Sec. D.103 32 V.S.A. § 6075 is added to read:

§ 6075. SUPPLEMENTAL PROPERTY TAX RELIEF FUND

(a) There is created a special fund to be called the "supplemental property tax relief fund." **The purpose of the fund is to provide education property tax relief as determined by this section and further action of the legislature.** The fund shall be administered by the commissioner of taxes. The fund shall consist of receipts from subdivision 308c(a)(2) of this title. (b) Of the deposit made in the fund pursuant to subdivision 308c(a)(2) of this title, an amount not to exceed 50 percent of the increase in the forecasted available general fund projected for fiscal year 2014, shall be transferred and appropriated to the education fund. For the purposes of this calculation, any increase in the forecasted available general fund shall be reduced by the total of any legislative action projected to increase general fund taxes that result in additional revenue in excess of $1,000,000 over the revenue raised without legislative action in fiscal year 2014.

(c) Notwithstanding any other provision of law, an amount equal to the amount transferred to the education fund under subsection (b) of this section shall be added to the base amount used to calculate the general fund transfer under 16 V.S.A. § 4025(a)(2) for fiscal year 2105.

(d) The remaining balance in the supplemental property tax relief fund shall be available for the development of proposals for property tax relief. Uses that could be considered are: incentives or rewards to promote or control education spending while improving quality, ways to reduce the base percentage of income used to determine income sensitivity, options to increase the base education payment, and additional deposits into the education fund to reduce tax rates.

(e) By January 15, 2014, the joint fiscal office shall prepare a review and projection of revenues in the education fund which shall include identifying the historical trends in both the share of property tax and nonproperty tax revenues, and in the general fund transfer to the education fund.