

1 TO THE HONORABLE SENATE:

2 The Committee on Finance to which was referred Senate Bill No. 181
3 entitled “An act relating to authorizing miscellaneous regulatory authority for
4 municipal governments” respectfully reports that it has considered the same
5 and recommends that the report of the Committee on Government Operations
6 be amended in Sec. 7, 24 V.S.A. § 138, by striking out subsection (a) in its
7 entirety and inserting in lieu thereof a new subsection (a) to read as follows:

8 (a) ~~Local option taxes are authorized under this section for the purpose of~~
9 ~~affording municipalities an alternative method of raising municipal revenues to~~
10 ~~facilitate the transition and reduce the dislocations in those municipalities that~~
11 ~~may be caused by reforms to the method of financing public education under~~
12 ~~the Equal Educational Opportunity Act of 1997. Accordingly:~~

13 ~~(1) the local option taxes authorized under this section may be imposed~~
14 ~~by a municipality;~~

15 ~~(2) a municipality opting to impose a local option tax may do so prior to~~
16 ~~July 1, 1998 to be effective beginning January 1, 1999, and anytime after~~
17 ~~December 1, 1998 a~~ A local option tax adopted pursuant to this section shall
18 be effective beginning on the next tax quarter following 90 days’ notice to the
19 Department of Taxes of the imposition of the tax; ~~and~~

20 ~~(3) a local option tax may only be adopted by a municipality in which:~~

1 ~~(A) the education property tax rate in 1997 was less than \$1.10 per~~
2 ~~\$100.00 of equalized education property value; or~~

3 ~~(B) the equalized grand list value of personal property, business~~
4 ~~machinery, inventory, and equipment is at least ten percent of the equalized~~
5 ~~education grand list as reported in the 1998 Annual Report of the Division of~~
6 ~~Property Valuation and Review; or~~

7 ~~(C) the combined education tax rate of the municipality will increase~~
8 ~~by 20 percent or more in fiscal year 1999 or in fiscal year 2000 over the rate of~~
9 ~~the combined education property tax in the previous fiscal year.~~

10

11

12 (Committee vote: _____)

13

14

Senator _____

15

FOR THE COMMITTEE