

1 H.436

2 **Representatives XX move** that the House concur in the Senate proposal of
3 amendment with further proposals of amendment as follows:

4 First: By striking out Sec. 17, education property tax; yields; nonhomestead
5 rate, in its entirety and inserting in lieu thereof the following to read:

6 Sec. 17. PROPERTY DOLLAR EQUIVALENT YIELD, INCOME DOLLAR
7 EQUIVALENT YIELD, AND NONHOMESTEAD RATE FOR
8 FISCAL YEAR 2022

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

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

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

16 * * * Retired Teachers' Health and Medical Benefits * * *

17 Sec. 17a. 16 V.S.A. § 1944b is amended to read:

18 § 1944b. RETIRED TEACHERS' HEALTH AND MEDICAL BENEFITS
19 FUND

20 * * *

21 (b) The Benefits Fund shall consist of:

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(3) any monies pursuant to subsection ~~(e)~~(h) of this section; and

* * *

(h) Beginning on July 1, 2021, and annually thereafter, the annual contribution to be made to the Benefits Fund by the State shall be the sum of the following, each of which shall be made by separate appropriation:

(1) The amount determined by the State Treasurer to be necessary to pay all retiree health and medical benefits, including prescription drug benefits, due in accordance with subsection 1942(p) and section 1944e of this title on a pay-go basis for the fiscal year; plus

(2) The amount determined in the most recent actuarial valuation to be the “normal cost” for the same fiscal year as set forth in subsection (1) of this subsection, which shall be appropriated from the Education Fund. For purposes of this subsection, the “normal cost” shall be the amount that, if contributed over each member’s prospective period of service, will be sufficient to provide for the payment of all future health and medical benefits after subtracting the unfunded actuarial liability and the total assets of the Benefits Fund. The “normal cost” shall be identified using the actuarial cost method known as “projected unit credit” and applying a rate of return equal to the most recently adopted actuarial rate of return pursuant to 3 V.S.A. § 523.

1 Sec. 17b. 16 V.S.A. § 4025(b)(4) is amended to read:

2 (4) To make payments to the Vermont Teachers' Retirement Fund and
3 the Retired Teachers' Health and Medical Benefits Fund for the normal
4 contribution in accordance with ~~subsection~~ subsections 1944(c) and 1944b(h)
5 of this title.

6 Sec. 17c. REPORT ON NORMAL COSTS AND OTHER CHARGES
7 TO BE PART OF SCHOOL BUDGETS.

8 The Treasurer shall report on the following:

9 (1) The feasibility of moving the normal costs expenses from the
10 Education Fund to local education agencies.

11 (2) Assessing federal grants for the normal costs of these benefits in a
12 manner currently charged for teacher pensions whose funding is provided from
13 federal grants or through federal reimbursement pursuant to 16 V.S.A.
14 § 1944c.

15 (3) Reimbursement for employer health care benefits through the
16 Elementary and Secondary School Emergency Relief Fund. The report shall
17 be submitted to the General Assembly on or before January 15, 2022.

18 * * * Meals and Rooms Tax Revenue Allocation * * *

19 Sec. 17d. 16 V.S.A. § 4025(a) is amended to read:

20 (a) The Education Fund is established to comprise the following:

21 * * *

1 (4) ~~25~~ 33 percent of the revenues from the meals and rooms taxes
2 imposed under 32 V.S.A. chapter 225;

3 * * *

4 Sec. 17e. 32 V.S.A. § 435(b) is amended to read:

5 (b) The General Fund shall be composed of revenues from the following
6 sources:

7 * * *

8 (7) ~~69~~ 61 percent of the meals and rooms taxes levied pursuant to
9 chapter 225 of this title;

10 * * *

11 Second: By striking out Sec. 26, tax increment financing districts, in its
12 entirety, and inserting in lieu thereof the following:

13 Sec. 26. 32 V.S.A. § 5404a(1) is amended to read:

14 (1) The State Auditor of Accounts shall conduct performance audits of all
15 tax increment financing districts according to a schedule, which will be arrived
16 at in consultation with the Vermont Economic Progress Council. The cost of
17 conducting each audit shall be considered a “related cost” as defined in 24
18 V.S.A. § 1891(6) and shall be billed back to the municipality. Audits
19 conducted pursuant to this subsection shall include a review of a municipality’s
20 adherence to relevant statutes and rules adopted by the Vermont Economic
21 Progress Council pursuant to subsection (j) of this section, an assessment of

1 record keeping related to revenues and expenditures, and a validation of the
2 portion of the tax increment retained by the municipality and used for debt
3 repayment and the portion directed to the Education Fund.

4 (1)(A) For municipalities with a district created prior to January 1,
5 2006 and a debt repayment schedule that anticipates retention of education
6 increment beyond fiscal year 2016, an audit shall be conducted when
7 approximately three-quarters of the period for retention of education increment
8 has elapsed, and at the end of that same period, an audit shall be conducted for
9 the final one-quarter period for retention of education increment, ~~except that~~
10 ~~for the Milton-Catamount/Husky district and the Burlington Waterfront district~~
11 ~~only a final audit shall be conducted to cover the period from the effective date~~
12 ~~of the rules pursuant to subdivision (j)(1) of this section to the end of the~~
13 ~~retention period.~~

14 (B) Notwithstanding subdivision (1)(A) of this subsection, the audit
15 schedule for the Burlington Waterfront Tax Increment Financing District shall
16 be as follows:

17 (i) an audit shall be conducted on or after January 1, 2022;

18 (ii) an audit shall be conducted not more than three years from the
19 date debt is incurred as allowed by 2020 Acts and Resolves No. 175, Sec. 29

20 (4);

1 (iii) a final audit shall be conducted at the end of the retention
2 period for the District.

3 * * *

4 Sec. 26a. 2020 Acts and Resolves No. 175, Sec. 29 is amended to read:

5 Sec. 29. TAX INCREMENT FINANCING DISTRICTS; DEBT
6 INCURRENCE PERIODS; EXTENSIONS

7 (a) Notwithstanding any other provision of law, the period to incur
8 indebtedness is extended for the following tax increment financing districts:

9 (1) The Barre City Downtown Tax Increment Financing District is
10 extended to ~~March 31, 2023~~ March 31, 2024.

11 (2) The Bennington Downtown Tax Increment Financing District is
12 extended to ~~March 31, 2028~~ March 31, 2029.

13 (3) The Burlington Downtown Tax Increment Financing District is
14 extended to ~~March 31, 2022~~ March 31, 2023.

15 (4) The three properties located within the Burlington Waterfront Tax
16 Increment Financing District at 49 Church Street and 75 Cherry Street, as
17 designated on the City of Burlington's Tax Parcel Maps as Parcel ID# 044-4-
18 004-000, Parcel ID# 044-4-004-001, and Parcel ID# 044-4-033-000, is
19 extended to ~~June 30, 2022~~ June 30, 2023; provided, however, that the
20 extension of the period to incur indebtedness is subject to the City of
21 Burlington's submission to the Vermont Economic Progress Council on or

1 before ~~June 30, 2022~~ June 30, 2023 of an executed construction contract with a
2 completion guarantee by the owner of the parcels evidencing commitment to
3 construct not less than \$50 million of private development on the parcels.

4 (5) The Montpelier Tax Increment Financing District is extended to
5 ~~March 31, 2029~~ March 31, 2030.

6 (6) The South Burlington Tax Increment Financing District is extended
7 to ~~March 31, 2023~~ March 31, 2024.

8 (7) The St. Albans City Downtown Tax Increment Financing District is
9 extended to ~~March 31, 2023~~ March 31, 2024.

10 (b) This section does not:

11 (1) extend any period that the municipal or education tax increment may
12 be retained by the tax increment financing districts listed in subsection (a) of
13 this section; or

14 (2) amend any other tax increment financing requirements set forth in 24
15 V.S.A. chapter 53, subchapter 5; 32 V.S.A. § 5404a; or the TIF District Rule
16 adopted in May 2015, applicable to the tax increment financing districts listed
17 in subsection (a) of this section.

18 Third: In Sec. 27, effective dates, by adding a new subdivision (4) to read
19 as follows:

20 (4) Secs. 17d and 17e (meals and rooms tax revenue allocation) shall
21 take effect on July 1, 2022.

- 1 and by renumbering the remaining subdivisions of Sec. 27 to be
- 2 numerically correct.