

H.509

An act relating to calculating statewide education tax rates

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

* * * Yields and Nonresidential Tax Rate * * *

Sec. 1. PROPERTY DOLLAR EQUIVALENT YIELD AND INCOME

DOLLAR EQUIVALENT YIELD FOR FISCAL YEAR 2018

Pursuant to 32 V.S.A. § 5402b(b), for fiscal year 2018 only:

(1) the property dollar equivalent yield is \$10,077.00; and

(2) the income dollar equivalent yield is \$11,851.00.

Sec. 2. NONRESIDENTIAL PROPERTY TAX RATE FOR FISCAL YEAR

2018

For fiscal year 2018 only, the nonresidential education property tax imposed under 32 V.S.A. § 5402(a)(2) shall be reduced from the rate of \$1.59 and instead be \$1.555 per \$100.00.

* * * Unfunded Mandates* * *

Sec. 3. 32 V.S.A. § 305b is added to read:

§ 305b. UNFUNDED EDUCATION MANDATE AMOUNT TRANSFER

Within 30 days after the end of each annual legislative session of the General Assembly, the Joint Fiscal Office and the Secretary of Administration in consultation with the Secretary of Education, and with the Secretary of Human Services as appropriate, shall estimate the “unfunded education

mandate amount.” This estimate shall equal the total dollar amount required for supervisory unions and school districts to perform any action that is required pursuant to legislation enacted during that annual legislative session, and which has a related direct cost, but does not have a specifically identified appropriation for fulfilling that obligation. The estimate shall be for the fiscal year commencing on July 1 of the following year. The Joint Fiscal Office and the Secretary of Administration shall present the unfunded education mandate amount estimate to the Emergency Board at its July meeting and the Emergency Board shall determine the unfunded education mandate amount. The Governor’s budget report required under section 306 of this title shall include a transfer of this amount from the General Fund pursuant to 16 V.S.A. § 4025(a)(2) for the fiscal year commencing on July 1 of the following year.

Sec. 4. 16 V.S.A. § 4025 is amended to read:

§ 4025. EDUCATION FUND

(a) ~~An~~ The Education Fund is established to comprise the following:

* * *

(2) For each fiscal year, the amount of the general funds appropriated or transferred to the Education Fund shall be ~~\$305,900,000.00, to be:~~

(A) the total of \$305,900,000.00 plus the unfunded education mandate amount, as defined in subsection (e) of this section;

(B) increased annually beginning for fiscal year 2018 by the consensus Joint Fiscal Office and Administration determination of the National Income and Product Accounts (NIPA) Implicit Price Deflator for State and Local Government Consumption Expenditures and Gross Investment as reported by the U.S. Department of Commerce, Bureau of Economic Analysis through the fiscal year for which the payment is being determined;

(C) plus an additional one-tenth of one percent.

* * *

(e) As used in this section, “unfunded education mandate amount” shall mean the amount appropriated by the General Assembly in any fiscal year for the purpose of providing funding for supervisory unions and school districts to perform any action that is required pursuant to legislation, and which has a related direct cost, but does not otherwise have a specifically identified appropriation for fulfilling that obligation. The “unfunded education mandate amount” shall include the cumulative amount of these appropriations for all fiscal years in which they are made.

Sec. 5. 16 V.S.A. § 4028(d) is amended to read:

(d) Notwithstanding 2 V.S.A. § 502(b)(2), the Joint Fiscal Office shall prepare a fiscal note for any legislation that requires a supervisory union or school district to perform any action with ~~an associated~~ a related direct cost, but does not ~~provide money or a funding mechanism~~ have a specifically

identified appropriation for fulfilling that obligation. Any fiscal note prepared under this subsection shall identify whether or not the estimated costs would be considered part of the “unfunded education mandate amount” under 32 V.S.A. § 305b for the next fiscal year. Any fiscal note prepared under this subsection shall be completed no later than the date that the legislation is considered for a vote in the first committee to which it is referred.

* * * Property and Debt of Merging Districts * * *

Sec. 6. TRANSFER OF PROPERTY AND DEBT OF MERGED DISTRICTS

(a) Notwithstanding any other provision of law, under 16 V.S.A. § 706b(6)–(8), a study committee report may provide terms for transferring the ownership of capital assets, and the liability for any associated debt, from the merging districts to the towns within the merging district where those assets are fixed. A study committee report may also provide terms for leases governing the management of these same capital assets.

(b) A transfer of assets included in a study committee report under this section and approved under 16 V.S.A. chapter 11 shall not be considered a sale for the purpose of the refund upon sale requirement of 16 V.S.A. § 3448(b).

(c) As used in this section, a union school district established under 16 V.S.A. chapter 11 includes a school district voluntarily created pursuant to 2015 Acts and Resolves No. 46, Sec. 6 or 7, or a regional education district, or any other district eligible to receive incentives pursuant to 2010 Acts and

Resolves No. 153, as amended by 2012 Acts and Resolves No. 156 and
2013 Acts and Resolves No. 56.

* * * Effective Date * * *

Sec. 7. EFFECTIVE DATE

This act shall take effect July 1, 2017 and apply to fiscal year 2018 and
after.