

1 H.152

2 Introduced by Committee on Ways and Means

3 Date:

4 Subject: Taxation; education property tax

5 Statement of purpose of bill as introduced: This bill proposes to establish the  
6 homestead education property tax yields and the nonhomestead property tax  
7 rate for fiscal year 2022.

8 An act relating to education property tax

9 It is hereby enacted by the General Assembly of the State of Vermont:

10 ~~Sec. 1. PROPERTY DOLLAR EQUIVALENT YIELD, INCOME DOLLAR~~  
11 ~~EQUIVALENT YIELD, AND NONHOMESTEAD RATE FOR~~  
12 ~~FISCAL YEAR 2022~~

13 ~~(a) Pursuant to 32 V.S.A. § 5402b(b), for fiscal year 2022 only, the~~  
14 ~~property dollar equivalent yield shall be \$11,385.00.~~

15 ~~(b) Pursuant to 32 V.S.A. § 5402b(b), for fiscal year 2022 only, the income~~  
16 ~~dollar equivalent yield shall be \$13,572.00.~~

17 ~~(c) Notwithstanding 32 V.S.A. § 5402(a)(1) and any other provision of law~~  
18 ~~to the contrary, the tax rate for nonhomestead property for fiscal year 2022~~  
19 ~~shall be \$1.636 per \$100.00 of equalized education property value.~~

20 Sec. 2. EFFECTIVE DATE

21 ~~This act shall take effect on July 1, 2021.~~

*\* \* \* Yields; Nonhomestead Rate \* \* \**

*Sec. 1. PROPERTY DOLLAR EQUIVALENT YIELD, INCOME DOLLAR  
EQUIVALENT YIELD, AND NONHOMESTEAD RATE FOR  
FISCAL YEAR 2022*

*(a) Pursuant to 32 V.S.A. § 5402b(b), for fiscal year 2022 only, the property dollar equivalent yield shall be \$11,317.00.*

*(b) Pursuant to 32 V.S.A. § 5402b(b), for fiscal year 2022 only, the income dollar equivalent yield shall be \$13,770.00.*

*(c) Notwithstanding 32 V.S.A. § 5402(a)(1) and any other provision of law to the contrary, the tax rate for nonhomestead property for fiscal year 2022 shall be \$1.612 per \$100.00 of equalized education property value.*

*\* \* \* Exclusion from Excess Spending Penalty; Capital Project Costs \* \* \**

*Sec. 2. 16 V.S.A. § 4001 is amended to read:*

*§ 4001. DEFINITIONS*

*As used in this chapter:*

*\* \* \**

*(6) "Education spending" means the amount of the school district budget, any assessment for a joint contract school, career technical center payments made on behalf of the district under subsection 1561(b) of this title, and any amount added to pay a deficit pursuant to 24 V.S.A. § 1523(b) that is paid for by the school district, but excluding any portion of the school budget paid for from any other sources such as endowments, parental fundraising,*

*federal funds, nongovernmental grants, or other State funds such as special education funds paid under chapter 101 of this title.*

*(A) [Repealed.]*

*(B) For purposes of calculating excess spending pursuant to 32 V.S.A. § 5401(12), “education spending” shall not include:*

*(i) Spending during the budget year for:*

*(I) approved school capital construction for a project that received preliminary approval under section 3448 of this title, including interest paid on the debt, provided the district shall not be reimbursed or otherwise receive State construction aid for the approved school capital construction; or*

*(II) spending on eligible school capital project costs pursuant to the State Board of Education’s Rule 6134 for a project that received preliminary approval under section 3448 of this title.*

*(ii) For a project that received final approval for State construction aid under chapter 123 of this title:*

*(I) spending for approved school capital construction during the budget year that represents the district’s share of the project, including interest paid on the debt; and or*

*(II) payment during the budget year of interest on funds borrowed under subdivision 563(21) of this title in anticipation of receiving State aid for the project.*

*(iii) Spending that is approved school capital construction spending or deposited into a reserve fund under 24 V.S.A. § 2804 to pay future approved school capital construction costs, including that portion of tuition paid to an independent school designated as the public high school of the school district pursuant to section 827 of this title for capital construction costs by the independent school that has received approval from the State Board of Education, using the processes for preliminary approval of public school construction costs pursuant to subdivision 3448(a)(2) of this title.*

\* \* \*

*\* \* \* Declining Enrollment; 3.5 Percent Hold Harmless \* \* \**

*Sec. 3. 16 V.S.A. § 4010 is amended to read:*

*§ 4010. DETERMINATION OF WEIGHTED MEMBERSHIP*

\* \* \*

*(f) For purposes of determining weighted membership under this section, a district's equalized pupils shall in no case be less than 96 and one-half percent of the actual number of equalized pupils in the district in the previous year, prior to making any adjustment under this section.*

\* \* \*

*\* \* \* Small Schools Grants \* \* \**

*Sec. 4. 16 V.S.A. § 4015 is amended to read*

*\* \* \**

*(f)(1) Notwithstanding anything to the contrary in this section, a school district that received a small schools grant in fiscal year 2020 shall continue to receive an annual small schools grant.*

*(2) Payment of the grant under this subsection shall continue annually unless explicitly repealed by the General Assembly; provided, however, that the Secretary shall discontinue payment of the grant in the fiscal year following the cessation of operations of the school that made the district eligible for the small schools grant, and further provided that if the building that houses the school that made the district eligible for the small schools grant is consolidated with another school into a renovated or new school building, then the Secretary shall continue to pay the grant during the repayment term of any bonded indebtedness incurred in connection with the consolidation-related renovation or construction.*

*(3) A school district that is eligible to receive an annual small schools grant under this subsection shall not also be eligible to receive a small school grant or its equivalent under subsection (b) of this section or under any other provision of law.*

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

*Sec. 5. EFFECTIVE DATES*

*(a) This section and Secs. 3–4 (3.5 percent hold harmless; small schools grant) shall take effect on passage.*

*(b) Secs. 1 (yield and nonhomestead property tax rate) and 2 (excess spending threshold) shall take effect on July 1, 2021.*