

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Ways and Means to which was referred Senate Bill No.  
3 27 entitled “An act relating to maintaining the home health agency provider  
4 tax” respectfully reports that it has considered the same and recommends that  
5 the House propose to the Senate that the bill be amended by striking out all  
6 after the enacting clause and inserting in lieu thereof the following:

7 Sec. 1. FY 2022 PROPERTY TAX RATES; COMMISSIONER’S  
8 DECEMBER 1 LETTER; FY 2021 PROJECTED EDUCATION  
9 FUND DEFICIT

10 (a) Findings and purpose. Vermont law under 32 V.S.A. § 5402b(a)  
11 requires the Commissioner of Taxes, not later than December 1, 2020, to  
12 calculate and recommend statewide education property tax rates for fiscal year  
13 2022. In making that recommendation, the Commissioner must calculate tax  
14 rates at an amount sufficient to cover any projected fiscal year 2021 deficit and  
15 to maintain the stabilization reserve under 16 V.S.A. § 4026 at five percent. In  
16 2020 Acts and Resolves No. 122, Sec. 2, however, the General Assembly  
17 expressed its intent to address any projected deficit in the Education Fund for  
18 fiscal year 2021 by using federal funds, applying reversions, drawing down the  
19 stabilization reserve, using other sources of revenue, reducing costs,  
20 borrowing, or using any other source of funding, including making  
21 appropriations from the General Fund or other funds. The actions outlined in

1 Act 122 with respect to a projected fiscal year 2021 deficit in the Education  
2 Fund are intended to relieve school boards of the responsibility for responding  
3 to such projected fiscal year 2021 deficit through school budgeting decisions  
4 for fiscal year 2022. Given that the statutory requirements imposed on the  
5 Commissioner for tax rate recommendations would not reflect the General  
6 Assembly’s express intent in Act 122, the Commissioner shall calculate and  
7 recommend statewide education property tax rates for fiscal year 2022 as  
8 established under this section.

9 (b) December 1 letter for fiscal year 2022. Notwithstanding any other  
10 provision of law, to the extent that the fiscal year 2022 consensus projections  
11 under 32 V.S.A. § 5402b include a deficit in the Education Fund for fiscal year  
12 2021, when calculating and making recommendations for the fiscal year 2022  
13 property dollar equivalent yield, income dollar equivalent yield, and  
14 nonhomestead property tax rate as required under 32 V.S.A. § 5402b(a), the  
15 Commissioner shall:

16 (1) disregard the projected deficit in the Education Fund for fiscal year  
17 2021; and

18 (2) assume the stabilization reserve created under 16 V.S.A. § 4026 is  
19 maintained for fiscal year 2022 at the fiscal year 2021 amount published in the  
20 Education Fund Outlook on or before December 1, 2020 as required under  
21 32 V.S.A. § 5402b(c).

1       Sec. 2. EFFECTIVE DATE

2           This act shall take effect on passage.

3           and that after passage the title of the bill be amended to read: “An act  
4 relating to the Commissioner of Taxes’ December 1 property tax rate letter for  
5 fiscal year 2022”

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10           (Committee vote: \_\_\_\_\_)

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Representative \_\_\_\_\_

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FOR THE COMMITTEE