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H.718

Introduced by Representatives Olsen of Londonderry, Beck of St. Johnsbury,
Buxton of Tunbridge, Eastman of Orwell, Komline of Dorset,
Sibilia of Dover, and Young of Glover

Referred to Committee on

Date:

Subject: Education; education property tax; common level of appraisal

Statement of purpose of bill as introduced: This bill proposes to create an
aggregate common level of appraisal for merged school districts.

An act relating to an aggregate common level of appraisal

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

Sec. 1. 32 V.S.A. § 5402d is added to read:

§ 5402d. AGGREGATE COMMON LEVEL OF APPRAISAL; MERGED

SCHOOL DISTRICT

(a) Two or more municipalities that are part of a new district may elect to
use an aggregate common level of appraisal to determine the statewide
education tax for each municipality in that district. The Director of the
Division of Property Valuation and Review shall determine an aggregate
common level of appraisal for each municipality that makes this election by
reappraising each municipality's education grand list property. The Director

1 shall use each municipality's most recent common level of appraisal to create
2 an aggregate common level of appraisal for the district.

3 (b) Notwithstanding section 5402 of this title, the Commissioner of Taxes
4 shall determine the statewide education tax for each member of a new district
5 described in subsection (a) of this section by dividing the education tax rate in
6 subsection 5402(a) of this title by the aggregate common level of appraisal that
7 is set by the Director for the new district.

8 (c) As used in this section, a "new district" means:

9 (1) a union school district created under 16 V.S.A. chapter 11 that
10 becomes operational on or after July 1, 2015, including a school district that is
11 voluntarily created pursuant to the provisions of 2015 Acts and Resolves No.
12 46, or a regional education district or any other district eligible to receive
13 incentives pursuant to 2010 Acts and Resolves No. 153, as amended by
14 2012 Acts and Resolves No. 156 and 2013 Acts and Resolves No. 56.

15 (2) two or more districts that, on or after July 1, 2015, enter into a
16 contract pursuant to 16 V.S.A. chapter 11, subchapter 1 to operate a school
17 jointly.

18 Sec. 2. 32 V.S.A. § 4041a is amended to read:

19 § 4041a. REAPPRAISAL

20 (a) A municipality shall be paid \$8.50 per grand list parcel per year, from
21 the equalization and reappraisal account within the ~~education fund~~ Education

1 Fund to be used only for reappraisal and costs related to reappraisal of its
2 grand list properties and for maintenance of the grand list. Additionally, a
3 municipality shall be paid \$3.65 per grand list parcel for the first 100 parcels
4 \$0.20 for each of the next 100 parcels, and \$0.01 for each parcel in excess of
5 200 from the equalization and reappraisal account within the ~~education fund~~
6 Education Fund, to be used only for costs to acquire assessment education
7 provided under section 3436 of this title.

8 (b) ~~If~~ Except as provided in subsection (e) of this section, if the Director of
9 Property Valuation and Review determines that a municipality's education
10 grand list is at a common level of appraisal below 80 percent or has a
11 coefficient of dispersion greater than 20, the municipality shall reappraise its
12 education grand list properties. If the Director orders a reappraisal, the
13 Director shall send the municipality written notice of the decision. The
14 municipality shall be given 30 days to contest the finding under procedural
15 rules adopted by the Director; or to develop a compliance plan, or both. If the
16 Director accepts a proposed compliance plan submitted by the municipality,
17 the Director shall not order commencement of the reappraisal until the
18 municipality has had one year to carry out that plan.

19 (c) If a municipality or district fails to submit an acceptable plan or fails to
20 carry out the plan, pursuant to subsection (b) or (e) of this section, the State
21 shall withhold the education, transportation, and other funds from the

1 municipality or district until the Director certifies that the ~~town~~ municipality or
2 new district has carried out that plan.

3 (d) The Director shall adopt rules necessary for administration of this
4 section.

5 (e) For a new district that elects to use an aggregate common level of
6 appraisal pursuant to section 5402d of this title, if the education grand list of
7 any municipality in the new district is at a common level of appraisal below 80
8 percent or has a coefficient of dispersion greater than 20, or the district's
9 education grand list is below 100 percent, then the district shall reappraise the
10 education grand list properties in each municipality. If the Director orders a
11 reappraisal, the Director shall send the district written notice of the decision.
12 The district shall be given 30 days to contest the finding under procedural rules
13 adopted by the Director or to develop a compliance plan, or both. If the
14 Director accepts a proposed compliance plan submitted by the district, the
15 Director shall not order commencement of the reappraisal until the district has
16 had one year to carry out that plan.

17 Sec. 3. 2015 Acts and Resolves No. 46, Sec. 6 is amended to read:

18 Sec. 6. ACCELERATED ACTIVITY; SUPERVISORY UNION
19 BECOMING A SUPERVISORY DISTRICT; ENHANCED TAX
20 INCENTIVES; SMALL SCHOOL SUPPORT; DATA AND
21 REPORT

1 (a) A newly formed school district shall receive the incentives set forth in
2 subsection (b) of this section if it:

3 * * *

4 (b) A newly formed school district that meets the criteria set forth in
5 subsection (a) of this section shall receive the following:

6 (1) Decreased equalized homestead property tax rate.

7 (A) Subject to the provisions of this subdivision (1) and
8 notwithstanding any other provision of law, the new district's equalized
9 homestead property tax rate shall be:

10 (i) decreased by \$0.10 in the first fiscal year of operation;

11 (ii) decreased by \$0.08 in the second fiscal year of operation;

12 (iii) decreased by \$0.06 in the third fiscal year of operation;

13 (iv) decreased by \$0.04 in the fourth fiscal year of operation; and

14 (v) decreased by \$0.02 in the fifth fiscal year of operation.

15 (B) The household income percentage shall be calculated

16 accordingly.

17 (C) During the years in which a new district's equalized homestead
18 property tax rate is decreased pursuant to this subdivision (1), the rate for each
19 town within the new district shall not increase by more than five percent in a
20 single year. The household income percentage shall be calculated accordingly.

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(D) On and after the effective date of merger, the common level of appraisal shall be calculated independently for each town within the new district for purposes of determining the homestead property tax rate for each town, unless the new district elects to use an aggregate common level of appraisal pursuant to 32 V.S.A. § 5402d.

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Sec. 5. EFFECTIVE DATE

This act shall take effect on passage.