

Highlights of H.493 (Senate FY 2026 Budget) Relevant to the Senate Committee on Finance– April 24, 2025
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	SECTION	COMMENTS/EXPLANATIONS
One-Time Appropriations		
B.1100(c)	\$1,000,000 from the PILOT Special Fund to the Department of Taxes for the Municipal Grand List Stabilization Program established in E.142.2.	SAC recommends no change to APBH
B.1100(q)(1)	\$148,000 from the General Fund to the State Treasurer for the Volunteer Income Tax Assistance Program.	SAC recommends no change to APBH
Language		
E.111, E.111.1	ANNUAL LINK-UP (updates 2023 to 2024 in two places)	Standard annual language. Effective retroactively on 1/1/25 and shall apply to taxable years beginning on and after 1/1/24.
E.111.2	TECHNICAL LANGUAGE – JOINT TAX RETURNS 32 V.S.A. § 5861(c) is amended to read: (c) Spouses or a surviving spouse may <u>shall</u> file a joint Vermont personal income tax return for any taxable year for which the spouses <u>file</u> or <u>the</u> surviving spouse are permitted to file <u>files</u> a joint federal income tax return under the laws of the United States, <u>unless the Commissioner allows a different filing status.</u>	Would conform statute to current practice of requiring spouses who file jointly federally to also file jointly with Vermont, unless the Tax Department permits an exception.
E.111.3	TAX EXEMPT ORGANIZATIONS; TAX YEAR 2025 (a) Notwithstanding any provision of law to the contrary, for purposes of determining the tax-exempt status of an organization, Vermont tax laws for tax year 2025 shall follow 26 U.S.C. §§ 501–506 and all other federal statutory provisions, federal regulations, and federal case law relating to the determination of an organization’s tax-exempt status for purposes of federal income taxation, as in effect on April 1, 2025, regardless of any amendments or other changes affecting implementation or interpretation of those sections between April 1, 2025 and December 31, 2025, whether due to an act of Congress, federal regulation, federal bulletin, federal guidance, presidential executive order, federal administrative or judicial decision, or other federal source.	For tax-exempt organizations, Vermont tax laws for 2025 would follow federal rules in effect on 4/1/25 regardless of any changes at the federal level that might occur later in 2025. Effective retroactively on 1/1/25 and applies to tax year 2025.

<p>E.127.5</p>	<p>FISCAL YEAR 2026 FEE REPORT; GENERAL GOVERNMENT</p> <p>(a) Fiscal year 2026 fee information. Agencies, departments, boards, and offices that receive appropriations in Secs. B.100-199, B.400-599, and B. 800-999 of this act shall, in collaboration with the Joint Fiscal Office, prepare a comprehensive fee report for each fee that is in effect in fiscal year 2026. The fee report shall contain the following information for each fee:</p> <ol style="list-style-type: none"> (1) the statutory authorization and termination date, if any; (2) the current rate or amount of the fee and the date the fee was last set or adjusted by the General Assembly or Joint Fiscal Committee; (3) the Fund into which the fee revenues are deposited; (4) the amount of the revenues derived from the fee in each of the five fiscal years preceding fiscal year 2026; (5) the number of times that the fee was paid in each of the two fiscal years preceding fiscal year 2026; (6) a projection of the fee revenues in fiscal years 2026 and 2027; (7) a description of the service or product provided or the regulatory function performed by the agency, department, board or office supported by the fee; (8) the amount of the fee if adjusted for inflation from the last time the fee amount was modified using an appropriate index chosen in consultation with the Joint Fiscal Office. The inflation adjustment shall be calculated as the percentage change between the value of the index in the July of the year the fee was last adjusted by the General Assembly and July 2025; (9) if any portion of the fee revenue is deposited into a special fund, the percentage of the special fund’s revenues that the fee represents; (10) any available information regarding comparable fees in other jurisdictions; (11) any polices or trends that might affect the viability of the fee amount; and (12) any other relevant considerations for setting the fee amount. <p>(b) Reports.</p> <ol style="list-style-type: none"> (1) The Joint Fiscal Office shall provide guidance as necessary to the agencies, departments, boards, and offices described in subsection (a) of this section on the methodology to be used for compiling the information requested in the fee reports. On or before October 15, 2025, the agencies, departments, boards, and offices described in subsection (a) of this section shall submit a draft report of the information required in subdivisions (a)(1)–(12) of this section to the Joint Fiscal Office for review. 	<p>Similar language to prior years. Directs agencies receiving appropriations in B.100-199 (general government), B.400-599 (labor, general education), and B.800-999 (commerce and community development, transportation) to submit certain fee information to JFO in lieu of the statutory executive branch fee report (32 V.S.A. § 605).</p>
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	<p>Agencies, departments, boards, and offices shall work with the Joint Fiscal Office to finalize the report before submitting the final report described in subdivision (2) of this subsection.</p> <p>(2) On or before December 15, 2025, the agencies, departments, boards, and offices described in subsection (a) shall submit a jointly prepared final report to the House Committees on Appropriations and on Ways and Means and the Senate Committees on Appropriations and on Finance.</p> <p>(3) If any of the information requested in this section cannot be provided for any reason, the agencies, departments, boards, and offices described in subsection (a) shall include in both the draft and final reports a written explanation for why the information cannot be provided.</p> <p>(c) As used in this section, as it pertains to Executive Branch agencies, departments, boards, and offices, “fee” means any source of State revenue classified by the Department of Finance and Management Accounting System as “fees,” “business licenses,” “nonbusiness licenses,” and “fines and penalties.”</p> <p>(d) Executive Branch fee report moratorium. Notwithstanding 32 V.S.A. § 605, in fiscal year 2026, the Governor shall not be required to submit the consolidated Executive Branch fee annual report and request to the General Assembly.</p>	
<p>E.139</p>	<p>GRAND LIST LITIGATION ASSISTANCE</p> <p>(a) Of the appropriation in Sec. B.139 of this act, \$9,000 shall be transferred to the Attorney General and \$70,000 shall be transferred to the Department of Taxes’ Division of Property Valuation and Review and used with any remaining funds from the amount previously transferred for final payment of expenses incurred by the Department or towns in defense of grand list appeals regarding the reappraisals of the hydroelectric plants and other expenses incurred to undertake utility property appraisals in Vermont.</p>	<p>Standard annual language pertaining to the \$3,410,000 appropriation for municipal reappraisal and listing payments.</p>
<p>E.142</p>	<p>PAYMENTS IN LIEU OF TAXES</p> <p>(a) This appropriation is for State payments in lieu of property taxes under 32 V.S.A. chapter 123, subchapter 4, and the payments shall be calculated in addition to and without regard to the appropriations for correctional facilities elsewhere in this act. Payments in lieu of taxes under this section shall be paid from the PILOT Special Fund under 32 V.S.A. § 3709.</p>	<p>Annual language clarifying that these payments are in addition to, and separate from, those appropriated elsewhere in the Act for correctional facilities.</p>
<p>E.142.1</p>	<p>PILOT SPECIAL FUND 32 V.S.A. § 3709 is amended to read: § 3709. PILOT Special Fund</p>	<p>Establishes that the fund shall be used to make payments for the new Municipal Grand List Stabilization Program established in Sec. 142.2 of this act.</p>

	<p>(a) There is hereby established a PILOT Special Fund consisting of local option tax revenues paid to the Treasurer pursuant to 24 V.S.A. § 138. This Fund shall be managed by the Commissioner of Taxes pursuant to chapter 7, subchapter 5 of this title. Notwithstanding subdivision 588(3) of this title, all interest earned on the Fund shall be retained in the Fund for use in meeting future obligations. The Fund shall be exclusively for payments required under chapter 123, subchapter <u>subchapters 4 and 4C</u> of this title, and for any additional State payments in lieu of taxes for correctional facilities and to the City of Montpelier. The Commissioner of Finance and Management may draw warrants for disbursements from this Fund in anticipation of receipts.</p>	<p>Eliminates “City of Montpelier” as 100% of their amount due is now covered by the general PILOT payment and the separate Montpelier PILOT appropriation has been eliminated.</p>
<p>E.142.2</p>	<p>MUNICIPAL GRAND LIST STABILIZATION PROGRAM 32 V.S.A. Chapter 123, Subchapter 4C is added to read:</p> <p>Subchapter 4C: MUNICIPAL GRAND LIST STABILIZATION PROGRAM</p> <p>§ 3710. MUNICIPAL GRAND LIST STABILIZATION PROGRAM</p> <p>(a) There is established the Municipal Grand List Stabilization Program within the Department of Taxes to reimburse municipalities for municipal property taxes assessed under chapter 133 of this title for flood-prone properties acquired by a municipality pursuant to 20 V.S.A. § 51 [see E.142.3] or a prior voluntary buyout program operated by the Division of Emergency Management.</p> <p>(b) On or before September 1 of each year, the Commissioner of Public Safety shall certify to the Commissioner of Taxes the properties eligible for the Municipal Grand List Stabilization Program and shall submit any other information required by the Commissioner of Taxes. To be eligible for the Program under this subchapter, a municipality must have acquired an eligible property on or after July 1, 2023 and preserved the property as open space with a deed restriction or covenant prohibiting development of the property. The Commissioner of Public Safety shall first certify properties to the Commissioner of Taxes pursuant to this subsection on or before September 1, 2025.</p> <p>(c) Upon notification by the Commissioner of Public Safety, the Commissioner of Taxes shall certify the payment amounts and make an annual payment to each municipality for each eligible property to compensate for the loss of municipal property tax. The payment shall be calculated using the grand list</p>	<p>Language from H.397. Would replace lost municipal revenue for flood-prone properties acquired by a municipality to preserve as public space with permanent restrictions on development. Would reimburse at 100% for 5 years and 50% for 5 more years for a total of 10 years after the buyout is complete. The calculation would be performed after the BGS PILOT payment is calculated and issued and would be prorated if funds are insufficient. Payments would be based on tracking information maintained by Vermont Emergency Management.</p>

	<p>value of the acquired property for the year during which the property was either damaged by flooding or identified as flood-prone by the Commissioner of Public Safety, multiplied by the municipal tax rate, including any submunicipal tax rates, in effect each year. This payment shall be made on or before January 1 of each year for five years.</p> <p>(d) A property shall not be eligible for reimbursement payments for more than 10 years. The Commissioner shall make an annual payment for the full amount calculated under subsection (c) of this section for five years. After a municipality has received payments for an eligible property for five consecutive years, the Commissioner shall make an annual payment to the municipality for any subsequent year of eligibility in an amount equal to one-half of the amount calculated under subsection (c) of this section.</p> <p>(e) Payment under this section shall be calculated and issued from the PILOT Special Fund under section 3709 of this title only after all other grants under subchapter 4 of this chapter are calculated and issued. If the PILOT Special Fund balance is insufficient to pay the full amount of all payments authorized under this subchapter, then payments calculated under this section and due to each municipality for each property shall be reduced proportionately.</p>	
<p>E.144</p>	<p>PAYMENTS IN LIEU OF TAXES – CORRECTIONAL FACILITIES</p> <p>(a) Payments in lieu of taxes under this section shall be paid from the PILOT Special Fund under 32 V.S.A. §3709.</p>	<p>Standard annual language.</p>
<p>E.200.1</p>	<p>ATTORNEY GENERAL FEES – PAID FUNDRAISERS</p> <p>9 V.S.A. § 2473 is amended to read: § 2473. NOTICE OF SOLICITATION</p> <p style="text-align: center;">* * *</p> <p>(f)(1) For each calendar year in which a paid fundraiser solicits in this State on behalf of a charitable organization, the paid fundraiser shall pay a registration fee of \$500.00 <u>\$675</u> to the Attorney General no <u>not later than ten 10</u> days prior to its first solicitation in this State.</p>	<p>Fees in E.200.1 and E.200.2 would yield approx. \$42,600 to the Misc Special Revenue Fund (21870).</p> <p>E.200.1 would increase annual registration fees and per-solicitation filing fees for paid fundraisers. Fees last adjusted 2013.</p>

	<p>(2) Each notice of solicitation filed in accordance with this section shall be accompanied by a fee of \$200.00 <u>\$270</u>. In the case of a campaign lasting more than 12 months, an additional \$200.00 <u>\$270</u> fee shall be paid annually on or before the date of the anniversary of the commencement of the campaign.</p> <p>(3) Fees paid under this subsection shall be deposited in a special fund managed pursuant to 32 V.S.A. chapter 7, subchapter 5, and shall be available to the Attorney General for the costs of administering sections 2471–2479 of this title.</p>	
<p>E.200.2</p>	<p>ATTORNEY GENERAL FEES - MANUFACTURERS OF PRESCRIBED PRODUCTS DISCLOSURES</p> <p>18 V.S.A. § 4632 is amended to read:</p> <p>§ 4632. DISCLOSURE OF ALLOWABLE EXPENDITURES AND GIFTS BY MANUFACTURERS OF PRESCRIBED PRODUCTS</p> <p style="text-align: center;">* * *</p> <p>(b)(1) Annually on or before April 1, the Office of the Attorney General shall collect a \$500.00 <u>\$765</u> fee from each manufacturer of prescribed products filing annual disclosures of expenditures greater than zero described in subsection (a) of this section.</p> <p>(2) Fees collected under this section shall fund collection and analysis of information on activities related to the marketing of prescribed products under section 4631a of this title and under this section. The fees shall be collected in a special fund assigned to the Office.</p>	<p>E.200.2 would increase annual disclosure fees of certain expenditures made by manufacturers of prescribed products. Fee last adjusted 2009.</p> <p>Per 18 V.S.A. § 4632, “every manufacturer of prescribed products shall disclose to the Office of Attorney General for the preceding calendar year the value, nature, purpose, and recipient information of any allowable expenditure or gift permitted under subdivision 4631a(b)(2) of this title to any health care provider or to a member of the Green Mountain Care Board...”</p>
<p>E.312.5</p>	<p>SUBSTANCE MISUSE PREVENTION SPECIAL FUND</p> <p>18 V.S.A. § 4812 is added to read:</p> <p>§ 4812. SUBSTANCE MISUSE PREVENTION SPECIAL FUND</p> <p>(a) The Substance Misuse Prevention Special Fund is established and managed by the Vermont Department of Health in accordance with 32 V.S.A. chapter 7, subchapter 5.</p> <p>(b) Thirty percent of the revenues raised by the cannabis excise tax imposed pursuant to 32 V.S.A. § 7902, not to exceed \$10,000,000 per fiscal year, shall be deposited into this fund for substance misuse prevention costs.</p>	<p>Creates a special fund structure to receive 30% of cannabis excise tax revenue, not to exceed \$10 million per year (consistent with the allocation in current law). E.312.6 repeals current law governing the dedication of the 30% of cannabis excise tax revenue.</p>

	<p>(c) Any unencumbered and unexpended spending authority reverted in accordance with 32 V.S.A. § 703 may be immediately re-established the following fiscal year in accordance with 32 V.S.A. § 511.</p> <p>(d) Notwithstanding any provisions of 32 V.S.A. chapter 7, subchapter 5 to the contrary, all interest earned by this fund shall be retained by this fund.</p>	
<p>E.338</p>	<p>CORRECTIONS; CORRECTIONAL SERVICES</p> <p>(a) Notwithstanding 32 V.S.A. § 3709(a), the special fund appropriation of \$152,000 for the supplemental facility payments to Newport and Springfield shall be paid from the PILOT Special Fund under 32 V.S.A. § 3709.</p>	<p>Standard annual language.</p>
<p>E.345</p>	<p>GREEN MOUNTAIN CARE BOARD BUDGET</p> <p>18 V.S.A. § 9374(h) is amended to read:</p> <p style="text-align: center;">* * *</p> <p>(h)(1)(A) Except as otherwise provided in subdivisions (1)(C) and (2) of this subsection (h), the expenses of the Board shall be borne as follows:</p> <ul style="list-style-type: none"> (i) 40.0 percent by the State from State monies; (ii) 28.8 <u>36.0</u> percent by the hospitals; (iii) 23.2 <u>24.0</u> percent by nonprofit hospital and medical service corporations licensed under 8 V.S.A. chapter 123 or 125, health insurance companies licensed under 8 V.S.A. chapter 101, and health maintenance organizations licensed under 8 V.S.A. chapter 139; and (iv) 8.0 percent by accountable care organizations. <p>(B) Expenses under subdivision (A)(iii) of this subdivision (1) shall be allocated to persons licensed under Title 8 based on premiums paid for health care coverage, which for the purposes of this subdivision (1) shall include major medical, comprehensive medical, hospital or surgical coverage, and comprehensive health care services plans, but shall not include long-term care, limited benefits, disability, credit or stop loss, or excess loss insurance coverage.</p> <p>(C) Expenses <u>Amounts</u> assessed pursuant to the provisions of sections 9441 and 9382 of this title shall not be assessed in accordance with the formula set forth in subdivision (A) of this subdivision (1).</p>	<p>Removes ACO billback from this statute since One Care Vermont, the state's only ACO, is ceasing operations.</p>

	<p>(2) The Board may determine the scope of the incurred expenses to be allocated pursuant to the formula set forth in subdivision (1) of this subsection if, in the Board's discretion, the expenses to be allocated are in the best interests of the regulated entities and of the State.</p> <p>(3) If the amount of the proportional assessment to any entity calculated in accordance with the formula set forth in subdivision (1)(A) of this subsection would be less than \$150.00, the Board shall assess the entity a minimum fee of \$150.00. The Board shall apply the amounts collected based on the difference between each applicable entity's proportional assessment amount and \$150.00 to reduce the total amount assessed to the regulated entities pursuant to subdivisions (1)(A)(ii)–(iii)–(iv) of this subsection.</p> <p style="text-align: center;">***</p>	
E.715 – E.715.3	REPEALS; SUNSET OF PROPERTY TRANSFER TAX CLEAN WATER SURCHARGE	Repeals the 7/1/27 sunset on the 0.22% Clean Water Surcharge on the Property Transfer Tax. Same language as in H.481.
Items from BAA		
F.154 – F.155	TELEPHONE TAX; REPEAL; TRANSITION	Delays effective dates for the repeal of the telephone personal property tax by one year, effective retroactively to March 31, 2025.
F.161	NORTHEAST KINGDOM TECHNICAL CORRECTIONS – OVERPAYMENT OF EDUCATION PROPERTY TAXES	Language routes credits through the Northeast Kingdom Choice School District, rather than transfer funds to specific towns.
F.179	MARRIAGE LICENSE FEES	Repeals 7/1/25 sunset on marriage license fees, maintains current \$80 fee.
F.180	REIMBURSEMENT TO MUNICIPALITIES OF STATE EDUCATION PROPERTY TAXES THAT WERE ABATED DUE TO FLOODING	Extends eligibility to cover federal disasters through 12/31/24. Same language as in H.397.