

1 H.754

2 Introduced by Committee on Ways and Means

3 Date:

4 Subject: Taxation; education property tax; rates

5 Statement of purpose: This bill proposes to set the education property tax rate
6 base education amount for fiscal year 2013.

7 An act relating to the education property tax rate and base education amount
8 for fiscal year 2013

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

10 Sec. 1. FISCAL YEAR 2013 EDUCATION PROPERTY TAX RATE

11 (a) For fiscal year 2013 only, the education property tax imposed under
12 32 V.S.A. § 5402(a) shall be reduced from the rates of \$1.59 and \$1.10 and
13 shall instead be at the following rates:

14 (1) the tax rate for nonresidential property shall be \$1.37
15 per \$100.00; and

16 (2) the tax rate for homestead property shall be \$0.88 multiplied by the
17 district spending adjustment for the municipality, per \$100.00 of equalized
18 property value as most recently determined under 32 V.S.A. § 5405.

19 (b) For claims filed in 2013 only, “applicable percentage” in 32 V.S.A.
20 § 6066(a)(2) shall be reduced from 2.0 percent and instead shall be 1.80

1 percent multiplied by the fiscal year 2013 district spending adjustment for the
2 municipality in which the homestead residence is located; but in no event shall
3 the applicable percentage be less than 1.80 percent.

4 Sec. 2. FISCAL YEAR 2013 BASE EDUCATION AMOUNT

5 Notwithstanding 16 V.S.A. § 4011(b) or any other provision of law, the
6 base education amount for fiscal year 2013 shall be \$8,723.00.

7 Sec. 3. CALCULATION OF DOLLAR EQUIVALENT

8 In order to lead to greater understanding of education property tax rates,
9 annually, by December 1, and in conjunction with the recommendations under
10 32 V.S.A. § 5402b, the commissioner of taxes shall calculate, for purposes of
11 illustration, the dollar equivalent for the forthcoming fiscal year and report the
12 same to the general assembly. For purposes of this subsection, “dollar
13 equivalent” means the amount of revenue per equalized pupil that would result
14 under a homestead tax rate of \$1.00 per \$100.00 of equalized education
15 property value, an applicable percentage in 32 V.S.A. § 6066(a)(2) of 2.0
16 percent, and sufficient statutory reserves under 16 V.S.A. § 4026 and
17 32 V.S.A. § 5402b. For example, for fiscal year 2013, the dollar equivalent
18 under this definition would equal \$9,912.00 per pupil.

Sec. 3a. GENERAL FUND TRANSFER BASE CALCULATION

(a) At the end of fiscal year 2013 and at the end of any following fiscal
year, notwithstanding 32 V.S.A. §§ 308c and 308d, after the general fund

budget stabilization reserve attains its statutory maximum, one-half of any additional unreserved and undesignated general fund balance shall be added to the amount transferred to the education fund until the joint fiscal committee has determined that the goal in subsection (c) of this section has been met.

(b) Notwithstanding any other provision of law, an amount equal to the amount transferred to the education fund under subsection (a) of this section shall be added to the base amount used to calculate the general fund transfer under 16 V.S.A. § 4025(a)(2) for the following fiscal year.

(c) It is the intent of the general assembly to gradually return to the adjusted amount of the general fund transfer, as increased annually under the formula prescribed by 16 V.S.A. § 4025(a)(2), that would have been used but for the changes in Sec. E.513.1 of No. 63 of the Acts of 2011. The joint fiscal committee shall determine when the increases to the base amount in 16 V.S.A. § 4025(a)(2) made under subsection (b) of this section have attained the goal stated in this subsection.

(d) The joint fiscal office shall report to the joint fiscal committee at least annually on the progress made under this section in returning to the base amount of the general fund transfer to the education fund under 16 V.S.A. § 4025(a)(2) of \$280,200,000, as increased by the inflationary index in that section, starting in fiscal year 2008.

Sec. 4. EFFECTIVE DATE

- 1 This act shall take effect on passage and apply to education property tax
- 2 rates and the base education amount for fiscal year 2013.