

VBA Legislative Update – Week 20

June 1, 2025

FINAL REPORT

→ **The End...For Now.** Vermont's 2025 legislative session unfolded under unusual pressure: from a shifting political balance to looming federal funding threats. Lawmakers navigated a more fractured landscape, with a focus on education reform, housing, and fiscal resilience.

◆Session Overview

Vermont's 2025 legislative session has not officially adjourned. Lawmakers were sent home on Friday, May 30, with the exception of the members of the [H.454](#) Education Reform bill committee of conference.

Over the next two weeks, House and Senate conferees will negotiate with the Governor's office to finalize a compromise. The full legislature is expected to reconvene on June 16 and 17 to vote on the final version of the bill.

◆Shifting Political Dynamics

The 2024 elections shifted Vermont's political landscape. Democrats lost more seats than in any other state, ending their supermajority. This created new negotiating dynamics between the Democratic-controlled legislature and Republican Governor Scott, who took an increasingly assertive stance using veto and special session threats as leverage.

In particular, the session was marked by negotiations over education reform, housing initiatives, health care, and preparation for potential federal funding cuts under the Trump administration.

◆Major Legislative Accomplishments

- ✓ [Budget \(H.493\)](#): Governor Phil Scott signed a \$9.01 billion spending plan on May 21, including \$77 million in general fund transfers to stabilize property taxes, prioritizing housing, child care and higher education, and \$13.5 million of targeted tax relief.
- ✓ [Housing Legislation \(S.127\)](#): The House and Senate came to a compromise on a key housing bill to address Vermont's need for 41,000 additional homes by 2030. The primary focus was the Community and Housing Infrastructure Program (CHIP) to expand infrastructure financing options for housing development in small and large towns alike.
- ✓ [Medical Debt Relief \(S.27\)](#): This landmark legislation will erase an estimated \$100 million in Vermonters' medical debt using \$1 million in state funds, and prohibits medical debt from being included on consumer credit reports.

- ✓ **[Solar Net Metering Expansion \(S.50\)](#)**: This bill expands solar net metering projects that can receive streamlined approval processes. This builds on broader renewable energy policy changes that occurred in the previous session (2024), where Vermont passed a major overhaul of the state's Renewable Energy Standard
- ✓ **Expansion of the authority of the Green Mountain Care Board**. A number of bills were passed this session aimed at giving more authority to the GMCB to reign in hospital costs and shore up the state's largest health insurer, Blue Cross Blue Shield of Vermont. The bills include:
 - o [An act relating to health care payment and delivery system reform \(S.126\)](#)
 - o [An act relating to Green Mountain Care Board authority to adjust a hospital's reimbursement rates and to appoint a hospital observer \(H.482\)](#)
- ✓ **[Economic and Workforce Development Bill \(S.122\)](#)**: This bill is focused on supporting economic and workforce development initiatives for small businesses, workforce training, and economic development programs.
- ✓ **[School Phone Ban legislation \(H.480\)](#)**: This law requires all of Vermont's public school districts and independent schools to develop policies prohibiting students from using smartphones and other personal devices like smartwatches during the school day, with policies taking effect by the 2026-2027 school year.
- ✓ **[Vermont Age-Appropriate Design Code \(S.69\)](#)**: The age-appropriate design code bill, also known as Vermont Kids Code (S.69), requires social media companies to adjust algorithms and design codes for users under 18 years old with the aim of making them less addictive and harmful for teens.
- ✓ **[Homelessness System Overhaul \(H.91\)](#)**: This bill would fundamentally overhaul Vermont's response to homelessness by dissolving the motel voucher program next summer and replacing it with the Vermont Homeless Emergency Assistance and Responsive Transition to Housing (VHEARTH) Program run by local non-profit social service organizations.
- ✓ **[Constitutional Amendment on Collective Bargaining \(PR.3\)](#)**: PR.3 is a proposed constitutional amendment that would enshrine in the Vermont Constitution the right of Vermont workers to organize and collectively bargain. The proposal will be on the general election ballot in November 2026.

◆Federal Funding Concerns

Vermont is proactively addressing potential federal cuts under the Trump administration, given that approximately \$3 billion (one-third of the state budget) comes from federal sources. The state has established multiple contingency measures:

- **Legal Response**: Vermont has joined multi-state lawsuits against federal funding freezes.
- **Financial Reserves**: This 2026 fiscal year budget sets aside \$60 million for federal shortfalls, with access to \$100 million "rainy day" fund.
- **Emergency Powers**: The 2026 fiscal year budget also authorizes the Emergency Board to respond quickly to cuts.

- **Graduated Response:** The Emergency Board is authorized to implement agency reductions of between 1-4%. While the full legislature will be recalled to address federal cuts of greater than 4%.

♦Turning to the 2026 Session:

The 2026 session will likely focus on reforms to Vermont's Act 250 land use law and additional housing regulatory streamlining. Lawmakers are also expected to continue implementing education funding reforms, expand energy and climate policies, and seek long-term stabilization of the state's health care system.

→ Local Headlines of Note

- [Final Reading: Vermont Senate weighs new drug price caps as adjournment deadline looms](#)
- [Vermont judge orders Harvard scientist freed from ICE custody, calling her detention unlawful](#)
- [‘We need help’: While tallying recent assistance, Vermont officials consider a future without FEMA](#)
- [Final Reading: As lawmakers hash out differences on education, Gov. Phil Scott's presence looms large](#)
- [Committee Hashing Out Education Reform Bill Jumps the Gun](#)
- [Lawmakers Debate Competing Needs for Housing, School Funding](#)
- [Proposed Medicaid Cuts Would Have Big Impact in Vermont](#)
- [Amphibian road mortality drops by over 80% with wildlife underpasses](#)
- [Vermont one step closer to cellphone ban in schools](#)

→ VBA Bill Report

VBA BILL REPORT – WEEK 20 June 1, 2025			
Bill	Sponsors	Description	Status
MOVING BILLS			
H 339	House Committee on Government Operations and Military Affairs	An Act Relating to Removing the Repeal Of 7 VSA § 230 This bill proposes to remove the repeal of 7 V.S.A. § 230 (sale of alcoholic beverages for off-premises consumption).	Status: Signed into law.
S.131	Sen. Phil Baruth	An act relating to approval of an amendment to the charter of the City of Burlington relating to the possession of firearms 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	Committee: House Government Operation and Military Affairs Status: Passed the Senate

		parking area under the ownership or control of an establishment licensed to serve alcohol for on- premises consumption.	
BILLS NOT MOVING THIS YEAR			
<u>H 24</u>	Rep. Anne Donahue	<p>An Act Relating to Requiring Retail Businesses to Accept Cash</p> <p>This bill proposes to prohibit a retail business from refusing to accept cash payment.</p>	<p>Committees: House Commerce and Economic Development</p> <p>Status: Read first time and referred to the Committee on Commerce and Economic Development (01/09/25)</p>
<u>H 45</u>	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	<p>An Act Relating to Prohibiting Possession of Firearms on Premises Where Alcohol Is Licensed To Be Served</p> <p>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.</p>	<p>Committees: House Judiciary</p> <p>Status: Read first time and referred to the Committee on Judiciary (01/21/25)</p>
<u>H 51</u>	Rep. Lucy Boyden; Rep. Matthew Birong	<p>An Act Relating to Miscellaneous Amendments to The Statutes Governing Alcoholic Beverages</p> <p>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.</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 (01/21/25)</p>
<u>H 110</u>	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>
<u>H 119</u>	Rep. Carolyn Branagan	An Act Relating to The Beverage Container Redemption System	Committees: House Environment

		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.	Status: Read first time and referred to the Committee on Environment (01/29/25)
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	An Act Relating to Enhancing Food Allergen Awareness in Food Service Establishments 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.	Committees: House Human Services Status: Read first time and referred to the Committee on Human Services (02/05/25)
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	An Act Relating to Prohibiting Certain Substances in Food Manufactured, Sold, Or Distributed in Vermont 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.	Committees: House Human Services Status: Read first time and referred to the Committee on Human Services (02/19/25)
H 376	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	An Act Relating to The Creation Of The Treatment And Recovery Fund And The Labeling And Taxation of Alcoholic Beverages 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...	Committees: House Government Operations and Military Affairs Status: Read first time and referred to the Committee on Government Operations and Military Affairs (02/26/25)

<u>H 377</u>	Rep. Barbara Rachelson; Rep. Chea Waters Evans	An Act Relating to The Local Media Advertising Tax Credit This bill proposes to create an income tax credit for small businesses that purchase advertising in local media outlets.	Committees: House Ways and Means Status: Read first time and referred to the Committee on Ways and Means (02/26/25)
<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	An Act Relating to Creating an Enhanced Growth Incentive For Employee-owned Businesses 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).	Committees: Senate Economic Development, Housing and General Affairs Status: Read 1st time & referred to Committee on Economic Development, Housing and General Affairs (02/25/25)