



STATE OF VERMONT
JOINT FISCAL OFFICE

MEMORANDUM

To: House Committee on Appropriations
From: Ted Barnett, Senior Fiscal Analyst
Date: 1/29/2025
Subject: Property Transfer Tax Language in the FY 2025 Budget Adjustment Act

Sec. 50 of the Governor’s Recommended Budget Adjustment Act proposes changes to Sec. D.100 in Act 113 (the FY 2025 Big Bill) to incorporate allocations of additional property transfer tax revenue generated by changes in Act 181. This memo concerns item (3) of that section, which allocates revenues to the Municipal and Regional Planning Fund (MRPF). It is not clear whether the amounts included in the Governor’s Recommended BAA reflect the intent of the General Assembly, since intent for the additional \$1,279,740 in MRPF revenues was not expressed in Act 181.

In 24 V.S.A. § 4306, 70 percent of revenue in the MRPF is allocated to performance contracts with regional planning commissions, 20 percent to municipalities, and 10 percent goes to the Vermont Center for Geographic Information (VCGI). The MRPF allocations proposed in the Governor’s Recommended BAA are based on applying this statutory formula to the \$9,052,113; however, this approach results in *less* funding for regional planning commissions despite Act 181 adding additional funding to the MRPF.

	Act 113 (FY25 Budget) MRPF Allocation	Governor’s Recommend BAA MRPF Allocation	Difference
Regional Planning	6,404,540	6,336,479	(68,061)
Municipal Planning	931,773	1,810,423	878,650
VCGI	436,060	905,211	469,151
Total	7,772,373	9,052,113	1,279,740

These statutory allocations are frequently “notwithstanding” in Section D.100 of the Budget. For example, Act 113 allocated a larger share of funding to regional planning commissions than the statutory formula required, and allocated a smaller share to municipal planning and VCGI. The table below presents the difference between statutory percentages and the ratio of funding outlined in Act 113, the FY 2025 Budget.

Use	Statutory Allocation (%)	FY25 Budget Allocations (%)
Regional Planning Commissions	70	82.4
Municipal Planning	20	12.0
VCGI	10	5.6

The application of the MRPF funding ratios in Act 113 to the full funding provided to the MRPF in Act 181 (\$9,052,113) results in the allocations shown in the table below. Note that the Act 113 allocation results in all three uses receiving increases, rather than regional planning receiving a decrease.

	Act 113 MRPF Allocation (\$)	Revised MRPF Allocation (\$)	Difference (\$)
Regional Planning	6,404,540	7,459,063	1,054,523
Municipal Planning	931,773	1,085,192	153,419
VCGI	436,060	507,858	71,798
Total	7,772,373	9,052,113	1,279,740

As part of the budget adjustment process the General Assembly should decide whether funding should be allocated based on MRPF statutory percentages or reflect the allocations in Act 113 (the FY 2025 Big Bill).