

1 TO THE HONORABLE SENATE:

2 The Committee on Finance to which was referred House Bill No. 949
3 entitled “An act relating to homestead property tax yields, the nonhomestead
4 property tax rate, and technical changes to education finance” respectfully
5 reports that it has considered the same and recommends that the Senate
6 propose to the House that the bill be amended as follows:

7 First: By striking out Sec. 1, property dollar equivalent yield, income dollar
8 equivalent yield, and nonhomestead property tax rate for fiscal year 2027, in its
9 entirety and inserting in lieu thereof a new Sec. 1 to read as follows:

10 Sec. 1. PROPERTY DOLLAR EQUIVALENT YIELD, INCOME

11 DOLLAR EQUIVALENT YIELD, AND NONHOMESTEAD

12 PROPERTY TAX RATE FOR FISCAL YEAR 2027

13 For fiscal year 2027 only:

14 (1) Pursuant to 32 V.S.A. § 5402b(b), the property dollar equivalent
15 yield shall be \$9,145.00.

16 (2) Pursuant to 32 V.S.A. § 5402b(b), the income dollar equivalent yield
17 shall be \$12,534.00.

18 (3) Notwithstanding 32 V.S.A. § 5402(a)(1) and any other provision of
19 law to the contrary, the nonhomestead property tax rate shall be \$1.694 per
20 \$100.00 of equalized education property value.

1 Sec. 5b. 32 V.S.A. § 5401 is amended to read:

2 § 5401. DEFINITIONS

3 As used in this chapter:

4 * * *

5 (12) “Excess spending” means:

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

9 (B) In excess of ~~118~~ 112 percent of the statewide average district per
10 pupil education spending increased by inflation, as determined by the Secretary
11 of Education on or before November 15 of each year based on the passed
12 budgets to date. As used in this subdivision (B), “increased by inflation”
13 means increasing the statewide average district per pupil education spending
14 for fiscal year 2025 by the most recent New England Economic Project
15 cumulative price index, as of November 15, for state and local government
16 purchases of goods and services, from fiscal year 2025 through the fiscal year
17 for which the amount is being determined.

18 (C) A school district’s excess spending shall be zero if any of the
19 following conditions are met:

20 (i) the district’s education spending is not greater than the
21 district’s educating spending for the preceding school year;

1 (Committee vote: _____)

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3

Senator _____

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FOR THE COMMITTEE