

1 H.959

2 Introduced by Committee on Ways and Means

3 Date:

4 Subject: Taxation; statewide education property tax; yields; nonhomestead rate

5 Statement of purpose of bill as introduced: This bill proposes to establish the
6 statewide education property tax yields and nonhomestead rate for
7 fiscal year 2021. This bill proposes to allow the Education Fund to
8 incur a deficit. This bill also proposes to return fiscal year 2019 and
9 2020 education property tax overpayments to certain school districts
10 in fiscal year 2021.

11 An act relating to education property tax

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

13 * * * Statewide Education Property Tax Yields and

14 Nonhomestead Rate * * *

15 Sec. 1. PROPERTY DOLLAR EQUIVALENT YIELD, INCOME DOLLAR

16 EQUIVALENT YIELD, AND NONHOMESTEAD RATE FOR

17 FISCAL YEAR 2021

18 (a) Pursuant to 32 V.S.A. § 5402b(b), for fiscal year 2021 only, the

19 property dollar equivalent yield shall be \$10,998.00.

1 (b) Pursuant to 32 V.S.A. § 5402b(b), for fiscal year 2021 only, the income
2 dollar equivalent yield shall be \$13,535.00.

3 (c) Notwithstanding any other provision of law, the nonhomestead rate for
4 fiscal year 2021 shall be \$1.628 per \$100.00 of equalized education property
5 value under 32 V.S.A. § 5402(a)(1).

6 ~~Sec. 2. EDUCATION FUND DEFICIT; REPAYMENT~~

7 (a) Notwithstanding any provision of law to the contrary, beginning in
8 fiscal year 2021, the Education Fund may incur a deficit.

9 (b) If a deficit in the Education Fund is projected or created for fiscal 2021
10 or any succeeding fiscal year, it is the intent of the General Assembly to
11 address the deficit as follows:

12 (1) using federal funds to the greatest extent possible;

13 (2) applying reversions;

14 (3) drawing down the stabilization reserve;

15 (4) using other sources of revenue;

16 (5) reducing costs;

17 (6) borrowing pursuant to Sec. 3 of this act; and

18 (7) using any other source of funding, including making appropriations

19 ~~from the General Fund or other funds.~~

Sec. 2. EDUCATION FUND DEFICIT; REPAYMENT

If a deficit in the Education Fund is projected or created for fiscal year
2021, it is the intent of the General Assembly to address the deficit as follows:

(1) using federal funds to the greatest extent possible;

(2) applying reversions;

(3) drawing down the stabilization reserve;

(4) using other sources of revenue;

(5) reducing costs;

(6) borrowing pursuant to Sec. 3 of this act; and

(7) using any other source of funding, including making appropriations from the General Fund or other funds.

1 Sec. 3. INTERFUND LOANS; BORROWING; STATE TREASURER

2 (a) If a deficit in the Education Fund is projected or created pursuant to
3 Sec. 2 of this act, after consideration of all other sources of funding, it is the
4 intent of the General Assembly to authorize appropriation of sufficient revenue
5 to ~~support~~ *repay* interfund loans and borrowing.

6 (b) Notwithstanding any provision of law to the contrary, the State
7 Treasurer may use interfund loans from the General Fund and any other form
8 of borrowing authorized under Vermont law for the purpose of making
9 payments into the Education Fund as one means to address a deficit incurred
10 pursuant to Sec. 2 of this act. Monies loaned or transferred under this section
11 shall be identified and used exclusively for the purposes of addressing any
12 Education Fund deficit. Monies loaned or transferred under this section shall
13 be repaid on or before June 30, 2026.

14 * * * Homestead Rates; Fiscal Years 2019 and 2020 * * *

15 Sec. 4. COMPENSATION FOR OVERPAYMENT

16 (a) Notwithstanding any other provision of law, the sum of \$148,775.50
17 shall be transferred from the Education Fund to the Thetford School District in

1 fiscal year 2021 to compensate the homestead taxpayers of the school district
2 for an overpayment of education taxes in fiscal year 2020 due to an erroneous
3 classification of certain payments for the purposes of the excess spending
4 threshold.

5 (b) Notwithstanding any other provision of law, the sum of \$48,081.57
6 shall be transferred from the Education Fund to the Town of Barnard in fiscal
7 year 2021 to compensate the homestead taxpayers of the Town of Barnard for
8 an overpayment of education taxes in fiscal year 2020 due to erroneous
9 accounting of certain students for the purposes of calculating average daily
10 membership. The transfer under this section shall be made directly to the
11 Town of Barnard pursuant to the vote to dissolve the Barnard School District
12 and merge with the Windsor Central Modified Unified Union School District,
13 effective July 1, 2020.

14 (c) Notwithstanding any other provision of law, the sum of \$275,462.82
15 shall be transferred from the Education Fund to the Windsor Central Unified
16 Union School District U076B in fiscal year 2021 to compensate the homestead
17 taxpayers of the school district for an overpayment of education taxes in fiscal
18 year 2019 due to an erroneous determination that the excess spending penalty
19 threshold was exceeded by the per-pupil spending of the U076B school
20 district.

21 * * * Effective Date * * *

22 Sec. 5. EFFECTIVE DATE

1 This act shall take effect on July 1, 2020.