

1 Introduced by Committee on Ways and Means

2 Date:

3 Subject: Education financing; education taxes; rewarning of school district
4 budgets

5 Statement of purpose of bill as introduced: This bill proposes to replace the
6 transition mechanism from Act 127 of 2022 with a new mechanism to help
7 school districts adapt to the new system for pupil weighting. This bill proposes
8 to allow school districts to cancel a district vote on the fiscal year 2025 budget,
9 amend the proposed budget, and hold a vote at a later date.

10 An act relating to transitioning education financing to the new system for
11 pupil weighting

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

13 Sec. 1. REPEAL

14 Notwithstanding 1 V.S.A. § 214, 2022 Acts and Resolves No. 127, Sec. 7
15 (calculation of tax rates and tax rate review) is repealed retroactively on June
16 1, 2022.

17 Sec. 2. TAX RATE TRANSITION; FISCAL YEARS 2025–2029

18 (a) For each school district, the Secretary of Education shall:

19 (1) calculate the long-term weighted average daily membership for
20 fiscal year 2024 using the funding formula in effect for that fiscal year;

1 (2) calculate the district’s percentage share of total long-term weighted
2 average daily membership for fiscal year 2024 when divided by the total long-
3 term weighted average daily membership for fiscal year 2024 for all districts;

4 (3) calculate the long-term weighted average daily membership for
5 fiscal year 2025 using the funding formula created by 2022 Acts and Resolves
6 No. 127; and

7 (4) calculate the district’s percentage share of total long-term weighted
8 average daily membership for fiscal year 2025 when divided by the total long-
9 term weighted average daily membership for fiscal year 2025 for all districts.

10 (b) For each school district, the Secretary shall calculate the relative
11 percent decrease or increase starting from the percentage determined under
12 subdivision (a)(2) of this section and compared to the percentage determined
13 under subdivision (a)(4) of this section.

14 (c) Notwithstanding 16 V.S.A. chapter 133, 32 V.S.A. chapter 135, or any
15 other provision of law to the contrary, a school district shall receive a decrease
16 to its equalized homestead property tax rate in fiscal year 2025 equal to \$0.01
17 for every relative percent decrease calculated under subsection (b) of this
18 section, rounded to the nearest whole cent. The tax rate decrease shall phase
19 out in the following manner:

1 (1) A district shall receive a decrease to its equalized homestead
2 property tax rate in fiscal year 2026 equal to 80 percent of the rate decrease it
3 received under subsection (b) of this section.

4 (2) A district shall receive a decrease to its equalized homestead
5 property tax rate in fiscal year 2027 equal to 60 percent of the rate decrease it
6 received under subsection (b) of this section.

7 (3) A district shall receive a decrease to its equalized homestead
8 property tax rate in fiscal year 2028 equal to 40 percent of the rate decrease it
9 received under subsection (b) of this section.

10 (4) A district shall receive a decrease to its equalized homestead
11 property tax rate in fiscal year 2029 equal to 20 percent of the rate decrease it
12 received under subsection (b) of this section.

13 (d) Notwithstanding subsection (c) of this section, 16 V.S.A. chapter 133,
14 32 V.S.A. chapter 135, or any other provision of law to the contrary, if a tax
15 rate decrease under this section would cause a district to have an equalized
16 homestead property tax rate of less than \$1.00, the rate shall instead be \$1.00.

17 (e) The tax rate decreases created under this section shall apply to all
18 homestead properties in a school district without regard for whether they are
19 income sensitized pursuant to 32 V.S.A. chapter 154.

1 (f) A district with a relative percent increase, as determined by the
2 calculations in subsections (a) and (b) of this section, shall not receive a
3 decrease in equalized homestead property tax rate under this section.

4 Sec. 3. SCHOOL DISTRICT BUDGETS; WARNINGS; APPROPRIATION

5 (a) School district budget vote. Notwithstanding any provision of law to
6 the contrary, the legislative body of a school district may cancel the district's
7 vote on an article or articles related to the fiscal year 2025 budget for the sole
8 purpose of amending the proposed budget. A district that cancels the vote on
9 its budget articles shall amend the warning for its annual district vote to state
10 that the budget vote is canceled and shall move the date of the budget vote to a
11 date on or before April 15, 2024.

12 (b) Appropriation. The sum of \$500,000.00 is appropriated from the
13 General Fund to the Secretary of State in fiscal year 2024 for the purpose of
14 offsetting election costs incurred by school districts as a direct result of
15 rewarning or postponing a school district budget vote pursuant to this section.

16 (c) Superseding authority. The temporary authority in subsection (a) of this
17 section shall supersede any conflicting provisions of a municipal or
18 educational charter.

19 Sec. 4. EFFECTIVE DATE

20 This act shall take effect on passage.