

# S.127 Proposed Caps on Education Property Tax Increment Retention

House Committee on Ways and Means

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# Proposed Caps on Education Property Tax Increment Retention

County	Cap on Education Property Tax Increment Retention
Addison	\$10,300,000
Bennington	\$11,900,000
Caledonia	\$6,300,000
Chittenden	\$50,300,000
Essex	\$1,600,000
Franklin	\$11,400,000
Grand Isle	\$3,800,000
Lamoille	\$12,000,000
Orange	\$6,600,000
Orleans	\$7,000,000
Rutland	\$15,700,000
Washington	\$16,400,000
Windham	\$16,600,000
Windsor	\$21,200,000
<b>Total</b>	<b>\$191,100,000</b>

- Would cap the amount of Education Property Tax increment that can be retained for each county.
- This does not mean the cost of this program to the Education Fund will equal the amount prescribed in these caps, but limits the upper bound of the Fund's exposure to increment retention.



# How the caps are calculated



# 2024 vs 2023 Equalized Grand List Value

1. 2024 Equalized Grand List Value x Annual Average Statewide Growth Rate = Value of Growth
2. Value of Growth x NHS Tax Rate = Education Tax Value of Growth
3. Education Tax Value of Growth x 70% Ed Fund Increment Retention = Education Property Tax Increment Retention

This cap would equate to the maximum amount of Education Tax Increment that could be approved and retained over the life of the program.



# 2024 vs 2023 Equalized Grand List Value

County	2023 Equalized Grand List Value	2024 Equalized Grand List Value	Growth
Addison	\$67,282,990	\$75,738,930	12.6%
Bennington	\$77,379,060	\$87,185,980	12.7%
Caledonia	\$40,136,900	\$46,335,300	15.4%
Chittenden	\$328,220,080	\$369,671,650	12.6%
Essex	\$10,468,630	\$11,883,960	13.5%
Franklin	\$73,549,700	\$83,645,640	13.7%
Grand Isle	\$23,269,330	\$27,686,990	19.0%
Lamoille	\$76,293,450	\$88,159,100	15.6%
Orange	\$42,362,960	\$48,348,510	14.1%
Orleans	\$44,123,100	\$51,160,800	16.0%
Rutland	\$101,794,710	\$115,553,840	13.5%
Washington	\$105,613,790	\$120,727,120	14.3%
Windham	\$106,511,400	\$122,013,100	14.6%
Windsor	\$135,298,920	\$156,280,370	15.5%
<b>Total</b>	<b>\$1,232,305,020</b>	<b>\$1,404,391,290</b>	<b>14.0%</b>

- 14% aligns with the forecasted equalized grand list growth in 2025 and 2026.



# Value of Equalized Grand List Growth from 2023 to 2024

County	2024 Equalized Grand List Value	Statewide Average Growth	Value of Growth
Addison	\$7,573,893,000	14.0%	\$1,057,662,652
Bennington	\$8,718,598,000	14.0%	\$1,217,515,944
Caledonia	\$4,633,530,000	14.0%	\$647,053,190
Chittenden	\$36,967,165,000	14.0%	\$5,162,310,819
Essex	\$1,188,396,000	14.0%	\$165,954,558
Franklin	\$8,364,564,000	14.0%	\$1,168,076,568
Grand Isle	\$2,768,699,000	14.0%	\$386,637,298
Lamoille	\$8,815,910,000	14.0%	\$1,231,105,160
Orange	\$4,834,851,000	14.0%	\$675,166,831
Orleans	\$5,116,080,000	14.0%	\$714,439,291
Rutland	\$11,555,384,000	14.0%	\$1,613,661,308
Washington	\$12,072,712,000	14.0%	\$1,685,904,012
Windham	\$12,201,310,000	14.0%	\$1,703,862,187
Windsor	\$15,628,037,000	14.0%	\$2,182,390,359
<b>Total</b>	<b>\$140,439,129,000</b>	<b>14.0%</b>	<b>\$19,611,740,177</b>



# Education Property Tax Value of Growth

County	Value of Growth	FY2025 NHS Rate	Tax Value of Growth
Addison	\$10,576,627	1.391	\$14,712,087
Bennington	\$12,175,159	1.391	\$16,935,647
Caledonia	\$6,470,532	1.391	\$9,000,510
Chittenden	\$51,623,108	1.391	\$71,807,743
Essex	\$1,659,546	1.391	\$2,308,428
Franklin	\$11,680,766	1.391	\$16,247,945
Grand Isle	\$3,866,373	1.391	\$5,378,125
Lamoille	\$12,311,052	1.391	\$17,124,673
Orange	\$6,751,668	1.391	\$9,391,571
Orleans	\$7,144,393	1.391	\$9,937,851
Rutland	\$16,136,613	1.391	\$22,446,029
Washington	\$16,859,040	1.391	\$23,450,925
Windham	\$17,038,622	1.391	\$23,700,723
Windsor	\$21,823,904	1.391	\$30,357,050
<b>Total</b>	<b>\$196,117,402</b>	<b>1.391</b>	<b>\$272,799,306</b>

- In a sense, this is trying to capture the Education Property Tax value associated with a year's worth of equalized grand list value growth.
- This would look to cap the maximum Education Fund exposure to increment retention equal to a year's worth of growth in the equalized grand list value spread over the life of the program.



# Increment Retention and Ed. Fund Portion

County	Tax Value of Growth	Ed. Fund Increment (70%)	Ed. Fund Portion (30%)	Municipal Increment (100%)	Total Increment
Addison	\$14,712,087	\$10,298,461	\$4,413,626	\$4,007,024	\$14,305,485
Bennington	\$16,935,647	\$11,854,953	\$5,080,694	\$4,059,084	\$15,914,037
Caledonia	\$9,000,510	\$6,300,357	\$2,700,153	\$4,073,512	\$10,373,869
Chittenden	\$71,807,743	\$50,265,420	\$21,542,323	\$20,503,743	\$70,769,164
Essex	\$2,308,428	\$1,615,900	\$692,528	\$894,991	\$2,510,890
Franklin	\$16,247,945	\$11,373,562	\$4,874,384	\$4,409,722	\$15,783,283
Grand Isle	\$5,378,125	\$3,764,687	\$1,613,437	\$1,560,189	\$5,324,876
Lamoille	\$17,124,673	\$11,987,271	\$5,137,402	\$4,514,272	\$16,501,543
Orange	\$9,391,571	\$6,574,099	\$2,817,471	\$3,938,525	\$10,512,625
Orleans	\$9,937,851	\$6,956,495	\$2,981,355	\$3,554,186	\$10,510,681
Rutland	\$22,446,029	\$15,712,220	\$6,733,809	\$8,658,441	\$24,370,662
Washington	\$23,450,925	\$16,415,647	\$7,035,277	\$8,517,488	\$24,933,136
Windham	\$23,700,723	\$16,590,506	\$7,110,217	\$8,763,757	\$25,354,263
Windsor	\$30,357,050	\$21,249,935	\$9,107,115	\$12,642,280	\$33,892,215
<b>Total</b>	<b>\$272,799,306</b>	<b>\$190,959,514</b>	<b>\$81,839,792</b>	<b>\$90,097,214</b>	<b>\$281,056,728</b>



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<b>Total</b>	<b>\$191,100,000</b>

- JFO cannot determine if the cost to the Education Fund will equal these amounts over the life of the program.
- These caps limit the upper bound of potential exposure the Education Fund has from the Education Tax increment retention.



# Questions?

