

H.959

An act relating to education property tax

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

* * * Statewide Education Property Tax Yields and

Nonhomestead Rate * * *

Sec. 1. PROPERTY DOLLAR EQUIVALENT YIELD, INCOME DOLLAR
EQUIVALENT YIELD, AND NONHOMESTEAD RATE FOR
FISCAL YEAR 2021

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

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

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

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.

Sec. 3. INTERFUND LOANS; BORROWING; STATE TREASURER

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

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

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

Sec. 4. COMPENSATION FOR OVERPAYMENT

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

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

(c) Notwithstanding any other provision of law, the sum of \$275,462.82 shall be transferred from the Education Fund to the Windsor Central Unified Union School District U076B in fiscal year 2021 to compensate the homestead taxpayers of the school district for an overpayment of education taxes in fiscal

year 2019 due to an erroneous determination that the excess spending penalty threshold was exceeded by the per-pupil spending of the U076B school district.

* * * Effective Date * * *

Sec. 5. EFFECTIVE DATE

This act shall take effect on July 1, 2020.