

State of Vermont
Agency of Administration
Office of the Secretary
109 State Street, 5th Floor
Montpelier, VT 05609-0201

Sarah Clark, Secretary

May 19, 2026

The Honorable House and Senate H.933 Conferees
115 State Street
Montpelier, VT 05633

Via email

Dear Conferees:

My Administration is sending letters to the committees of conference H.949 (the yield bill), the Chairs of the House and Senate Committees on Transportation regarding H.944 (the Transportation Bill), and to you for H.933, “An Act Relating to Miscellaneous Administrative and Policy Changes to Tax Laws.” As already outlined in our letter sent to the committee of conference on H.951 (the Budget Bill), these bills are all linked based on their impact on our education reform discussions. The Governor wants to be up front: this means any, or all, of these bills could initially be vetoed to ensure we have all the levers we need to address education transformation.

Overall, we appreciate the Legislature’s effort to align to federal tax code in H.933. We do, however, have some lingering concerns, outlined below.

Diverting Meals & Rooms Tax (MRT) from the General Fund: We oppose permanently diverting 4% of MRT revenue from the General Fund to the Education Fund. Too much of our State revenue has already been pulled from other critical needs – from human services to housing to roads and infrastructure – to support an Education Fund that we know is broken. We urge the Committee to remove this measure and restore the Governor’s budget proposal to utilize a one-time transfer from the General Fund to the Education Fund.

PILOT Special Fund burdens: We urge the Conference Committee to simplify the use of the PILOT Special Fund by removing the provision included in the Senate version of H.933 which creates a complicated structure for the PILOT Special Fund to allow for a 5% increase to municipalities paid quarterly contingent on a balance of \$18 million.



The FY26 BAA and FY27 budget already use the PILOT special fund to support the Reappraisal and Listing payments to towns and commits a portion of annual fund balance to town transportation infrastructure.

Scholarship Granting Organization (SGO) Contributions changes: The Administration is opposed to the House's changes to the Federal Tax Credit for SGO Contributions and requests the Senate's version be adopted.

Our team looks forward to working with you in the coming days to move forward on these bills together.

Sincerely,



Sarah Clark
Secretary of Administration

Cc The Honorable Jill Krowinski, Speaker of the House of Representatives
The Honorable Phil Baruth, President Pro Tempore of the Senate

