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1	TO THE HOUSE OF REPRESENTATIVES:
2	The Committee on Ways and Means to which was referred House Bill No.
3	509 entitled "An act relating to calculating statewide education tax rates"
4	respectfully reports that it has considered the same and recommends that the
5	bill be amended as follows:
6	<u>First</u> : By striking out Secs. 1–8 and inserting in lieu thereof the following:
7	* * * Yields and Nonresidential Tax Rate * * *
8	Sec. 1. PROPERTY DOLLAR EQUIVALENT YIELD AND INCOME
9	DOLLAR EQUIVALENT YIELD FOR FISCAL YEAR 2018
10	Pursuant to 32 V.S.A. § 5402b(b), for fiscal year 2018 only:
11	(1) the property dollar equivalent yield is \$10,077.00; and
12	(2) the income dollar equivalent yield is \$11,851.00.
13	Sec. 2. NONRESIDENTIAL PROPERTY TAX RATE FOR FISCAL YEAR
14	2018
15	For fiscal year 2018 only, the nonresidential education property tax imposed
16	under 32 V.S.A. § 5402(a)(2) shall be reduced from the rate of \$1.59 and
17	instead be \$1.555 per \$100.00.

1	* * * Unfunded Mandates* * *
2	Sec. 3. 32 V.S.A. § 305b is added to read:
3	§ 305b. UNFUNDED EDUCATION MANDATE AMOUNT TRANSFER
4	Within 30 days after the end of each annual legislative session of the
5	General Assembly, the Joint Fiscal Office and the Secretary of Administration
6	in consultation with the Secretary of Education shall estimate the "unfunded
7	education mandate amount." This estimate shall equal the total dollar amount
8	required for supervisory unions and school districts to perform any action that
9	is required pursuant to legislation enacted during that annual legislative
10	session, and which has a related direct cost, but does not have a specifically
11	identified appropriation for fulfilling that obligation. The estimate shall be for
12	the fiscal year commencing on July 1 of the following year. The Joint Fiscal
13	Office and the Secretary of Administration shall present the unfunded
14	education mandate amount estimate to the Emergency Board at its July
15	meeting and the Emergency Board shall determine the unfunded education
16	mandate amount. The Governor's budget report required under section 306 of
17	this title shall include a transfer of this amount from the General Fund pursuant
18	to 16 V.S.A. § 4025(a)(2) for the fiscal year commencing on July 1 of the
19	following year.

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1	Sec. 4. 16 V.S.A. § 4025 is amended to read:
2	§ 4025. EDUCATION FUND
3	(a) An The Education Fund is established to comprise the following:
4	* * *
5	(2) For each fiscal year, the amount of the general funds appropriated or
6	transferred to the Education Fund shall be \$305,900,000.00, to be:
7	(A) the total of \$305,900,000.00 plus the unfunded education
8	mandate amount, as defined in subsection (e) of this section;
9	(B) increased annually beginning for fiscal year 2018 by the
10	consensus Joint Fiscal Office and Administration determination of the National
11	Income and Product Accounts (NIPA) Implicit Price Deflator for State and
12	Local Government Consumption Expenditures and Gross Investment as
13	reported by the U.S. Department of Commerce, Bureau of Economic Analysis
14	through the fiscal year for which the payment is being determined;
15	(C) plus an additional one-tenth of one percent.
16	* * *
17	(e) As used in this section, "unfunded education mandate amount" shall
18	mean the amount appropriated by the General Assembly in any fiscal year for
19	the purpose of providing funding for supervisory unions and school districts to
20	perform any action that is required pursuant to legislation, and which has a
21	related direct cost, but does not otherwise have a specifically identified

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1	appropriation for fulfilling that obligation. The "unfunded education mandate
2	amount" shall include the cumulative amount of these appropriations for all
3	fiscal years in which they are made.
4	Sec. 5. 16 V.S.A. § 4028(d) is amended to read:
5	(d) Notwithstanding 2 V.S.A. § 502(b)(2), the Joint Fiscal Office shall
6	prepare a fiscal note for any legislation that requires a supervisory union or
7	school district to perform any action with an associated a related direct cost,
8	but does not provide money or a funding mechanism have a specifically
9	identified appropriation for fulfilling that obligation. Any fiscal note prepared
10	under this subsection shall identify whether or not the estimated costs would be
11	considered part of the "unfunded education mandate amount" under 32 V.S.A.
12	§ 305b for the next fiscal year. Any fiscal note prepared under this subsection
13	shall be completed no later than the date that the legislation is considered for a
14	vote in the first committee to which it is referred.
15	and by renumbering the remaining sections to be numerically correct.
16	Second: By striking out the original Sec. 10 (effective dates) in its entirety,
17	and inserting in lieu thereof the following:
18	Sec. 7. EFFECTIVE DATE
19	This act shall take effect July 1, 2017 and apply to fiscal year 2018 and
20	after.
21	

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1		
2	(Committee vote:)	
3		
4		Representative
5		FOR THE COMMITTEE