied by a factor of:

1	<u>Homestead</u>	<u>1.0</u>
2	<u>Nonhomestead, Apartment</u>	<u>1.0</u>
3	<u>Nonhomestead, Nonresidential</u>	<u>1.0</u>
4	<u>Nonhomestead, Residential</u>	<u>1.0</u>

5 (b) The statewide education tax shall be calculated as follows:

6 (1) The Commissioner of Taxes shall determine for each municipality  
7 the education tax rates under subsection (a) of this section divided by the  
8 ~~number resulting from dividing the~~ municipality's most recent common level  
9 of appraisal ~~by the statewide adjustment~~. The legislative body in each  
10 municipality shall then bill each property taxpayer at the ~~homestead or~~  
11 ~~nonhomestead~~ applicable rate determined by the Commissioner under this  
12 subdivision, multiplied by the education property tax grand list value of the  
13 property, properly classified as homestead or nonhomestead property and  
14 without regard to any other tax classification of the property not authorized  
15 under this chapter. Statewide education property tax bills shall show the tax  
16 due and the calculation of the rate determined under subsection (a) of this  
17 section, divided by ~~the number resulting from dividing~~ the municipality's most  
18 recent common level of appraisal ~~by the statewide adjustment~~, multiplied by  
19 the current grand list value of the property to be taxed. Statewide education  
20 property tax bills shall also include language provided by the Commissioner  
21 pursuant to subsection 5405(g) of this title.

1           (2) Taxes assessed under this section shall be assessed and collected in  
2           the same manner as taxes assessed under chapter 133 of this title with no tax  
3           classification other than ~~as homestead or nonhomestead property~~ those  
4           required by this section; provided, however, that the tax levied under this  
5           chapter shall be billed to each taxpayer by the municipality in a manner that  
6           clearly indicates the tax is separate from any other tax assessed and collected  
7           under chapter 133, including an itemization of the separate taxes due. The bill  
8           may be on a single sheet of paper with the statewide education tax and other  
9           taxes presented separately and side by side.

10           (3) ~~If a district has not voted a budget by June 30, an interim homestead~~  
11           ~~education tax shall be imposed at the base rate determined under subdivision~~  
12           ~~(a)(2) of this section, divided by the number resulting from dividing the~~  
13           ~~municipality's most recent common level of appraisal by the statewide~~  
14           ~~adjustment, but without regard to any spending adjustment under subdivision~~  
15           ~~5401(13) of this title. Within 30 days after a budget is adopted and the~~  
16           ~~deadline for reconsideration has passed, the Commissioner shall determine the~~  
17           ~~municipality's homestead tax rate as required under subdivision (1) of this~~  
18           ~~subsection. [Repealed.]~~

19           (c)(1) The treasurer of each municipality shall by December 1 of the year in  
20           which the tax is levied and on June 1 of the following year pay to the State  
21           Treasurer for deposit in the Education Fund one-half of the municipality's

1 statewide ~~nonhomestead tax and one-half of the municipality's homestead~~  
2 education tax, as determined under subdivision (b)(1) of this section.

3 (2) The ~~Secretary of Education~~ Commissioner of Taxes shall determine  
4 each municipality's net ~~nonhomestead~~ education tax payment ~~and its net~~  
5 ~~homestead education tax payment~~ to the State based on grand list information  
6 received by the ~~Secretary~~ Commissioner not later than the March 15 prior to  
7 the June 1 net payment. Payment shall be accompanied by a return prescribed  
8 by the ~~Secretary of Education~~ Commissioner of Taxes. Each municipality may  
9 retain 0.225 of one percent of the total education tax collected, only upon  
10 timely remittance of net payment to the State Treasurer or to the applicable  
11 school district or districts. ~~Each municipality may also retain \$15.00 for each~~  
12 ~~late property tax credit claim filed after April 15 and before September 2, as~~  
13 ~~notified by the Department of Taxes, for the cost of issuing a new property tax~~  
14 ~~bill.~~

15 (d) [Repealed.]

16 (e) ~~The Commissioner of Taxes shall determine a homestead education tax~~  
17 ~~rate for each municipality that is a member of a union or unified union school~~  
18 ~~district as follows:~~

19 (1) ~~For a municipality that is a member of a unified union school~~  
20 ~~district, use the base rate determined under subdivision (a)(2) of this section~~



1 and a spending adjustment under subdivision ~~5401(13)~~ of this title based upon  
2 the per pupil education spending of the unified union.

3 (2) ~~For a municipality that is a member of a union school district:~~

4 (A) ~~Determine the municipal district homestead tax rate using the~~  
5 ~~base rate determined under subdivision (a)(2) of this section and a spending~~  
6 ~~adjustment under subdivision 5401(13) of this title based on the per pupil~~  
7 ~~education spending in the municipality who attends a school other than the~~  
8 ~~union school.~~

9 (B) ~~Determine the union district homestead tax rate using the base~~  
10 ~~rate determined under subdivision (a)(2) of this section and a spending~~  
11 ~~adjustment under subdivision 5401(13) of this title based on the per pupil~~  
12 ~~education spending of the union school district.~~

13 (C) ~~Determine a combined homestead tax rate by calculating the~~  
14 ~~weighted average of the rates determined under subdivisions (A) and (B) of~~  
15 ~~this subdivision (2), with weighting based upon the ratio of union school long-~~  
16 ~~term membership, as defined in 16 V.S.A. § 4001(7), from the member~~  
17 ~~municipality to total long term membership of the member municipality; and~~  
18 ~~the ratio of long term membership attending a school other than the union~~  
19 ~~school to total long term membership of the member municipality. Total long-~~  
20 ~~term membership of the member municipality is based on the number of pupils~~  
21 ~~who are legal residents of the municipality and attending school at public~~

1 ~~expense. If necessary, the Commissioner may adopt a rule to clarify and~~  
2 ~~facilitate implementation of this subsection (e). [Repealed.]~~

3 (f)(1) A supplemental district spending tax is imposed on all homestead  
4 and nonhomestead property in each member municipality of a school district  
5 that approves spending pursuant to a budget presented to the voters of a school  
6 district under 16 V.S.A. § 563. The Commissioner of Taxes shall determine  
7 the supplemental district spending tax rate for each school district by dividing  
8 the school district's per pupil supplemental district spending as certified by the  
9 Secretary of Education by the supplemental district spending yield. The  
10 legislative body in each member municipality shall then bill each property  
11 taxpayer at the rate determined by the Commissioner under this subsection,  
12 divided by the municipality's most recent common level of appraisal and  
13 multiplied by the current grand list value of the property to be taxed. The bill  
14 shall show the tax due and the calculation of the rate.

15 (2) The supplemental district spending tax assessed under this  
16 subsection shall be assessed and collected in the same manner as taxes  
17 assessed under chapter 133 of this title with no tax classification other than as  
18 homestead or nonhomestead property; provided, however, that the tax levied  
19 under this chapter shall be billed to each taxpayer by the municipality in a  
20 manner that clearly indicates the tax is separate from any other tax assessed  
21 and collected under chapter 133 and the statewide education property tax under

1 this section, including an itemization of the separate taxes due. The bill may  
2 be on a single sheet of paper with the supplemental district spending tax, the  
3 statewide education tax, and other taxes presented separately and side by side.

4 (3) The treasurer of each municipality shall on or before December 1 of  
5 the year in which the tax is levied and on or before June 1 of the following year  
6 pay to the State Treasurer for deposit in the Education Fund one-half of the  
7 municipality's supplemental district spending tax, as determined under  
8 subdivision (1) of this subsection.

9 (4) The Commissioner of Taxes shall determine each municipality's net  
10 supplemental district spending tax payment to the State based on grand list  
11 information received by the Commissioner not later than the March 15 prior to  
12 the June 1 net payment. Payment shall be accompanied by a return prescribed  
13 by the Commissioner of Taxes. Each municipality may retain 0.225 of one  
14 percent of the total supplemental district spending tax collected, only upon  
15 timely remittance of net payment to the State Treasurer or to the applicable  
16 school district.

17 Sec. 48. 32 V.S.A. § 5402b is amended to read:

18 § 5402b. STATEWIDE EDUCATION TAX ~~YIELDS~~ RATE;

19 SUPPLEMENTAL DISTRICT SPENDING YIELD;

20 RECOMMENDATION OF THE COMMISSIONER

1 (a) Annually, not later than December 1, the Commissioner of Taxes, after  
2 consultation with the Secretary of Education, the Secretary of Administration,  
3 and the Joint Fiscal Office, shall calculate and recommend ~~a property dollar~~  
4 ~~equivalent yield, an income dollar equivalent yield, and a nonhomestead~~  
5 ~~property tax rate~~ the statewide education property tax rate pursuant to  
6 subsection 5402(a) of this chapter and the supplemental district spending yield  
7 for the following fiscal year. In making these calculations, the Commissioner  
8 shall assume: the statutory reserves are maintained at five percent pursuant to  
9 16 V.S.A. § 4026 and the amounts in the Supplemental District Spending  
10 Reserve are unavailable for any purpose other than that specified in 16 V.S.A.  
11 § 4032(b)

12 ~~(1) the homestead base tax rate in subdivision 5402(a)(2) of this title is~~  
13 ~~\$1.00 per \$100.00 of equalized education property value;~~

14 ~~(2) the applicable percentage in subdivision 6066(a)(2) of this title is 2.0;~~

15 ~~(3) the statutory reserves under 16 V.S.A. § 4026 and this section were~~  
16 ~~maintained at five percent;~~

17 ~~(4) the percentage change in the average education tax bill applied to~~  
18 ~~nonhomestead property and the percentage change in the average education tax~~  
19 ~~bill of homestead property and the percentage change in the average education~~  
20 ~~tax bill for taxpayers who claim a credit under subsection 6066(a) of this title~~  
21 ~~are equal;~~

1           ~~(5) the equalized education grand list is multiplied by the statewide~~  
2           ~~adjustment in calculating the property dollar equivalent yield; and~~

3           ~~(6) the nonhomestead rate is divided by the statewide adjustment.~~

4           (b) For each fiscal year, the ~~property dollar equivalent~~ supplemental district  
5           spending yield and the income dollar equivalent yield shall be the same as in  
6           the prior fiscal year, unless set otherwise by the General Assembly.

7   \* \* \*

8           (d) Along with the recommendations made under this section, the  
9           Commissioner shall include:

10           (1) the base amount as defined in 16 V.S.A. § 4001(16);

11           (2) for each school district, the estimated long-term membership,  
12           weighted long-term membership, and aggregate equalized education property  
13           tax grand list of its municipal members;

14           (3) for each school district, the estimated aggregate equalized education  
15           property tax grand list of its municipal members per long-term membership;

16           (4) the estimated school district with the lowest taxing capacity; and

17           (5) the range of per pupil supplemental district spending between all  
18           districts in the State for the previous year.

19   \* \* \*

1           \* \* \* Conforming Revisions; Statewide Property Tax Rate \* \* \*

2           Sec. 49. 32 V.S.A. § 5404a(b)(1) is amended to read:

3           (b)(1) An agreement affecting the education property tax grand list defined  
4           under subsection (a) of this section shall reduce the municipality's education  
5           property tax liability under this chapter for the duration of the agreement or  
6           exemption without extension or renewal, and for a maximum of 10 years. A  
7           municipality's property tax liability under this chapter shall be reduced by any  
8           difference between the amount of the education property taxes collected on the  
9           subject property and the amount of education property taxes that would have  
10          been collected on such property if its fair market value were taxed at the  
11          equalized ~~nonhomestead~~ rate for the tax year.

12          Sec. 50. 32 V.S.A. § 5405(g) is amended to read:

13          (g) The Commissioner shall provide to municipalities for the front of  
14          property tax bills the ~~district homestead property~~ statewide education tax rate  
15          before equalization, ~~the nonresidential tax rate before equalization~~, and the  
16          calculation process that creates the equalized homestead and nonhomestead tax  
17          rates. The Commissioner shall further provide to municipalities for the back of  
18          property tax bills an explanation of the common level of appraisal, including  
19          its origin and purpose.

1           \* \* \* Statewide Property Tax Credit Repeal; Homestead Exemption

2                                       Created \* \* \*

3           Sec. 51. 32 V.S.A. § 5400 is amended to read:

4           § 5400. STATUTORY PURPOSES

5                                       \* \* \*

6           (c) The statutory purpose of the exemption for qualified housing in  
7           subdivision 5404a(a)(6) of this title is to ensure that taxes on this rent-  
8           restricted housing provided to Vermonters of low and moderate income are  
9           more equivalent to property taxed ~~using the State~~ as a homestead rate property  
10           and to adjust the costs of investment in rent-restricted housing to reflect more  
11           accurately the revenue potential of such property.

12                                       \* \* \*

13           (j) The statutory purpose of the homestead property tax exemption in  
14           subdivision 6066(a)(1) of this title is to reduce the property tax liability for  
15           Vermont households with low and moderate household income.

16           Sec. 52. 32 V.S.A. chapter 154 is amended to read:

17                       CHAPTER 154. HOMESTEAD PROPERTY TAX EXEMPTION,

18                       MUNICIPAL PROPERTY TAX CREDIT, AND RENTER CREDIT

19           § 6061. DEFINITIONS

20           As used in this chapter ~~unless the context requires otherwise~~:

1           (1) “~~Property~~ Municipal property tax credit” means a credit of the prior  
2 tax year’s ~~statewide or~~ municipal property tax liability ~~or a homestead owner~~  
3 ~~credit~~, as authorized under ~~section~~ subdivision 6066(a)(2) of this title, ~~as the~~  
4 ~~context requires~~ chapter.

5   \* \* \*

6           (8) “~~Annual tax levy~~” means ~~the property taxes levied on property~~  
7 ~~taxable on April 1 and without regard to the year in which those taxes are due~~  
8 ~~or paid.~~ [Repealed.]

9           (9) “Taxable year” means the calendar year preceding the year in which  
10 the claim is filed.

11           (10) [Repealed.]

12           (11) “Housesite” means that portion of a homestead, as defined under  
13 subdivision 5401(7) of this title but not under subdivision 5401(7)(G) of this  
14 title, that includes as much of the land owned by the claimant surrounding the  
15 dwelling as is reasonably necessary for use of the dwelling as a home, but in  
16 no event more than two acres per dwelling unit, and, in the case of multiple  
17 dwelling units, not more than two acres per dwelling unit up to a maximum of  
18 10 acres per parcel.

19           (12) “Claim year” means the year in which a claim is filed under this  
20 chapter.



1           (13) “Homestead” means a homestead as defined under subdivision  
2           5401(7) of this title, but not under subdivision 5401(7)(G) of this title, and  
3           declared on or before October 15 in accordance with section 5410 of this title.

4           (14) ~~“Statewide education tax rate” means the homestead education~~  
5           ~~property tax rate multiplied by the municipality’s education spending~~  
6           ~~adjustment under subdivision 5402(a)(2) of this title and used to calculate taxes~~  
7           ~~assessed in the municipal fiscal year that began in the taxable year. [Repealed.]~~

8   \* \* \*

9           (21) “Homestead property tax exemption” means a reduction in the  
10           amount of housesite value subject to the statewide education tax and the  
11           supplemental district spending tax in the claim year as authorized under  
12           sections 6066 and 6066a of this chapter.

13         § 6062. NUMBER AND IDENTITY OF CLAIMANTS; APPORTIONMENT

14   \* \* \*

15           (d) Whenever a housesite is an integral part of a larger unit such as a farm  
16           or a multi-purpose or multi-dwelling building, property taxes paid shall be that  
17           percentage of the total property tax as the value of the housesite is to the total  
18           value. Upon a claimant’s request, the listers shall certify to the claimant the  
19           value of ~~his or her~~ the claimant’s homestead and housesite.

20   \* \* \*

1 § 6063. CLAIM AS PERSONAL; CREDIT AND EXEMPTION AMOUNT  
2 AT TIME OF TRANSFER

3 (a) The right to file a claim under this chapter is personal to the claimant  
4 and shall not survive ~~his or her~~ the claimant's death, but the right may be  
5 exercised on behalf of a claimant by ~~his or her~~ the claimant's legal guardian or  
6 attorney-in-fact. When a claimant dies after having filed a timely claim, the  
7 municipal property tax credit and the homestead exemption amount shall be  
8 ~~credited~~ applied to the ~~homestead~~ property tax liability of the claimant's estate  
9 as provided in section 6066a of this title.

10 (b) In case of sale or transfer of a residence; after April 1 of the claim year:

11 (1) any municipal property tax credit ~~amounts~~ amount related to that  
12 residence shall be allocated to the ~~seller~~ transferor at closing unless the parties  
13 otherwise agree;

14 (2) any homestead property tax exemption related to that residence  
15 based on the transferor's household income under subdivision 6066(a)(1) of  
16 this chapter shall cease to be in effect upon transfer; and

17 (3) a transferee who is eligible to declare the residence as a homestead  
18 but for the requirement to own the residence on April 1 of the claim year shall,  
19 notwithstanding subdivision 5401(7) and subsection 5410(b) of this title, be  
20 eligible to apply for a homestead property tax exemption in the claim year  
21 when the transfer occurs by filing with the Commissioner of Taxes a

1 homestead declaration pursuant to section 5410 of this title and a claim for  
2 exemption on or before the due date prescribed under section 6068 of this  
3 chapter.

4 \* \* \*

5 § 6065. FORMS; TABLES; NOTICES

6 (a) In administering this chapter, the Commissioner shall provide suitable  
7 claim forms with tables of allowable claims, instructions, and worksheets for  
8 claiming a homestead property tax exemption and municipal property tax  
9 credit.

10 (b) Prior to June 1, the Commissioner shall also prepare and supply to each  
11 town in the State notices describing the homestead property tax exemption and  
12 municipal property tax credit for inclusion in property tax bills. The notice  
13 shall be in simple, plain language and shall explain how to file for a homestead  
14 property tax exemption and a municipal property tax credit, where to find  
15 assistance filing for a credit or an exemption, or both, and any other related  
16 information as determined by the Commissioner. The notice shall direct  
17 taxpayers to a resource where they can find versions of the notice translated  
18 into the five most common non-English languages in the State. A town shall  
19 include such notice in each tax bill and notice of delinquent taxes that it mails  
20 to taxpayers who own in that town a residential property, without regard for

1 whether the property was declared a homestead pursuant to subdivision  
2 5401(7) of this title.

3 (c) Notwithstanding the provisions of subsection (b) of this section, towns  
4 that use envelopes or mailers not able to accommodate notices describing the  
5 homestead property tax exemption and municipal property tax credit may  
6 distribute such notices in an alternative manner.

7 § 6066. COMPUTATION OF HOMESTEAD PROPERTY TAX

8 EXEMPTION, MUNICIPAL PROPERTY TAX CREDIT, AND

9 RENTER CREDIT

10 (a) ~~An eligible claimant who owned the homestead on April 1 of the year in~~  
11 ~~which the claim is filed shall be entitled to a credit for the prior year's~~  
12 ~~homestead property tax liability amount determined as follows:~~

13 ~~(1)(A) For a claimant with household income of \$90,000.00 or more:~~

14 ~~(i) the statewide education tax rate, multiplied by the equalized~~  
15 ~~value of the housesite in the taxable year;~~

16 ~~(ii) minus (if less) the sum of:~~

17 ~~(I) the income percentage of household income for the taxable~~  
18 ~~year; plus~~

19 ~~(II) the statewide education tax rate, multiplied by the equalized~~  
20 ~~value of the housesite in the taxable year in excess of \$225,000.00.~~

1           ~~(B) For a claimant with household income of less than \$90,000.00 but~~  
2           ~~more than \$47,000.00, the statewide education tax rate, multiplied by the~~  
3           ~~equalized value of the housesite in the taxable year, minus (if less) the sum of:~~

4                     ~~(i) the income percentage of household income for the taxable~~  
5           ~~year; plus~~

6                     ~~(ii) the statewide education tax rate, multiplied by the equalized~~  
7           ~~value of the housesite in the taxable year in excess of \$400,000.00.~~

8           ~~(C) For a claimant whose household income does not exceed~~  
9           ~~\$47,000.00, the statewide education tax rate, multiplied by the equalized value~~  
10          ~~of the housesite in the taxable year, minus the lesser of:~~

11                    ~~(i) the sum of the income percentage of household income for the~~  
12          ~~taxable year plus the statewide education tax rate, multiplied by the equalized~~  
13          ~~value of the housesite in the taxable year in excess of \$400,000.00; or~~

14                    ~~(ii) the statewide education tax rate, multiplied by the equalized~~  
15          ~~value of the housesite in the taxable year reduced by \$15,000.00.~~

16           ~~(2) “Income percentage” in this section means two percent, multiplied by~~  
17          ~~the education income tax spending adjustment under subdivision 5401(13)(B)~~  
18          ~~of this title for the property tax year that begins in the claim year for the~~  
19          ~~municipality in which the homestead residence is located~~

1           (1) An eligible claimant who owned the homestead on April 1 of the  
2           claim year shall be entitled to a homestead property tax exemption in the claim  
3           year in an amount determined as follows:

4                   (A) for a claimant whose household income is equal to or less than  
5                   \$25,000.00, the exemption shall be 95 percent of the claimant's housesite  
6                   value;

7                   (B) for a claimant whose household income is greater than  
8                   \$25,000.00 but equal to or less than \$47,000.00, the exemption shall be 90  
9                   percent of the claimant's housesite value;

10                  (C) for a claimant whose household income is greater than  
11                  \$47,000.00 but equal to or less than \$50,000.00, the exemption shall be 80  
12                  percent of the claimant's housesite value;

13                  (D) for a claimant whose household income is greater than  
14                  \$50,000.00 but equal to or less than \$60,000.00, the exemption shall be 70  
15                  percent of the claimant's housesite value;

16                  (E) for a claimant whose household income is greater than  
17                  \$60,000.00 but equal to or less than \$70,000.00, the exemption shall be 60  
18                  percent of the claimant's housesite value;

19                  (F) for a claimant whose household income is greater than  
20                  \$70,000.00 but equal to or less than \$80,000.00, the exemption shall be 50  
21                  percent of the claimant's housesite value;

1           (G) for a claimant whose household income is greater than  
2           \$80,000.00 but equal to or less than \$90,000.00, the exemption shall be 40  
3           percent of the claimant's housesite value;

4           (H) for a claimant whose household income is greater than  
5           \$90,000.00 but equal to or less than \$100,000.00, the exemption shall be 30  
6           percent of the claimant's housesite value;

7           (I) for a claimant whose household income is greater than  
8           \$100,000.00 but equal to or less than \$110,000.00, the exemption shall be 20  
9           percent of the claimant's housesite value;

10           (J) for a claimant whose household income is greater than  
11           \$110,000.00 but equal to or less than \$115,000.00, the exemption shall be 10  
12           percent of the claimant's housesite value; and

13           (K) for a claimant whose household income is greater than  
14           \$115,000.00, no amount of housesite value shall be exempt under this section.

15           ~~(3)~~(2) A An eligible claimant who owned the homestead on April 1 of  
16           the claim year and whose household income does not exceed \$47,000.00 shall  
17           also be entitled to ~~an additional~~ a credit amount ~~from~~ against the claimant's  
18           municipal taxes for the upcoming fiscal year that is equal to the amount by  
19           which the municipal property taxes for the municipal fiscal year that began in  
20           the taxable year upon the claimant's housesite exceeds a percentage of the  
21           claimant's household income for the taxable year as follows:

1           If household income (rounded           then the taxpayer is entitled to  
2           to the nearest dollar) is:           credit for the  
3           reduced property tax in excess of  
4           this percent  
5           of that income:

6           \$0.00 — 9,999.00           1.50

7           \$10,000.00 — 47,000.00           3.00

8           ~~(4) A claimant whose household income does not exceed \$47,000.00~~  
9           ~~shall also be entitled to an additional credit amount from the claimant's~~  
10           ~~statewide education tax for the upcoming fiscal year that is equal to the amount~~  
11           ~~by which the education property tax for the municipal fiscal year that began in~~  
12           ~~the taxable year upon the claimant's housesite, reduced by the credit amount~~  
13           ~~determined under subdivisions (1) and (2) of this subsection, exceeds a~~  
14           ~~percentage of the claimant's household income for the taxable year as follows:~~

15           ~~If household income (rounded           then the taxpayer is entitled to~~  
16           ~~to the nearest dollar) is:           credit for the reduced property tax~~  
17           ~~in excess of this percent of that~~  
18           ~~income:~~

19           ~~\$0.00 — 9,999.00           0.5~~

20           ~~\$10,000.00 — 24,999.00           1.5~~

21           ~~\$25,000.00 — 47,000.00           2.0~~





1 (c) To be eligible for an ~~adjustment~~ exemption or credit under this chapter,  
2 the claimant:

3 (1) must have been domiciled in this State during the entire taxable year;

4 (2) may not be a person claimed as a dependent by any taxpayer under  
5 the federal Internal Revenue Code during the taxable year; and

6 (3) in the case of a renter, shall have rented property for at least six  
7 calendar months, which need not be consecutive, during the taxable year.

8 (d) The owner of a mobile home that is sited on a lot not owned by the  
9 homeowner may include an amount determined under subdivision 6061(7) of  
10 this title as allocable rent paid on the lot with the amount of property taxes paid  
11 by the homeowner on the home for the purpose of computation of ~~credits~~ the  
12 municipal property tax credit under subdivision (a)~~(3)~~(2) of this section, unless  
13 the homeowner has included in the claim an amount of property tax on  
14 common land under the provisions of subsection (e) of this section.

15 (e) Property taxes paid by a cooperative, not including a mobile home park  
16 cooperative, allocable to property used as a homestead shall be attributable to  
17 the co-op member for the purpose of computing the ~~credit~~ of property tax  
18 liability of the co-op member under this section. Property owned by a  
19 cooperative declared as a homestead may only include the homestead and a pro  
20 rata share of any common land owned or leased by the cooperative, not to  
21 exceed the two-acre housesite limitation. The share of the cooperative's

1 assessed value attributable to the housesite shall be determined by the  
2 cooperative and specified annually in a notice to the co-op member. Property  
3 taxes paid by a mobile home park cooperative, allocable to property used as a  
4 housesite, shall be attributed to the owner of the housesite for the purpose of  
5 computing the ~~credit~~ of property tax liability of the housesite owner under this  
6 section. Property owned by the mobile home park cooperative and declared as  
7 a housesite may only include common property of the cooperative contiguous  
8 with at least one mobile home lot in the park, not to exceed the two-acre  
9 housesite limitation. The share attributable to any mobile home lot shall be  
10 determined by the cooperative and specified in the cooperative agreement. A  
11 co-op member who is the housesite owner shall be entitled to a property tax  
12 credit in an amount determined by multiplying the property taxes allocated  
13 under this subsection by the percentage of the exemption for which the  
14 housesite owner's household income qualifies under subdivision (a)(1) of this  
15 section.

16 (f) [Repealed.]

17 (g) Notwithstanding subsection (d) of this section, if the land surrounding a  
18 homestead is owned by a nonprofit corporation or community land trust with  
19 tax exempt status under 26 U.S.C. § 501(c)(3), the homeowner may include an  
20 allocated amount as property tax paid on the land with the amount of property  
21 taxes paid by the homeowner on the home for the purposes of computation of

1 ~~the credit~~ property tax liability under this section. The allocated amount shall  
2 be determined by the nonprofit corporation or community land trust on a  
3 proportional basis. The nonprofit corporation or community land trust shall  
4 provide to that homeowner, by January 31, a certificate specifying the  
5 allocated amount. The certificate shall indicate the proportion of total property  
6 tax on the parcel that was assessed for municipal property tax and for statewide  
7 property tax and the proportion of total value of the parcel. A homeowner  
8 under this subsection shall be entitled to a property tax credit in an amount  
9 determined by multiplying the property taxes allocated under this subsection  
10 by the percentage of the exemption for which the homeowner's household  
11 income qualifies under subdivision (a)(1) of this section.

12 (h) A homestead owner shall be entitled to an additional property tax credit  
13 amount equal to one percent of the amount of income tax refund that the  
14 claimant elects to allocate to payment of ~~homestead~~ statewide education  
15 property tax under section 6068 of this title.

16 (i) ~~Adjustments~~ The homestead property tax exemption and the municipal  
17 property tax credit under subsection (a) of this section shall be calculated  
18 without regard to any exemption under subdivision 3802(11) of this title.

19 § 6066a. DETERMINATION OF HOMESTEAD PROPERTY TAX

20 EXEMPTION AND MUNICIPAL PROPERTY TAX CREDIT

1           (a) Annually, the Commissioner shall determine the homestead property  
2 tax exemption and the municipal property tax credit amount under section  
3 6066 of this title, related to a homestead owned by the claimant, based on the  
4 prior taxable year's income and for the municipal property tax credit, crediting  
5 property taxes paid in the prior year, and for the homestead property tax  
6 exemption, exempting the housesite value in the claim year. The  
7 Commissioner shall notify the municipality in which the housesite is located of  
8 the amount of the homestead property tax exemption and municipal property  
9 tax credit for the claimant for ~~homestead~~ property tax liabilities on a monthly  
10 basis. The municipal property tax credit of a claimant who was assessed  
11 property tax by a town that revised the dates of its fiscal year, however, is the  
12 excess of the property tax that was assessed in the last 12 months of the revised  
13 fiscal year, over the adjusted property tax of the claimant for the revised fiscal  
14 year, as determined under section 6066 of this title, related to a homestead  
15 owned by the claimant.

16           (b) The Commissioner shall include in the total homestead property tax  
17 exemption and municipal property tax credit amount determined under  
18 subsection (a) of this section, for credit to the taxpayer for ~~homestead~~ statewide  
19 education property tax and supplemental district spending tax liabilities, any  
20 income tax overpayment remaining after allocation under section 3112 of this

1 title and setoff under section 5934 of this title, which the taxpayer has directed  
2 to be used for payment of property taxes.

3 (c) The Commissioner shall notify the municipality of any claim and  
4 refund amounts unresolved by November 1 at the time of final resolution,  
5 including adjudication, if any; provided, however, that towns will not be  
6 notified of any additional credit amounts after November 1 of the claim year,  
7 and such amounts shall be paid to the claimant by the Commissioner.

8 (d) [Repealed.]

9 (e) At the time of notice to the municipality, the Commissioner shall notify  
10 the taxpayer of the homestead property tax ~~credit exemption~~ amount  
11 determined under subdivision 6066(a)(1) of this title, ~~the amount determined~~  
12 ~~under subdivision 6066(a)(3) of this title;~~ any additional municipal property  
13 ~~credit amounts~~ amount due the homestead owner under ~~section~~ subdivision  
14 6066(a)(2) of this title; the amount of income tax refund, if any, allocated to  
15 payment of ~~homestead~~ statewide education property tax liabilities; and any  
16 late-claim reduction amount.

17 (f)(1) For taxpayers and amounts stated in the notice to towns on or before  
18 July 1, municipalities shall create and send to taxpayers a homestead property  
19 tax bill, instead of the bill required under subdivision 5402(b)(1) of this title,  
20 providing the total amount allocated to payment of ~~homestead~~ statewide  
21 education property tax liabilities and notice of the balance due. Municipalities

1 shall apply the amount of the homestead property tax exemption allocated  
2 under this chapter to current year property taxes in equal amounts to each of  
3 the taxpayers' property tax installments that include education taxes and the  
4 amount of the municipal property tax credit allocated under this chapter to  
5 current year municipal property taxes in equal amounts to each of the  
6 taxpayers' property tax installments that include municipal taxes.

7 Notwithstanding section 4772 of this title, if a town issues a corrected bill as a  
8 result of the notice sent by the Commissioner under subsection (a) of this  
9 section, issuance of the corrected new bill does not extend the time for  
10 payment of the original bill nor relieve the taxpayer of any interest or penalties  
11 associated with the original bill. If the corrected bill is less than the original  
12 bill, and there are also no unpaid current year taxes, interest, or penalties, and  
13 no past year delinquent taxes or penalties and interest charges, any  
14 overpayment shall be reflected on the corrected tax bill and refunded to the  
15 taxpayer.

16 (2) For homestead property tax exemption and municipal property tax  
17 credit amounts for which municipalities receive notice after November 1,  
18 municipalities shall issue a new ~~homestead~~ property tax bill with notice to the  
19 taxpayer of the total amount allocated to payment of ~~homestead~~ property tax  
20 liabilities and notice of the balance due.

1           (3) The homestead property tax exemption and municipal property tax  
2 credit amount determined for the taxpayer shall be allocated first to current  
3 year housesite value and property tax on the homestead parcel, next to current-  
4 year homestead parcel penalties and interest, next to any prior year homestead  
5 parcel penalties and interest, and last to any prior year housesite value and  
6 property tax on the homestead parcel. No homestead property tax exemption  
7 or municipal credit shall be allocated to a housesite value or property tax  
8 liability for any year after the year for which the claim or refund allocation was  
9 filed. No municipal tax-reduction incentive for early payment of taxes shall  
10 apply to any amount allocated to the property tax bill under this chapter.

11           (4) If the homestead property tax exemption or the municipal property  
12 tax credit amount as described in subsection (e) of this section exceeds the  
13 property tax, penalties, and interest due for the current and all prior years, the  
14 municipality shall refund the excess to the taxpayer, without interest, within 20  
15 days of the first date upon which taxes become due and payable or 20 days  
16 after notification of the exemption or credit amount by the Commissioner of  
17 Taxes, whichever is later.

18           (g) The Commissioner of Taxes shall pay monthly to each municipality the  
19 amount of municipal property tax credit of which the municipality was last  
20 notified related to municipal property tax on homesteads within that  
21 municipality, as determined by the Commissioner of Taxes.



1 § 6067. ~~CREDIT~~ CLAIM LIMITATIONS

2 (a) Claimant. Only one individual per household per taxable year shall be  
3 entitled to a homestead exemption claim or property tax credit claim, or both,  
4 under this chapter.

5 (b) Other states. An individual who received a homestead exemption or  
6 credit with respect to property taxes assessed by another state for the taxable  
7 year shall not be entitled to receive a credit under this chapter.

8 (c) Dollar amount. No ~~taxpayer~~ claimant shall receive a renter credit under  
9 subsection 6066(b) of this title in excess of \$2,500.00. No ~~taxpayer~~ claimant  
10 shall receive a municipal property tax credit under subdivision 6066(a)(~~3~~)(2) of  
11 this title greater than \$2,400.00 ~~or cumulative credit under subdivisions~~  
12 ~~6066(a)(1)-(2) and (4) of this title greater than \$5,600.00.~~

13 § 6068. APPLICATION AND TIME FOR FILING

14 (a) A homestead property tax exemption or municipal property tax credit  
15 claim or request for allocation of an income tax refund to ~~homestead~~ statewide  
16 education property tax payment shall be filed with the Commissioner on or  
17 before the due date for filing the Vermont income tax return, without  
18 extension, and shall describe the school district in which the homestead  
19 property is located and shall particularly describe the homestead property for  
20 which the exemption or credit or allocation is sought, including the school  
21 parcel account number prescribed in subsection 5404(b) of this title. A renter

1 credit claim shall be filed with the Commissioner on or before the due date for  
2 filing the Vermont income tax return, without extension.

3 (b)(1) If ~~the~~ a claimant files a municipal property tax credit claim after  
4 October 15 but on or before March 15 of the following calendar year, the  
5 municipal property tax credit under this chapter:

6 (1)(A) shall be reduced in amount by \$150.00, but not below \$0.00;

7 (2)(B) shall be issued directly to the claimant; and

8 (3)(C) shall not require the municipality where the claimant's property  
9 is located to issue an adjusted ~~homestead~~ property tax bill.

10 (2) If a claimant files a homestead property tax exemption claim under  
11 this chapter after October 15 but on or before March 15 of the following  
12 calendar year, the claimant shall pay a penalty of \$150.00 and the municipality  
13 where the claimant's property is located shall not be required to issue an  
14 adjusted property tax bill.

15 (c) No request for allocation of an income tax refund or for a renter credit  
16 claim may be made after October 15. No homestead property tax exemption or  
17 municipal property tax credit claim may be made after March 15 of the  
18 calendar year following the due date under subsection (a) of this section.

19 \* \* \*

1 § 6070. DISALLOWED CLAIMS

2 A claim shall be disallowed if the claimant received title to ~~his or her~~ the  
3 claimant's homestead primarily for the purpose of receiving benefits under this  
4 chapter.

5 § 6071. EXCESSIVE AND FRAUDULENT CLAIMS

6 (a) In any case in which it is determined under the provisions of this title  
7 that a claim is or was excessive and was filed with fraudulent intent, the claim  
8 shall be disallowed in full and the Commissioner may impose a penalty equal  
9 to the amount claimed. A disallowed claim may be recovered by assessment  
10 as income taxes are assessed. The assessment, including assessment of  
11 penalty, shall bear interest from the date the claim was credited against  
12 property tax or income tax or paid by the State until repaid by the claimant at  
13 the rate per annum established from time to time by the Commissioner  
14 pursuant to section 3108 of this title. The claimant in that case, and any person  
15 who assisted in the preparation of filing of such excessive claim or supplied  
16 information upon which the excessive claim was prepared, with fraudulent  
17 intent, shall be fined not more than \$1,000.00 or be imprisoned not more than  
18 one year, or both.

19 (b) In any case in which it is determined that a claim is or was excessive,  
20 the Commissioner may impose a 10 percent penalty on such excess, and if the  
21 claim has been paid or credited against property tax or income tax otherwise

1 payable, the municipal property tax credit or homestead exemption shall be  
2 reduced or canceled and the proper portion of any amount paid shall be  
3 similarly recovered by assessment as income taxes are assessed, and such  
4 assessment shall bear interest at the rate per annum established from time to  
5 time by the Commissioner pursuant to section 3108 of this title from the date  
6 of payment or, in the case of credit of a municipal property tax bill under  
7 section 6066a of this title, from December 1 of the year in which the claim is  
8 filed until refunded or paid.

9 \* \* \*

10 § 6073. ~~REGULATIONS~~ RULES OF THE COMMISSIONER

11 The Commissioner may, from time to time, ~~issue~~ adopt, amend, and  
12 withdraw ~~regulations~~ rules interpreting and implementing this chapter.

13 § 6074. AMENDMENT OF CERTAIN CLAIMS

14 At any time within three years after the date for filing claims under  
15 subsection 6068(a) of this chapter, a claimant who filed a claim by October 15  
16 may file to amend that claim with regard to housesite value, ~~housesite~~  
17 ~~education tax~~, housesite municipal tax, and ownership percentage or to correct  
18 the amount of household income reported on that claim.

19 Sec. 53. DEPARTMENT OF TAXES; HOMESTEAD DECLARATION;

20 SAMPLE FORM;

1        On or before December 15, 2025, the Department of Taxes shall provide to  
2        the House Committee on Ways and Means and the Senate Committee on  
3        Finance suggestions for updating the homestead declaration under 32 V.S.A.  
4        § 5410 to address the implementation of the homestead exemption under  
5        section 19 of this act, which may be provided as a sample form.

6                    \* \* \* Conforming Revisions; Property Tax Credit Repeal \* \* \*

7        Sec. 54. 11 V.S.A. § 1608 is amended to read:

8        § 1608. ELIGIBILITY FOR PROPERTY TAX RELIEF

9                Members of cooperative housing corporations shall be eligible to apply for  
10        and receive a homestead property tax ~~adjustment~~ exemption and municipal  
11        property tax credit under 32 V.S.A. § 6066, subject to the conditions of  
12        eligibility set forth therein.

13        Sec. 55. 32 V.S.A. § 3102(j) is amended to read:

14                (j) Tax bills prepared by a municipality under subdivision 5402(b)(1) of  
15        this title showing only the amount of total tax due shall not be considered  
16        confidential return information under this section. For the purposes of  
17        calculating ~~credits~~ the homestead property tax exemption and the municipal  
18        property tax credit under chapter 154 of this title, information provided by the  
19        Commissioner to a municipality under subsection 6066a(a) of this title and  
20        information provided by the municipality to a taxpayer under subsection  
21        6066a(f) shall be considered confidential return information under this section.

1 Sec. 56. 32 V.S.A. § 3206(b) is amended to read:

2 (b) As used in this section, “extraordinary relief” means a remedy that is  
3 within the power of the Commissioner to grant under this title, a remedy that  
4 compensates for the result of inaccurate classification of property as homestead  
5 or nonhomestead pursuant to section 5410 of this title through no fault of the  
6 taxpayer, or a remedy that makes changes to a taxpayer’s homestead property  
7 tax exemption, municipal property tax credit, or renter credit claim necessary  
8 to remedy the problem identified by the Taxpayer Advocate.

9 \* \* \* Future Review of Foundation Formula \* \* \*

10 Sec. 57. 32 V.S.A. § 5414 is amended to read:

11 § 5414. CREATION; EDUCATION FUND ADVISORY COMMITTEE

12 (a) Creation. There is created the Education Fund Advisory Committee to  
13 monitor Vermont’s education financing system, conduct analyses, assist with  
14 the transformation of Vermont’s education finance system, and perform the  
15 duties under subsection (c) of this section.

16 \* \* \*

17 (c) Powers and duties.

18 (1) Annually, on or before December 15, the Committee shall make  
19 recommendations to the General Assembly regarding:

20 (A) updating the weighting factors using the weighting model and  
21 methodology used to arrive at the weights enacted under 2022 Acts and

1 Resolves No. 127, which may include recalibration, recalculation, adding or  
2 eliminating weights, or any combination of these actions, as necessary;

3 (B) changes to, or the addition of new or elimination of existing,  
4 categorical aid, as necessary;

5 (C) changes to income levels eligible for a property tax credit under  
6 section 6066 of this title;

7 (D) means to adjust the revenue sources for the Education Fund;

8 (E) means to improve equity, transparency, and efficiency in  
9 education funding statewide;

10 (F) the amount of the Education Fund stabilization reserve;

11 (G) school district use of reserve fund accounts;

12 (H) national best practices for addressing intra-school district effects  
13 of a foundation formula, including through the use of weighting factors;

14 (I) whether to transition from a cost-based foundation formula to an  
15 evidence-based foundation formula; and

16 (J) any other topic, factor, or issue the Committee deems relevant to  
17 its work and recommendations.

18 \* \* \*

19 Sec. 58. 16 V.S.A. § 4001 is amended to read:

20 § 4001. DEFINITIONS

21 As used in this chapter:

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\* \* \*

(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.]







1 Division of Property Valuation and Review. The listers and assessors shall  
2 annually update the grand list to include a tax classification not later than June  
3 1 of every year, using information submitted to the Department of Taxes  
4 pursuant to this section. The tax classification may be updated after June 1  
5 when a taxpayer files, or corrects an erroneously filed, homestead declaration  
6 after June 1.

7 (b) A parcel shall be assigned one or more of the following general classes:

8 (1) Homestead;

9 (2) Nonhomestead apartment;

10 (3) Nonhomestead nonresidential; and

11 (4) Nonhomestead residential.

12 (c) As used in this section:

13 (1) “Homestead” means a parcel, or portion of a parcel, declared as a  
14 homestead on or before October 15 in accordance with section 5410 of this  
15 title for the current year.

16 (2) “Nonhomestead apartment” means a parcel, or portion of a parcel,  
17 with one or more dwelling units, for which a landlord certificate was filed in  
18 the previous year pursuant to section 6069 of this title, and the landlord  
19 attested that the unit would be leased to a long-term tenant for a minimum of  
20 six months in the current year.

1           (3) “Nonhomestead nonresidential” means a parcel, or portion of a  
2 parcel, that does not qualify as “homestead,” “nonhomestead apartment,” or  
3 “nonhomestead residential” under this section.

4           (4) “Nonhomestead residential” means a parcel, or portion of a parcel,  
5 with one or more dwelling units, habitable on a year-round basis, for which a  
6 homestead was not declared in accordance with section 5410 of this title for  
7 the current year, and a landlord certificate was not filed pursuant to section  
8 6069 of this title in which the landlord attested that the unit would be leased to  
9 a long-term tenant for a minimum of six months in the current year.

10           (d) A parcel with two or more portions qualifying for different tax  
11 classifications under this section shall be classified proportionally based on the  
12 percentage of floor space used.

13           (1) In the case of a homestead with 25 percent or less of floor space used  
14 for a business purpose, the parcel shall be classified as a homestead pursuant to  
15 subdivision 5401(a)(7)(F) of this title.

16           (2) If a portion of floor space is used for more than one purpose, the use  
17 in which the floor space is most often used shall be considered the primary use  
18 and the floor space shall be dedicated to that use for purposes of tax  
19 classification.

1       (e) The Commissioner shall amend existing forms, and publish new forms,  
2       as needed to gather the necessary attestations and declarations required under  
3       this section.

4       (f) Nothing in this section shall be construed to alter the tax treatment or  
5       enrollment eligibility of property as it relates to use value appraisal under  
6       chapter 124 of this title.

7       (g) Persons aggrieved by a decision to classify property for taxation  
8       purposes under this section may appeal in the manner provided for property  
9       valuation appeals under this title.

10       Sec. 61a. PROPERTY TAX CLASSIFICATIONS; TRANSITION; DATA  
11               COLLECTION

12       For calendar year 2028, the Commissioner of Taxes shall amend and create  
13       forms so that taxpayers report information on the use of their property for such  
14       property to be classified as homestead, nonhomestead residential,  
15       nonhomestead apartment, nonhomestead nonresidential, or a proportional  
16       classification of those uses. The information collected, and classifications  
17       determined, shall align with the definitions and requirements of section 61 of  
18       this act. The Commissioner shall use the information to determine and assign  
19       a tax classification for every grand list parcel and, on or before October 1,  
20       2028, the Commissioner shall provide that information to the Joint Fiscal  
21       Office.

1       Sec. 61b. PROPERTY TAX CLASSIFICATIONS IMPLEMENTATION  
2                       REPORT

3           The Commissioner of Taxes shall study the implementation of new property  
4 tax classifications under this act and identify any further actions required by  
5 the Department of Taxes, Vermont municipalities, and the General Assembly  
6 to successfully implement the new tax classification system on the timeline  
7 established by this act. The issues considered by the Commissioner shall  
8 include any needed changes to existing forms, whether new forms or taxpayer  
9 filings are needed, and how the Department could identify parcels with  
10 dwelling units that do not have an affiliated homestead declaration or landlord  
11 certificate on file. On or before December 15, 2026, the Commissioner of  
12 Taxes shall submit a study report detailing the Commissioner's findings under  
13 this section to the House Committee on Ways and Means and the Senate  
14 Committee on Finance.

15                               \* \* \* Regional Assessment Districts \* \* \*

16       Sec. 62. 32 V.S.A. chapter 121, subchapter 1A is added to read:

17                       Subchapter 1A. Statewide and Regional Property Assessment

18       § 3415. LEGISLATIVE INTENT

19           It is the intent of the General Assembly in adopting this subchapter to create  
20 regional assessment districts so that:

21                       (1) properties on grand lists are regularly reappraised;

1           (2) property data collection is consistent and standardized across the  
2           State; and

3           (3) property valuation is conducted by trained and certified individuals  
4           and firms.

5           § 3416. REGIONAL ASSESSMENT DISTRICTS; ESTABLISHMENT

6           (a) There are hereby established 12 regional assessment districts, whose  
7           member municipalities shall fully and jointly reappraise their grand lists every  
8           six years pursuant to subsection 3417(b) of this subchapter. Member  
9           municipalities shall contract jointly with one or more third parties to conduct  
10           reappraisals.

11           (b) Each county shall constitute one regional assessment district, except  
12           that Franklin and Grand Isle Counties shall constitute one district and Essex  
13           and Orleans Counties shall constitute one district.

14           § 3417. STANDARD GUIDELINES; PROCEDURES; RULEMAKING

15           (a) The Director of Property Valuation and Review shall establish standard  
16           guidelines and procedures, and may adopt rules, for regional assessment  
17           districts, including:

18           (1) guidelines for contracting with third parties to conduct or assist with  
19           reappraisals, including standard reappraisal contract terms;

20           (2) standards for the collection and recordation of parcel data;

1           (3) requirements relating to information technology, including standards  
2           for data software contracts and computer-assisted mass appraisal systems; and

3           (4) standardized practices for a full reappraisal, including cases in which  
4           physical inspections are unnecessary and how technology is to be utilized.

5           (b) The Director of Property Valuation and Review shall establish a  
6           schedule for each regional assessment district to fully reappraise every six  
7           years. The Director, at the Director's discretion, may alter the reappraisal  
8           schedule for a regional assessment district or for one or more of a regional  
9           assessment district's member municipalities.

10                   \* \* \* Transition to Regional Assessment Districts \* \* \*

11           Sec. 63. TRANSITION; ANNUAL PROGRESS REPORT

12           (a) Notwithstanding 32 V.S.A. § 4041a or any other provision of law to the  
13           contrary:

14           (1) the Director of Property Valuation and Review shall not order any  
15           new municipal reappraisals of grand list properties on and after January 1,  
16           2027;

17           (2) a reappraisal order for which a municipality does not have a contract  
18           in place before January 1, 2030 shall no longer have the force and effect of law  
19           on and after January 1, 2030; and

20           (3) a municipality shall not enter into a new reappraisal contract on or  
21           after January 1, 2027.



1       (b) On or before every January 15 from January 15, 2027 to January 15,  
2       2030, the Commissioner of Taxes shall submit a report to the House  
3       Committee on Ways and Means and the Senate Committee on Finance relating  
4       to the progress made in preparing for the implementation of this act.

5       Sec. 64. REGIONAL ASSESSMENT DISTRICT STAKEHOLDER  
6               WORKING GROUP

7       On or before January 15, 2026, the Department of Taxes, in consultation  
8       with relevant stakeholders, shall submit recommendations to the House  
9       Committee on Ways and Means and the Senate Committee on Finance  
10      advising on the implementation of regional assessment districts and on the  
11      development of guidelines, procedures, and rules needed to effectuate a  
12      regionalized reappraisal system. The recommendations will include an  
13      analysis of the advantages and disadvantages of having the State take full  
14      responsibility for regionalized appraisals. In making its recommendation, the  
15      Department of Taxes shall provide suggestions for legislative language that  
16      address:

17           (1) the authority or authorities who will contract for and conduct  
18      reappraisals;

19           (2) the authority or authorities who will hear and decide property  
20      valuation appeals;

1           (3) amendments necessary to conform statute to the change from an  
2           April 1 to January 1 grand list assessment date; and  
3           (4) any other recommended revisions to achieve a regionalized  
4           reappraisal system.

5   \* \* \* Grand List Assessment Date \* \* \*

6           Sec. 65. 32 V.S.A. § 5405 is amended to read:

7           § 5405. DETERMINATION OF EQUALIZED EDUCATION PROPERTY  
8   TAX GRAND LIST AND COEFFICIENT OF DISPERSION

9           (a) Annually, on or before ~~April~~ January 1, the Commissioner shall  
10           determine the equalized education property tax grand list and coefficient of  
11           dispersion for each municipality in the State; provided, however, that for  
12           purposes of equalizing grand lists pursuant to this section, the equalized  
13           education property tax grand list of a municipality that establishes a tax  
14           increment financing district shall include the fair market value of the property  
15           in the district and not the original taxable value of the property, and further  
16           provided that the unified towns and gores of Essex County may be treated as  
17           one municipality for the purpose of determining an equalized education  
18           property grand list and a coefficient of dispersion, if the Director determines  
19           that all such entities have a uniform appraisal schedule and uniform appraisal  
20           practices.

1 (b) The sum of all municipal equalized education property tax grand lists  
2 shall be the equalized education property tax grand list for the State.

3 (c) In determining the fair market value of property that is required to be  
4 listed at fair market value, the Commissioner shall take into consideration  
5 those factors required by section 3481 of this title. The Commissioner shall  
6 value property as of ~~April~~ January 1 preceding the determination and shall take  
7 account of all homestead declaration information available before October 1  
8 each year.

9 \* \* \*

10 Sec. 66. 32 V.S.A. § 3481(1)(B) is amended to read:

11 (B) For residential rental property that is subject to a housing subsidy  
12 covenant or other legal restriction, imposed by a governmental, quasi-  
13 governmental, or public purpose entity, on rents that may be charged, fair  
14 market value shall be determined by an income approach using the following  
15 elements:

16 (i) market rents with utility allowance adjustments for the  
17 geographic area in which the property is located as determined by the federal  
18 office of Housing and Urban Development or in the case of properties  
19 authorized under 42 U.S.C. § 1437, 12 U.S.C. § 1701q, 42 U.S.C. § 1485, 12  
20 U.S.C. § 1715z-1, 42 U.S.C. § 1437f, and 24 CFR Part 882 Subpart D and E,

1 the higher of contract rents (meaning the amount of federal rental assistance  
2 plus any tenant contribution) and HUD market rents;

3 (ii) actual expenses incurred with respect to the property that shall  
4 be provided by the property owner in a format acceptable to the Commissioner  
5 and certified by an independent third party, such as a certified public  
6 accounting firm or public or quasi-public funding agency;

7 (iii) a vacancy rate that is 50 percent of the market vacancy rate as  
8 determined by the U.S. Census Bureau with local review by the Vermont  
9 Housing Finance Agency; and

10 (iv) a capitalization rate that is typical for the geographic area  
11 determined and published annually prior to ~~April~~ January 1 by the Division of  
12 Property Valuation and Review after consultation with the Vermont Housing  
13 Finance Agency.

14 Sec. 67. 32 V.S.A. § 3482 is amended to read:

15 § 3482. PROPERTY LISTED AT ONE PERCENT

16 Except as otherwise provided, all real and personal estate shall be set in the  
17 list at one percent of its listed value on ~~April~~ January 1, of the year of its  
18 appraisal.

19 Sec. 68. 32 V.S.A. § 3485 is amended to read:

20 § 3485. RECORDS TO BE KEPT RELATING TO DEEDS AND  
21 MORTGAGES

1 (a) Annually on ~~April~~ January 1, ~~town~~ municipal clerks shall furnish the  
2 listers with copies of the property tax returns filed by the clerk under section  
3 9610 of this title relating to deeds that were filed for record during the year  
4 ending on the first day of such month. However, upon request in writing by  
5 the listers, on or before the 15th day of each month, ~~town~~ municipal clerks  
6 shall furnish the listers with copies of the property transfer tax returns to deeds  
7 that were filed for record during the next preceding calendar month.

8 (b) Failure on the part of the ~~town~~ municipal clerk to furnish the copies  
9 required under subsection (a) of this section shall not render the town liable in  
10 damages to any person. A ~~town~~ municipal clerk who willfully fails to furnish  
11 the copies required under subsection (a) of this section shall be fined \$10.00  
12 for each offense.

13 Sec. 69. 32 V.S.A. § 3603(a) is amended to read:

14 (a) Construction equipment and other personal estate used in the  
15 construction or repair of highways, dams, reservoirs, public utilities, or  
16 buildings shall be listed and taxed on the same basis as other personal estate in  
17 the town in which it is located on ~~April~~ January 1. Such equipment brought  
18 into the State after ~~April~~ January 1 and prior to December 15 of any year shall  
19 be taxed as other personal estate for that year in the town in which it is first  
20 used for a normal full work shift. The owner or person in charge of any  
21 equipment enumerated in this section shall, upon request of the Treasurer or

1 tax collector of any municipality, present evidence that it has been listed for  
2 tax purposes in a municipality in this State. The Transportation Board and  
3 other State agencies shall insert in all contracts for construction a term by  
4 which the contractor agrees to pay taxes assessed under this section and section  
5 4151 of this title.

6 Sec. 70. 32 V.S.A. § 3610(b) is amended to read:

7 (b) The listers of each town and the appraisers of each unorganized town  
8 and gore shall list every perpetual lease in a separate record in which shall be  
9 shown as to each lease a brief description of the leased land, the fair market  
10 value of the land as appraised by them, the name of the lessor, the annual rental  
11 payable under the lease, and as of ~~April~~ January 1 of each year the name and  
12 address of the lessee. If for any reason the lease is exempt under subsection  
13 (d) of this section, the reason for the exemption shall be noted.

14 Sec. 71. 32 V.S.A. § 3613 is amended to read:

15 The State of Vermont shall have the same right to appeal from the appraisal  
16 of the listers and assessors and from the decision of ~~the Board of Civil~~  
17 ~~Authority~~ a regional property valuation board as is given to any interested  
18 individual as provided by ~~chapter 131~~ of this title.

1 Sec. 72. 32 V.S.A. § 3618(c)(2) is amended to read:

2 (2) “Net book value” of property means the cost less depreciation of the  
3 property as shown on the federal income tax return required to be filed with the  
4 federal authorities on or nearest in advance of ~~April~~ January 1 in any year.

5 Sec. 73. 32 V.S.A. § 3651 is amended to read:

6 § 3651. GENERAL RULE

7 Taxable real estate shall be set in the list to the last owner or possessor  
8 thereof on ~~April~~ January 1 in each year in the town, village, school, and fire  
9 district where it is situated.

10 Sec. 74. 32 V.S.A. § 3691 is amended to read:

11 § 3691. GENERAL RULE

12 Taxable tangible personal estate shall be set in the list to the last owner  
13 thereof on ~~April~~ January 1 in each year, in the town, village, school, and fire  
14 district where such property is situated, with the exception that such personal  
15 estate situated within this State owned by persons residing outside the State or  
16 by persons unknown to the listers shall be set in the list to the person having  
17 the same in charge, in the town, village, school, and fire district where the  
18 same is situated and shall be holden for all taxes assessed on such list.

19 However, tangible personal estate owned by nonresident persons or  
20 corporation, and used in this State by the State or a department or institution

1 thereof, under lease, contract or other agreement, written or oral, may be set in  
2 the list in the town where so used, to such nonresident owner.

3 Sec. 75. 32 V.S.A. § 3692(b) is amended to read:

4 (b) A trailer coach shall be taxed as real property by the town in which it is  
5 located notwithstanding subsection (a) of this section if it is situated in the  
6 town on the same trailer site or camp site for more than 180 days during the  
7 365 days prior to ~~April~~ January 1. A trailer coach shall not be taxed as real  
8 property if it is stored on property on which the owner resides in another  
9 dwelling as a permanent residence.

10 Sec. 76. 32 V.S.A. § 3708 is amended to read:

11 § 3708. PAYMENTS IN LIEU OF TAXES FOR LANDS HELD BY THE  
12 AGENCY OF NATURAL RESOURCES

13 \* \* \*

14 (b) The State shall annually pay to each municipality a payment in lieu of  
15 taxes (PILOT) that shall be the base payment as set forth under this section, for  
16 all ANR land, excluding buildings or other improvements thereon, as of ~~April~~  
17 January 1 of the current year.

18 (c) The State shall establish the base payment for all ANR land, excluding  
19 buildings or other improvements thereon, as follows;







1 filed on or before February 1 of the year following the year when the  
2 management activity occurred, the owner may submit that management plan or  
3 management activity report at a later date; provided, however, no initial or  
4 revised management plan shall be received later than December 31, and no  
5 management plan update shall be received later than one year after ~~April~~  
6 January 1 of the year the plan expires, and no management activity report shall  
7 be received later than March 1.

8 \* \* \*

9 Sec. 78. 32 V.S.A. § 3756(c) is amended to read:

10 (c) The Director shall notify the applicant not later than ~~April~~ January 15 of  
11 the Director's decision to classify or refusal to classify the applicant's property  
12 as eligible for use value appraisal. In the case of a refusal, the Director shall  
13 state the reasons therefor in the notification.

14 Sec. 79. 32 V.S.A. § 3758 is amended to read:

15 § 3758. APPEALS

16 (a) Whenever the Director denies in whole or in part any application for  
17 classification as agricultural land or managed forestland or farm buildings, or  
18 grants a different classification than that applied for, or the Director or  
19 assessing officials fix a use value appraisal or determine that previously  
20 classified property is no longer eligible or that the property has undergone a  
21 change in use, the aggrieved owner may appeal the decision of the Director to

1 the Commissioner within 30 days of the decision, and from there to Superior  
2 Court in the county in which the property is located.

3 (b) Any owner who is aggrieved by the determination of the fair market  
4 value of classified land for the purpose of computing the land use change tax  
5 may appeal in the same manner as an appeal of a grand list valuation.

6 (c) Whenever the Director denies a request for an exemption from the  
7 terms of the definition of a “farmer” as provided in subsection 3756(j) of this  
8 title, the aggrieved person may appeal the decision of the Director to the  
9 Commissioner within 30 days of the decision, and from there to the Superior  
10 Court in the county in which the property is located.

11 \* \* \*

12 Sec. 80. 32 V.S.A. § 3802a is amended to read:

13 § 3802a. REQUIREMENT TO PROVIDE INSURANCE INFORMATION

14 Before ~~April~~ January 1 of each year, owners of property exempt from  
15 taxation under subdivisions 3802(4), (6), (9), (12), and (15) and under  
16 subdivisions 5401(10)(D), (F), (G), and (J) of this title shall provide their local  
17 assessing officials with information regarding the insurance replacement cost  
18 of the exempt property or with a written explanation of why the property is not  
19 insured.

1 Sec. 81. 32 V.S.A. § 3850(d) is amended to read:

2 (d) If a dwelling unit is certified as blighted under subsection (b) of this  
3 section, the exemption shall take effect on the ~~April~~ January 1 following the  
4 certification of the dwelling unit.

5 Sec. 82. 32 V.S.A. § 4001(a) is amended to read:

6 (a) Annually on ~~April~~ January 1, at the expense of the State, the Director  
7 shall furnish to the several ~~town~~ municipal clerks and boards of appraisers for  
8 unorganized towns and goes inventory forms sufficient in number to meet the  
9 requirements of this chapter. Such forms shall be formulated by the Director  
10 and, among other things, shall contain suitable interrogatories requiring each  
11 taxpayer to furnish therein a brief statement of all of each taxpayer's taxable  
12 property, real and personal, and such other information, including income and  
13 expense information with respect to any income-producing properties, as will  
14 enable the listers or appraisers to appraise such part thereof as is required by  
15 law to be by them appraised, and to make up the abstract of individual lists and  
16 grand list in the manner prescribed by law.

17 Sec. 83. 32 V.S.A. § 4041 is amended to read:

18 § 4041. EXAMINATION OF PROPERTY; APPRAISAL

19 On ~~April~~ January 1, the listers and assessors shall proceed to take up such  
20 inventories and make such personal examination of the property that they are  
21 required to appraise as will enable them to appraise it at its fair market value.

1 When a board of listers is of the opinion that expert advice or assistance is  
2 needed in making any appraisal required by law, it may, with approval of  
3 ~~selectboard~~ the legislative body of the municipality or by vote of the ~~town~~  
4 municipality, employ such assistance.

5 Sec. 84. 32 V.S.A. § 4044 is amended to read:

6 § 4044. APPRAISAL OF PERSONALTY ON ~~APRIL~~ JANUARY 1

7 Unless otherwise provided, the taxable personal estate contained in the  
8 inventory shall be appraised by the listers at its fair market value on ~~April~~  
9 January 1.

10 Sec. 85. 32 V.S.A. § 4045 is amended to read:

11 § 4045. APPRAISAL ON OTHER THAN ~~APRIL~~ JANUARY 1

12 If any business is normally operated for a period less than 12 consecutive  
13 months and is not in operation on ~~April~~ January 1, an inventory shall be filed  
14 with the listers at least 15 days prior to the anticipated annual suspension of  
15 such business and the stock in trade shall be appraised for the period of  
16 operation so as to represent an average of values of such property during that  
17 period in which the business has been carried on.

18 Sec. 86. 32 V.S.A. § 4052(c) is amended to read:

19 (c) The Director shall establish by rule reasonable qualifications for  
20 approval and training requirements, which shall include successful completion  
21 of educational and training courses approved by the Director and, in the case of

1 an appraiser hired to do a ~~townwide~~ reappraisal in one or more municipalities,  
2 at least one year's experience with an appraiser who has satisfactorily  
3 completed ~~townwide~~ similar reappraisals.

4 Sec. 87. 32 V.S.A. § 5401(7) is amended to read:

5 (7) "Homestead":

6 (A) "Homestead" means the principal dwelling and parcel of land  
7 surrounding the dwelling, owned and occupied by a resident individual as the  
8 individual's domicile or owned and fully leased on ~~April~~ January 1, provided  
9 the property is not leased for more than 182 days out of the calendar year or,  
10 for purposes of the renter credit under subsection 6066(b) of this title, is rented  
11 and occupied by a resident individual as the individual's domicile.

12 \* \* \*

13 (G) For purposes of homestead declaration and application of the  
14 homestead property tax rate, "homestead" also means a residence that was the  
15 homestead of the decedent at the date of death and, from the date of death  
16 through the next ~~April~~ January 1, is held by the estate of the decedent and not  
17 rented.

18 \* \* \*

19 Sec. 88. 32 V.S.A. § 5404a(a)(6) is amended to read:

20 (6) An exemption of a portion of the value of a qualified rental unit  
21 parcel. An owner of a qualified rental unit parcel shall be entitled to an

1 exemption on the education property tax grand list of 10 percent of the grand  
2 list value of the parcel, multiplied by the ratio of square footage of  
3 improvements used for or related to residential rental purposes to total square  
4 footage of all improvements, multiplied by the ratio of qualified rental units to  
5 total residential rental units on the parcel. “Qualified rental units” means  
6 residential rental units that are subject to rent restriction under provisions of  
7 State or federal law but excluding units subject to rent restrictions under only  
8 one of the following programs: Section 8 moderate rehabilitation, Section 8  
9 housing choice vouchers, or Section 236 or Section 515 rural development  
10 rental housing. A municipality shall allow the percentage exemption under  
11 this subsection upon presentation by the taxpayer to the municipality, by ~~April~~  
12 January 1, of a certificate of education grand list value exemption obtained  
13 from the Vermont Housing Finance Agency (VHFA). VHFA shall issue a  
14 certificate of exemption upon presentation by the taxpayer of information that  
15 VHFA and the Commissioner shall require. A certificate of exemption issued  
16 by VHFA under this subsection shall expire upon transfer of the building, upon  
17 expiration of the rent restriction, or after 10 years, whichever first occurs;  
18 provided, however, that the certificate of exemption may be renewed after 10  
19 years and every 10 years thereafter if VHFA finds that the property continues  
20 to meet the requirements of this subsection.



1 Sec. 89. 32 V.S.A. § 5406(b) is amended to read:

2 (b) Not later than ~~April~~ January 1 of each year, the Director shall certify to  
3 the Secretary of Education the equalized education property value and  
4 coefficient of dispersion for the prior year of every municipality of the State.

5 Sec. 90. 32 V.S.A. § 5410 is amended to read:

6 § 5410. DECLARATION OF HOMESTEAD

7 (a) A homestead owner shall declare ownership of a homestead for  
8 purposes of education property tax.

9 (b) Annually, on or before the due date for filing the Vermont income tax  
10 return, without extension, each homestead owner shall, on a form prescribed  
11 by the Commissioner, which shall be verified under the pains and penalties of  
12 perjury, declare the owner's homestead, if any, as of, ~~or expected to be as of,~~  
13 ~~April~~ January 1 of the year in which the declaration is made.

14 (c) In the event that an unsigned but otherwise completed homestead  
15 declaration is filed with the declarant's signed State income tax return, the  
16 Commissioner may treat such declaration as signed by the declarant.

17 (d) The Commissioner shall provide a list of homesteads in each town to  
18 the ~~town~~ municipal listers and assessors by May 15. The listers and assessors  
19 shall notify the Commissioner by June 1 of any residences on the  
20 Commissioner's list that do not qualify as homesteads. The listers and  
21 assessors shall separately identify homesteads in the grand list.

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\* \* \*

\* \* \* Miscellaneous Tax \* \* \*

Sec. 91. 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

1 and interest charges, any overpayment shall be reflected on the corrected tax  
2 bill and refunded to the taxpayer.

3 Sec. 92. 32 V.S.A. § 5252 is amended to read:

4 § 5252. LEVY AND NOTICE OF SALE; SECURING PROPERTY

5 (a) When the collector of taxes of a town or of a municipality within it has  
6 for collection a tax assessed against real estate in the town and the taxpayer  
7 owes a minimum of \$1,500.00 and is delinquent for a period longer than one  
8 year, the collector may extend a warrant on such land. However, no warrant  
9 shall be extended until a delinquent taxpayer is given an opportunity to enter a  
10 written reasonable repayment plan pursuant to subsection (c) of this section. If  
11 a collector receives notice from a mobile home park owner pursuant to 10  
12 V.S.A. § 6248(b), the collector shall, within 15 days after the notice,  
13 commence tax sale proceedings to hold a tax sale within 60 days after the  
14 notice. If the collector fails to initiate such proceedings, the town may initiate  
15 tax sale proceedings only after complying with 10 V.S.A. § 6249(f). If the tax  
16 collector extends the warrant, the collector shall:

17 \* \* \*

18 Sec. 93. 32 V.S.A. § 4465 is amended to read:

19 § 4465. APPOINTMENT OF PROPERTY VALUATION HEARING

20 OFFICER; OATH; PAY

1           When an appeal to the Director is not withdrawn or forwarded by the  
2           Director to Superior Court pursuant to subsection 4461(a) of this title, the  
3           Director shall refer the appeal in writing to a person not employed by the  
4           Director, appointed by the Director as hearing officer. The Director shall have  
5           the right to remove a hearing officer for inefficiency, malfeasance in office, or  
6           other cause. In like manner, the Director shall appoint a hearing officer to fill  
7           any vacancy created by resignation, removal, or other cause. Before entering  
8           into their duties, persons appointed as hearing officers shall take and subscribe  
9           the oath of the office prescribed in the Constitution, which oath shall be filed  
10          with the Director. The ~~Director~~ Commissioner of Taxes shall pay each hearing  
11          officer a sum not to exceed \$150.00 per diem for each day wherein hearings  
12          ~~are held~~ \$38.00 per hour plus a cost-of-living adjustment in an amount equal to  
13          any adjustment approved for exempt employees by the Secretary of  
14          Administration, together with reasonable expenses as the ~~Director~~  
15          Commissioner may determine. A hearing officer may subpoena witnesses,  
16          records, and documents in the manner provided by law for serving subpoenas  
17          in civil actions and may administer oaths to witnesses.

18          Sec. 94. 32 V.S.A. § 5402(c)(2) is amended to read:

19                 (2) The Secretary of Education shall determine each municipality's net  
20          nonhomestead education tax payment and its net homestead education tax  
21          payment to the State based on grand list information received by the Secretary

1 not later than the March 15 prior to the June 1 net payment. Payment shall be  
2 accompanied by a return prescribed by the Secretary of Education. Each  
3 municipality may retain 0.225 of one percent of the total education tax  
4 collected, only upon timely remittance of net payment to the State Treasurer or  
5 to the applicable school district or districts. ~~Each municipality may also retain~~  
6 ~~\$15.00 for each late property tax credit claim filed after April 15 and before~~  
7 ~~September 2, as notified by the Department of Taxes, for the cost of issuing a~~  
8 ~~new property tax bill.~~

9 \* \* \* Effective Dates \* \* \*

10 Sec. 95. EFFECTIVE DATES

11 (a) This section and the following sections shall take effect on passage:

12 (1) Sec. 1 (findings; intent; plan);

13 (2) Sec. 2 (Commission on the Future of Public Education);

14 (3) Sec. 2a (School District Voting Ward Task Force);

15 (4) Sec. 29 (16 V.S.A. § 4011(f));

16 (5) Sec. 30 (adult education funding report);

17 (6) Sec. 44 (transportation reimbursement guidelines);

18 (7) Sec. 45 (inflationary measures; prekindergarten; reports);

19 (8) Sec. 53 (homestead declaration sample form);

20 (9) Sec. 61a (tax classification data; transition);

21 (10) Sec. 61b (property tax classifications implementation report)

1           (11) Sec. 63 (RAD transition; annual progress report);

2           (12) Sec. 64 (RAD stakeholder working group);

3           (13) Sec. 91 (correction of inadvertently removed language);

4           (14) Sec. 92 (minimum debt for tax sales); and

5           (15) Sec. 94 (property tax credit late fee).

6           (b) The following sections shall take effect on July 1, 2025:

7           (1) Sec. 3 (scale; intent);

8           (2) Sec. 6 (SBE rules; report);

9           (3) Sec. 7 (school size; intent);

10          (4) Sec. 8 (school closure);

11          (5) Sec. 11 (16 V.S.A. § 3443);

12          (6) Sec. 12 (School Construction Advisory Board sunset);

13          (7) Sec. 18 (16 V.S.A. § 828);

14          (8) Sec. 19 (tuition transition);

15          (9) Sec. 20 (statewide cohesion; intent);

16          (10) Sec. 21 (AOE report; school calendar; graduation requirements);

17          (11) Sec. 22 (State-level governance; intent);

18          (12) Sec. 23 (16 V.S.A. § 161);

19          (13) Sec. 24 (SBE appointments transition);

20          (14) Sec. 25 (16 V.S.A. § 162);

21          (15) Sec. 26 (SBE rule review; appropriation);

1           (16) Sec. 31 (special education report);

2           (17) Sec. 32 (AOE special education strategic plan);

3           (18) Sec. 33 (AOE position); and

4           (19) Sec. 93 (PVR hearing officer pay).

5           (c) The following sections shall take effect on July 1, 2026:

6           (1) Sec. 4 (class size minimums);

7           (2) Sec. 5 (failure to comply with class size minimums);

8           (3) Sec. 9 (school construction policy);

9           (4) Sec. 10 (16 V.S.A. § 3442);

10          (5) Sec. 13 (16 V.S.A. § 3444);

11          (6) Sec. 14 (16 V.S.A. § 3445);

12          (7) Sec. 15 (16 V.S.A. § 3446);

13          (8) Sec. 16 (transfer of rulemaking authority); and

14          (9) Sec. 17 (repeals).

15          (d) Sec. 48 (December 1 letter) shall take effect on July 1, 2028.

16          (e) The following sections shall take effect on January 1, 2029:

17           (1) Sec. 60 (tax classifications; contiguous parcels on grand list); and

18           (2) Sec. 61 (property classification).

19          (f) The following sections shall take effect on July 1, 2029, provided that

20          the new school districts contemplated by this act have assumed responsibility

21          for the education of all resident students:

1           (1) Secs. 27 (16 V.S.A. § 823) and 28 (repeals);

2           (2) Secs. 34–43 (transition to cost-factor foundation formula);

3           (3) Secs. 46 and 47 and 49 and 50 (statewide education tax;  
4 supplemental district spending tax);

5           (4) Secs. 51 and 52 and 54–56 (property tax credit repeal; creation of  
6 homestead exemption); and

7           (5) Sec. 57 (Education Fund Advisory Committee; review of foundation  
8 formula).

9           (g) The following sections shall take effect on January 1, 2030:

10           (1) Sec. 62 (regional assessment districts); and

11           (2) Secs. 65–90 (grand list assessment date).

12           (h) Secs. 58 and 59 (transition to evidence-based foundation formula) shall  
13 take effect upon:

14           (1) development and review of an evidence-based foundation formula  
15 by professional judgment panels;

16           (2) compliance by 90 percent of Vermont classes with class-size  
17 minimum standards set in the education quality standards;

18           (3) compliance by 90 percent of Vermont school buildings with school  
19 size standards set in the education quality standards; and

20           (4) implementation of a multitiered system of supports in each  
21 classroom in each Vermont school.