

H.437

Introduced by Representatives Lefebvre of Newark and Ode of Burlington

Referred to Committee on

Date:

Subject: Education tax adjustment; exemption from Act 46 limitation on
education tax rate changes

Statement of purpose of bill as introduced: This bill proposes, for a school district that pays tuition for all resident students in prekindergarten through grade 12 and that would, under current law, incur an increase in its education tax rate of greater than 25 percent from its prior fiscal year, to (i) reduce its education tax rate for its current fiscal year to 25 percent more than the district's education tax rate for its prior fiscal year; and (ii) exempt it from the limitation on education tax rate changes imposed under Act 46.

An act relating to education taxes for certain school districts

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

Sec. 1. CALCULATION OF EDUCATION PROPERTY TAX SPENDING

ADJUSTMENT AND EDUCATION INCOME TAX SPENDING

ADJUSTMENT FOR CERTAIN SCHOOL DISTRICTS AND

EXEMPTION FROM ACT 46 LIMITATION ON EDUCATION

TAX RATE CHANGES FOR THESE SCHOOL DISTRICTS

1 (a) This section shall apply if a school district operates no schools and pays
2 tuition for all resident students in prekindergarten through grade 12, and either:

3 (1) the education property tax spending adjustment under 32 V.S.A.
4 § 5401 (13)(A) for the district's current fiscal year exceeds the district's
5 education property tax spending adjustment for the district's prior fiscal year
6 by more than 25 percent; or

7 (2) the education income tax spending adjustment under 32 V.S.A.
8 § 5401 (13)(B) for the district's current fiscal year exceeds the district's
9 education income tax spending adjustment for the district's prior fiscal year by
10 more than 25 percent.

11 (b) If the conditions in subdivision (a)(1) of this section are met, the education
12 property tax spending adjustment shall be modified for the district's current fiscal year
13 to equal an amount that is 25 percent more than the district's education property tax
14 spending adjustment for the district's prior fiscal year.

15 (c) If the conditions in subdivision (a)(2) of this section are met, the education
16 income tax spending adjustment shall be modified for the district's current fiscal
17 year to equal an amount that is 25 percent more than the district's education
18 income tax spending adjustment for the district's prior fiscal year.

19 (d)(1) As used in this subsection, a "consolidating district" means a school
20 district that:

21 (A) operates no schools and pays tuition for all resident students in
22 prekindergarten through grade 12;

1 (B) meets either condition in subdivision (1) or (2) in subsection (a)
2 of this section; and

3 (C) consolidates under 2015 Acts and Resolves No. 46, Sec. 7 into a
4 new district.

5 (2) As used in this subsection, a “consolidated district” means a school
6 district into which the consolidating district consolidates.

7 (3) For any year in which a consolidated district’s equalized homestead
8 tax rate or household income percentage is reduced under 2015 Acts and
9 Resolves No. 46, Sec. 7(b)(1), subdivision 7(b)(1)(C) of that act, which limits
10 the amount by which tax rates are permitted to change, shall not apply to the
11 town associated with the consolidating district for that year.

12 Sec. 2. EFFECTIVE DATE

13 This act shall take effect on passage.