

\* \* \* Calculation of Tuition \* \* \*

Sec. 27. 16 V.S.A. § 823 is amended to read:

§ 823. ~~ELEMENTARY~~ TUITION

(a) Tuition for ~~elementary~~ students shall be paid by the district in which the student is a resident. The district shall pay ~~the full tuition charged its students attending a public elementary school~~ to a receiving school an amount equal to the base amount contained in subdivision 4001(16) of this title multiplied by the sum of one and any weights applicable to the resident student under section 4010 of this title, for each resident student attending the receiving school. ~~If a payment made to a public elementary school is three percent more or less than the calculated net cost per elementary pupil in the receiving school district for the year of attendance, the district shall be reimbursed, credited, or refunded pursuant to section 836 of this title. Notwithstanding the provisions of this subsection or of subsection 825(b) of this title, the boards of both the receiving and sending districts may enter into tuition agreements with terms differing from the provisions of those subsections, provided that the receiving district must offer identical terms to all sending districts, and further provided that the statutory provisions apply to any sending district that declines the offered terms.~~

(b) ~~Unless the electorate of a school district authorizes payment of a higher amount at an annual or special meeting warned for the purpose, the tuition paid~~

1 ~~to an approved independent elementary school or an independent school~~

2 ~~meeting education quality standards shall not exceed the least of:~~

3 ~~(1) the average announced tuition of Vermont union elementary schools~~  
4 ~~for the year of attendance;~~

5 ~~(2) the tuition charged by the approved independent school for the year~~  
6 ~~of attendance; or~~

7 ~~(3) the average per pupil tuition the district pays for its other resident~~  
8 ~~elementary students in the year in which the student is enrolled in the approved~~  
9 ~~independent school. [Repealed.]~~

10 Sec. 28. REPEALS

11 16 V.S.A. §§ 824 (high school tuition), 825 (maximum tuition rate;  
12 calculated net cost per pupil defined), 826 (notice of tuition rates; special  
13 education charges), and 836 (tuition overcharge or undercharge) are repealed  
14 on July 1, 2029.

15 Sec. 45a. FOUNDATION FORMULA; JOINT FISCAL OFFICE; REPORT

16 (a) The Joint Fiscal Office shall contract with a contractor with expertise in  
17 Vermont's education funding system to recommend updates to the cost-factor  
18 foundation formula created by this act to move from special education weights  
19 based on disability categories to a reliance on the provision of special  
20 education services and to update any other weights determined to be  
21 empirically necessary for an adequate and equitable education, taking into

1 account the cost savings generated by new, larger consolidated school districts.

2 Additionally, the contractor shall make recommendations regarding the  
3 following:

4 (1) suitable geographic measures for determining sparsity within the  
5 foundation formula;

6 (2) whether it costs more to educate a secondary student than an  
7 elementary student in Vermont and if so, an appropriate weight to capture the  
8 cost differential of educating secondary students; and

9 (3) how to account for the provision of career and technical education  
10 within Vermont's foundation formula.

11 (b) The contractor shall submit the foundation formula, analysis of  
12 geographic measures, and the other recommendations required under  
13 subsection (a) of this section, along with a detailed analysis to support the  
14 contractor's recommendations, to the House Committee on Ways and Means,  
15 the Senate Committee on Finance, and the House and Senate Committees on  
16 Education on or before December 1, 2026.

17 (c) The sum of \$150,000.00 is appropriated to the Joint Fiscal Office from  
18 the General Fund in fiscal year 2026 to hire a consultant for the purposes in  
19 subsection (a) of this section.

1        (d) The contractor shall be required to train the Joint Fiscal Office and the  
2        Agency of Education in the methodologies needed to recalibrate and  
3        recalculate the base and weights in accordance with 16 V.S.A. § 4010(f).

4        Sec. 61. 32 V.S.A. § 4152a is added to read:

5        § 4152a. PROPERTY TAX CLASSIFICATIONS

6        (a) The grand list of a town shall include one or more tax classifications for  
7        each parcel of real estate. A parcel shall be classified using one of the general  
8        classes of real estate listed under subsection (b) of this section and based on the  
9        considerations set forth in this section and by guidance provided by the  
10       Division of Property Valuation and Review. The listers and assessors shall  
11       annually update the grand list to include a tax classification not later than June  
12       1 of every year, using information submitted to the Department of Taxes  
13       pursuant to this section. The tax classification may be updated after June 1  
14       when a taxpayer files, or corrects an erroneously filed, homestead declaration  
15       after June 1.

16       (b) A parcel shall be assigned one or more of the following general classes:

17           (1) Homestead;

18           (2) Nonhomestead nonresidential; and

19           (3) Nonhomestead residential.

20       (c) As used in this section:

1           (1) “Homestead” means a parcel, or portion of a parcel, declared as a  
2           homestead on or before October 15 in accordance with section 5410 of this  
3           title for the current year.

4           (2) “Nonhomestead nonresidential” means a parcel, or portion of a  
5           parcel, that does not qualify as “homestead,” or “nonhomestead residential”  
6           under this section.

7           (3) “Nonhomestead residential” means a parcel, or portion of a parcel,  
8           with one or more dwelling units, habitable on a year-round basis, for which a  
9           homestead was not declared in accordance with section 5410 of this title for  
10          the current year, and a landlord certificate was not filed pursuant to section  
11          6069 of this title in which the landlord attested that the unit would be leased to  
12          a long-term tenant for a minimum of six months in the current year.

13          (d) A parcel with two or more portions qualifying for different tax  
14          classifications under this section shall be classified proportionally based on the  
15          percentage of floor space used.

16          (1) In the case of a homestead with 25 percent or less of floor space used  
17          for a business purpose, the parcel shall be classified as a homestead pursuant to  
18          subdivision 5401(a)(7)(F) of this title.

19          (2) If a portion of floor space is used for more than one purpose, the use  
20          in which the floor space is most often used shall be considered the primary use

1 and the floor space shall be dedicated to that use for purposes of tax  
2 classification.

3 (e) The Commissioner shall amend existing forms, and publish new forms,  
4 as needed to gather the necessary attestations and declarations required under  
5 this section.

6 (f) Nothing in this section shall be construed to alter the tax treatment or  
7 enrollment eligibility of property as it relates to use value appraisal under  
8 chapter 124 of this title.

9 (g) Persons aggrieved by a decision to classify property for taxation  
10 purposes under this section may appeal in the manner provided for property  
11 valuation appeals under this title.

12 **Sec. 61a. PROPERTY TAX CLASSIFICATIONS; TRANSITION; DATA**  
13 **COLLECTION**

14 For calendar year 2027, the Commissioner of Taxes shall amend and create  
15 forms so that taxpayers report information on the use of their property for such  
16 property to be classified as homestead, nonhomestead residential,  
17 nonhomestead nonresidential, or a proportional classification of those uses.  
18 The information collected, and classifications determined, shall align with the  
19 definitions and requirements of section 61 of this act. The Commissioner shall  
20 use the information to determine and assign a tax classification for every grand

1 list parcel and, on or before October 1, 2027, the Commissioner shall provide  
2 that information to the Joint Fiscal Office.

3 \* \* \* Effective Dates \* \* \*

4 Sec. 70. EFFECTIVE DATES

5 (a) This section and the following sections shall take effect on passage:

6 (1) Sec. 1 (findings; intent; plan);

7 (2) Sec. 2 (Commission on the Future of Public Education);

8 (3) Sec. 3 (School District Redistricting Task Force);

9 (4) Sec. 4 (School District Voting Ward Working Group);

10 (5) Sec. 32 (Agency of Education transformation support);

11 (6) Sec. 33. (Agency of Education positions);

12 (7) Sec. 44 (transportation reimbursement guidelines);

13 (8) Sec. 45 (inflationary measures; prekindergarten; reports);

14 (9) Sec. 45a (foundation formula report);

15 (10) Sec. 45c (Education Fund Advisory Committee; delay);

16 (11) Sec. 53 (homestead exemption report);

17 (12) Sec. 61a (tax classification data; transition);

18 (13) Sec. 61b (property tax classifications implementation report);

19 (14) Sec. 63 (regional assessment district transition; progress report);

20 (15) Sec. 64 (RAD stakeholder working group);

21 (16) Sec. 65 (inadvertently removed language);

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- 1        (g) Sec. 62 (regional assessment districts) shall take effect on January 1,
- 2        2029.