

Introduced by Committee on Corrections and Institutions

Date:

Subject: Capital construction; State bonding; budget adjustment

Statement of purpose of bill as introduced: This bill proposes to adjust the FY
2026 capital construction budget.

An act relating to capital construction and State bonding budget adjustment

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

* * * Legislative Intent * * *

Sec. 1. 2025 Acts and Resolves No. 33, Sec. 1 is amended to read:

Sec. 1. LEGISLATIVE INTENT

(a) It is the intent of the General Assembly that of the ~~\$111,965,288.44~~
\$120,799,374.67 authorized in Sections 2–16 this act, not more than
~~\$61,969,761.44~~ \$61,569,761.44 shall be appropriated in the first year of the
biennium, and the remainder shall be appropriated in the second year.

* * *

* * * Bond-Funded Project Authorizations * * *

Sec. 2. 2025 Acts and Resolves No. 33, Sec. 2 is amended to read:

Sec. 2. STATE BUILDINGS

* * *

1 (b) The following sums are appropriated in FY 2026:

2 * * *

3 (2) Statewide, three-acre parcel stormwater compliance: ~~\$1,500,000.00~~

4 \$1,100,00.00

5 * * *

6 (c) The following sums are appropriated in FY 2027:

7 (1) Statewide, major maintenance: ~~\$8,500,000.00~~ \$9,039,413.18

8 * * *

9 (4) ~~Statewide, three-acre parcel stormwater compliance: \$1,100,000.00~~

10 [Repealed.]

11 * * *

12 (7) Montpelier, State House replacement of historic interior finishes:

13 \$50,000.00

14 (8) Montpelier, 120 State Street HVAC – steam lines interior

15 renovation: ~~\$2,000,000.00~~ \$1,000,000.00

16 * * *

17 (12) Montpelier, State House entryway upgrades \$1,300,000.00

18

19 Appropriation – FY 2026 ~~\$13,726,680.44~~ \$13,326,680.44

20 Appropriation – FY 2027 ~~\$15,925,000.00~~ \$15,664,413.18

21 Total Appropriation – Section 2 ~~\$28,951,680.44~~ \$28,991,093.62

Sec. 3. 2025 Acts and Resolves No. 33, Sec. 3 is amended to read:

Sec. 3. HUMAN SERVICES

* * *

(b) The following sums are appropriated in FY 2027 to the Department of Buildings and General Services for the Agency of Human Services for the following projects:

(1) Statewide, planning, design, and construction for HVAC system upgrades at correctional facilities: ~~\$1,000,000.00~~ \$9,426,254.21

* * *

Appropriation – FY 2027 ~~\$4,800,000.00~~ \$13,226,254.21

Total Appropriation – Section 3 ~~\$13,025,000.00~~ \$21,451,254.21

Sec. 4. 2025 Acts and Resolves No. 33, Sec. 4 is amended to read:

Sec. 4. COMMERCE AND COMMUNITY DEVELOPMENT

* * *

(b) The following sums are appropriated in FY 2027 to the Agency of Commerce and Community Development for the following projects:

* * *

(3) Roadside historic site markers: ~~\$25,000.00~~ \$45,000.00

* * *

Appropriation – FY 2027 ~~\$621,000.00~~ \$641,000.00

Total Appropriation – Section 4 ~~\$1,667,000.00~~ \$1,687,000.00

Sec. 5. 2025 Acts and Resolves No. 33, Sec. 6 is amended to read:

Sec. 6. VETERANS' HOME

(a) The following sums are appropriated in FY 2026 to the Vermont Veterans' Home for the following projects:

(1) Replacement of air handlers: \$710,000.00

(2) Expansion of laundry facilities: \$340,000.00

(b) The Chief Executive Officer of the Vermont Veterans' Home is authorized to transfer any unexpended project balances between the amounts appropriated in subdivisions (a)(1)–(2) of this section and the amount appropriated in subsection (c) of this section.

(c) The sum of \$1,250,000.00 is appropriated in FY 2027 to the Vermont Veterans' Home for sewage system upgrades.

Appropriation – FY 2026 \$1,050,000.00

Appropriation – FY 2027 \$1,250,000.00

Total Appropriation – Section 6 ~~\$1,050,000.00~~ \$2,300,000.00

Sec. 6. 2025 Acts and Resolves No. 33, Sec. 10 is amended to read:

Sec. 10. CLEAN WATER INITIATIVES

* * *

~~(e) The sum of \$10,000,000.00 is appropriated in FY 2027 to the Agency of Natural Resources for the Department of Environmental Conservation for clean water implementation projects. [Repealed.]~~

(f) In FY 2026 and FY 2027, any agency that receives funding from this section shall consult with the State Treasurer to ensure that the projects are capital eligible.

(g) The sum of \$1,500,000.00 is appropriated in FY 2027 to the Agency of Agriculture, Food and Markets for water quality grants and contracts.

(h) The following sums are appropriated in FY 2027 to the Agency of Natural Resources for the Department of Environmental Conservation for the following projects:

(1) Clean Water State Revolving Fund: \$1,577,600.00

(2) Municipal pollution control grants: \$2,000,000.00

(i) The sum of \$200,000.00 is appropriated in FY 2027 to the Agency of Natural Resources for the Department of Forests, Parks and Recreation for water quality improvements to forest access roads.

(j) The following sums are appropriated in FY 2027 to the Vermont Housing and Conservation Board for the following projects:

(1) Agricultural water quality projects: \$800,000.00

(2) Land conservation and water quality projects: \$2,000,000.00

Appropriation – FY 2026 \$10,000,000.00

Appropriation – FY 2027 ~~\$10,000,000.00~~ \$8,077,600.00

Total Appropriation – Section 10 ~~\$20,000,000.00~~ \$18,077,600.00

Sec. 7. 2025 Acts and Resolves No. 33, Sec. 14 is amended to read:

Sec. 14. JUDICIARY

* * *

(c) The sum of \$1,720,818.84 is appropriated in FY 2027 to the Department of Buildings and General Services for the Judiciary for the Newport Courthouse project.

Appropriation – FY 2026 \$5,075,910.00

Appropriation – FY 2027 \$1,720,818.84

Total Appropriation – Section 14 ~~\$5,075,910.00~~ \$6,796,728.84

* * * Reallocations * * *

Sec. 8. 2025 Acts and Resolves No. 33, Sec. 17 is amended to read:

Sec. 17. REALLOCATION OF FUNDS; TRANSFER OF FUNDS

(a) The following sums ~~are reallocated~~ appropriated to the Department of Buildings and General Services from prior capital appropriations are reallocated to defray expenditures authorized in Secs. 2–16 of this act:

* * *

(12) of the amount appropriated in 2017 Acts and Resolves No. 84, Sec. 13(b)(2), as added by 2018 Acts and Resolves No. 190, Sec. 10 (CJTC

East Cottage): \$43,190.08

(13) of the amounts appropriated in 2019 Acts and Resolves No. 42,

Sec. 2(c) (various projects): \$1,624,241.12

1 (o) Of the amount appropriated to the Enhanced 911 Board in 2017 Acts
2 and Resolves No. 84, Sec. 6(b)(9), as added by 2018 Acts and Resolves No.
3 190, Sec. 5 (Enhanced 911 Compliance Grants Program), \$63,413.15 is
4 reallocated to defray expenditures authorized in Secs. 2–16 of this act.

5 (p) Of the amount appropriated to the Agency of Natural Resources for
6 the Department of Forests, Parks and Recreation in 2019 Acts and Resolves
7 No. 42, Sec. 11(j), as added by 2020 Acts and Resolves No. 139, Sec. 7
8 (State-owned forest and recreational access points), \$0.03 is reallocated to
9 defray expenditures authorized in Secs. 2–16 of this act.

10 (q) Of the amount appropriated to the Agency of Agriculture, Food and
11 Markets in 2023 Acts and Resolves No. 69, Sec. 5(a)(8) (Agricultural Fairs
12 and Field Days), \$26,000.00 is reallocated to defray expenditures authorized
13 in Secs. 2–16 of this act.

14 (r) The following sums appropriated from the Capital Infrastructure
15 subaccount of the Cash Fund for Capital and Essential Investments to the
16 Department of Buildings and General Services in 2023 Acts and Resolves
17 No. 78, Sec. B.1105(a) are reallocated to defray expenditures authorized in
18 Sec. 19 of this act:

19 (1) of the amount authorized in 2023 Acts and Resolves No. 69, Sec.
20 18(c)(1) (planning, reuse, and contingency): \$119,114.60

1 (2) of the amount authorized in 2023 Acts and Resolves No. 69, Sec.
2 18(c)(6) (120 State Street renovation): \$1,000,000.00
3 (3) of the amount authorized in 2023 Acts and Resolves No. 69, Sec.
4 18(c)(8) (CJTC administration building and West Cottage): \$450,000.00
5 (4) of the amount authorized in 2023 Acts and Resolves No. 69, Sec.
6 18(c)(10) (DCF short-term stabilization facility): \$372,557.10
7 (5) of the amount authorized in 2023 Acts and Resolves No. 69, Sec.
8 18(c)(11) (Washington County Superior Courthouse in Barre): \$750,000.00
9 (6) of the amount authorized in 2023 Acts and Resolves No. 69, Sec.
10 18(c)(13) (planning and design of the Rutland Field Station): \$250,000.00
11 (7) of the amount authorized in 2023 Acts and Resolves No. 69, Sec.
12 18(c)(15) (EV charging stations): \$995,040.00
13 (s) Of the amount appropriated from the Capital Infrastructure subaccount
14 of the Cash Fund for Capital and Essential Investments to the Department of
15 Buildings and General Services in 2024 Acts and Resolves No. 113, Sec.
16 B.1103(a)(3) and authorized in 2023 Acts and Resolves No. 69, Sec.
17 18(d)(3), as amended by 2024 Acts and Resolves No. 162, Sec. 11 (120 State
18 Street renovation), \$1,500,000.00 is reallocated to defray expenditures
19 authorized in Sec. 19 of this act.
20 Bonded Dollars ~~\$5,074,938.48~~ \$8,973,268.67
21 Cash ~~\$1,700,000.00~~ \$7,136,711.70

1 Total Reallocations and Transfers – Section 17 ~~\$6,774,938.48~~ \$16,109,980.37

2 * * * Cash-Funded Project Authorizations * * *

3 Sec. 9. 2025 Acts and Resolves No. 33, Sec. 19 is amended to read:

4 Sec. 19. FY 2026 AND 2027; CAPITAL PROJECTS; FY 2026

5 APPROPRIATIONS ACT; INTENT; AUTHORIZATIONS

6 * * *

7 (b) Intent. It is the intent of the General Assembly to authorize certain
8 capital projects eligible for funding by 32 V.S.A. § 1001b in this act but
9 appropriate the funds for these projects in the FY 2026 and FY 2027
10 Appropriations ~~Act~~ Acts. It is also the intent of the General Assembly that the
11 FY 2026 and FY 2027 Appropriations ~~Act~~ Acts ~~appropriate~~ transfer funds to
12 the Fund established in 32 V.S.A. § 1001b for projects in FY 2026 and FY
13 2027.

14 (c) Authorizations; Capital Infrastructure subaccount. In FY 2026,
15 spending authority for the following capital projects from the Capital
16 Infrastructure subaccount of the Cash Fund for Capital and Essential
17 Investments are authorized as follows:

18 * * *

19 (7) to the Vermont Veterans' Home for the design and construction of
20 the American unit and sprinkler system installation: \$1,500,000.00

21 * * *

<u>(7) to the Department of Buildings and General Services for the Agency</u>	
<u>of Human Services for statewide correctional facilities security upgrades:</u>	
	\$225,000.00

\$700,000.00

\$1,000,000.00

\$772,557.10

\$2,498,000.00

\$150,000.00

\$400,000.00

\$200,000.00

\$500,000.00

2 \$500,000.00

5 \$1,600,000.00

(19) to the Department of Buildings and General Services for the
Agency of Human Services to work with the Department of Corrections to
install Wi-Fi in State correctional facilities : \$3,300,000.00

11 *** Policy ***

*** Department of Environmental Conservation ***

13 Sec. 10. 24 V.S.A. § 4752 is amended to read:

§ 4752. DEFINITIONS

15 As used in this chapter:

16 * * *

(21) “Eligible mobile home park water system” means a privately owned nonprofit community type system that serves a majority of the users who reside in a nonprofit- or resident-owned mobile home park registered with the Department of Housing and Community Development pursuant to 10 V.S.A. § 6254.

1 Sec. 11. 24 V.S.A. § 4771 is amended to read:

2 § 4771. CONDITIONS OF LOAN AGREEMENT

3 (a) VEDA may make loans to applicants on behalf of the State for one or
4 more of the purposes set forth in subsection 4770(b) of this title. Each such
5 loan shall be made subject to the following conditions:

6 (1) The loan shall be evidenced by a note payable over a term not to
7 exceed 30 years. Repayment shall commence not later than one year after
8 completion of the project for which loan funds have been applied.

9 (2) The loan shall be secured with assets as determined by VEDA.
10 VEDA may also require that the applicant assign all or a portion of the water
11 system revenues as security for the loan, or may require the establishment of a
12 reserve fund.

13 (3) The loan recipient shall establish a dedicated source of revenue for
14 repayment of the loan which may include a pledge of revenue from user
15 charges, tap fees, development charges, and pledges of accounts receivable and
16 the proceeds therefrom.

17 (4) The rate of interest charged for loans shall be set by the State
18 Treasurer, taking into consideration prevailing borrowing rates available to
19 similarly situated applicants from private lenders and administrative fees to be
20 charged to applicants. VEDA, in cooperation with the Secretary, shall
21 periodically recommend interest rates to be set by the State Treasurer which

1 are the lowest practicable rates consistent with maintaining the long-term
2 integrity of the Fund. The interest rate set by the State Treasurer may be less
3 than the prevailing borrowing rates available to similarly situated applicants
4 from private lenders, but not less than zero percent.

5 (5)(A) Notwithstanding ~~subdivision~~ subdivisions (1) and (4) of this
6 subsection, a privately owned nonprofit community type system may qualify
7 for a 40-year loan term at an interest rate, plus administrative fee, to be
8 established by the Secretary of Natural Resources that shall be not more than
9 three percent or less than minus three percent, provided that the applicant
10 system meets the income level and annual household user cost requirements of
11 a disadvantaged municipality as defined in subdivision 4752(12)(A) of this
12 title or is an eligible mobile home park water system, and at least 80 percent of
13 the residential units served by the water system is continuously occupied by
14 local residents and at least 80 percent of the water produced is for residential
15 use.

16 (B) [Repealed.]

17 (C) If the Secretary determines that a privately owned nonprofit
18 community type system qualifies for a loan under this subdivision (5), the
19 Secretary shall certify the loan term and interest rate to VEDA. ~~In no instance~~
20 ~~shall the~~ Except as applied to an eligible mobile home park water system, the
21 Secretary shall not certify an annual interest rate, plus an administrative fee, be

1 pursuant to this subdivision (C) that is less than is necessary to achieve an
2 annual household user cost equal to one percent of the median household
3 income of the applicant water system computed in the same manner as
4 prescribed in subdivision 4763c(b)(2) of this title.

5 * * *

6 * * * Division for Historic Preservation * * *

7 Sec. 12. 22 V.S.A. § 725 is amended to read:

8 § 725. ACCEPTANCE AND SOLICITATION OF FUNDS OR GIFTS FOR
9 HISTORIC SITES AND VERMONT ARCHAEOLOGY HERITAGE
10 CENTER

11 (a) With the approval of the Secretary of Administration, the State Historic
12 Preservation Officer may accept and solicit grants, gifts, donations, loans, or
13 other things of value on behalf of the Division for Historic Preservation for use
14 by the Division for Historic Preservation in establishing and maintaining
15 displays and exhibits at any historic site and at the Vermont Archaeology
16 Heritage Center, or restoring any historic site maintained and developed under
17 section 723 of this chapter.

18 (b) The State Historic Preservation Officer shall specify in any request for
19 approval for solicitation under this section the specific project for support
20 through fundraising and the fundraising goal for the project.

21 * * * Department of Forests, Parks and Recreation * * *

1 Sec. 13. DEPARTMENT OF FORESTS, PARKS AND RECREATION;

2 LITTLE RIVER STATE PARK LEASE

3 Notwithstanding 10 V.S.A. § 2606 and 29 V.S.A. § 166, in fiscal year 2027,
4 the Commissioner of Forests, Parks and Recreation is authorized to enter a
5 long-term lease with Vermont Huts Association, LTD for the use of a structure
6 at Little River State Park and the land on which the structure is located,
7 provided that the lease specifies:

8 (1) the term of 20 years with an option to renew of an additional two
9 ten-year terms at the Commissioner’s discretion;

10 (2) the fee or fee formula to be used to compensate the State;

11 (3) conditions on the use of the structure, including the boundaries of the
12 land and structure to be leased;

13 (4) that Vermont Huts Association, LTD shall secure insurance and be
14 subject to an indemnification clause consistent with Attachment C of the
15 Standard State Provisions for Contracts and Grants approved by the Agency of
16 Administration in Administrative Bulletin 3.5;

17 (5) provisions for the termination of the lease;

18 (6) requirements for the operation and maintenance of the leased
19 structure and lands, including responsibility for the costs of maintenance;

20 (7) how any conflict between the parties shall be resolved; and

1 (8) that a contract between the Department and Vermont Huts
2 Association, LTD, executed in accordance with the Standard State Provisions
3 for Contracts and Grants set forth in Administrative Bulletin 3.5 of the Agency
4 of Administration, be required for the relocation and reconstruction of the
5 Goodell House located at Little River State Park.

6 * * * Department of Buildings and General Services * * *

7 Sec. 14. SOUTHERN STATE CORRECTIONAL FACILITY; PROPERTY
8 TRANSFER

9 (a) Notwithstanding 29 V.S.A. § 166, the Commissioner of Buildings and
10 General Services is authorized to transfer to the Town of Springfield a portion
11 of the Southern State Correctional Facility property consisting of
12 approximately 22.93 acres to be used for municipal purposes, including
13 economic development as an industrial parcel, provided that the Commissioner
14 may transfer the property only once:

15 (1) the State obtains any State or local zoning or subdivision approvals
16 required for transfer;

17 (2) the State and the Town negotiate updates to the 1999 Agreement to:
18 (A) explore the maintenance and upkeep of the access road and the
19 water and sewer service lines for the Facility and the transferred property; and

20 (B) mitigate impacts to the Springfield community; and

21 (3) the transferred property does not include any brownfields.

1 (b) If the Town has not begun developing the transferred property for
2 purposes of economic development by the end of March 2030, the Town shall
3 consult with the Commissioner of Buildings and General Services to examine
4 alternative uses for the property.

5 Sec. 15. PROSPECTIVE REPEAL OF TRANSFER AUTHORITY

6 Sec. 14 of this act is repealed on July 1, 2030.

7 Sec. 16. EFFECTIVE DATE

8 This act shall take effect on passage.