

Essex North Supervisory Union

(Averill, Avery's Gore, Bloomfield, Brunswick, Canaan,
Lemington, Lewis, Norton, Warner's Grant and Warren's
Gore)

Christopher R. Masson
Superintendent
P. O. Box 100
Canaan, VT 05903-0100

Internet: crmasson@canaanschools.org

Telephone (802) 266-3330
Fax (802) 266-7085

M E M O

TO: David Sharpe, Chair, Vermont House Education Committee

FROM: Christopher R. Masson, Superintendent

SUBJECT: Potential Impact of Act 153's 5% Throttle on District's with Unusually High Tax Rates

DATE: March 14, 2017

CC: File
Paul Lefebvre, State Representative
Jeff Francis, Executive Director, VSA
Nicole Mace, Executive Director, VSBA
Lemington School Board

ENC: Copy – Three Prior Years Comparisons Sheet - Lemington

Last week, nine out of ten northeast kingdom school districts voted to merge into the NEK Choice School District. The lone district to vote down the merger plan was Lemington. The main reason that Lemington voters rejected the idea of joining the NEK Choice School District was related to their current tax situation and the 5% throttle as described in Act 153.

Sec. 4 of Act 153 states:

'...(2) During the years in which a RED's equalized homestead property tax rate is decreased pursuant to this subsection, the rate for each town within the RED shall not increase or decrease by more than five percent in a single year. The household income percentage shall be calculated accordingly.'

The inability of Lemington's tax rate to decrease by more than 5% a year over the next four years (the amount of years that the tax incentives take place) is an issue for Lemington. In 2017, at \$2.37, Lemington had the highest tax rate in the State of Vermont. In FY15, just two years earlier, Lemington's tax rate was \$1.02. This community is still recuperating from the tax bills they received last fall. Lemington will only "get on board" with the new NEK Choice School District through assurances that their tax situation will get better as quickly as possible.

Included with this memo you will find of the AOE's Three Prior Year Comparison Sheet showing Lemington's tax rate for FY15-FY17 as well as a projected tax rate for next year (FY18). Obviously, Lemington's tax rate is not going to return to its FY15 rate without a number of students moving from the district. But, with the equalized pupil count catching up to where it should be and the final

payment of a loan (to cover unanticipated tuition expenses) in FY19, their tax rate should continue to decrease if they stay as they are.

I write requesting consideration for Lemington's situation. I am confident that they are not the only small district to see a recent tax increase that would make merging under Acts 46 or 153 an unattractive proposition, and suggest some form of legislative tweak that would allow for Lemington to join with the NEK Choice School District prior to July 1, 2017. Specifically, a change to the law that would allow K-12 choice districts that have seen recent significant unanticipated tax increases to immediately join a unified union district at the merged rate should be considered. This change to the law would remove the 5% throttle and should alleviate Lemington's concern that joining the NEK Choice School District will hold them at their present tax rate of over \$2.00 longer than if they do not vote to merge.

I am free to discuss this issue further at any time and know that many of Lemington's residents would be willing to come to Montpelier to speak with the Committee if called upon to do so.

Thank you for your consideration.