

1 TO THE HONORABLE SENATE:

2 The Committee on Education to which was referred House Bill No. 853
3 entitled “An act relating to setting the nonresidential property tax rate, the
4 property dollar equivalent yield, and the income dollar equivalent yield for
5 fiscal year 2017, and other education changes” respectfully reports that it has
6 considered the same and recommends that the Senate propose to the House that
7 the bill be amended by striking out all after the enacting clause and inserting in
8 lieu thereof the following:

9 * * * Yields and Nonresidential Tax Rate * * *

10 Sec. 1. PROPERTY DOLLAR EQUIVALENT YIELD AND INCOME

11 DOLLAR EQUIVALENT YIELD FOR FISCAL YEAR 2017

12 Pursuant to 32 V.S.A. § 5402b(b), for fiscal year 2017 only:

13 (1) the property dollar equivalent yield is \$9,654.00; and

14 (2) the income dollar equivalent yield is \$10,803.00.

15 Sec. 2. NONRESIDENTIAL PROPERTY TAX RATE FOR FISCAL YEAR

16 2017

17 For fiscal year 2017 only, the nonresidential education property tax imposed

18 under 32 V.S.A. § 5402(a)(2) shall be reduced from the rate of \$1.59 and

19 instead be \$1.539 per \$100.00.

1 * * * Transfer of Debt of Merged Districts * * *

2 Sec. 3. TRANSFER OF DEBT OF MERGED DISTRICTS

3 (a) Notwithstanding any other provision of law, in the process of forming a
4 union school district under 16 V.S.A. chapter 11, a study committee report
5 under 16 V.S.A. § 706b may provide terms for transferring, either in whole or
6 part, the liability for any indebtedness held by a merging district, from the
7 merging district to the town or towns within the merging district.

8 (b) As used in this section, a union school district established under
9 16 V.S.A. chapter 11 includes a school district voluntarily created pursuant to
10 2015 Acts and Resolves No. 46, Sec. 6 or 7, or a regional education district, or
11 any other district eligible to receive incentives pursuant to 2010 Acts and
12 Resolves No. 153, as amended by 2012 Acts and Resolves No. 156 and
13 2013 Acts and Resolves No. 56.

14 * * * Duties of Secretary * * *

15 Sec. 4. 16 V.S.A. § 212 is amended to read:

16 § 212. SECRETARY'S DUTIES GENERALLY

17 The Secretary shall execute those policies adopted by the State Board in the
18 legal exercise of its powers and shall:

19 * * *

20 (9) Establish requirements for information to be submitted by school
21 districts, including necessary statistical data and other information and ensure,

1 to the extent possible, that data are reported in a uniform way. Data collected
2 under this subdivision shall include budget surplus amounts, reserve fund
3 amounts, and information concerning the purpose and use of any reserve funds.

4 * * *

5 * * * Study on Aggregate Common Level of Appraisal * * *

6 Sec. 5. COMMON LEVEL OF APPRAISAL; MERGED SCHOOL
7 DISTRICT; STUDY COMMITTEE; REPORT

8 (a) Creation. There is created a Common Level of Appraisal (CLA) Study
9 Committee to study the use of an aggregate common level of appraisal in a
10 merged school district to determine the statewide education tax for each
11 municipality in that district.

12 (b) Membership. The Committee shall be composed of the following five
13 members:

14 (1) the Director of Property Valuation and Review or designee, who
15 shall chair the Committee;

16 (2) two town listers appointed by the Vermont Association of Listers
17 and Assessors;

18 (3) one school board member from a merged district, appointed by the
19 Vermont School Board Association; and

20 (4) one member from the Vermont League of Cities and Towns,
21 appointed by the Board of Directors of that organization.

1 (c) Powers and duties. The Committee shall study the impact of
2 aggregating the common level of appraisal in a merged school district,
3 including the following issues:

4 (1) how to determine and calculate the aggregate CLA; and

5 (2) the potential impacts of aggregating the CLA, including any
6 advantages or disadvantages.

7 (d) Report. On or before December 15, 2016, the Committee shall submit a
8 written report to the House Committees on Ways and Means and on Education
9 and the Senate Committees on Finance and on Education with its findings and
10 any recommendations for legislative action.

11 (e) Assistance. For purposes of scheduling meetings and preparing
12 recommended legislation, the Committee shall have the assistance of
13 Department of Taxes.

14 (f) Meetings.

15 (1) The Director of Property Valuation and Review or designee shall
16 call the first meeting of the Committee to occur on or before August 1, 2016.

17 (2) A majority of the membership shall constitute a quorum.

18 (3) The Committee shall cease to exist on January 31, 2017.

19 (g) Compensation. Nonlegislative members of the Committee shall be
20 entitled to compensation as provided under 32 V.S.A. § 1010.

1 Sec. 6. REPORT ON THE IMPACT OF H.846 OF 2016

2 (a) On or before November 15, 2016, the Joint Fiscal Office, with the
3 assistance of the Office of Legislative Council and the Department of Taxes,
4 shall issue a report analyzing the impact of H.846 of 2016, an act related to
5 making changes to the calculation of the statewide education property tax. The
6 analysis shall be based on the statutory language presented to the House
7 Committee on Education on March 11, 2016. The report shall be delivered to
8 the Senate Committees on Finance and on Education and the House
9 Committees on Ways and Means and on Education.

10 (b) The report shall address:

11 (1) the impact of the proposed changes on education spending growth,
12 both at the district level and the State level;

13 (2) the impact of the proposed changes on school districts by spending
14 levels, size, location, and operating structure;

15 (3) the impact on homestead tax rates, income sensitivity percentages,
16 and nonresidential tax rates across the State;

17 (4) the impact of the proposed changes on the Education Fund balance;

18 (5) the funding stability of the proposed changes based on variable
19 economic conditions;

20 (6) any transition issues created by the proposed changes; and

21 (7) any related issues identified by the Joint Fiscal Office.

1 Sec. 7. REPORT ON THE IMPACT OF H.656 OF 2016

2 (a) On or before November 15, 2016, the Joint Fiscal Office, with the
3 assistance of the Office of Legislative Council and the Department of Taxes,
4 shall issue a report analyzing the impact of H.656 of 2016, an act relating to
5 creating an education tax that is adjusted by income for all taxpayers. The
6 report shall be delivered to the Senate Committees on Finance and on
7 Education and the House Committees on Ways and Means and on Education.

8 (b) The report shall address:

9 (1) the impact of the proposed changes on current groups of taxpayers,
10 including taxpayers who pay an education property tax based on property
11 value, those who pay based on income, and renters;

12 (2) the impact of imposing a cap, of various amounts, on the total
13 amount of taxes paid by a taxpayer under the proposal, but at least including an
14 analysis of a cap of \$25,000.00;

15 (3) the impact of the proposed changes on towns and the State, including
16 administrative issues resulting from the proposed changes;

17 (4) how the proposed changes to the current definition of housesite
18 impact taxpayers at different levels of income and different levels of property
19 values and how the changes would affect property owners with different
20 configurations of property ownership;

21 (5) any transition issues created by the proposed changes;

