



House Ways and Means Committee
June 5, 2018
H. 4 Income, Education and Municipal Taxation

Thank you for the opportunity to testify on the education funding provisions of H. 4.

We are very concerned that there seems to be no path to resolving the issue of education property tax rates and adjourning the 2018 Special Legislative Session ahead of the new fiscal year. We are also very concerned that the current dispute is doing real and lasting damage to the Vermont legislative process.

A mechanism such as that introduced last week in the context of H. 13, to split surplus revenues between keeping education tax rates level and paying down obligations for teachers' pensions could be a reasonable solution to the immediate problem of how to resolve the legislature's and Governor's differences around the education property tax rates for both residential and non-residential payers.

We believe that local voters who actually voted at Town Meeting were less certain than usual about what the impact of their vote would be on their education property tax rate or bill.

February 5 was the last day to warn the town meeting for the first Tuesday in March. In January and February as towns were preparing for Town Meeting and budgets had already been lodged, this committee held a public hearing on a significantly different education funding system proposal and billing system. On March 2, four days before Town Meeting, H. 911 was introduced in the House.

According to the Secretary of State's website Town Meeting Statistics for 2018, there were 583,648 voters on Town Meeting checklists. There were 12,226 voters who comprised the highest vote count at floor meetings and 89,484 voters who voted Australian ballot or via absentee ballot. Those voters totaled 17.4 percent of eligible voters. As a result of these two realities, we think that the argument that Vermonters knew what tax rates or tax bills they were voting for – if they voted – is an argument not supported by the facts.

<https://www.sec.state.vt.us/elections/town-meeting-local-elections.aspx>

Two sections of H. 4 are of particular concern to us beyond the discussion of education property tax rates. We believe it is far too late in the year to dictate a change in the presentation of property tax bills (Section 12). We are hearing from clerks every day about this provision and we urge you to delay implementation for a year.



We support lowering the housesite values and equalized housesite values for computation property tax adjustments in order to tie education property taxes more closely to the budgets that are passed at Town Meeting. (Section 14)

We support the establishment of a Tax Structure Commission. (Section 15)

Thank you for the opportunity to testify.

*Karen Horn, Director
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