

2026 Legislative Session: A Year in Review

Reps. Karen Dolan (House Judiciary) and Lori Houghton (House Healthcare)
City of Essex Junction, Chittenden 22



As we conclude the second year of the biennium, we remained focused on the priorities we set from the beginning: making Vermont more affordable, expanding access to health care and housing, strengthening public education, and protecting vulnerable Vermonters. Much of this work took place against a backdrop of continued uncertainty at the federal level. As federal policies evolve, we are committed to protecting Vermonters' and Vermont values. This report highlights some of this year's work and we will continue to provide updates throughout the summer. As always, it is an honor to serve Essex Junction. We are grateful for the feedback, questions, and perspectives you share with us throughout the year. Your input helps guide our work and ensures that the

decisions we make reflect the needs and priorities of our community. *In Service, Karen and Lori*

REAPPRAISAL QUESTIONS

Property reappraisals ensure that property taxes are distributed fairly by updating assessments to reflect current market values. Without reappraisals, some property owners would pay more than their fair share while others would pay less. Importantly, an increase in your property's assessed value does not automatically mean your taxes will increase by the same percentage. Tax rates are adjusted after a reappraisal because the total value of all property in the community changes. Property valuation and taxation are separate processes—the assessor determines market value, while municipalities and the State set tax rates based on the revenue needed to fund local and education services.

For more information: [Reappraisal & Tax Billing Q & A | Essex, VT](#)

2026 LEGISLATIVE PRIORITIES

The legislature tackled a wide range of issues in 2026. While none of these challenges can be solved in a single session, highlights include:

- Worked to address affordability challenges facing Vermont families by supporting utility ratepayer protections, healthcare affordability, housing investments, and consumer protections
- Took action to stabilize education funding, support strong public schools, and reduce pressure on property taxpayers.
- Expanded access to affordable healthcare through telehealth, prescription drug reforms, medical debt relief, mental health supports, and healthcare workforce initiatives.
- Strengthened protections for immigrant families, reproductive freedom, and LGBTQ+ Vermonters while responding to uncertainty and policy changes at the federal level.

- Invested in flood recovery, clean water infrastructure, energy efficiency, and climate resilience projects to help communities recover from severe weather and prepare for future storms.
- Increased government accountability and public oversight through election protections, voting rights measures, ethics reforms, and continued monitoring of federal funding gaps and their impacts on Vermont communities.

This is far from a comprehensive list. Our work protects the most vulnerable, boosts vitality in all 14 counties, and continues the system wide transformation needed in our healthcare and education systems to ensure we leave no Vermonter behind.

BUDGET

The House did its usual deep dive in parsing every line in the Governor's proposed budget. We received over \$250 million in additional requests from Vermont citizens, advocates, and House members. In a very tight budget year, our goals included: primary care, food, housing, and economic development. We wanted to take care of Vermonters who have needs now, especially with the changes that continue to come out of Washington, DC, and build for the future.

A few highlights that reflect our priorities include:

- \$717,000 for primary care loan repayment and primary care provider placement services
- \$924,000 for Vermont's free and referrals clinics to support health care services to Vermonters without health insurance
- \$350,000 for the Bridges to Health program to support migrant and immigrant workers and families
- \$3.7 million in global commitment funds to support primary care providers
- Increases to designated agencies, specialized service agencies, home and community-based service providers, and the Office of the Health Care Advocate

- Over \$5 million in food-related programs, including Meals on Wheels, the Vermont Foodbank, and NOFA's Cash Crop, Cash Crop Plus, and Farm Share programs.
- \$4 million for VHIP (VT Housing Improvement Program)
- \$1 million for the Rent Arrears Assistance Fund
- \$800,000 for the manufactured home improvement and repair program
- \$150,000 to the Vt Small Business Development Center
- \$250,000 to the Vermont Council on Rural Development for technical support in rural communities
- \$2 million to the Rural Industrial Development Program to support grant funding related to federally impacted properties
- \$3.5 million to expand statewide capacity to support SNAP and Medicaid beneficiaries in obtaining and maintaining access to their benefits.

Next year promises to be an even tighter budget year, but we hope that the money we are investing in FY27 will support Vermonters across the state going forward.

HEALTH CARE

Health care affordability was one of our top priorities this session. Vermont families, businesses, schools, and taxpayers are struggling with rising health care costs, and we took meaningful steps to bring those costs under control while protecting access to care. In 2025 we passed prescription drug legislation that contributed to approximately \$230 million in health care savings and helped hold down premium increases for both private insurance and school employee health plans, reducing pressure on local property taxes. In 2026 we continued our work to lower prescription drug costs for Vermonters with H.577 which establishes ArrayRX in Vermont, a nonprofit prescription drug discount program available to anyone with a Vermont address. The free program gives Vermonters access to significant savings on both

generic and brand-name medications, helping lower out-of-pocket prescription costs.

Unlike many for-profit discount programs, ArrayRx protects participant privacy, includes fair compensation for pharmacists, and allows savings to count toward existing insurance deductibles. By joining this multi-state nonprofit consortium, Vermont is creating another tool to help families save money on the medications they need while keeping health care more affordable.

In S.190 we continued our work to implement reference-based pricing (RFP), a reform that ties hospital reimbursement rates to a benchmark based on Medicare rates. This approach is designed to bring greater transparency and accountability to health care pricing while slowing the growth of health care costs over time. Last year we tasked the Green Mountain Care Board with establishing RFP for all markets by 2028, S.190 directs GMCB to establish RFP for the insurance plans offered through Vermont Health Connect, as well as school employee health plans. These changes are intended to lower premiums, improve affordability, and help reduce education-related costs that impact property taxes. If this legislation is signed by the Governor, savings will begin in 2027.

We also advanced legislation focused on expanding access to affordable primary care in [S.197](#). We know that when people can see a primary care provider early, health problems are identified sooner, treated more effectively, and are often far less expensive than emergency or specialty care later on. With S.197 we intend to establish a program of universal primary care that is accessible and affordable for all Vermonters, to improve population health, reduce costs, and obtain the information necessary to develop a framework for implementation of universal primary care.

We also passed legislation, [S.189](#), to ensure communities have a voice when hospitals consider closing essential services. Recent proposals to eliminate services such as primary care, psychiatric beds, dialysis, and pediatric care highlighted the

need for a stronger public process. Under the new law, hospitals must provide notice, engage with state regulators and community stakeholders, and allow for public input before essential services can be reduced or eliminated. This helps protect access to care and ensures that decisions affecting community health are made transparently and thoughtfully.

Together, these reforms represent significant progress toward a health care system that is more affordable, more transparent, and better able to meet the needs of Vermonters.

HOUSING

This year we built on the work accomplished in the Home Act of 2023 and Act 69 of 2025 that focused on increasing housing supply by relaxing zoning and permitting barriers, expanding affordable and accessible housing options, supporting vulnerable populations and renters, and improving infrastructure to enable more housing production.

[S.328/H.775](#), an act relating to creating tools for housing production, is an innovative housing bill designed to stimulate housing development in Vermont through financial tools, pilot programs, and planning reforms. The legislation authorizes municipalities to issue revenue bonds backed by special assessments, expand the State Treasurer's credit facility to support mobile-home infrastructure and off-site modular home construction, broadens VEDA financing authority for certain multi-unit housing developments, and adds new municipal housing-planning requirements.

As we continue to track the effects enacted policies have on housing costs and availability, we will also continue to make targeted additions and changes to policies.

PROTECTING VERMONTERS' RIGHTS, SAFETY AND ACCESS TO SERVICES

This session, we passed legislation to protect Vermonters' constitutional rights, strengthen public safety, and ensure people can access essential services without fear or intimidation.

[H.849](#) (Act 87) gives Vermonters a state-level legal remedy when government officials violate their constitutional rights. Whether the issue involves unlawful searches, violations of free speech, due process, or equal protection under the law, Vermonters now have a clearer path to seek accountability when their rights are infringed.

[S.209](#) expands protections against warrantless civil arrests in sensitive locations, including schools, health care facilities, polling places, and government buildings. The goal is simple: Vermonters should be able to access education, medical care, voting locations, and public services without fear of being subjected to a civil arrest without a judicial warrant.

[S.193](#) – begins the process of creating a secure forensic treatment facility for individuals involved in the justice system who have significant mental health or cognitive disabilities. By providing appropriate treatment and competency restoration services, this legislation addresses a longstanding gap in Vermont's behavioral health system while improving outcomes for individuals, victims, and communities.

[H.626](#) (Act 89) – Technology has created new forms of abuse that our laws must address. H.626 strengthens protections against voyeurism, nonconsensual recording, and image-based abuse, while creating a new criminal offense for sexual extortion, or "sextortion." These updates provide stronger protections for victims, particularly young people, and ensure Vermont law keeps pace with emerging online threats.

Together, these measures strengthen individual rights, improve public safety, and help ensure Vermonters can live, learn, access services, and participate in their communities with confidence and security.

EDUCATION AND PROPERTY TAX REFORM

Last year we passed [Act 73](#), which began the transformation of Vermont's education governance, delivery, and finance systems to build a system that works better for kids, communities, and taxpayers.

This year, we passed [H.955](#), the bill that takes the next steps in the transformation of our public education system, and the Yield Bill ([H.949](#)), both of which continue our work on making our education financing system more sustainable. After we listened to Vermonters and the Redistricting Task Force that was formed under Act 73, the legislature designed H.955 to incorporate more local control over mergers and create a framework for lowering education costs through a shared services model called Cooperative Educational Service Areas (CESAs). Districts will be required to make a good-faith effort to merge with neighboring districts, but local voters will have the final say on whether mergers move forward. CESAs are required to be set up across the state with assistance from the Agency of Education and will provide services like special education, professional development, and administrative support. The CESAs should help districts lower costs by providing certain services in a more efficient way and improve outcomes by sharing best practices.

H.955 also includes the next steps in the implementation of the tax policy that was created in Act 73. Over the next few years, H.955 will make our education finance system more equitable, sustainable, and affordable by:

- Shifting from a property tax credit system that has provided relief to fewer and fewer households over the past several years to an exemption system that will support a wider spectrum of household incomes and property values
- Implementing regional assessment districts to make sure every municipality is reappraising properties at least every six years so that property taxes are spread fairly across the state
- Moving to a foundation formula for education funding in which the state uses a standard per-pupil calculation to determine how much funding each school district will receive versus the current system of funding locally passed budgets—guaranteeing resources to students regardless of their zip code.

- Implementing a tax on second homes that will raise additional revenue for our school system and relieve pressure on homestead and business taxpayers.

FUNDING SCHOOLS

The annual Yield Bill [H.949](#) funds schools and sets property tax rates. Spending on our schools and kids is one of the best ways we can use our resources— it’s an investment in our kid’s wellbeing, our democracy, and our economy. The majority of our education dollars get spent locally— on good jobs. Our statewide education fund means we’re all in this together— districts decide their budgets and then we all chip in to pay for our schools in one big fund.

Despite the best and sometimes drastic efforts of our school districts, education spending is growing faster than non-property tax revenues (sales tax, etc.), so property taxes need to increase to make up the difference. The spending growth cannot be attributed to any one cost, but is a mix of special education, healthcare costs, mental health costs, inflation, and infrastructure needs. In this year’s yield bill, we are able to offset tax increases for Vermonters at a time when many are struggling to pay their bills, by making a one-time transfer from the general fund.

These are difficult issues: school staff is working hard to teach our kids to learn and grow; school boards are working hard to govern our districts; our system is fragile; and our property taxes are too high. We have a path forward to strengthen our schools and communities, and to lower taxes, but we need to manage the next three years before the foundation formula and accompanying tax changes take effect. There is no perfect solution in the short term to meet the revenue needs of our schools—this yield bill represents savings for Vermonters and opportunities for our kids.

In this year’s Yield Bill, we directed \$4M of a general fund transfer toward enhancing the renter credit for next year and increasing the income threshold for the property tax “circuit breaker” from \$47,000 to

\$50,000—the first change in that threshold in decades. As a result, Vermonters with lower incomes will see higher tax credits or lower property taxes in the coming year. Because of the hard work of school boards across the state to tighten spending, and our agreement to use one-time funds, average property tax bills across the state are expected to increase by 3.5% next year, a considerable improvement from the 11.9% projected back in December. We give older Vermonters, Veterans, and low-income property owners greater assistance by increasing the limits for the “circuit breaker” tax credit for the first time since 1997 and provide renters with larger renter credit during an inflationary time when rent increases are outpacing wage increases. These are unstable times, and property taxes will likely stay challenging while we implement long-term changes in our property tax system. This yield bill sets us on a path towards that change. Know that we are committed to doing everything we can to stabilize and lower Vermonters’ property tax bills this year while maintaining essential public services and quality, public-education opportunities for our kids.

STAY IN TOUCH

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