

1 Introduced by Committee on Ways and Means

2 Date:

3 Subject: Taxation; statewide education property tax; yields; non-homestead
4 rate

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

10 An act relating to education property tax

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

12 * * * Statewide Education Property Tax Yields and Nonhomestead Rate * * *

13 Sec. 1. PROPERTY DOLLAR EQUIVALENT YIELD, INCOME DOLLAR
14 EQUIVALENT YIELD, AND NON-HOMESTEAD RATE FOR
15 FISCAL YEAR 2021

16 (a) Pursuant to 32 V.S.A. § 5402b(b), for fiscal year 2021 only, the
17 property dollar equivalent yield shall be \$10,998.00.

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

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

4 Sec. 2. EDUCATION FUND DEFICIT; REPAYMENT

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

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

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

11 (2) applying reversions;

12 (3) drawing down the stabilization reserve;

13 (4) using other sources of revenue;

14 (5) reducing costs;

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

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

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

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

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

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

10 Sec. 4. COMPENSATION FOR OVERPAYMENT

11 (a) Notwithstanding any other provision of law, the sum of \$148,775.50
12 shall be transferred from the Education Fund to the Thetford School District in
13 fiscal year 2021 to compensate the homestead taxpayers of the school district
14 for an overpayment of education taxes in fiscal year 2020 due to an erroneous
15 classification of certain payments for the purposes of the excess spending
16 threshold.

17 (b) Notwithstanding any other provision of law, the sum of \$48,081.57
18 shall be transferred from the Education Fund to the Town of Barnard in fiscal
19 year 2021 to compensate the homestead taxpayers of the Town of Barnard for
20 an overpayment of education taxes in fiscal year 2020 due to erroneous
21 accounting of certain students for the purposes of calculating average daily
22 membership. The transfer under this section shall be made directly to the

1 Town of Barnard pursuant to the vote to dissolve the Barnard School District
2 and merge with the Windsor Central Modified Unified Union School District,
3 effective July 1, 2020.

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

10 * * * Effective Date * * *

11 Sec. 5. EFFECTIVE DATE

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