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H.365

Introduced by Representatives Condon of Colchester, Greshin of Warren,  
Olsen of Londonderry, and Young of Glover

Referred to Committee on

Date:

Subject: Taxation; education property tax; homestead exemption; income  
sensitivity

Statement of purpose of bill as introduced: This bill proposes to provide  
homeowners with a variable homestead tax exemption to the education  
property tax, and repeal the income sensitivity adjustment for homeowners.

An act relating to a homestead property tax exemption

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

\* \* \* Homestead Property Tax Exemption \* \* \*

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

§ 5401. DEFINITIONS

As used in this chapter:

\* \* \*

(10) “Nonresidential property” means all property except:

\* \* \*

1           (L)(i) A portion of the listed value of a homestead, as defined under  
2           subdivision (7) of this section and declared on or before September 1 in  
3           accordance with section 5410 of this title, multiplied by the common level of  
4           appraisal. The exempted amount of the homestead is determined by  
5           multiplying \$100,000.00 by the percent of the municipality's exemption;  
6           provided, however, that in no case shall the exemption be less than \$20,000.00.

7           (ii) This exemption shall not affect the grand list value; and shall  
8           reduce education property tax liabilities, but not below \$0.00.

9           (iii) As used in this subdivision:

10           (I) the "percent over the base education amount" means the  
11           district spending adjustment defined in subdivision (13) of this section  
12           subtracted from one; and

13           (II) the "percent of the municipality exemption" means the  
14           percent over the base education amount subtracted from one.

15                   \* \* \* Repeal Income Sensitivity \* \* \*

16           Sec. 2. REDESIGNATION

17           Chapter 154 of Title 32 ("Homestead Property Tax Income Sensitivity  
18           Adjustment") shall be redesignated "Property Tax Rebates."



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

4                     ~~(i) the applicable 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 \$500,000.00.~~

8           ~~(C) For a claimant whose household income does not exceed~~  
9           ~~\$47,000.00, the statewide education tax rate, multiplied by the equalized value~~  
10          ~~of the housesite in the taxable year, minus the lesser of:~~

11                    ~~(i) the sum of the applicable percentage of household income for~~  
12          ~~the taxable year plus the statewide education tax rate, multiplied by the~~  
13          ~~equalized value of the housesite in the taxable year in excess of~~  
14          ~~\$500,000.00; or~~

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

17           ~~(2) “Applicable percentage” in this section means two percent,~~  
18          ~~multiplied by the district spending adjustment under subdivision 5401(13) of~~  
19          ~~this title for the property tax year which begins in the claim year for the~~  
20          ~~municipality in which the homestead residence is located; but in no event shall~~  
21          ~~the applicable percentage be less than two percent.~~



1 ~~property is located and shall particularly describe the homestead property for~~  
2 ~~which the adjustment or allocation is sought, including the school parcel~~  
3 ~~account number prescribed in subsection 5404(b) of this title. A renter rebate~~  
4 ~~claim shall be filed with the Commissioner on or before the due date for filing~~  
5 ~~the Vermont income tax return, without extension.~~

6 (b) ~~Late filing penalties. If the claimant fails to file a timely claim, the~~  
7 ~~amount of the property tax adjustment under this chapter shall be reduced by~~  
8 ~~\$15.00, but not below \$0.00, which shall be paid to the municipality for the~~  
9 ~~cost of issuing an adjusted homestead property tax bill. No benefit shall be~~  
10 ~~allowed in the calendar year unless the claim is filed with the Commissioner on~~  
11 ~~or before October 15.~~

12 (e) No request for allocation of an income tax refund or for a renter rebate  
13 claim may be made after October 15.

14 Sec. 6. 16 V.S.A. § 4026(e) is amended to read:

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

1 stabilization reserve established under this section should in any fiscal year be  
2 less than 3.5 percent of the prior fiscal year's appropriations from the  
3 Education Fund, as defined in subsection (b) of this section, the Joint Fiscal  
4 Committee shall review the information provided pursuant to 32 V.S.A.  
5 § 5402b and provide the General Assembly its recommendations for change  
6 necessary to restore the stabilization reserve to the statutory level provided in  
7 subsection (b) of this section.

8 Sec. 7. 16 V.S.A. § 563(11)(C) is amended to read:

9 (C) At a school district's annual or special meeting, the electorate  
10 may vote to provide notice of availability of the school budget required by this  
11 subdivision to the electorate in lieu of distributing the budget. If the electorate  
12 of the school district votes to provide notice of availability, it must specify how  
13 notice of availability shall be given, and such notice of availability shall be  
14 provided to the electorate at least 30 days before the district's annual meeting.  
15 The proposed budget shall be prepared and distributed at least ten days before  
16 a sum of money is voted on by the electorate. Any proposed budget shall show  
17 the following information in a format prescribed by the Secretary:

18 (i) all revenues from all sources, and expenses, including as  
19 separate items any assessment for a supervisory union of which it is a member  
20 and any tuition to be paid to a career technical center; and including the report

1 required in subdivision 242(4)(D) of this title itemizing the component costs of  
2 the supervisory union assessment;

3 (ii) the specific amount of any deficit incurred in the most recently  
4 closed fiscal year and how the deficit was or will be remedied;

5 (iii) the anticipated homestead tax rate ~~and the percentage of~~  
6 ~~household income used to determine income sensitivity~~ in the district as a  
7 result of passage of the budget, including those portions of the tax rate  
8 attributable to supervisory union assessments; and

9 \* \* \*

10 Sec. 8. 16 V.S.A. § 4025 is amended to read:

11 § 4025. EDUCATION FUND

12 (a) An Education Fund is established to comprise the following:

13 \* \* \*

14 (b) Monies in the Education Fund shall be used for the following:

15 (1) To make payments to school districts and supervisory unions for the  
16 support of education in accordance with the provisions of section 4028 of this  
17 title, other provisions of this chapter, and the provisions of 32 V.S.A. chapter  
18 135, to make payments to carry out programs of adult education in accordance  
19 with section 945 of this title, and to provide funding for the ~~community high~~  
20 ~~school~~ Community High School of Vermont.



