
VBA Legislative Update – Week 15 April 26, 2025

→ **Big moving pieces.**

◆ **Budget.** Last week the Senate Appropriations Committee voted out their version of the FY26 budget on a 7-0-0 vote. The full Senate will consider the bill next week. It will then head to a conference committee with the House to work out their differences. Passage of the budget usually signals the end of the session. However, this year, there are several other policy bills that are considered “must pass” before adjournment – the education transformation bill, a bill to evolve the motel program and the next phase of housing incentives.

◆ **Education Transformation.** H454 is now being considered by Senate Education Committee, after which it will be reviewed by Senate Finance Committee. Last week, the Senate Education committee rolled out an overhaul of the bill, reframing the bill’s intent to emphasize *incremental* transformation rather than immediate structural overhaul, which sets the tone for the committee’s work going forward. Significant changes to the bill include:

- **Governance & Consolidation:** The current Senate draft retains 2026 as the trigger date for forced consolidation planning and replaces the House’s “Redistricting Subcommittee”, which consists of five retired superintendents, with a new “School District Boundary Task Force” comprising legislators only.
 - If the Legislature doesn’t act by January 31, 2026, the Task Force must propose an alternative merger plan.
 - The draft also emphasizes that new district maps must ensure universal access to Career Technical Education.
- **Foundation Formula Adjustments:** Although the proposal is not drafted yet, the Senate seems to support a foundation formula that incorporates new modeling that will limit sparsity aid to the most rural districts by eliminating the mid-level sparsity tiers adopted by the House.
 - Additionally, **tiered** English Learner weights and special education weights in the House version will not be used in the Senate version due to what the Senators see as data constraints.
 - The Committee may instead opt for conducting regular reviews of weights, possibly every two years.
- **Class Size Minimums:** The current Senate draft **removes** mandatory average class size standards and the automatic Education Quality Standards noncompliance process.

◆ **Motel Program.** The House and Senate are working to resolve differences in a bill that would fundamentally overhaul Vermont’s response to homelessness and that could end the annual political wrangling with the Governor over the voucher program that have become a fixture since COVID.

H.91 would dissolve the motel voucher program as it currently exists as of July 2026. In its place would be a new initiative: the Vermont Homeless Emergency Assistance and

Responsive Transition to Housing program. Funding and decision-making power over the state's homelessness response would shift to Vermont's five regional community-action agencies.

These [non-profit](#) agencies, along with the [statewide organization](#) serving people fleeing domestic violence, would receive funding the state currently administers for building and running local shelters, and they would decide how to distribute it. The state would play an oversight role.

The bill's backers contend that a homelessness response system centered on the community level – rather than one that relies on the state as the central actor – will offer a better way to spend state money and serve unhoused people and those at risk of becoming homeless. The bill's critics argue that such a change would remove accountability from state government to care for Vermont's homeless population, eroding its current function as a backstop when shelters are full. For his part, the Governor has signaled he is open to the change.

→ **Introductory Hearing Held on Bill to Dramatically Increase Alcohol Taxes**

On Tuesday, April 22, [House Government Operations Committee](#) held an introductory hearing on [H. 376 - An act relating to the creation of the Treatment and Recovery Fund and the labeling and taxation of alcoholic beverages](#). H.376 proposes to increase the gallonage tax on malt beverages – from \$.265 per gallon to \$1.36 per gallon regardless of ABV – a 500% increase!!

The purpose of bill, [H.376](#), is to raise money to “offset the continuing costs of support services” for “mental health treatment and recovery” related to alcohol consumption. The bill would also require all alcohol beverages sold in Vermont to include a label that states the alcohol content of the beverage in U.S. Standard Drinks as well as a warning label that states: “WARNING: Drinking alcoholic beverages may increase cancer risk and, if consumed during pregnancy, can cause birth defects.”

At the hearing, the Sponsor of the bill, [Rep. Kate Nugent](#) (D-South Burlington) told the committee that estimates are the new taxes proposed in the bill would raise just over \$16m annually. She noted that this would amount to an average of about \$2.05 increase per drink. She believes that taxes are a way to reduce excessive use of alcohol. In turn, she believes that this would reduce the cost of healthcare. She reminded the committee that the last time the state raised the tax on alcohol was 1981.

The committee members had few questions. Legislative counsel did note that the proposed health warnings are likely prohibited as preempted by Federal law. He surmised that there may be some creative work arounds as may be the case in California.

Committee Chair, [Rep. Matt Birong](#) (D-Vergennes) continues to assures us that the introductory hearing was held as a courtesy to Nugent, who is a member of the committee member. Chair Birong does not intend to take further action on the bill this year. And, even if the bill were to gain traction, it is highly unlikely that the Governor would support this kind of tax increase. A fringe news site wrote [this story](#) critical of the bill.

→ **Local Headlines of Note**

- [Attorney General Clark sues Trump Administration to stop tariffs](#)
- [Legislature unanimously approves medical debt relief bill, S.27](#)
- [Boots on the Ground: Home Stretch](#)
- [Final Reading: Lawmakers press health care leaders on cost savings](#)
- [Some Lawmakers Want to Revamp How Real Estate Is Assessed as Part of Vermont's Education Funding Transformation](#)
- [FEMA ended a grant program designed to help communities prevent disaster damages. Here's where that leaves Vermont.](#)
- [Proposed infrastructure financing program would allow even small Vermont towns to incentivize housing](#)

→ **VBA Bill Report**

VBA BILL REPORT – WEEK 15 April 26, 2025			
Bill	Sponsors	Description	Status
H 24	Rep. Anne Donahue	An Act Relating to Requiring Retail Businesses to Accept Cash This bill proposes to prohibit a retail business from refusing to accept cash payment.	Committees: House Commerce and Economic Development Status: Read first time and referred to the Committee on Commerce and Economic Development (01/09/25)
H 45	Rep. Mary-Katherine Stone; Rep. Tiffany Bluemle; Rep. Abbey Duke; Rep. Barbara Rachelson; Rep. Bram Kleppner; Rep. Kate Logan; Rep. Robert Hooper; Rep. Troy Headrick	An Act Relating to Prohibiting Possession of Firearms on Premises Where Alcohol Is Licensed To Be Served This bill proposes to prohibit possession of firearms on premises where alcohol is licensed to be served and to require that notice of the prohibition be posted at each premises.	Committees: House Judiciary Status: Read first time and referred to the Committee on Judiciary (01/21/25)
H 51	Rep. Lucy Boyden; Rep. Matthew Birong	An Act Relating to Miscellaneous Amendments to The Statutes Governing Alcoholic Beverages This bill proposes to: (1) authorize the holder of a fourth-class license to sell its products to not more than eight additional manufacturers or rectifiers; and (2) authorize manufacturers of malt beverages to acquire a retail shipping license and ship malt beverages to first- and second-class licensees.	Committees: House Government Operations and Military Affairs Status: Read first time and referred to the Committee on Government Operations and Military Affairs (01/21/25)

H 110	Rep. Lucy Boyden	<p>An Act Relating to A Reciprocity Requirement for Out-of-state Consumer Shipping Licenses</p> <p>This bill proposes to limit the issuance of out-of-state malt beverage consumer shipping licenses to breweries that are located in states that allow Vermont brewers to acquire consumer shipping licenses.</p>	<p>Committees: House Government Operations and Military Affairs</p> <p>Status: Read first time and referred to the Committee on Government Operations and Military Affairs (01/28/25)</p>
H 119	Rep. Carolyn Branagan	<p>An Act Relating to The Beverage Container Redemption System</p> <p>This bill proposes to expand the scope of the beverage container redemption system to include cider, hard kombucha, noncarbonated water, and noncarbonated soft drinks. The bill also would increase the deposit for a container from five cents to 10 cents.</p>	<p>Committees: House Environment</p> <p>Status: Read first time and referred to the Committee on Environment (01/29/25)</p>
H 144	Rep. Brian Minier; Bridget Burkhardt; Rep. Emilie Krasnow; Rep. Kate Logan; Rep. Laura Sibilia; Rep. Leonora Dodge; Rep. Lisa Hango; Rep. Michelle Bos-Lun	<p>An Act Relating to Enhancing Food Allergen Awareness in Food Service Establishments</p> <p>This bill proposes to require owners and operators of food service establishments to designate employees to complete a food allergen training program. It further proposes to require food service establishments to post signage regarding food allergens.</p>	<p>Committees: House Human Services</p> <p>Status: Read first time and referred to the Committee on Human Services (02/05/25)</p>
H 260	Rep. Esme Cole; Rep. Monique Priestley; Rep. Ela Chapin; Herb Olson; Rep. Jubilee McGill; Rep. Kate McCann; Rep. Kate Nugent; Rep. Mary Howard; Robert "Rob" North; VL Coffin	<p>An Act Relating to Prohibiting Certain Substances in Food Manufactured, Sold, Or Distributed in Vermont</p> <p>This bill proposes to prohibit the manufacture, sale, delivery, or distribution in commerce of food containing brominated vegetable oil, potassium bromate, propylparaben, or red dye no. 3.</p>	<p>Committees: House Human Services</p> <p>Status: Read first time and referred to the Committee on Human Services (02/19/25)</p>
H 339	House Committee on Government Operations and Military Affairs	<p>An Act Relating to Removing the Repeal Of 7 VSA § 230</p> <p>This bill proposes to remove the repeal of 7 V.S.A. § 230 (sale of alcoholic beverages for off-premises consumption).</p>	<p>Committees: Senate Economic Development Housing and General Affairs Committee</p> <p>Status: As Passed the House Hearing scheduled for 4/30/25</p>

<u>H 376</u>	Rep. Kate Nugent; Rep. Brian Cina; Rep. Carol Ode; Rep. Jubilee McGill; Rep. Mari Cordes; Rep. Michelle Bos-Lun; Rep. Monique Priestley; Rep. Phil Pouech; Rep. Troy Headrick	<p>An Act Relating to The Creation Of The Treatment And Recovery Fund And The Labeling And Taxation of Alcoholic Beverages</p> <p>This bill proposes to (1) require all alcoholic beverages sold in the State to bear a label containing a statement of the alcohol content in U.S. Standard Drinks; (2) increase the gallonage taxes on malt beverages and vinous beverages; (3) increase the excise tax on spirits; (4) create the Treatment and Recovery Fund, dedicate the proceeds of the gallonage tax to the Fund, and establish the purposes for which monies from the Fund may be disbursed; and (5) require the Division of Liquor Control t...</p>	<p>Committees: House Government Operations and Military Affairs</p> <p>Status: Read first time and referred to the Committee on Government Operations and Military Affairs (02/26/25)</p> <p>Introductory hearing scheduled for 4/22.</p>
<u>H 377</u>	Rep. Barbara Rachelson; Rep. Chea Waters Evans	<p>An Act Relating to The Local Media Advertising Tax Credit</p> <p>This bill proposes to create an income tax credit for small businesses that purchase advertising in local media outlets.</p>	<p>Committees: House Ways and Means</p> <p>Status: Read first time and referred to the Committee on Ways and Means (02/26/25)</p>
<u>S 88</u>	Sen. Wendy Harrison; Sen. Alison Clarkson; Sen. Anne Watson; Joseph "Joe" Major; Sen. Randolph Brock; Sen. Rebecca White; Robert "Rob" Plunkett	<p>An Act Relating to Creating an Enhanced Growth Incentive For Employee-owned Businesses</p> <p>This bill proposes to create a new enhanced incentive for locally owned and controlled employee-owned businesses within the Vermont Employment Growth Incentive Program (VEGI).</p>	<p>Committees: Senate Economic Development, Housing and General Affairs</p> <p>Status: Read 1st time & referred to Committee on Economic Development, Housing and General Affairs (02/25/25)</p>
<u>S.131</u>	Sen. Phil Baruth	<p>An act relating to approval of an amendment to the charter of the City of Burlington relating to the possession of firearms</p> <p>This bill proposes to approve an amendment to the charter of the City of Burlington to prohibit the possession of firearms in any building or on any real property or parking area under the ownership or control of an establishment licensed to serve alcohol for on- premises consumption.</p>	<p>Committee: House Judiciary</p> <p>Status: <u>Passed the Senate</u></p>