

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19

* * *

(13) ~~“Base education~~ Categorical base amount” means a number used to calculate categorical grants awarded under this title that is equal to \$6,800.00 per equalized pupil, adjusted as required under section 4011 of this title.

(14) ~~“Per pupil education spending” of a school district in any school year means the per pupil education spending of that school district as determined under subsection 4010(f) of this title. [Repealed.]~~

* * *

(16) “Base amount” means a per pupil cost-factor amount of \$XX,XXX.00, which shall be adjusted for inflation annually on or before November 15 by the Secretary of Education. As used in this subdivision, “adjusted for inflation” means adjusting the base dollar amount by the National Income and Product Accounts (NIPA) implicit price deflator for state and local government consumption expenditures and gross investment published by the U.S. Department of Commerce, Bureau of Economic Analysis, from fiscal year 2025 through the fiscal year for which the amount is being determined.

(17) “Educational opportunity payment” means the base amount multiplied by the school district’s weighted long-term membership as determined under 16 V.S.A. § 4010.

1 (3) The Secretary shall next apply a weight for EL pupils. Each EL
2 pupil included in long-term membership shall receive an additional weighting
3 amount of ~~2.49~~ X.X.

4 (4) The Secretary shall then apply a weight for pupils living in low
5 population density school districts. Each pupil included in long-term
6 membership residing in a low population density school district, measured by
7 the number of persons per square mile residing within the land area of the
8 geographic boundaries of the district as of July 1 of the year of determination,
9 shall receive an additional weighting amount of:

10 (A) ~~0.15~~ X.X, where the number of persons per square mile is fewer
11 than 36 persons;

12 (B) ~~0.12~~ X.X, where the number of persons per square mile is 36 or
13 more but fewer than 55 persons; or

14 (C) ~~0.07~~ X.X, where the number of persons per square mile is 55 or
15 more but fewer than 100.

16 (5) The Secretary shall lastly apply a weight for pupils who attend a
17 small school. If the number of persons per square mile residing within the land
18 area of the geographic boundaries of a school district as of July 1 of the year of
19 determination is 55 or fewer, then, for each pupil listed under subdivision
20 (b)(3)(C) of this section (pupils who attend small schools):

1 (A) where the school has fewer than 100 pupils in average two-year
2 enrollment, the school district shall receive an additional weighting amount of
3 ~~0.24~~ X.X for each pupil included in the small school's average two-year
4 enrollment; or

5 (B) where the small school has 100 or more but fewer than 250
6 pupils, the school district shall receive an additional weighting amount of ~~0.07~~
7 X.X for each pupil included in the small school's average two-year enrollment.

8 (6) A school district's weighted long-term membership shall equal long-
9 term membership plus the cumulation of the weights assigned by the Secretary
10 under this subsection.

11 * * *

12 (f) Determination of ~~per pupil education spending~~ educational opportunity
13 payment. ~~As soon as reasonably possible after a school district budget is~~
14 ~~approved by voters, the Secretary shall determine the per pupil education~~
15 ~~spending for the next fiscal year for the school district. Per pupil education~~
16 ~~spending shall equal a school district's education spending divided by its~~
17 ~~weighted long-term membership~~ The Secretary shall determine each school
18 district's educational opportunity payment by multiplying the school district's
19 weighted long-term membership determined under subsection (d) of this
20 section by the base amount.

21 * * *

1 (h) Updates to weights, base amount, and transportation reimbursement.
2 On or before January 1, ~~2027~~ 2030 and on or before January 1 of every fifth
3 year thereafter, the Agency of Education and the Joint Fiscal Office shall
4 calculate, based on their consensus view, updates to the weights and the base
5 amount to account for cost changes underlying those weights and shall issue a
6 written report on their work to the House and Senate Committees on
7 Education, the House Committee on Ways and Means, and the Senate
8 Committee on Finance. The General Assembly shall update the weights under
9 this section, the base amount, and transportation reimbursement under section
10 4016 of this title not less than every five years and the implementation date for
11 the updated weights and transportation reimbursement shall be delayed by a
12 year in order to provide school districts with time to prepare their budgets.
13 Updates to the weights may include recalibration, recalculation, adding or
14 eliminating weights, or any combination of these actions.

15 Sec. 3. TRANSPORTATION REIMBURSEMENT; GUIDELINES

16 On or before January 1, 2026, the Agency of Education shall develop clear
17 and equitable guidelines for minimum transportation provided and covered by
18 grant.

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

20 § 4011. EDUCATION PAYMENTS

1 (a) Annually, the General Assembly shall appropriate funds to pay for
2 ~~statewide education spending~~ each school district's educational opportunity
3 payment and excess spending as defined under 32 V.S.A. § 5401(18) and a
4 portion of the ~~base education~~ categorical base amount for each adult education
5 and secondary credential program student.

6 (b) For each fiscal year, the categorical ~~base education~~ amount shall be
7 \$6,800.00, ~~increased by the most recent New England Economic Project~~
8 ~~Cumulative Price Index, as of November 15, for state and local government~~
9 ~~purchases of goods and services~~ , which shall be adjusted for inflation annually
10 on or before November 15 by the Secretary of Education. As used in this
11 subsection, "adjusted for inflation" means adjusting the categorical base dollar
12 amount by the National Income and Product Accounts (NIPA) implicit price
13 deflator for state and local government consumption expenditures and gross
14 investment published by the U.S. Department of Commerce, Bureau of
15 Economic Analysis, from fiscal year 2005 through the fiscal year for which the
16 amount is being determined, ~~plus an additional one-tenth of one percent.~~

17 (c) Annually, each school district shall receive ~~an education spending~~
18 ~~payment~~ for support of education costs its educational opportunity payment
19 determined pursuant to subsection 4010(f) of this chapter and a dollar amount
20 equal to its excess spending, if applicable to that school district, as defined in
21 32 V.S.A. § 5401(18). An unorganized town or gore shall receive an amount

1 ~~equal to its per pupil education spending for that year for each student.~~ No
2 school district shall receive more than ~~its education spending~~ the amount under
3 this subsection.

4 (d) [Repealed.]

5 (e) [Repealed.]

6 (f) Annually, the Secretary shall pay to a local adult education and literacy
7 provider, as defined in section 942 of this title, that provides an adult education
8 and secondary credential program an amount equal to 26 percent of the
9 categorical base education ~~amount~~ amount for each student who completes the
10 diagnostic portions of the program, based on an average of the previous two
11 years; 40 percent of the payment required under this subsection shall be from
12 State funds appropriated from the Education Fund and 60 percent of the
13 payment required under this subsection shall be from State funds appropriated
14 from the General Fund.

15 * * *

16 (i) Annually, on or before October 1, the Secretary shall send to school
17 boards for inclusion in town reports and publish on the Agency website ~~the~~
18 ~~following information:~~

19 ~~(1) the statewide average district per pupil education spending for the~~
20 ~~current fiscal year; and~~

1 ~~Treasurer shall withdraw funds from the Education Fund upon warrants issued~~
2 ~~by the Commissioner of Finance and Management based on information~~
3 ~~supplied by the Commissioner of Taxes. The Commissioner of Finance and~~
4 ~~Management may draw warrants for disbursements from the Fund in~~
5 ~~anticipation of receipts. All balances in the Fund at the end of any fiscal year~~
6 ~~shall be carried forward and remain a part of the Fund. Interest accruing from~~
7 ~~the Fund shall remain in the Fund. [Repealed.]~~

8 * * *

9 Sec. 6. 16 V.S.A. 4026 is amended to read:

10 § 4026. EDUCATION FUND BUDGET STABILIZATION RESERVE;

11 CREATION AND PURPOSE

12 * * *

13 (e) ~~The enactment of this chapter and other provisions of the Equal~~
14 ~~Educational Opportunity Act of which it is a part have been premised upon~~
15 ~~estimates of balances of revenues to be raised and expenditures to be made~~
16 ~~under the act for such purposes as education spending payments, categorical~~
17 ~~State support grants, provisions for property tax income sensitivity, payments~~
18 ~~in lieu of taxes, current use value appraisals, tax stabilization agreements, the~~
19 ~~stabilization reserve established by this section, and for other purposes. If the~~
20 ~~stabilization reserve established under this section should in any fiscal year be~~
21 ~~less than 5.0 percent of the prior fiscal year's appropriations from the~~

1 Education Fund, as defined in subsection (b) of this section, the Joint Fiscal
2 Committee shall review the information provided pursuant to 32 V.S.A.
3 § 5402b and provide the General Assembly its recommendations for change
4 necessary to restore the stabilization reserve to the statutory level provided in
5 subsection (b) of this section.

6 Sec. 7. 16 V.S.A. 4028 is amended to read:

7 § 4028. FUND PAYMENTS TO SCHOOL DISTRICTS

8 (a) On or before September 10, December 10, and April 30 of each school
9 year, one-third of ~~the education spending payment under section 4011 of this~~
10 ~~title~~ each school district's educational opportunity payment as determined
11 under subsection 4010(f) of this chapter and excess spending as defined in
12 32 V.S.A. § 5401(18) shall become due to school districts, ~~except that districts~~
13 ~~that have not adopted a budget by 30 days before the date of payment under~~
14 ~~this subsection shall receive one-quarter of the base education amount and~~
15 ~~upon adoption of a budget shall receive additional amounts due under this~~
16 ~~subsection.~~

17 (b) Payments made for special education under chapter 101 of this title, for
18 career technical education under chapter 37 of this title, and for other aid and
19 categorical grants paid for support of education shall also be from the
20 Education Fund.

1 ~~(c)(1) Any district that has adopted a school budget that includes high~~
2 ~~spending, as defined in 32 V.S.A. § 5401(12), shall, upon timely notice, be~~
3 ~~authorized to use a portion of its high spending penalty to reduce future~~
4 ~~education spending:~~

5 ~~(A) by entering into a contract with an operational efficiency~~
6 ~~consultant or a financial systems consultant to examine issues such as~~
7 ~~transportation arrangements, administrative costs, staffing patterns, and the~~
8 ~~potential for collaboration with other districts;~~

9 ~~(B) by entering into a contract with an energy or facilities~~
10 ~~management consultant; or~~

11 ~~(C) by engaging in discussions with other school districts about~~
12 ~~reorganization or consolidation for better service delivery at a lower cost.~~

13 ~~(2) To the extent approved by the Secretary, the Agency shall pay the~~
14 ~~district from the property tax revenue to be generated by the high spending~~
15 ~~increase to the district's spending adjustment as estimated by the Secretary, up~~
16 ~~to a maximum of \$5,000.00. For the purposes of this subsection, "timely~~
17 ~~notice" means written notice from the district to the Secretary by September 30~~
18 ~~of the budget year. If the district enters into a contract with a consultant~~
19 ~~pursuant to this subsection, the consultant shall not be an employee of the~~
20 ~~district or of the Agency. A copy of the consultant's final recommendations or~~
21 ~~a copy of the district's recommendations regarding reorganization, as~~

1 appropriate, shall be submitted to the Secretary, and each affected town shall
2 include in its next town report an executive summary of the consultant's or
3 district's final recommendations and notice of where a complete copy is
4 available. No district is authorized to obtain funds under this section more than
5 one time in every five years. [Repealed.]

6 (d) The Joint Fiscal Office shall prepare a fiscal note for any legislation
7 that requires a ~~supervisory union~~ or school district to perform any action with
8 an associated cost, but does not provide money or a funding mechanism for
9 fulfilling that obligation. Any fiscal note prepared under this subsection shall
10 be completed not later than the date that the legislation is considered for a vote
11 in the first committee to which it is referred.

12 Sec. 8. REPEALS

13 (a) 16 V.S.A. § 4031 (unorganized towns and gores) is repealed.

14 (b) 2022 Acts and Resolves No. 127, Sec. 8 (suspension of excess spending
15 penalty, hold harmless provision, and ballot language requirement) is repealed.

16 Sec. 9. 16 V.S.A. § 4032 is added to read

17 § 4032. EXCESS SPENDING RESERVE

18 (a) There is hereby created the Excess Spending Reserve within the
19 Education Fund. Any excess spending penalty, as defined in 32 V.S.A.

20 § 5401(19), paid to the Education Fund as part of the revenue from the excess

1 spending tax imposed pursuant to 32 V.S.A. § 5402(f) shall be reserved within
2 the Excess Spending Reserve.

3 (b) In any fiscal year in which the amounts raised through the excess
4 spending tax imposed pursuant to 32 V.S.A. § 5402(f) are insufficient to cover
5 payment to each school district of its excess spending, the Excess Spending
6 Reserve shall be used by the Commissioner of Finance and Management to the
7 extent necessary to offset the deficit as determined by generally accepted
8 accounting principles.

9 (c) Any funds remaining in the Excess Spending Reserve at the close of the
10 fiscal year after accounting for the process under subsection (b) of this section
11 shall be deposited into the School Construction Aid Special Fund pursuant to
12 section 3441 of this title.

13 Sec. 10. 16 V.S.A. § 3441 is added to read:

14 § 3441. SCHOOL CONSTRUCTION AID SPECIAL FUND

15 There is created the School Construction Aid Special Fund to provide grants
16 to school districts and independent career and technical education districts to
17 assist in funding school construction projects that are approved through the
18 State Aid for School Construction Program. The excess funds from the Excess
19 Spending Reserve under subsection 4032(c) shall be deposited into the School
20 Construction Aid Special Fund, which shall be administered by the Agency of
21 Education.

1 (2) based on consideration of any relevant municipal ordinances,
2 bylaws, or rules; and

3 (3) based on other considerations as set forth in this section or by
4 guidance provided by the Division of Property Valuation and Review.

5 (b) A parcel shall be assigned one of the following general classes:

6 (1) Residential A;

7 (2) Residential B;

8 (3) Apartment;

9 (4) Affordable Housing;

10 (5) Commercial;

11 (6) Resort;

12 (7) Industrial;

13 (8) Undeveloped; or

14 (9) Public Use.

15 (c) As used in this section:

16 (1) “Affordable Housing” means residential rental units that are subject
17 to rent restriction under provisions of State or federal law but excluding units
18 subject to rent restrictions under only one of the following programs: Section
19 8 moderate rehabilitation, Section 8 housing choice vouchers, or Section 236
20 or Section 515 rural development rental housing. A property shall only be
21 classified as affordable housing if the Department of Taxes, in consultation

1 with the Vermont Housing Finance Agency and Department of Housing and
2 Community Development, finds that on or before January 1 that the taxpayer
3 has presented sufficient information showing that the property qualifies as
4 affordable housing under this subdivision. A parcel shall be classified as
5 “Affordable Housing” if it qualifies under this subdivision without regard for
6 whether it qualifies for a different classification, except that a parcel owned by
7 the operator of a ski facility and used in relation to the ski facility shall not be
8 classified as “Affordable Housing.”

9 (2) “Apartment” means a parcel with one or more dwelling units, has an
10 affiliated landlord certificate filed for the current year, without regard for
11 whether a homestead declaration is filed for a portion of the parcel, and does
12 not meet the definitions of “Residential A” or “Residential B” due to having a
13 dwelling unit without an affiliated homestead declaration or landlord
14 certificate.

15 (3) “Commercial” means a parcel used for business activity that does
16 not also qualify for classification as “Apartment,” “Residential A,”
17 “Residential B,” or “Industrial” under this subsection. Parcels with a
18 “Commercial” classification shall include:

19 (A) parcels and units used as timeshares;

1 (B) parcels used for a lodging establishment and licensed under
2 18 V.S.A. chapter 85, except those qualifying as a “Resort” under subdivision
3 (8) of this subsection (c);

4 (C) parcels used for office buildings; and

5 (D) parcels with property and improvements used primarily in the
6 business of farming.

7 (4) “Industrial” means a parcel used for the production, fabrication, or
8 processing of durable and nondurable goods that does not also qualify for
9 classification as “Apartment,” “Residential A,” or “Residential B,” under this
10 subsection. Parcels with an “Industrial” classification shall include
11 manufacturing plants, facilities for energy production directly supporting
12 industrial activities, electric and other utilities, and any property engaged in the
13 manufacturing process.

14 (5) “Public Use” means a parcel qualifying for an exemption from State
15 taxation under chapter 125 of this title.

16 (6) “Residential A” means a parcel improved with one or more single
17 family dwelling units and having an equalized value of less than
18 \$1,000,000.00. A parcel shall be classified as “Residential A” or “Residential
19 B” if it has any dwelling unit, habitable on a year-round basis, that does not
20 have an associated homestead declaration or landlord certificate on file,
21 provided that the Division of Property Valuation and Review may change the

1 tax classification if the property would be misclassified due to a taxpayer's
2 failure to file a homestead declaration.

3 (7) "Residential B" means a parcel improved with one or more single
4 family dwelling units and having an equalized value of \$1,000,000.00 or more.
5 A parcel shall be classified as "Residential A" or "Residential B" if it has any
6 dwelling unit, habitable on a year-round basis, that does not have an associated
7 homestead declaration or landlord certificate on file, provided that the Division
8 of Property Valuation and Review may change the tax classification if the
9 property would be misclassified due to a taxpayer's failure to file a homestead
10 declaration.

11 (8) "Resort" means a parcel owned by the operator of a ski facility and
12 used in relation to the ski facility to provide lodging, recreation, amenities, or
13 food services for employees or guests. A parcel shall be classified as "Resort"
14 if it qualifies under this subdivision without regard for whether it qualifies for a
15 different classification.

16 (A) The Division of Property Valuation and Review shall annually
17 identify the parcels to be classified as "Resort" and inform the listers and
18 assessors of the designation for the grand lists.

19 (B) A property owner shall provide information to the Director on
20 request to assist in identifying qualifying parcels under this subdivision.

1 (9) “Undeveloped” means an undeveloped parcel, and includes wooded
2 land, shore lots, residential building lots, unimproved commercial lots,
3 unimproved agricultural land, and parcels with buildings of little or no value,
4 such as small camps. A parcel shall not be classified as “Undeveloped” if it
5 meets the requirements for a different classification instead.

6 (d)(1) Condominium units shall be classified individually based the actual
7 use of the unit.

8 (2) Farm buildings and improvements that are not used for a business
9 purpose and are associated with residential property shall be classified along
10 with the residential property as “Residential A,” “Residential B,” or
11 “Homestead,” as applicable.

12 (3) Nothing in this section shall be construed to alter the tax treatment or
13 enrollment eligibility of property as it relates to use value appraisal under
14 chapter 124 of this title.

15 (e) Persons aggrieved by a decision to classify property for taxation
16 purposes under this section may appeal in the manner provided for property tax
17 appeals in sections 3420 and 3421 of this title.

18 * * * Education Property Tax Rate Formula * * *

19 Sec. 13. 32 V.S.A. § 5401 is amended to read:

20 § 5401. DEFINITIONS

21 As used in this chapter:

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20

* * *

* * *

~~(8) “Education spending” means “education spending” as defined in 16 V.S.A. § 4001(6). [Repealed.]~~

~~(12) “Excess spending” means:~~

~~(A) The per pupil spending amount of the district’s education spending, as defined in 16 V.S.A. § 4001(6), plus any amount required to be added from a capital construction reserve fund under 24 V.S.A. § 2804(b).~~

~~(B) In excess of 118 percent of the statewide average district per pupil education spending increased by inflation, as determined by the Secretary of Education on or before November 15 of each year based on the passed budgets to date. As used in this subdivision, “increased by inflation” means increasing the statewide average district per pupil education spending for fiscal year 2025 by the most recent New England Economic Project cumulative price index, as of November 15, for state and local government purchases of goods and services, from fiscal year 2025 through the fiscal year for which the amount is being determined. [Repealed.]~~

~~(13)(A) “Education property tax spending adjustment” means the greater of one or a fraction in which the numerator is the district’s per pupil education spending plus excess spending for the school year, and the~~

1 denominator is the property dollar equivalent yield for the school year, as
2 defined in subdivision (15) of this section.

3 ~~(B) “Education income tax spending adjustment” means the greater~~
4 ~~of one or a fraction in which the numerator is the district’s per pupil education~~
5 ~~spending plus excess spending for the school year, and the denominator is the~~
6 ~~income dollar equivalent yield for the school year, as defined in subdivision~~
7 ~~(16) of this section. [Repealed.]~~

8 * * *

9 (15) ~~“Property dollar equivalent yield” means the amount of per pupil~~
10 ~~education spending that would result if the homestead tax rate were \$1.00 per~~
11 ~~\$100.00 of equalized education property value and the statutory reserves under~~
12 ~~16 V.S.A. § 4026 and section 5402b of this title were maintained. [Repealed.]~~

13 (16) ~~“Income dollar equivalent yield” means the amount of per pupil~~
14 ~~education spending that would result if the income percentage in subdivision~~
15 ~~6066(a)(2) of this title were 2.0 percent and the statutory reserves under 16~~
16 ~~V.S.A. § 4026 and section 5402b of this title were maintained. [Repealed.]~~

17 (17) ~~“Statewide adjustment” means the ratio of the aggregate education~~
18 ~~property tax grand list of all municipalities to the aggregate value of the~~
19 ~~equalized education property tax grand list of all municipalities. [Repealed.]~~

20 (18) “Excess spending” means the spending that a school district
21 approves in excess of its educational opportunity payment as defined in 16

1 V.S.A. § 4001(17) for the fiscal year and for which no existing revenue source
2 is available, provided that no school district shall approve spending in excess
3 of 10 percent of the school district’s educational opportunity payment for the
4 fiscal year.

5 (19) “Excess spending penalty” means the amount of revenue raised
6 through imposition of the excess spending tax pursuant to section 5402(f) of
7 this chapter that is in excess of the school district’s excess spending.

8 (20) “Excess spending yield” means the amount of property tax revenue
9 per long-term membership as defined in 16 V.S.A. § 4001(7) that would be
10 raised in the school district with the lowest taxing capacity using an excess
11 spending tax rate of \$0.80 per \$100.00 of equalized education property value.

12 (21) “Per pupil excess spending” means the per pupil amount of excess
13 spending resulting from dividing a school district’s excess spending by its
14 long-term membership as defined in 16 V.S.A. § 4001(7).

15 (22) “School district with the lowest taxing capacity” means the school
16 district anticipated to have the lowest aggregate equalized education property
17 tax grand list of its municipal members per long-term membership as defined
18 in 16 V.S.A. § 4001(7) in the following fiscal year.

1 Sec. 14. 32 V.S.A. § 5402 is amended to read:

2 § 5402. EDUCATION PROPERTY TAX LIABILITY

3 (a) A statewide education tax is imposed on all nonhomestead and
4 homestead property at ~~the following rates:~~

5 ~~(1) The tax rate for nonhomestead property shall be \$1.59 per \$100.00~~
6 ~~divided by the statewide adjustment.~~

7 ~~(2) The tax rate for homestead property shall be \$1.00 multiplied by the~~
8 ~~education property tax spending adjustment for the municipality per \$100.00 of~~
9 ~~equalized education property value as most recently determined under section~~
10 ~~5405 of this title. The homestead property tax rate for each municipality that is~~
11 ~~a member of a union or unified union school district shall be calculated as~~
12 ~~required under subsection (e) of this section. a rate sufficient to raise the~~
13 ~~educational opportunity payment for each school district for the fiscal year, as~~
14 ~~determined pursuant to 16 V.S.A. § 4010(f), after accounting for the forecasted~~
15 ~~available revenues. It is the intention of the General Assembly that the~~
16 ~~statewide education tax rate under this section shall be adopted for each fiscal~~
17 ~~year by act of the General Assembly. The statewide education tax rate shall be~~
18 ~~adjusted for homestead property and each general class of nonhomestead~~
19 ~~property provided under section 4152a of this title as follows:~~

20 If the tax classification of the then the statewide education tax rate
21 property subject to taxation is: is multiplied by a factor of:

1	<u>Homestead</u>	[HS]
2	<u>Nonhomestead, Residential A</u>	[RESA]
3	<u>Nonhomestead, Residential B</u>	[RESB]
4	<u>Nonhomestead, Apartment</u>	[APT]
5	<u>Nonhomestead, Affordable Housing</u>	[AFF]
6	<u>Nonhomestead, Commercial</u>	[COM]
7	<u>Nonhomestead, Resort</u>	[RESO]
8	<u>Nonhomestead, Industrial</u>	[IND]
9	<u>Nonhomestead, Undeveloped</u>	[UND]
10	<u>Nonhomestead, Public Use</u>	[PUB]

11 (b) The statewide education tax shall be calculated as follows:

12 (1) The Commissioner of Taxes shall determine for each municipality
13 the education tax rates under subsection (a) of this section divided by the
14 ~~number resulting from dividing the~~ municipality's most recent common level
15 of appraisal ~~by the statewide adjustment~~. The legislative body in each
16 municipality shall then bill each property taxpayer at the ~~homestead or~~
17 ~~nonhomestead~~ applicable rate determined by the Commissioner under this
18 subdivision, multiplied by the education property tax grand list value of the
19 property, properly classified as homestead or nonhomestead property and
20 without regard to any other tax classification of the property not authorized
21 under this chapter. Statewide education property tax bills shall show the tax

1 due and the calculation of the rate determined under subsection (a) of this
2 section, divided by ~~the number resulting from dividing~~ the municipality's most
3 recent common level of appraisal ~~by the statewide adjustment~~, multiplied by
4 the current grand list value of the property to be taxed. Statewide education
5 property tax bills shall also include language provided by the Commissioner
6 pursuant to subsection 5405(g) of this title.

7 (2) Taxes assessed under this section shall be assessed and collected in
8 the same manner as taxes assessed under chapter 133 of this title with no tax
9 classification other than ~~as homestead or nonhomestead property~~ those
10 required by this section; provided, however, that the tax levied under this
11 chapter shall be billed to each taxpayer by the municipality in a manner that
12 clearly indicates the tax is separate from any other tax assessed and collected
13 under chapter 133, including an itemization of the separate taxes due. The bill
14 may be on a single sheet of paper with the statewide education tax and other
15 taxes presented separately and side by side.

16 (3) ~~If a district has not voted a budget by June 30, an interim homestead~~
17 ~~education tax shall be imposed at the base rate determined under subdivision~~
18 ~~(a)(2) of this section, divided by the number resulting from dividing the~~
19 ~~municipality's most recent common level of appraisal by the statewide~~
20 ~~adjustment, but without regard to any spending adjustment under subdivision~~
21 ~~5401(13) of this title. Within 30 days after a budget is adopted and the~~

1 ~~deadline for reconsideration has passed, the Commissioner shall determine the~~
2 ~~municipality's homestead tax rate as required under subdivision (1) of this~~
3 ~~subsection. [Repealed.]~~

4 (c)(1) The treasurer of each municipality shall by December 1 of the year in
5 which the tax is levied and on June 1 of the following year pay to the State
6 Treasurer for deposit in the Education Fund one-half of the municipality's
7 statewide ~~nonhomestead tax and one-half of the municipality's homestead~~
8 education tax, as determined under subdivision (b)(1) of this section.

9 (2) The ~~Secretary of Education~~ Commissioner of Taxes shall determine
10 each municipality's net ~~nonhomestead~~ education tax payment ~~and its net~~
11 ~~homestead education tax payment~~ to the State based on grand list information
12 received by the ~~Secretary~~ Commissioner not later than the March 15 prior to
13 the June 1 net payment. Payment shall be accompanied by a return prescribed
14 by the ~~Secretary of Education~~ Commissioner of Taxes. Each municipality may
15 retain 0.225 of one percent of the total education tax collected, only upon
16 timely remittance of net payment to the State Treasurer or to the applicable
17 school district or districts. ~~Each municipality may also retain \$15.00 for each~~
18 ~~late property tax credit claim filed after April 15 and before September 2, as~~
19 ~~notified by the Department of Taxes, for the cost of issuing a new property tax~~
20 ~~bill.~~

21 (d) [Repealed.]

1 ~~(e) The Commissioner of Taxes shall determine a homestead education tax~~
2 ~~rate for each municipality that is a member of a union or unified union school~~
3 ~~district as follows:~~

4 ~~(1) For a municipality that is a member of a unified union school~~
5 ~~district, use the base rate determined under subdivision (a)(2) of this section~~
6 ~~and a spending adjustment under subdivision 5401(13) of this title based upon~~
7 ~~the per pupil education spending of the unified union.~~

8 ~~(2) For a municipality that is a member of a union school district:~~

9 ~~(A) Determine the municipal district homestead tax rate using the~~
10 ~~base rate determined under subdivision (a)(2) of this section and a spending~~
11 ~~adjustment under subdivision 5401(13) of this title based on the per pupil~~
12 ~~education spending in the municipality who attends a school other than the~~
13 ~~union school.~~

14 ~~(B) Determine the union district homestead tax rate using the base~~
15 ~~rate determined under subdivision (a)(2) of this section and a spending~~
16 ~~adjustment under subdivision 5401(13) of this title based on the per pupil~~
17 ~~education spending of the union school district.~~

18 ~~(C) Determine a combined homestead tax rate by calculating the~~
19 ~~weighted average of the rates determined under subdivisions (A) and (B) of~~
20 ~~this subdivision (2), with weighting based upon the ratio of union school long-~~
21 ~~term membership, as defined in 16 V.S.A. § 4001(7), from the member~~

1 ~~municipality to total long-term membership of the member municipality; and~~
2 ~~the ratio of long-term membership attending a school other than the union~~
3 ~~school to total long-term membership of the member municipality. Total long-~~
4 ~~term membership of the member municipality is based on the number of pupils~~
5 ~~who are legal residents of the municipality and attending school at public~~
6 ~~expense. If necessary, the Commissioner may adopt a rule to clarify and~~
7 ~~facilitate implementation of this subsection (e). [Repealed.]~~

8 (f)(1) An excess spending tax is imposed on all homestead and
9 nonhomestead property in each member municipality of a school district that
10 approves spending pursuant to subdivision 5401(18) of this chapter. The
11 Commissioner of Taxes shall determine the excess spending tax rate for each
12 school district by dividing the school district's per pupil excess spending as
13 certified by the Secretary of Education by the excess spending yield. The
14 legislative body in each member municipality shall then bill each property
15 taxpayer at the rate determined by the Commissioner under this subsection,
16 divided by the municipality's most recent common level of appraisal and
17 multiplied by the current grand list value of the property to be taxed. The bill
18 shall show the tax due and the calculation of the rate.

19 (2) The excess spending tax assessed under this subsection shall be
20 assessed and collected in the same manner as taxes assessed under chapter 133
21 of this title with no tax classification other than as homestead or nonhomestead

1 property; provided, however, that the tax levied under this chapter shall be
2 billed to each taxpayer by the municipality in a manner that clearly indicates
3 the tax is separate from any other tax assessed and collected under chapter 133
4 and the statewide education property tax under this section, including an
5 itemization of the separate taxes due. The bill may be on a single sheet of
6 paper with the excess spending tax, the statewide education tax, and other
7 taxes presented separately and side by side.

8 (3) The treasurer of each municipality shall by December 1 of the year
9 in which the tax is levied and on June 1 of the following year pay to the State
10 Treasurer for deposit in the Education Fund one-half of the municipality's
11 excess spending tax, as determined under subdivision (f)(1) of this section.

12 (4) The Commissioner of Taxes shall determine each municipality's net
13 excess spending tax payment to the State based on grand list information
14 received by the Commissioner not later than the March 15 prior to the June 1
15 net payment. Payment shall be accompanied by a return prescribed by the
16 Commissioner of Taxes. Each municipality may retain 0.225 of one percent of
17 the total excess spending tax collected, only upon timely remittance of net
18 payment to the State Treasurer or to the applicable school district.

1 Sec. 15. 32 V.S.A. § 5402b is amended to read:

2 § 5402b. BASE AMOUNT; STATEWIDE EDUCATION TAX YIELDS
3 RATE; EXCESS SPENDING YIELD; RECOMMENDATION OF
4 THE COMMISSIONER

5 (a) Annually, not later than December 1, the Commissioner of Taxes, after
6 consultation with the Secretary of Education, the Secretary of Administration,
7 and the Joint Fiscal Office, shall calculate and recommend ~~a property dollar~~
8 ~~equivalent yield, an income dollar equivalent yield, and a nonhomestead~~
9 ~~property tax rate~~ the statewide education property tax rate pursuant to
10 subsection 5402(a) of this chapter and the excess spending yield for the
11 following fiscal year. In making these calculations, the Commissioner shall
12 assume the statutory reserves are maintained at five percent pursuant to 16
13 V.S.A. § 4026 and the amounts in the Excess Spending Reserve are
14 unavailable for any purpose other than that specified in 16 V.S.A. § 4032(b):

15 ~~(1) the homestead base tax rate in subdivision 5402(a)(2) of this title is~~
16 ~~\$1.00 per \$100.00 of equalized education property value;~~

17 ~~(2) the applicable percentage in subdivision 6066(a)(2) of this title is 2.0;~~

18 ~~(3) the statutory reserves under 16 V.S.A. § 4026 and this section were~~
19 ~~maintained at five percent;~~

20 ~~(4) the percentage change in the average education tax bill applied to~~
21 ~~nonhomestead property and the percentage change in the average education tax~~

1 ~~bill of homestead property and the percentage change in the average education~~
2 ~~tax bill for taxpayers who claim a credit under subsection 6066(a) of this title~~
3 ~~are equal;~~

4 ~~(5) the equalized education grand list is multiplied by the statewide~~
5 ~~adjustment in calculating the property dollar equivalent yield; and~~

6 ~~(6) the nonhomestead rate is divided by the statewide adjustment.~~

7 (b) For each fiscal year, the ~~property dollar equivalent~~ excess spending
8 ~~yield and the income dollar equivalent yield~~ shall be the same as in the prior
9 fiscal year, unless set otherwise by the General Assembly.

10 * * *

11 (d) Along with the recommendations made under this section, the
12 Commissioner shall include:

13 (1) the base amount as defined in 16 V.S.A. § 4001(16);

14 (2) for each school district, the estimated long-term membership,
15 weighted long-term membership, and aggregate equalized education property
16 tax grand list of its municipal members;

17 (3) for each school district, the estimated aggregate equalized education
18 property tax grand list of its municipal members per long-term membership;

19 (4) the estimated school district with the lowest taxing capacity; and

20 (5) the range of per pupil excess spending between all districts in the
21 State for the previous year.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20

* * *

* * * Conforming Revisions; Statewide Property Tax Rate * * *

Sec. 16. 32 V.S.A. § 5404a(b)(1) is amended to read:

(b)(1) An agreement affecting the education property tax grand list defined under subsection (a) of this section shall reduce the municipality’s education property tax liability under this chapter for the duration of the agreement or exemption without extension or renewal, and for a maximum of 10 years. A municipality’s property tax liability under this chapter shall be reduced by any difference between the amount of the education property taxes collected on the subject property and the amount of education property taxes that would have been collected on such property if its fair market value were taxed at the equalized ~~nonhomestead~~ rate for the tax year.

Sec. 17. 32 V.S.A. § 5405(g) is amended to read:

(g) The Commissioner shall provide to municipalities for the front of property tax bills the ~~district homestead property~~ statewide education tax rate before equalization, ~~the nonresidential tax rate before equalization~~, and the calculation process that creates the equalized homestead and nonhomestead tax rates. The Commissioner shall further provide to municipalities for the back of property tax bills an explanation of the common level of appraisal, including its origin and purpose.

1 § 6062. NUMBER AND IDENTITY OF CLAIMANTS; APPORTIONMENT

2 * * *

3 (d) Whenever a housesite is an integral part of a larger unit such as a farm
4 or a multi-purpose or multi-dwelling building, property taxes paid shall be that
5 percentage of the total property tax as the value of the housesite is to the total
6 value. Upon a claimant's request, the listers shall certify to the claimant the
7 value of ~~his or her~~ the claimant's homestead and housesite.

8 * * *

9 § 6063. CLAIM AS PERSONAL; CREDIT AND EXEMPTION AMOUNT

10 AT TIME OF TRANSFER

11 (a) The right to file a claim under this chapter is personal to the claimant
12 and shall not survive ~~his or her~~ the claimant's death, but the right may be
13 exercised on behalf of a claimant by ~~his or her~~ the claimant's legal guardian or
14 attorney-in-fact. When a claimant dies after having filed a timely claim, the
15 municipal property tax credit and the homestead exemption amount shall be
16 ~~credited~~ applied to the ~~homestead~~ property tax liability of the claimant's estate
17 as provided in section 6066a of this title.

18 (b) In case of sale or transfer of a residence, after April 1 of the claim year:

19 (1) any municipal property tax credit ~~amounts~~ amount related to that
20 residence shall be allocated to the ~~seller~~ transferor at closing unless the parties
21 otherwise agree;

1 property tax exemption and a municipal property tax credit, where to find
2 assistance filing for a credit or an exemption, or both, and any other related
3 information as determined by the Commissioner. The notice shall direct
4 taxpayers to a resource where they can find versions of the notice translated
5 into the five most common non-English languages in the State. A town shall
6 include such notice in each tax bill and notice of delinquent taxes that it mails
7 to taxpayers who own in that town a residential property, without regard for
8 whether the property was declared a homestead pursuant to subdivision
9 5401(7) of this title.

10 (c) Notwithstanding the provisions of subsection (b) of this section, towns
11 that use envelopes or mailers not able to accommodate notices describing the
12 homestead property tax exemption and municipal property tax credit may
13 distribute such notices in an alternative manner.

14 § 6066. COMPUTATION OF HOMESTEAD PROPERTY TAX

15 EXEMPTION, MUNICIPAL PROPERTY TAX CREDIT, AND

16 RENTER CREDIT

17 (a) ~~An eligible claimant who owned the homestead on April 1 of the year in~~
18 ~~which the claim is filed shall be entitled to a credit for the prior year's~~
19 ~~homestead property tax liability amount determined as follows:~~

20 ~~(1)(A) For a claimant with household income of \$90,000.00 or more:~~

1 ~~(i) the statewide education tax rate, multiplied by the equalized~~
2 ~~value of the housesite in the taxable year;~~

3 ~~(ii) minus (if less) the sum of:~~

4 ~~(I) the income percentage of household income for the taxable~~
5 ~~year; plus~~

6 ~~(II) the statewide education tax rate, multiplied by the equalized~~
7 ~~value of the housesite in the taxable year in excess of \$225,000.00.~~

8 ~~(B) For a claimant with household income of less than \$90,000.00 but~~
9 ~~more than \$47,000.00, the statewide education tax rate, multiplied by the~~
10 ~~equalized value of the housesite in the taxable year, minus (if less) the sum of:~~

11 ~~(i) the income percentage of household income for the taxable~~
12 ~~year; plus~~

13 ~~(ii) the statewide education tax rate, multiplied by the equalized~~
14 ~~value of the housesite in the taxable year in excess of \$400,000.00.~~

15 ~~(C) For a claimant whose household income does not exceed~~
16 ~~\$47,000.00, the statewide education tax rate, multiplied by the equalized value~~
17 ~~of the housesite in the taxable year, minus the lesser of:~~

18 ~~(i) the sum of the income percentage of household income for the~~
19 ~~taxable year plus the statewide education tax rate, multiplied by the equalized~~
20 ~~value of the housesite in the taxable year in excess of \$400,000.00; or~~

1 ~~(ii) the statewide education tax rate, multiplied by the equalized~~
2 ~~value of the housesite in the taxable year reduced by \$15,000.00.~~

3 ~~(2) “Income percentage” in this section means two percent, multiplied~~
4 ~~by the education income tax spending adjustment under subdivision~~
5 ~~5401(13)(B) of this title for the property tax year that begins in the claim year~~
6 ~~for the municipality in which the homestead residence is located~~

7 (1) An eligible claimant who owned the homestead on April 1 of the
8 claim year shall be entitled to a homestead property tax exemption in the claim
9 year in an amount determined as follows:

10 (A) for a claimant whose household income is equal to or less than
11 \$25,000.00, the exemption shall be 95 percent of the claimant’s housesite
12 value;

13 (B) for a claimant whose household income is greater than
14 \$25,000.00 but equal to or less than \$47,000.00, the exemption shall be 90
15 percent of the claimant’s housesite value;

16 (C) for a claimant whose household income is greater than
17 \$47,000.00 but equal to or less than \$50,000.00, the exemption shall be 80
18 percent of the claimant’s housesite value;

19 (D) for a claimant whose household income is greater than
20 \$50,000.00 but equal to or less than \$60,000.00, the exemption shall be 70
21 percent of the claimant’s housesite value;

1 (E) for a claimant whose household income is greater than
2 \$60,000.00 but equal to or less than \$70,000.00, the exemption shall be 60
3 percent of the claimant’s housesite value;

4 (F) for a claimant whose household income is greater than
5 \$70,000.00 but equal to or less than \$80,000.00, the exemption shall be 50
6 percent of the claimant’s housesite value;

7 (G) for a claimant whose household income is greater than
8 \$80,000.00 but equal to or less than \$90,000.00, the exemption shall be 40
9 percent of the claimant’s housesite value;

10 (H) for a claimant whose household income is greater than
11 \$90,000.00 but equal to or less than \$100,000.00, the exemption shall be 30
12 percent of the claimant’s housesite value;

13 (I) for a claimant whose household income is greater than
14 \$100,000.00 but equal to or less than \$110,000.00, the exemption shall be 20
15 percent of the claimant’s housesite value; and

16 (J) for a claimant whose household income is greater than
17 \$110,000.00 but equal to or less than \$115,000.00, the exemption shall be 10
18 percent of the claimant’s housesite value;

19 (K) for a claimant whose household income is greater than
20 \$115,000.00, no amount of housesite value shall be exempt under this section.

1 ~~(3)~~(2) A An eligible claimant who owned the homestead on April 1 of
2 the claim year and whose household income does not exceed \$47,000.00 shall
3 also be entitled to ~~an additional~~ a credit amount from ~~against~~ the claimant’s
4 municipal taxes for the upcoming fiscal year that is equal to the amount by
5 which the municipal property taxes for the municipal fiscal year that began in
6 the taxable year upon the claimant’s housesite exceeds a percentage of the
7 claimant’s household income for the taxable year as follows:

8	If household income (rounded	then the taxpayer is entitled to
9	to the nearest dollar) is:	credit for the
10		reduced property tax in excess of
11		this percent
12		of that income:
13	\$0.00 — 9,999.00	1.50
14	\$10,000.00 — 47,000.00	3.00

15 ~~(4) A claimant whose household income does not exceed \$47,000.00~~
16 ~~shall also be entitled to an additional credit amount from the claimant’s~~
17 ~~statewide education tax for the upcoming fiscal year that is equal to the amount~~
18 ~~by which the education property tax for the municipal fiscal year that began in~~
19 ~~the taxable year upon the claimant’s housesite, reduced by the credit amount~~
20 ~~determined under subdivisions (1) and (2) of this subsection, exceeds a~~
21 ~~percentage of the claimant’s household income for the taxable year as follows:~~

1	If household income (rounded	then the taxpayer is entitled to
2	to the nearest dollar) is:	credit for the reduced property tax
3		in excess of this percent of that
4		income:
5	\$0.00 — 9,999.00	0.5
6	\$10,000.00 — 24,999.00	1.5
7	\$25,000.00 — 47,000.00	2.0

8 ~~(5)~~(3) In no event shall the homestead property tax exemption provided
9 for in subdivision (1) of this subsection reduce the housesite value below zero.
10 In no event shall the municipal property tax credit provided for in subdivision
11 ~~(3) or (4)~~ (2) of this subsection exceed the amount of the reduced municipal
12 property tax. ~~The credits under subdivision (4) of this subsection shall be~~
13 ~~calculated considering only the tax due on the first \$400,000.00 in equalized~~
14 ~~housesite value.~~

15 (b)(1) An eligible claimant who rented the homestead shall be entitled
16 to a credit for the taxable year in an amount not to exceed \$2,500.00, to be
17 calculated as follows:

18 * * *

19 (c) to be eligible for an ~~adjustment~~ exemption or credit under this chapter,
20 the claimant:

1 (1) must have been domiciled in this State during the entire taxable
2 year;

3 (2) may not be a person claimed as a dependent by any taxpayer under
4 the federal Internal Revenue Code during the taxable year; and

5 (3) in the case of a renter, shall have rented property for at least six
6 calendar months, which need not be consecutive, during the taxable year.

7 (d) The owner of a mobile home that is sited on a lot not owned by the
8 homeowner may include an amount determined under subdivision 6061(7) of
9 this title as allocable rent paid on the lot with the amount of property taxes paid
10 by the homeowner on the home for the purpose of computation of ~~credits~~ the
11 municipal property tax credit under subdivision (a)~~(3)~~(2) of this section, unless
12 the homeowner has included in the claim an amount of property tax on
13 common land under the provisions of subsection (e) of this section.

14 (e) Property taxes paid by a cooperative, not including a mobile home park
15 cooperative, allocable to property used as a homestead shall be attributable to
16 the co-op member for the purpose of computing the ~~credit~~ of property tax
17 liability of the co-op member under this section. Property owned by a
18 cooperative declared as a homestead may only include the homestead and a pro
19 rata share of any common land owned or leased by the cooperative, not to
20 exceed the two-acre housesite limitation. The share of the cooperative's
21 assessed value attributable to the housesite shall be determined by the

1 cooperative and specified annually in a notice to the co-op member. Property
2 taxes paid by a mobile home park cooperative, allocable to property used as a
3 housesite, shall be attributed to the owner of the housesite for the purpose of
4 computing the ~~credit~~ of property tax liability of the housesite owner under this
5 section. Property owned by the mobile home park cooperative and declared as
6 a housesite may only include common property of the cooperative contiguous
7 with at least one mobile home lot in the park, not to exceed the two-acre
8 housesite limitation. The share attributable to any mobile home lot shall be
9 determined by the cooperative and specified in the cooperative agreement. A
10 co-op member who is the housesite owner shall be entitled to a property tax
11 credit in an amount determined by multiplying the property taxes allocated
12 under this subsection by the percentage of the exemption for which the
13 housesite owner's household income qualifies under subdivision (a)(1) of this
14 section.

15 (f) [Repealed.]

16 (g) Notwithstanding subsection (d) of this section, if the land surrounding a
17 homestead is owned by a nonprofit corporation or community land trust with
18 tax exempt status under 26 U.S.C. § 501(c)(3), the homeowner may include an
19 allocated amount as property tax paid on the land with the amount of property
20 taxes paid by the homeowner on the home for the purposes of computation of
21 ~~the credit~~ property tax liability under this section. The allocated amount shall

1 be determined by the nonprofit corporation or community land trust on a
2 proportional basis. The nonprofit corporation or community land trust shall
3 provide to that homeowner, by January 31, a certificate specifying the
4 allocated amount. The certificate shall indicate the proportion of total property
5 tax on the parcel that was assessed for municipal property tax and for statewide
6 property tax and the proportion of total value of the parcel. A homeowner
7 under this subsection shall be entitled to a property tax credit in an amount
8 determined by multiplying the property taxes allocated under this subsection
9 by the percentage of the exemption for which the homeowner's household
10 income qualifies under subdivision (a)(1) of this section.

11 (h) A homestead owner shall be entitled to an additional property tax credit
12 equal to one percent of the amount of income tax refund that the claimant
13 elects to allocate to payment of ~~homestead~~ statewide education property tax
14 under section 6068 of this title.

15 (i) ~~Adjustments~~ The homestead property tax exemption and the municipal
16 property tax credit under subsection (a) of this section shall be calculated
17 without regard to any exemption under subdivision 3802(11) of this title.

18 § 6066a. DETERMINATION OF HOMESTEAD PROPERTY TAX

19 EXEMPTION AND MUNICIPAL PROPERTY TAX CREDIT

20 (a) Annually, the Commissioner shall determine the homestead property tax
21 exemption and the municipal property tax credit amount under section 6066 of

1 this title, related to a homestead owned by the claimant, based on the prior
2 taxable year's income and for the municipal property tax credit, crediting
3 property taxes paid in the prior year, and for the homestead property tax
4 exemption, exempting the housesite value in the claim year. The
5 Commissioner shall notify the municipality in which the housesite is located of
6 the amount of the homestead property tax exemption and municipal property
7 tax credit for the claimant for ~~homestead~~ property tax liabilities on a monthly
8 basis. The municipal property tax credit of a claimant who was assessed
9 property tax by a town that revised the dates of its fiscal year, however, is the
10 excess of the property tax that was assessed in the last 12 months of the revised
11 fiscal year, over the adjusted property tax of the claimant for the revised fiscal
12 year, as determined under section 6066 of this title, related to a homestead
13 owned by the claimant.

14 (b) The Commissioner shall include in the total homestead property tax
15 exemption and municipal property tax credit amount determined under
16 subsection (a) of this section, for credit to the taxpayer for ~~homestead~~ statewide
17 education property tax and excess spending tax liabilities, any income tax
18 overpayment remaining after allocation under section 3112 of this title and
19 setoff under section 5934 of this title, which the taxpayer has directed to be
20 used for payment of property taxes.

1 (c) The Commissioner shall notify the municipality of any claim and refund
2 amounts unresolved by November 1 at the time of final resolution, including
3 adjudication, if any; provided, however, that towns will not be notified of any
4 additional credit amounts after November 1 of the claim year, and such
5 amounts shall be paid to the claimant by the Commissioner.

6 (d) [Repealed.]

7 (e) At the time of notice to the municipality, the Commissioner shall notify
8 the taxpayer of the homestead property tax ~~credit exemption~~ amount
9 determined under subdivision 6066(a)(1) of this title, ~~the amount determined~~
10 ~~under subdivision 6066(a)(3) of this title;~~ any additional municipal property
11 credit ~~amounts~~ amount due the homestead owner under ~~section~~ subdivision
12 6066(a)(2) of this title; ~~the amount of income tax refund, if any, allocated to~~
13 ~~payment of homestead statewide education property tax liabilities;~~ and any
14 late-claim reduction amount.

15 (f)(1) For taxpayers and amounts stated in the notice to towns on or before
16 July 1, municipalities shall create and send to taxpayers a ~~homestead~~ property
17 tax bill, instead of the bill required under subdivision 5402(b)(1) of this title,
18 providing the total amount allocated to payment of ~~homestead~~ statewide
19 education property tax liabilities and notice of the balance due. Municipalities
20 shall apply the amount of the homestead property tax exemption allocated
21 under this chapter to current year property taxes in equal amounts to each of

1 the taxpayers' property tax installments that include education taxes and the
2 amount of the municipal property tax credit allocated under this chapter to
3 current year municipal property taxes in equal amounts to each of the
4 taxpayers' property tax installments that include municipal taxes.

5 Notwithstanding section 4772 of this title, if a town issues a corrected bill as a
6 result of the notice sent by the Commissioner under subsection (a) of this
7 section, issuance of the corrected new bill does not extend the time for
8 payment of the original bill nor relieve the taxpayer of any interest or penalties
9 associated with the original bill. If the corrected bill is less than the original
10 bill, and there are also no unpaid current year taxes, interest, or penalties, and
11 no past year delinquent taxes or penalties and interest charges, any
12 overpayment shall be reflected on the corrected tax bill and refunded to the
13 taxpayer.

14 (2) For homestead property tax exemption and municipal property tax
15 credit amounts for which municipalities receive notice after November 1,
16 municipalities shall issue a new ~~homestead~~ property tax bill with notice to the
17 taxpayer of the total amount allocated to payment of ~~homestead~~ property tax
18 liabilities and notice of the balance due.

19 (3) The homestead property tax exemption and municipal property tax
20 credit amount determined for the taxpayer shall be allocated first to current
21 year housesite value and property tax on the homestead parcel, next to current-

1 year homestead parcel penalties and interest, next to any prior year homestead
2 parcel penalties and interest, and last to any prior year housesite value and
3 property tax on the homestead parcel. No homestead property tax exemption
4 or municipal credit shall be allocated to a housesite value or property tax
5 liability for any year after the year for which the claim or refund allocation was
6 filed. No municipal tax-reduction incentive for early payment of taxes shall
7 apply to any amount allocated to the property tax bill under this chapter.

8 (4) If the homestead property tax exemption or the municipal property
9 tax credit amount as described in subsection (e) of this section exceeds the
10 property tax, penalties, and interest due for the current and all prior years, the
11 municipality shall refund the excess to the taxpayer, without interest, within 20
12 days of the first date upon which taxes become due and payable or 20 days
13 after notification of the exemption or credit amount by the Commissioner of
14 Taxes, whichever is later.

15 (g) The Commissioner of Taxes shall pay monthly to each municipality the
16 amount of municipal property tax credit of which the municipality was last
17 notified related to municipal property tax on homesteads within that
18 municipality, as determined by the Commissioner of Taxes.

1 § 6067. ~~CREDIT~~ CLAIM LIMITATIONS

2 (a) Claimant. Only one individual per household per taxable year shall be
3 entitled to a homestead exemption claim or property tax credit claim, or both,
4 under this chapter.

5 (b) Other states. An individual who received a homestead exemption or
6 credit with respect to property taxes assessed by another state for the taxable
7 year shall not be entitled to receive a credit under this chapter.

8 (c) Dollar amount. No ~~taxpayer claimant~~ shall receive a renter credit under
9 subsection 6066(b) of this title in excess of \$2,500.00. No ~~taxpayer claimant~~
10 shall receive a municipal property tax credit under subdivision 6066(a)(~~3~~)(2) of
11 this title greater than \$2,400.00 ~~or cumulative credit under subdivisions~~
12 ~~6066(a)(1)-(2) and (4) of this title greater than \$5,600.00.~~

13 § 6068. APPLICATION AND TIME FOR FILING

14 (a) A homestead property tax exemption or municipal property tax credit
15 claim or request for allocation of an income tax refund to ~~homestead~~ statewide
16 education property tax payment shall be filed with the Commissioner on or
17 before the due date for filing the Vermont income tax return, without
18 extension, and shall describe the school district in which the homestead
19 property is located and shall particularly describe the homestead property for
20 which the exemption or credit ~~or allocation~~ is sought, including the school
21 parcel account number prescribed in subsection 5404(b) of this title. A renter

1 credit claim shall be filed with the Commissioner on or before the due date for
2 filing the Vermont income tax return, without extension.

3 (b)(1) If ~~the~~ a claimant files a municipal property tax credit claim after
4 October 15 but on or before March 15 of the following calendar year, the
5 municipal property tax credit under this chapter:

6 (1)(A) shall be reduced in amount by \$150.00, but not below \$0.00;

7 (2)(B) shall be issued directly to the claimant; and

8 (3)(C) shall not require the municipality where the claimant's property
9 is located to issue an adjusted ~~homestead~~ property tax bill.

10 (2) If a claimant files a homestead property tax exemption claim under
11 this chapter after October 15 but on or before March 15 of the following
12 calendar year, the claimant shall pay a penalty of \$150.00 and the municipality
13 where the claimant's property is located shall not be required to issue an
14 adjusted property tax bill.

15 (c) No request for allocation of an income tax refund or for a renter credit
16 claim may be made after October 15. No homestead property tax exemption or
17 municipal property tax credit claim may be made after March 15 of the
18 calendar year following the due date under subsection (a) of this section.

19 * * *

1 § 6070. DISALLOWED CLAIMS

2 A claim shall be disallowed if the claimant received title to ~~his or her~~ the
3 claimant's homestead primarily for the purpose of receiving benefits under this
4 chapter.

5 § 6071. EXCESSIVE AND FRAUDULENT CLAIMS

6 (a) In any case in which it is determined under the provisions of this title
7 that a claim is or was excessive and was filed with fraudulent intent, the claim
8 shall be disallowed in full and the Commissioner may impose a penalty equal
9 to the amount claimed. A disallowed claim may be recovered by assessment
10 as income taxes are assessed. The assessment, including assessment of
11 penalty, shall bear interest from the date the claim was credited against
12 property tax or income tax or paid by the State until repaid by the claimant at
13 the rate per annum established from time to time by the Commissioner
14 pursuant to section 3108 of this title. The claimant in that case, and any person
15 who assisted in the preparation of filing of such excessive claim or supplied
16 information upon which the excessive claim was prepared, with fraudulent
17 intent, shall be fined not more than \$1,000.00 or be imprisoned not more than
18 one year, or both.

19 (b) In any case in which it is determined that a claim is or was excessive,
20 the Commissioner may impose a 10 percent penalty on such excess, and if the
21 claim has been paid or credited against property tax or income tax otherwise

1 payable, the municipal property tax credit or homestead exemption shall be
2 reduced or canceled and the proper portion of any amount paid shall be
3 similarly recovered by assessment as income taxes are assessed, and such
4 assessment shall bear interest at the rate per annum established from time to
5 time by the Commissioner pursuant to section 3108 of this title from the date
6 of payment or, in the case of credit of a municipal property tax bill under
7 section 6066a of this title, from December 1 of the year in which the claim is
8 filed until refunded or paid.

9 * * *

10 § 6073. ~~REGULATIONS~~ RULES OF THE COMMISSIONER

11 The Commissioner may, from time to time, ~~issue~~ adopt, amend, and
12 withdraw ~~regulations~~ rules interpreting and implementing this chapter.

13 § 6074. AMENDMENT OF CERTAIN CLAIMS

14 At any time within three years after the date for filing claims under
15 subsection 6068(a) of this chapter, a claimant who filed a claim by October 15
16 may file to amend that claim with regard to housesite value, ~~housesite~~
17 ~~education tax~~, housesite municipal tax, and ownership percentage or to correct
18 the amount of household income reported on that claim.

19 * * * Conforming Revisions; Property Tax Credit Repeal * * *

20 Sec. 21. 11 V.S.A. § 1608 is amended to read:

21 § 1608. ELIGIBILITY FOR PROPERTY TAX RELIEF

1 Members of cooperative housing corporations shall be eligible to apply for
2 and receive a homestead property tax ~~adjustment~~ exemption and municipal
3 property tax credit under 32 V.S.A. § 6066, subject to the conditions of
4 eligibility set forth therein.

5 Sec. 22. 32 V.S.A. § 3102(j) is amended to read:

6 (j) Tax bills prepared by a municipality under subdivision 5402(b)(1) of
7 this title showing only the amount of total tax due shall not be considered
8 confidential return information under this section. For the purposes of
9 calculating ~~credits~~ the homestead property tax exemption and the municipal
10 property tax credit under chapter 154 of this title, information provided by the
11 Commissioner to a municipality under subsection 6066a(a) of this title and
12 information provided by the municipality to a taxpayer under subsection
13 6066a(f) shall be considered confidential return information under this section.

14 Sec. 23. 32 V.S.A. § 3206(b) is amended to read:

15 (b) As used in this section, “extraordinary relief” means a remedy that is
16 within the power of the Commissioner to grant under this title, a remedy that
17 compensates for the result of inaccurate classification of property as homestead
18 or nonhomestead pursuant to section 5410 of this title through no fault of the
19 taxpayer, or a remedy that makes changes to a taxpayer’s homestead property
20 tax exemption, municipal property tax credit, or renter credit claim necessary
21 to remedy the problem identified by the Taxpayer Advocate.

1 (E) means to improve equity, transparency, and efficiency in
2 education funding statewide;

3 (F) the amount of the Education Fund stabilization reserve;

4 (G) school district use of reserve fund accounts;

5 (H) national best practices for addressing intra-school district effects
6 of a foundation formula, including through the use of weighting factors;

7 (I) whether to transition from a cost-based foundation formula to an
8 evidence-based foundation formula; and

9 ~~(H)~~(J) any other topic, factor, or issue the Committee deems relevant
10 to its work and recommendations.

11 * * *

12 Sec. 25. 16 V.S.A. 4001 is amended to read:

13 § 4001. DEFINITIONS

14 As used in this chapter:

15 * * *

16 (16) “Base amount” means a per pupil ~~cost factor~~ evidence-based
17 amount of \$XX,XXX.00, which shall be adjusted for inflation annually on or
18 before November 15 by the Secretary of Education. As used in this
19 subdivision, “adjusted for inflation” means adjusting the base dollar amount by
20 the National Income and Product Accounts (NIPA) implicit price deflator for
21 state and local government consumption expenditures and gross investment

1 published by the U.S. Department of Commerce, Bureau of Economic
2 Analysis, from fiscal year 2025 through the fiscal year for which the amount is
3 being determined.

4 Sec. 26. 16 V.S.A. 4010 is amended to read:

5 § 4010. DETERMINATION OF WEIGHTED LONG-TERM MEMBERSHIP

6 * * *

7 (d) Determination of weighted long-term membership. For each weighting
8 category except the small schools weighting category under subdivision (b)(3)
9 of this section, the Secretary shall compute the weighting count by using the
10 long-term membership, as defined in subdivision 4001(7) of this title, in that
11 category.

12 (1) The Secretary shall first apply grade level weights. Each pupil
13 included in long-term membership shall count as one, multiplied by the
14 following amounts:

15 (A) prekindergarten— ~~X.X~~; Y.Y

16 (B) grades six through eight— ~~X.X~~; Y.Y; and

17 (C) grades nine through 12— ~~X.X~~; Y.Y.

18 (2) The Secretary shall next apply a weight for pupils whose family is at
19 or below 185 percent of FPL. Each pupil included in long-term membership
20 whose family is at or below 185 percent of FPL shall receive an additional
21 weighting amount of ~~X.X~~; Y.Y.

1 (3) The Secretary shall next apply a weight for EL pupils. Each EL
2 pupil included in long-term membership shall receive an additional weighting
3 amount of ~~X.X~~; Y.Y.

4 (4) The Secretary shall then apply a weight for pupils living in low
5 population density school districts. Each pupil included in long-term
6 membership residing in a low population density school district, measured by
7 the number of persons per square mile residing within the land area of the
8 geographic boundaries of the district as of July 1 of the year of determination,
9 shall receive an additional weighting amount of:

10 (A) ~~X.X~~; Y.Y, where the number of persons per square mile is fewer
11 than 36 persons;

12 (B) ~~X.X~~; Y.Y, where the number of persons per square mile is 36 or
13 more but fewer than 55 persons; or

14 (C) ~~X.X~~; Y.Y, where the number of persons per square mile is 55 or
15 more but fewer than 100.

16 (5) The Secretary shall lastly apply a weight for pupils who attend a
17 small school. If the number of persons per square mile residing within the land
18 area of the geographic boundaries of a school district as of July 1 of the year of
19 determination is 55 or fewer, then, for each pupil listed under subdivision
20 (b)(3)(C) of this section (pupils who attend small schools):

1 (A) where the school has fewer than 100 pupils in average two-year
2 enrollment, the school district shall receive an additional weighting amount of
3 ~~X.X~~; Y.Y for each pupil included in the small school’s average two-year
4 enrollment; or

5 (B) where the small school has 100 or more but fewer than 250
6 pupils, the school district shall receive an additional weighting amount of ~~X.X~~;
7 Y.Y for each pupil included in the small school’s average two-year enrollment.

8 (6) A school district’s weighted long-term membership shall equal long-
9 term membership plus the cumulation of the weights assigned by the Secretary
10 under this subsection.

11 * * * Effective Dates * * *

12 Sec. 27. EFFECTIVE DATES

13 [Effective dates are to be determined once the provisions of the broader
14 education transformation proposal have been settled. Certain measures will be
15 effective contingent upon:

16 (1) development and review of an evidence-based foundation formula
17 by professional judgment panels;

18 (2) achievement by 90 percent of Vermont classes of class-size
19 standards set in the education quality standards;

20 (3) achievement by 90 percent of Vermont school buildings of school
21 building parameters set in the education quality standards; and

- 1 (4) implementation of a multi-tiered system of supports in each Vermont
- 2 school.]