

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Ways and Means to which was referred House Bill
3 No. 152 entitled “An act relating to education property tax” respectfully
4 reports that it has considered the same and recommends that the bill be
5 amended by striking out all after the enacting clause and inserting in lieu
6 thereof the following:

7 * * * Yields; Nonhomestead Rate * * *

8 Sec. 1. PROPERTY DOLLAR EQUIVALENT YIELD, INCOME DOLLAR
9 EQUIVALENT YIELD, AND NONHOMESTEAD RATE FOR
10 FISCAL YEAR 2022

11 (a) Pursuant to 32 V.S.A. § 5402b(b), for fiscal year 2022 only, the
12 property dollar equivalent yield shall be \$11,317.00.

13 (b) Pursuant to 32 V.S.A. § 5402b(b), for fiscal year 2022 only, the income
14 dollar equivalent yield shall be \$13,770.00.

15 (c) Notwithstanding 32 V.S.A. § 5402(a)(1) and any other provision of law
16 to the contrary, the tax rate for nonhomestead property for fiscal year 2022
17 shall be \$1.612 per \$100.00 of equalized education property value.

18 * * * Exclusion from Excess Spending Penalty; Capital Project Costs * * *

19 Sec. 2. 16 V.S.A. § 4001 is amended to read:

20 § 4001. DEFINITIONS

21 As used in this chapter:

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(6) “Education spending” means the amount of the school district budget, any assessment for a joint contract school, career technical center payments made on behalf of the district under subsection 1561(b) of this title, and any amount added to pay a deficit pursuant to 24 V.S.A. § 1523(b) that is paid for by the school district, but excluding any portion of the school budget paid for from any other sources such as endowments, parental fundraising, federal funds, nongovernmental grants, or other State funds such as special education funds paid under chapter 101 of this title.

(A) [Repealed.]

(B) For purposes of calculating excess spending pursuant to 32 V.S.A. § 5401(12), “education spending” shall not include:

(i) Spending during the budget year for:

(I) approved school capital construction for a project that received preliminary approval under section 3448 of this title, including interest paid on the debt, provided the district shall not be reimbursed or otherwise receive State construction aid for the approved school capital construction; or

(II) spending on eligible school capital project costs pursuant to the State Board of Education’s Rule 6134 for a project that received preliminary approval under section 3448 of this title.

1 (ii) For a project that received final approval for State construction
2 aid under chapter 123 of this title:

3 (I) spending for approved school capital construction during the
4 budget year that represents the district’s share of the project, including interest
5 paid on the debt; ~~and~~ or

6 (II) payment during the budget year of interest on funds
7 borrowed under subdivision 563(21) of this title in anticipation of receiving
8 State aid for the project.

9 (iii) Spending that is approved school capital construction
10 spending or deposited into a reserve fund under 24 V.S.A. § 2804 to pay future
11 approved school capital construction costs, including that portion of tuition
12 paid to an independent school designated as the public high school of the
13 school district pursuant to section 827 of this title for capital construction costs
14 by the independent school that has received approval from the State Board of
15 Education, using the processes for preliminary approval of public school
16 construction costs pursuant to subdivision 3448(a)(2) of this title.

17 * * *

18 * * * Declining Enrollment; 3.5 Percent Hold Harmless * * *

19 Sec. 3. 16 V.S.A. § 4010 is amended to read:

20 § 4010. DETERMINATION OF WEIGHTED MEMBERSHIP

21 * * *

1 (f) For purposes of determining weighted membership under this section, a
 2 district’s equalized pupils shall in no case be less than 96 and one-half percent
 3 of the actual number of equalized pupils in the district in the previous year,
 4 prior to making any adjustment under this section.

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6 * * * Involuntarily Merged Districts * * *

7 Sec. 4. INVOLUNTARILY MERGED DISTRICTS; MERGER
 8 SUPPORT GRANT

9 (a)(1) As used in this section, an “involuntarily merged district” means a
 10 district that was formed by, or had another school district added to it, under the
 11 “Final Report of Decisions and Order on Statewide School District Merger
 12 Decisions Pursuant to Act 46, Sections 8(b) and 10” issued by the State Board
 13 of Education on November 28, 2018.

14 (2) Notwithstanding any provision of law to the contrary, if an
 15 involuntarily merged district included a forming district that was an “eligible
 16 school district,” as defined in 16 V.S.A. § 4015 as then in effect, that received
 17 a small school support grant under section 4015 in the fiscal year two years
 18 prior to the first fiscal year of merger, then, commencing with the 2022 fiscal
 19 year, the involuntarily merged district shall receive an annual Merger Support
 20 Grant in an amount equal to the small school support grant received by the
 21 eligible school district in the fiscal year two years prior to the first fiscal year

1 of merger. If more than one forming district was an eligible school district,
2 then the merger support grant shall be in an amount equal to the total combined
3 small school support grants they received in the fiscal year two years prior to
4 the first fiscal year of merger.

5 (b) Payment of the grant under this subsection shall continue annually
6 unless explicitly repealed by the General Assembly; provided, however, that
7 the Secretary shall discontinue payment of the grant in the fiscal year
8 following closure by the involuntarily merged district of a school located in
9 what had been an “eligible school district” prior to merger, and further
10 provided that if a school building located in a formerly “eligible school
11 district” is closed in order to consolidate with another school into a renovated
12 or new school building, then the Secretary shall continue to pay the grant
13 during the repayment term of any bonded indebtedness incurred in connection
14 with the consolidation-related renovation or construction.

15 (c) If an involuntarily merged district that receives incentives under this
16 section also meets the eligibility criteria to receive incentives as a regional
17 education district, then the involuntarily merged district shall not also receive
18 the comparable incentives available pursuant to 2010 Acts and Resolves
19 No. 153, Sec. 4, as amended by 2012 Acts and Resolves No. 156, Sec. 13.

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* * * Effective Dates * * *

Sec. 5. EFFECTIVE DATES

(a) This section and Secs. 3–4 (3.5 percent hold harmless; involuntarily merged districts) shall take effect on passage.

(b) Secs. 1 (yield and nonhomestead property tax rate) and 2 (excess spending threshold) shall take effect on July 1, 2021.

(Committee vote: _____)

Representative _____

FOR THE COMMITTEE