

1 S.169

2 Introduced by Senator Cummings

3 Referred to Committee on Finance

4 Date: January 4, 2022

5 Subject: Taxation; education property tax; overpayment; municipalities and
6 school districts; Secretary of Education

7 Statement of purpose of bill as introduced: This bill proposes to refund
8 education property tax overpayments made by the City of Barre in fiscal years
9 2016 to 2019 due to a miscalculation of the amount of tax increment to be
10 retained by the City from its Tax Increment Financing District Fund. This bill
11 also proposes to authorize the Secretary of Education to refund a municipality
12 or school district an overpayment of education property tax when the
13 overpayment was caused by error or miscalculation, provided the Secretary of
14 Education annually reports to the General Assembly all anticipated refunds to
15 municipalities or school districts prior to issuance.

16 An act relating to education property tax overpayments by a municipality or
17 school district

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

2 ~~Sec. 1. EDUCATION FUND REFUND, CITY OF BARRE TIF DISTRICT,~~
3 ~~TAX INCREMENT; FY 2016–FY 2019~~

~~Notwithstanding 16 V.S.A. chapter 133 and any other provision of law to
the contrary, the sum of \$20,962.00 shall be transferred from the Education
Fund to the City of Barre not later than ~~fiscal year 2020~~ *June 30, 2022* to
compensate the City for overpayments of education property taxes in fiscal
years 2016 to 2019 due to insufficient retention of tax increment from the
City's Tax Increment Financing District Fund.~~

Sec. 1. [Deleted.]

4 Sec. 2. 16 V.S.A. § 4011 is amended to read:

5 § 4011. EDUCATION PAYMENTS

6 (a) Annually, the General Assembly shall appropriate funds to pay for
7 statewide education spending and a portion of a base education amount for
8 each adult diploma student.

9 * * *

10 (c) Annually, each school district shall receive an education spending
11 payment for support of education costs. An unorganized town or gore shall
12 receive an amount equal to its adjusted education payment for that year for
13 each student based on the weighted average daily membership count, which

1 shall not be equalized. In fiscal years 2007 and after, no district shall receive
2 more than its education spending amount.

(d) Annually, on or before June 30, the Secretary may authorize refunds from the Education Fund to a municipality or a school district for that municipality's or school district's overpayments of the statewide education property tax during the immediately preceding four fiscal years, provided the overpayments were caused by clerical or administrative error or miscalculation. Annually, on or before January 15, the Secretary of Education shall report to the ~~General Assembly~~ *House Committees on Education and on Ways and Means and the Senate Committees on Education and on Finance* all anticipated refunds to municipalities or school districts under this subsection prior to issuance.

3 * * *

4 Sec. 3. 16 V.S.A. § 4025(b) is amended to read:

5 (b) Monies in the Education Fund shall be used for the following:

6 * * *

(6) To refund municipalities and school districts under subsection 4011(d) of this title for overpayments caused by clerical or administrative error or miscalculation, as determined by the Secretary of Education *in consultation with the Commissioner of Taxes.*

1 Sec. 4. EFFECTIVE DATE

This act shall take effect on ~~July 1, 2022~~ *July 1, 2022*.