

1 Sec. **X**. FY 2022 PROPERTY TAX RATES; COMMISSIONER’S
2 DECEMBER 1 LETTER; FY 2021 PROJECTED EDUCATION
3 FUND DEFICIT

4 (a) Findings and purpose. Vermont law under 32 V.S.A. § 5402b(a)
5 requires the Commissioner of Taxes, not later than December 1, 2020, to
6 calculate and recommend statewide education property tax rates for fiscal year
7 2022. In making that recommendation, the Commissioner must calculate tax
8 rates at an amount sufficient to cover any projected fiscal year 2021 deficit and
9 to maintain the stabilization reserve under 16 V.S.A. § 4026 at five percent. In
10 Sec. 2 of 2020 Acts and Resolves No. 122, however, the General Assembly
11 expressed its intent to address any projected deficit in the Education Fund for
12 fiscal year 2021 by using federal funds, applying reversions, drawing down the
13 stabilization reserve, using other sources of revenue, reducing costs,
14 borrowing, or using any other source of funding, including making
15 appropriations from the General Fund or other funds. The actions outlined in
16 Act 122 with respect to a projected deficit are intended to relieve school boards
17 of the burden of accounting for any projected deficit through school budgeting
18 decisions. Given that the statutory requirements imposed on the
19 Commissioner for tax rate recommendations would not reflect the General
20 Assembly’s express intent in Act 122, the Commissioner shall calculate and

1 recommend statewide education property tax rates for fiscal year 2022 as
2 established under this section.

3 (b) December 1 letter for fiscal year 2022. Notwithstanding any other
4 provision of law, to the extent that the fiscal year 2022 consensus projections
5 under 32 V.S.A. § 5402b include a deficit in the Education Fund for fiscal year
6 2021, when calculating and making recommendations for the fiscal year 2022
7 property dollar equivalent yield, income dollar equivalent yield, and
8 nonhomestead property tax rate as required under 32 V.S.A. § 5402b(a), the
9 Commissioner shall:

10 (1) disregard the projected deficit in the Education Fund for fiscal year
11 2021; and

12 (2) assume the stabilization reserve created under 16 V.S.A. § 4026 is
13 maintained for fiscal year 2022 at the fiscal year 2021 amount published in the
14 Education Fund Outlook on or before December 1, 2020 as required under
15 32 V.S.A. § 5402b(c).