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S.212

Introduced by Senators Pollina, Balint, Clarkson, Hardy, Hooker, Pearson and
Perchlik

Referred to Committee on

Date:

Subject: Taxation; property tax; resident education tax

Statement of purpose of bill as introduced: This bill proposes to simplify the Vermont education funding model and transition from a property-based tax to an income-based tax. This bill would create an education tax that is based on the income of all Vermont residents (both homeowners and renters) with a rate determined by locally voted budgets. This bill would eliminate the homestead education property tax and levy the nonhomestead education property tax on all property except residential dwellings and the two-acre parcel surrounding the dwellings. This bill would continue to provide the existing renter credit.

An ongoing Education Fund Advisory Committee would be established under this bill to monitor the education funding system and to report and make recommendations annually to the General Assembly.

An act relating to income-based education funding

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

2 * * * Education Taxes * * *

3 Sec. 1. 32 V.S.A. chapter 135 is redesignated to read:

4 CHAPTER 135. EDUCATION ~~PROPERTY TAX~~ TAXES

5 Sec. 2. 32 V.S.A. § 5401 is amended to read:

6 § 5401. DEFINITIONS

7 As used in this chapter:

8 * * *

9 (3) “Common level of appraisal” means the ratio of the aggregate value
10 of the local education property ~~tax~~ grand list to the aggregate value of the
11 equalized education property ~~tax~~ grand list.

12 * * *

13 (5) “Education property ~~tax~~ grand list” means the list of property
14 determined pursuant to section 5404 of this title. When the listed value of real
15 property for school tax purposes is credited by a board of civil authority or a
16 court, that board or court shall make a corresponding credit to the listed value
17 for purposes of taxation under this chapter.

18 (6) “Equalized education property ~~tax~~ grand list” means one percent of
19 the aggregate fair market value of all nonhomestead and homestead property
20 that is required to be listed at fair market value as certified during that year by
21 the Director of Property Valuation and Review under section 5406 of this title,

1 plus one percent of the aggregate value of property required to be listed at a
2 value established under a stabilization agreement described under section
3 5404a of this title, plus one percent of the aggregate use value established
4 under chapter 124 of this title of all nonhomestead property that is enrolled in
5 the use value appraisal program.

6 (7) "Homestead":

7 (A) "Homestead" means the principal dwelling and parcel of land
8 surrounding the dwelling, that is owned and occupied by a resident individual
9 as the individual's domicile or owned and fully leased on April 1, provided the
10 property is not leased for more than 182 days out of the calendar year ~~or, for~~
11 ~~purposes of the renter property tax credit under subsection 6066(b) of this title,~~
12 ~~is rented and occupied by a resident individual as the individual's domicile.~~

13 As used in this subdivision (7), the "parcel of land surrounding the dwelling"
14 means the portion of a homestead that is reasonably necessary for use of the
15 dwelling as a residence, but in no event more than two acres per dwelling unit
16 and, in the case of multiple dwelling units, not more than two acres per
17 dwelling unit up to a maximum of 10 acres per parcel.

18 (B)(i) The parcel of land surrounding the dwelling shall be
19 determined without regard to any road that intersects the land. If the parcel of
20 land surrounding the dwelling is owned by a cooperative housing corporation
21 incorporated under 11 V.S.A. chapter 14 or owned by a nonprofit land

1 conservation corporation or community land trust with exempt status under
2 20 U.S.C § 501(c)(3), the homestead includes a pro rata part of the land upon
3 which the dwelling is built, as determined by the cooperative corporation,
4 nonprofit corporation, or land trust. Property owned by a cooperative, not
5 including a mobile home park cooperative, and declared as a domicile may
6 only include the homestead and a pro rata share of any common land owned or
7 leased by the cooperative, not to exceed the two-acre homestead limitation.
8 The share of the cooperative’s assessed value attributable to the homestead
9 shall be determined by the cooperative and specified annually in a notice to the
10 co-op member.

11 (ii) Property owned by a mobile home park cooperative and
12 declared as a homestead may only include common property of the cooperative
13 contiguous with at least one mobile home lot in the park, not to exceed the
14 two-acre homestead limitation. The share attributable to any mobile home lot
15 shall be determined by the cooperative and specified in the cooperative
16 agreement.

17 * * *

18 (G) For purposes of ~~homestead~~ the resident declaration and
19 ~~application of the homestead property tax rate of domicile,~~ “homestead” also
20 means a residence that was the homestead of the decedent at the date of death

1 and, from the date of death through the next April 1, is held by the estate of the
2 decedent and not rented.

3 * * *

4 (10) “Nonhomestead property” means all property except:

5 * * *

6 (C) Homesteads as defined under subdivision (7) of this section and
7 declared in accordance with section 5410 of this title.

8 * * *

9 ~~(13)(A) “Education property tax spending adjustment” means the~~
10 ~~greater of one or a fraction in which the numerator is the district’s education~~
11 ~~spending plus excess spending, per equalized pupil, for the school year, and the~~
12 ~~denominator is the property dollar equivalent yield for the school year, as~~
13 ~~defined in subdivision (15) of this section.~~

14 ~~(B) “Education income tax spending adjustment” means the greater~~
15 ~~of one or a fraction in which the numerator is the district’s education spending~~
16 ~~plus excess spending, per equalized pupil, for the school year, and the~~
17 ~~denominator is the income dollar equivalent yield for the school year, as~~
18 ~~defined in subdivision (16) of this section. [Repealed.]~~

19 * * *

20 ~~(15) “Property dollar equivalent yield” means the amount of spending~~
21 ~~per equalized pupil that would result if the homestead tax rate were \$1.00 per~~

1 ~~\$100.00 of equalized education property value, and the statutory reserves~~
2 ~~under 16 V.S.A. § 4026 and section 5402b of this title were maintained.~~

3 [Repealed.]

4 (16) ~~“Income dollar equivalent yield Yield”~~ means the amount of
5 spending per equalized pupil that would result if the ~~income percentage in~~
6 ~~subdivision 6066(a)(2) of this title were 2.0~~ resident education tax rate in the
7 school district were 1.0 percent, and the statutory reserves under 16 V.S.A.
8 § 4026 and section 5402b of this title were maintained.

9 Sec. 3. 32 V.S.A. § 5402 is amended to read:

10 § 5402. NONHOMESTEAD EDUCATION PROPERTY TAX LIABILITY

11 (a) ~~A~~ An equalized statewide education tax is imposed on all
12 nonhomestead ~~and homestead~~ property at the ~~following~~ rates:

13 (1) ~~The tax rate for nonhomestead property shall be~~ rate of \$1.59 per
14 \$100.00 of equalized education property value as most recently determined
15 under section 5405 of this title, unless set otherwise by the General Assembly.

16 (2) ~~The tax rate for homestead property shall be \$1.00 multiplied by the~~
17 ~~education property tax spending adjustment for the municipality per \$100.00 of~~
18 ~~equalized education property value as most recently determined under section~~
19 ~~5405 of this title. The homestead property tax rate for each municipality which~~
20 ~~is a member of a union or unified union school district shall be calculated as~~
21 ~~required under subsection (e) of this section.~~

1 (b) The statewide nonhomestead education property tax shall be calculated
2 as follows:

3 (1) The Commissioner of Taxes shall determine for each municipality
4 the nonhomestead equalized education property tax ~~rates~~ rate under
5 subsection (a) of this section, divided by the municipality's most recent
6 common level of appraisal. The legislative body in each municipality shall
7 then bill each nonhomestead property taxpayer at the ~~homestead or~~
8 nonhomestead rate determined by the Commissioner under this subdivision,
9 multiplied by the education property ~~tax~~ grand list value of the property,
10 properly classified as homestead or nonhomestead property and without regard
11 to any other tax classification of the property. Statewide education property
12 tax bills shall show the tax due and the calculation of the rate determined under
13 subsection (a) of this section, divided by the municipality's most recent
14 common level of appraisal, multiplied by the current grand list value of the
15 property to be taxed. Statewide education property tax bills shall also include
16 language provided by the Commissioner pursuant to subsection 5405(g) of this
17 title.

18 * * *

19 (3) ~~If a district has not voted a budget by June 30, an interim homestead~~
20 ~~education tax shall be imposed at the base rate determined under subdivision~~
21 ~~(a)(2) of this section, divided by the municipality's most recent common level~~

1 of appraisal, but without regard to any spending adjustment under subdivision
2 5401(13) of this title. Within 30 days after a budget is adopted and the deadline
3 for reconsideration has passed, the Commissioner shall determine the
4 municipality's homestead tax rate as required under subdivision (1) of this
5 subsection. [Repealed.]

6 (c) The treasurer of each municipality shall by December 1 of the year in
7 which the tax is levied and on June 1 of the following year pay to the State
8 Treasurer for deposit in the education fund one-half of the municipality's
9 statewide nonhomestead tax and ~~one-half of the municipality's homestead~~
10 ~~education tax~~, as determined under subdivision (b)(1) of this section. The
11 Secretary of Education shall determine the municipality's net nonhomestead
12 education tax payment and ~~its net homestead education tax payment~~ to the
13 State based on grand list information received by the Secretary ~~no~~ not later
14 than the March 15 prior to the June 1 net payment. Payment shall be
15 accompanied by a return prescribed by the Secretary of Education. The
16 municipality may retain 0.225 of one percent of the total nonhomestead
17 education property tax collected, only upon timely remittance of net payment
18 to the State Treasurer. ~~The municipality may also retain \$15.00 for each late~~
19 ~~property tax credit claim filed after April 15 and before September 2, as~~
20 ~~notified by the Department of Taxes, for the cost of issuing a new property tax~~
21 ~~bill.~~

1 (d) [Repealed.]

2 (e) ~~The Commissioner of Taxes shall determine a homestead education tax~~
3 ~~rate for each municipality that is a member of a union or unified union school~~
4 ~~district as follows:~~

5 (1) ~~For a municipality that is a member of a unified union school~~
6 ~~district, use the base rate determined under subdivision (a)(2) of this section~~
7 ~~and a spending adjustment under subdivision 5401(13) of this title based upon~~
8 ~~the education spending per equalized pupil of the unified union.~~

9 (2) ~~For a municipality that is a member of a union school district:~~

10 (A) ~~Determine the municipal district homestead tax rate using the~~
11 ~~base rate determined under subdivision (a)(2) of this section and a spending~~
12 ~~adjustment under subdivision 5401(13) of this title based on the education~~
13 ~~spending per total equalized pupil in the municipality who attends a school~~
14 ~~other than the union school.~~

15 (B) ~~Determine the union district homestead tax rate using the base~~
16 ~~rate determined under subdivision (a)(2) of this section and a spending~~
17 ~~adjustment under subdivision 5401(13) of this title based on the education~~
18 ~~spending per equalized pupil of the union school district.~~

19 (C) ~~Determine a combined homestead tax rate by calculating the~~
20 ~~weighted average of the rates determined under subdivisions (A) and (B) of~~
21 ~~this subdivision (2), with weighting based upon the ratio of union school~~

1 ~~equalized pupils from the member municipality to total equalized pupils of the~~
2 ~~member municipality; and the ratio of equalized pupils attending a school other~~
3 ~~than the union school to total equalized pupils of the member municipality.~~

4 ~~Total equalized pupils of the member municipality is based on the number of~~
5 ~~pupils who are legal residents of the municipality and attending school at~~
6 ~~public expense. If necessary, the Commissioner may adopt a rule to clarify~~
7 ~~and facilitate implementation of this subsection. [Repealed.]~~

8 Sec. 4. 32 V.S.A. § 5402a is added to read:

9 § 5402a. RESIDENT EDUCATION TAX

10 (a) Resident education tax imposed. There is imposed an education tax on
11 all resident taxpayers of this State. The resident education tax rate imposed
12 under this section shall be calculated by dividing the per equalized pupil
13 amount of the education spending as defined in 16 V.S.A. § 4001(6) of the
14 school district in which the taxpayer resides by the yield as defined in
15 32 V.S.A. § 5401(16), and then multiplying the result by one percent. This
16 rate shall then be multiplied by the taxpayer's federal adjusted gross income in
17 the taxable year. A taxpayer whose federal adjusted gross income in the
18 taxable year is less than or equal to the income limits established in
19 subdivisions (1) and (2) of this subsection shall be entitled to a reduction in the
20 resident education tax rate of the school district in which the taxpayer resides
21 by a percentage not to exceed 80 percentage points as follows:

1 (1) For a taxpayer whose filing status is single, married filing separately,
2 head of household, or surviving spouse and whose federal adjusted gross
3 income in the taxable year is less than or equal to \$25,000.00, the resident
4 education tax rate shall be reduced by a percentage that is proportional to the
5 amount of the taxpayer's federal adjusted gross income that is less than
6 \$25,000.00, determined by:

7 (A) subtracting the taxpayer's federal adjusted gross income from
8 \$25,000.00;

9 (B) dividing the result of subdivision (A) of this subdivision (a)(1) by
10 5,000; and

11 (C) multiplying the result of subdivision (B) of this subdivision (a)(1)
12 by 20 percent.

13 (2) For a taxpayer whose filing status is married filing jointly and whose
14 federal adjusted gross income in the taxable year is less than or equal to
15 \$50,000.00, the resident education tax rate shall be reduced by a percentage
16 that is proportional to the amount of the taxpayer's federal adjusted gross
17 income that is less than \$50,000.00, determined by:

18 (A) subtracting the taxpayer's federal adjusted gross income from
19 \$50,000.00;

20 (B) dividing the result of subdivision (A) of this subdivision (a)(2) by
21 5,000; and

1 (C) multiplying the result of subdivision (B) of this subdivision (a)(2)
2 by 20 percent.

3 (b) Rate and requirement of withholding.

4 (1) The Commissioner shall annually establish three statewide
5 withholding rates for the resident education tax imposed under this section.
6 The annual withholding rates shall equal 75 percent, 100 percent, and
7 125 percent of the statewide average resident education tax rate in the prior
8 year.

9 (2) Every person who is required under the laws of the United States to
10 withhold federal income tax from payments that are also subject to the resident
11 education tax shall deduct and withhold during the calendar year from the
12 payments made by such person the amount of resident education tax elected by
13 the taxpayer. Every person required to deduct and withhold under this
14 subdivision shall file returns and pay over the amounts to the Commissioner
15 pursuant to section 5842 of this title.

16 (3) Every resident taxpayer shall elect one of the rates established by the
17 Commissioner under subdivision (1) of this subsection at which the resident
18 education tax shall be withheld from any payments made to the taxpayer
19 during the taxable year. The taxpayer's election to withhold under this
20 subdivision shall continue until revoked by the taxpayer.

1 (c) Estimated payments.

2 (1) Every resident subject to the resident education tax under this section
3 who earns or receives income that is not subject to withholding under
4 subsection (b) of this section shall make installment payments of the taxpayer's
5 estimated resident education tax liability each taxable year. The amount of
6 each payment shall equal 25 percent of the required annual payment as
7 provided in subdivision (2) of this subsection. For any taxable year, payments
8 shall be made on or before April 15, June 15, and September 15 of the taxable
9 year and January 15 of the following taxable year.

10 (2) As used in this subsection, "required annual payment" means the
11 lesser of:

12 (A) 90 percent of the taxpayer's resident education tax liability
13 shown on the taxpayer's return for the taxable year; or

14 (B) 100 percent of the taxpayer's resident education tax liability
15 shown on the taxpayer's return for the preceding taxable year.

16 (d) Annual reconciliation.

17 (1) Any taxpayer subject to the resident education tax under this section
18 shall file an annual return on the forms and in the manner prescribed by the
19 Commissioner to reconcile the payments made under subsection (b) or (c) of
20 this section with the final resident education tax due. In case of overpayment
21 by a taxpayer who has an income tax liability under chapter 151 of this title

1 and a resident education tax liability under this section, a refund of the
2 overpayment shall be deemed to be a refund of income tax for purposes of debt
3 setoff under chapter 151, subchapter 12 of this title.

4 (2) In addition to the payments required under subdivision (b)(2) of this
5 section, every person required to deduct and withhold the resident education
6 tax due under this section shall, on or before January 31 of each year, file an
7 annual return covering the aggregate amount deducted and withheld during the
8 entire preceding year. At the time of filing the return required under this
9 subdivision, the person shall pay over to the Commissioner any amount
10 deducted and withheld during the preceding calendar year and not previously
11 paid. The person shall further make an annual report to payees and to the
12 Commissioner of amounts paid and withheld as prescribed by the
13 Commissioner.

14 (e) Deposit of payments. Notwithstanding section 435 of this title, the
15 Commissioner shall deposit all withholding and estimated payments
16 attributable to a resident education tax liability under this section into the
17 Education Fund established in 16 V.S.A. § 4025.

18 (f) Interim rate. If a school district has not voted a school budget by
19 June 30, an interim resident education tax shall be imposed at the school
20 district's prior year rate, divided by the municipality's most recent common
21 level of appraisal. Within 30 days after a budget is adopted and the deadline

1 for reconsideration has passed, the Commissioner shall determine the
2 municipality's resident education tax rate as required under subsection (a) of
3 this section.

4 (g) Union or unified union school district tax rate. The Commissioner of
5 Taxes shall determine a resident education tax rate for each municipality that is
6 a member of a union or unified union school district as follows:

7 (1) For a municipality that is a member of a unified union school
8 district, the Commissioner shall use the resident education rate determined
9 under subsection (a) of this section based upon the education spending per
10 equalized pupil of the unified union.

11 (2) For a municipality that is a member of a union school district, the
12 Commissioner shall:

13 (A) Determine the municipal district resident education tax rate
14 determined under subsection (a) of this section based on the education
15 spending per total equalized pupil in the municipality who attends a school
16 other than the union school.

17 (B) Determine the union district resident education tax rate
18 determined under subsection (a) of this section based on the education
19 spending per equalized pupil of the union school district.

20 (C) Determine a combined resident education tax rate by calculating
21 the weighted average of the rates determined under subdivisions (A) and (B) of

1 this subdivision (2), with weighting based upon the ratio of union school
2 equalized pupils from the member municipality to total equalized pupils of the
3 member municipality, and the ratio of equalized pupils attending a school other
4 than the union school to total equalized pupils of the member municipality.
5 The total equalized pupils of the member municipality shall be based on the
6 number of pupils who are legal residents of the municipality and attending
7 school at public expense.

8 Sec. 5. 32 V.S.A. § 5402b is amended to read:

9 § 5402b. STATEWIDE EDUCATION TAX YIELDS;

10 RECOMMENDATION OF THE COMMISSIONER

11 (a) Annually, ~~no~~ not later than December 1, the ~~Commissioner of Taxes~~
12 Education Fund Advisory Committee, after consultation with ~~the Secretary of~~
13 ~~Education, the Secretary of Administration, and~~ the Joint Fiscal Office, shall
14 calculate and recommend a ~~property dollar equivalent yield, an income dollar~~
15 ~~equivalent~~ resident education yield; and a nonhomestead property tax rate for
16 the following fiscal year. In making these calculations, the ~~Commissioner~~
17 Committee shall assume:

18 (1) ~~the homestead base tax rate in subdivision 5402(a)(2) of this title is~~
19 ~~\$1.00 per \$100.00 of equalized education property value; [Repealed.]~~

20 (2) ~~the applicable percentage in subdivision 6066(a)(2) of this title is~~
21 ~~2.0; [Repealed.]~~

1 (3) the statutory reserves under 16 V.S.A. § 4026 and this section were
2 maintained at five percent; and

3 (4) the percentage change in the average education tax ~~bill~~ bills applied
4 to nonhomestead property and ~~the percentage change in the average education~~
5 ~~tax bill of homestead property and the percentage change in the average~~
6 ~~education tax bill for taxpayers who claim a credit under subsection 6066(a) of~~
7 ~~this title~~ applied to residents are equal.

8 (b) For each fiscal year, the ~~property dollar equivalent yield and the income~~
9 ~~dollar equivalent~~ resident education yield and the nonhomestead tax rate shall
10 be the same as in the prior fiscal year, unless set otherwise by the General
11 Assembly.

12 (c) Annually, on or before December 1, the Education Fund Advisory
13 Committee, with the assistance of the Joint Fiscal Office, shall prepare and
14 publish an official, annotated copy of the Education Fund Outlook. The
15 Emergency Board shall review the Outlook at its meetings. As used in this
16 section, “Education Fund Outlook” means the projected revenues and expenses
17 associated with the Education Fund for the following fiscal year, including
18 projections of different categories of educational expenses and costs.

19 Sec. 6. 32 V.S.A. § 5404 is amended to read:

20 § 5404. DETERMINATION OF EDUCATION PROPERTY TAX GRAND
21 LIST

1 (a) Municipalities shall determine the education property ~~tax~~ grand list by
2 calculating one percent of the listed value of nonhomestead and homestead real
3 property as provided in this section. The listed value of all nonhomestead and
4 homestead real property in a municipality shall be its fair market value, its
5 value established under a stabilization agreement described in section 5404a of
6 this title, or the use value of property enrolled in a Use Value Program under
7 chapter 124 of this title. If a homestead is located on a parcel of less than or
8 equal to two acres, then the entire parcel shall be classified as homestead
9 property that shall not be subject to the nonhomestead tax imposed under this
10 chapter. If a homestead is located on a parcel of greater than two acres, the
11 entire parcel shall be appraised at fair market value; the ~~housesite~~ homestead
12 shall then be appraised as if it were situated on a separate parcel and the value
13 of the ~~housesite~~ homestead shall be subtracted from the value of the total
14 parcel to determine the value of the remainder of the parcel that shall be
15 subject to the nonhomestead tax imposed under this chapter.

16 (b) Annually, on or before August 15, the clerk of a municipality, or the
17 supervisor of an unorganized town or gore, shall transmit to the Director in an
18 electronic or other format as prescribed by the Director: education and
19 municipal grand list data, including exemption and homestead information and
20 grand list abstracts; tax rates; and the total amount of taxes assessed in the
21 town or unorganized town or gore. The data transmitted shall identify each

1 parcel by a parcel identification number assigned under a numbering system
2 prescribed by the Director. Municipalities may continue to use existing
3 numbering systems in addition to, but not in substitution for, the parcel
4 identification system prescribed by the Director. If changes or additions to the
5 grand list are made by the listers or other officials authorized to do so after
6 such abstract has been so transmitted, such clerks shall forthwith certify the
7 same to the Director.

8 * * *

9 Sec. 7. 32 V.S.A. § 5404a is amended to read:

10 § 5404a. TAX STABILIZATION AGREEMENTS; TAX INCREMENT
11 FINANCING DISTRICTS

12 (a) A tax agreement or exemption shall affect the education property ~~tax~~
13 grand list of the municipality in which the property subject to the agreement is
14 located if the agreement or exemption is:

15 * * *

16 (b) An agreement affecting the education property ~~tax~~ grand list defined
17 under subsection (a) of this section shall reduce the municipality's
18 nonhomestead education property tax liability under this chapter for the
19 duration of the agreement or exemption without extension or renewal, and for a
20 maximum of 10 years. A municipality's nonhomestead property tax liability
21 under this chapter shall be reduced by any difference between the amount of

1 the nonhomestead education property taxes collected on the subject property
2 and the amount of nonhomestead education property taxes that would have
3 been collected on such property if its fair market value were taxed at the
4 equalized nonhomestead rate for the tax year.

5 (c) Tax agreements not affecting the education property ~~tax~~ grand list. A
6 tax agreement shall not affect the education property ~~tax~~ grand list if it is:

7 * * *

8 (d) Tax agreements not affecting the education property ~~tax~~ grand list as
9 defined in subsection (c) of this section shall not reduce the total
10 nonhomestead education property tax liability of the municipality to the State
11 under this chapter. However, such agreements shall reduce the nonhomestead
12 education property tax liability of the owner of the property subject to the
13 agreement to the extent provided in the agreement. A municipality shall assess
14 a tax on its municipal grand list at a rate sufficient to raise an amount equal to
15 the difference between the municipality's total nonhomestead education
16 property tax liability to the State under this chapter and the amount collected
17 from nonhomestead education property taxes in the municipality after
18 reductions for all tax agreements in effect in the municipality as defined in
19 subsection (c) of this section. Any such tax assessed under this section shall be
20 identified on the tax bill of the municipality as a separate tax for municipally
21 voted tax agreements.

1 (e) [Repealed.]

2 (f) A municipality that establishes a tax increment financing district under
3 24 V.S.A. chapter 53, subchapter 5 shall collect all property taxes on
4 nonhomestead properties contained within the district and apply not more than
5 70 percent of the State education property tax increment, and not less than
6 85 percent of the municipal property tax increment, to repayment of financing
7 of the improvements and related costs for up to 20 years pursuant to 24 V.S.A.
8 § 1894, if approved by the Vermont Economic Progress Council pursuant to
9 this section, subject to the following:

10 * * *

11 Sec. 8. 32 V.S.A. § 5405 is amended to read:

12 § 5405. DETERMINATION OF EQUALIZED EDUCATION PROPERTY
13 ~~TAX~~ GRAND LIST AND COEFFICIENT OF DISPERSION

14 (a) Annually, on or before April 1, the Commissioner shall determine the
15 equalized education property ~~tax~~ grand list, the equalized value of homestead
16 property, the common level of appraisal, and the coefficient of dispersion for
17 each municipality in the State; provided, however, that for purposes of
18 equalizing grand lists pursuant to this section, the equalized education property
19 ~~tax~~ grand list of a municipality that establishes a tax increment financing
20 district shall include the fair market value of the property in the district and not
21 the original taxable value of the property, and further provided that the

1 common level of appraisal shall be determined by using the equalized
2 education property grand list, the equalized homestead grand list, and the fair
3 market value of land enrolled in the use value appraisal program or subject to a
4 tax stabilization agreement. The unified towns and gores of Essex County may
5 be treated as one municipality for the purpose of determining an equalized
6 education property grand list and a coefficient of dispersion if the Director
7 determines that all such entities have a uniform appraisal schedule and uniform
8 appraisal practices.

9 (b) The sum of all municipal equalized education property ~~tax~~ grand lists
10 shall be the equalized education property ~~tax~~ grand list for the State.

11 * * *

12 (g) The Commissioner shall provide to municipalities for the front of
13 property tax bills the ~~district homestead property tax rate before equalization,~~
14 ~~the nonresidential nonhomestead~~ nonhomestead tax rate before equalization; and the
15 calculation process that creates the equalized ~~homestead and nonhomestead~~ tax
16 ~~rates~~ rate. The Commissioner shall further provide to municipalities for the
17 back of property tax bills an explanation of the common level of appraisal,
18 including its origin and purpose, and of the resident education tax, including its
19 payment to the State.

1 Sec. 9. 32 V.S.A. § 5406 is amended to read:

2 § 5406. NOTICE OF FAIR MARKET VALUE AND COEFFICIENT OF
3 DISPERSION

4 (a) Not later than January 1 of each year, the Director of Property
5 Valuation and Review shall notify the town clerk and chair of the board of
6 listers of each municipality of the equalized education property value, the
7 common level of appraisal, and the coefficient of dispersion of that town for
8 the prior year, and of the manner by which the equalized education property
9 value, the common level of appraisal, and the coefficient of dispersion were
10 determined by the Director.

11 (b) Not later than April 1 of each year, the Director shall certify to the
12 Secretary of Education the equalized education property value, the common
13 level of appraisal, and the coefficient of dispersion for the prior year of every
14 municipality of the State.

15 (c) If the Director of Property Valuation and Review certifies that a
16 municipality has completed a townwide reappraisal, the common level of
17 appraisal for that municipality shall be equal to its new grand list value divided
18 by its most recent equalized grand list value, for purposes of determining the
19 nonhomestead education property tax ~~rates~~ rate.

1 Sec. 10. 32 V.S.A. § 5409 is amended to read:

2 § 5409. DUTIES OF MUNICIPALITIES AND ADMINISTRATION

3 The following shall apply with regard to the statewide nonhomestead
4 education property tax imposed under this chapter:

5 * * *

6 (2) If by August 1, a municipality has failed to issue notices of
7 assessment of the statewide nonhomestead education property tax; or if the
8 municipality fails for more than 90 days after the due date for any installment
9 payment to enforce the tax in the municipality, then the Commissioner of
10 Taxes shall either issue notices of assessment or collect the tax, or both, or
11 bring appropriate court action to require the municipal officials to issue notices
12 and collect the tax, as the Commissioner deems necessary.

13 (3) In any case of administration under subdivision (2) of this section by
14 the Commissioner of Taxes of education property tax:

15 * * *

16 (C) The Commissioner may abate in whole or in part the statewide
17 nonhomestead education ~~taxes~~ property tax of a taxpayer who has been granted
18 an abatement of municipal taxes under 24 V.S.A. § 1535.

19 (4) [Repealed.]

20 (5) In case of insufficient property tax payment by a taxpayer to a
21 municipality, payments shall be allocated first to municipal property tax, and

1 next to statewide nonhomestead education property tax. In case of insufficient
2 payment by a taxpayer to the Department of Taxes, payments shall be allocated
3 first to liabilities other than the nonhomestead education ~~taxes~~ property tax,
4 and next to the nonhomestead education property tax.

5 (6) ~~In case of overpayment by a taxpayer who has an income tax~~
6 ~~liability under chapter 151 of this title and a homestead property tax liability, a~~
7 ~~refund of the overpayment, after accounting for any benefit amount allowed~~
8 ~~under chapter 154 of this title, shall be deemed to be a refund of income tax for~~
9 ~~purposes of debt setoff under subchapter 12 of chapter 151 of this title.~~

10 [Repealed.]

11 (7) Notwithstanding section 435 of this title, the Commissioner shall
12 deposit the revenue from taxes imposed under this chapter in the ~~education~~
13 ~~fund~~ Education Fund established in 16 V.S.A. § 4025.

14 (8) A municipality's liability to the State for the nonhomestead
15 education ~~taxes~~ property tax shall not be reduced by any early payment
16 property tax discount or similar discount offered by the municipality.

17 Sec. 11. 32 V.S.A. § 5410 is amended to read:

18 § 5410. RESIDENT DECLARATION OF HOMESTEAD DOMICILE

19 (a) ~~A homestead owner~~ All residents of this State shall declare ~~ownership~~
20 ~~of a homestead~~ domicile for purposes of education ~~property tax~~ taxes.

1 (b) Annually, on or before the due date for filing the Vermont income tax
2 return, without extension, each ~~homestead owner~~ resident of this State shall, on
3 a form prescribed by the Commissioner, ~~which~~ that shall be verified under the
4 pains and penalties of perjury, declare ~~his or her homestead~~ the declarant's
5 domicile, if any, as of, or expected to be as of, April 1 of the year in which the
6 declaration is made.

7 (c) In the event that an unsigned but otherwise completed ~~homestead~~
8 resident declaration of domicile is filed with the declarant's signed State
9 income tax return, the Commissioner may treat ~~such~~ the declaration as signed
10 by the declarant.

11 (d) The Commissioner shall provide a list of homesteads in each town to
12 the town listers by May 15. The listers shall notify the Commissioner by
13 June 1 of any residences on the Commissioner's list that do not qualify as
14 homesteads. The listers shall separately identify homesteads in the grand list.

15 (e) The Commissioner shall adopt rules governing the eligibility
16 requirements for declaring a ~~homestead~~ domicile.

17 (f) [Repealed.]

18 (g) If the property identified in a declaration under subsection (b) of this
19 section is not the taxpayer's ~~homestead~~ or if the owner of a homestead fails to
20 ~~declare a homestead as required under this section~~ domicile, the Commissioner
21 shall notify the municipality, and the municipality shall issue a corrected tax

1 bill that may, as determined by the governing body of the municipality, include
2 a penalty of up to three percent of the nonhomestead education tax on the
3 property. ~~However, if the property incorrectly declared as a homestead is~~
4 ~~located in a municipality that has a lower homestead tax rate than the~~
5 ~~nonhomestead tax rate, or if an undeclared homestead is located in a~~
6 ~~municipality that has a lower nonhomestead tax rate than the homestead tax~~
7 ~~rate, then the governing body of the municipality may include a penalty of up~~
8 ~~to eight percent of the education tax liability on the property.~~ If a resident who
9 owns and occupies a homestead fails to declare domicile as required under this
10 section, the Commissioner shall determine the resident education tax liability
11 and issue a corrected resident education tax bill. If the Commissioner
12 determines that the declaration or failure to declare was with fraudulent intent,
13 then the ~~municipality~~ Commissioner shall assess the taxpayer a penalty in an
14 amount equal to 100 percent of the nonhomestead education tax on the
15 property or resident education tax owed by the taxpayer, plus any interest and
16 late-payment fee or commission that may be due. Any penalty imposed under
17 this section and any additional property tax interest and late-payment fee or
18 commission shall be assessed and collected by the municipality in the same
19 manner as a property tax under chapter 133 of this title. Notwithstanding
20 section 4772 of this title, issuance of a corrected bill issued under this section
21 does not extend the time for payment of the original bill nor relieve the

1 taxpayer of any interest or penalties associated with the original bill. If the
2 corrected bill is less than the original bill and there are also no unpaid current
3 year taxes, interest, or penalties and no past year delinquent taxes or penalties
4 and interest charges, any overpayment shall be reflected on the corrected tax
5 bill and refunded to the taxpayer.

6 * * *

7 (j) A taxpayer may appeal a determination of domicile for purposes of a
8 ~~homestead~~ resident declaration or an assessment of fraud penalty under this
9 section to the Commissioner, in the same manner as an appeal under
10 chapter 151 of this title. A taxpayer may appeal an assessment of any other
11 penalty under this section to the listers within 14 days after the date of mailing
12 of notice of the penalty, and from the listers to the board of civil authority, and
13 thereafter to the courts, in the same manner as an appraisal appeal under
14 chapter 131 of this title. The legislative body of a municipality shall have
15 authority in cases of hardship to abate all or any portion of a penalty
16 appealable to the listers under this section and any tax, penalty, and interest
17 arising out of a corrected property classification under this section, and shall
18 state in detail in writing the reasons for its grant or denial of the requested
19 abatement. The legislative body may delegate this abatement authority to the
20 board of civil authority or the board of abatement for the municipality.
21 Requests for abatement shall be made to the municipal treasurer or other

1 person designated to collect current taxes, and that person shall forward all
2 requests, with ~~his or her~~ the treasurer's or other designated person's
3 recommendation, to the body authorized to grant or deny abatement.

4 (k) A municipality may retain any penalties and interest assessed and
5 collected in accord with this section.

6 (l) "Hardship" under this section means an owner's inability to pay as
7 certified by the Commissioner of Taxes ~~in his or her~~ at the Commissioner's
8 discretion; or means an owner's filing an incorrect, or failing to file a correct,
9 ~~homestead~~ resident declaration due to one or more of the following:

- 10 (1) full-time active military duty of the declarant outside the State;
11 (2) serious illness or disability of the declarant;
12 (3) serious illness, disability, or death of an immediate family member
13 of the declarant; and
14 (4) fire, flood, or other disaster.

15 * * * Education Fund Advisory Committee * * *

16 Sec. 12. 32 V.S.A. § 5413 is added to read:

17 § 5413. CREATION; EDUCATION FUND ADVISORY COMMITTEE

18 (a) Creation. There is created the Education Fund Advisory Committee to
19 monitor Vermont's education financing system, to conduct analyses, and to
20 make annual recommendations reporting its findings to the General Assembly.

1 (b) Membership. The Education Fund Advisory Committee shall be
2 composed of the following seven members:

3 (1) the Commissioner of Taxes or designee;

4 (2) the Secretary of Education or designee;

5 (3) two members of the public with expertise in education financing,
6 who shall be appointed by the Speaker of the House;

7 (4) two members of the public with expertise in education financing,
8 who shall be appointed by the Committee on Committees; and

9 (5) one member of the public with expertise in education financing, who
10 shall be appointed by the Governor.

11 (c) Powers and duties. Annually, on or before January 15, the Education
12 Fund Advisory Committee shall make recommendations to the General
13 Assembly regarding the nonhomestead property tax rate, any proposed
14 adjustments to the resident education tax rate and yield, and the amount of the
15 stabilization reserve.

16 (d) Assistance. The Education Fund Advisory Committee shall have the
17 administrative, technical, and legal assistance of the Department of Taxes, the
18 Agency of Education, the Office of Legislative Operations, the Office of
19 Legislative Counsel, and the Joint Fiscal Office.

1 (e) Meetings.

2 (1) The Commissioner of Taxes shall call the first meeting of the
3 Committee to occur on or before July 15, 2022.

4 (2) The Committee shall select a chair from among its members at the
5 first meeting.

6 (3) A majority of the membership shall constitute a quorum.

7 (f) Compensation and reimbursement.

8 (1) For attendance at meetings during adjournment of the General
9 Assembly, a legislative member of the Committee serving in his or her
10 capacity as a legislator shall be entitled to per diem compensation and
11 reimbursement of expenses pursuant to 2 V.S.A. § 23. These payments shall
12 be made from monies appropriated to the General Assembly.

13 (2) Other members of the Committee shall be entitled to per diem
14 compensation and reimbursement of expenses as permitted under section 1010
15 of this title.

16 Sec. 13. EDUCATION FUND ADVISORY COMMITTEE; FIRST REPORT

17 Pursuant to 32 V.S.A. § 5413(c), on or before January 15, 2023, the
18 Education Fund Advisory Committee shall submit its first report to the House
19 Committees on Education and on Ways and Means and the Senate Committees
20 on Education and on Finance with its findings and any recommendations for

1 legislative action. The Committee's first report shall include recommendations
2 regarding the following:

3 (1) Annual rates. The Committee's first report shall recommend the
4 upcoming fiscal year yield, the nonhomestead education property tax rate, and
5 the amount of the stabilization reserve under 16 V.S.A. § 4026 if it was
6 maintained at five percent.

7 (2) Renter credit. The Committee's first report shall recommend options
8 for restructuring the renter credit program under 32 V.S.A. chapter 154, given
9 that the education property tax will apply to all nonhomestead properties,
10 including rented properties that are an individual's domicile. The report shall
11 consider transition provisions for implementing potential reforms to the renter
12 credit during the first year in which the resident education tax will be imposed,
13 in a manner that credits all renters for the amount of their rent paid that is
14 attributable to the nonhomestead education property tax. The report shall also
15 include any recommendations for data collection and administration of the new
16 credit.

17 (3) Penalties relating to resident declarations. The Committee's first
18 report shall consider and propose options for a new penalty structure to replace
19 or supplement the penalty structure that applied to late homestead declaration
20 filings or homestead declarations that were not filed.

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* * * Renter Credit * * *

Sec. 14. 32 V.S.A. chapter 154 is redesignated to read:

CHAPTER 154. ~~HOMESTEAD PROPERTY TAX CREDIT AND RENTER~~
CREDIT

Sec. 15. 32 V.S.A. § 6061(18) is amended to read:

(18) ~~Notwithstanding subdivisions (4) and (5) of this section, for the purposes of the renter credit, “income”~~ “Income” means federal adjusted gross income increased by the following:

* * *

Sec. 16. 32 V.S.A. § 6063 is amended to read:

§ 6063. CLAIM AS PERSONAL; CREDIT AMOUNT AT TIME OF
TRANSFER

(a) The right to file a claim under this chapter is personal to the claimant and shall not survive ~~his or her~~ the claimant’s death, but the right may be exercised on behalf of a claimant by ~~his or her~~ the claimant’s legal guardian or attorney-in-fact. ~~When a claimant dies after having filed a timely claim, the property tax credit amount shall be credited to the homestead property tax liability of the claimant’s estate, as provided in section 6066a of this title.~~

(b) ~~In case of sale or transfer of a residence, any property tax credit amounts related to that residence shall be allocated to the seller at closing unless the parties otherwise agree. [Repealed.]~~

1 Sec. 17. 32 V.S.A. § 6064 is amended to read:

2 § 6064. CLAIM APPLIED AGAINST OUTSTANDING LIABILITIES

3 The amount of any ~~property tax~~ credit resulting under this chapter may be
4 applied by the Commissioner, beginning on July 1 of the calendar year in
5 which the claim is filed, against any State tax liability outstanding against the
6 claimant.

7 Sec. 18. 32 V.S.A. § 6066 is amended to read:

8 § 6066. COMPUTATION OF PROPERTY TAX CREDIT

9 * * *

10 (b)(1) An eligible claimant ~~who rented the homestead~~ shall be entitled to a
11 credit for the taxable year in an amount not to exceed \$2,500.00, to be
12 calculated as follows:

13 * * *

14 (c) To be eligible for ~~an adjustment or a~~ credit under this chapter, the
15 claimant:

16 (1) ~~must~~ shall have been domiciled in this State during the entire taxable
17 year;

18 (2) may not be a person claimed as a dependent by any taxpayer under
19 the federal Internal Revenue Code during the taxable year; and

20 (3) ~~in the case of a renter,~~ shall have rented property for at least six
21 calendar months, which need not be consecutive, during the taxable year.

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Sec. 19. 32 V.S.A. § 6068 is amended to read:

§ 6068. APPLICATION AND TIME FOR FILING

~~(a) A tax credit claim or request for allocation of an income tax refund to homestead property tax payment shall be filed with the Commissioner on or before the due date for filing the Vermont income tax return, without extension, and shall describe the school district in which the homestead property is located and shall particularly describe the homestead property for which the credit or allocation is sought, including the school parcel account number prescribed in subsection 5404(b) of this title. A renter credit claim shall be filed with the Commissioner on or before the due date for filing the Vermont income tax return, without extension.~~

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

~~(c) No request for allocation of an income tax refund or for a renter credit claim may be made after October 15.~~

1 Sec. 20. 32 V.S.A. § 6071 is amended to read:

2 § 6071. EXCESSIVE AND FRAUDULENT CLAIMS

3 (a) In any case in which it is determined under the provisions of this title
4 that a claim is or was excessive and was filed with fraudulent intent, the claim
5 shall be disallowed in full and the Commissioner may impose a penalty equal
6 to the amount claimed. A disallowed claim may be recovered by assessment
7 as income taxes are assessed. The assessment, including assessment of
8 penalty, shall bear interest from the date the claim was credited ~~against~~
9 ~~property tax or income tax~~ or paid by the State until repaid by the claimant at
10 the rate per annum established ~~from time to time~~ by the Commissioner
11 pursuant to section 3108 of this title. The claimant in that case, and any person
12 who assisted in the preparation of filing of such excessive claim or supplied
13 information upon which the excessive claim was prepared, with fraudulent
14 intent, shall be fined not more than \$1,000.00 or be imprisoned not more than
15 one year, or both.

16 (b) In any case in which it is determined that a claim is or was excessive,
17 the Commissioner may impose a 10 percent penalty on such excess, and if the
18 claim has been paid or credited ~~against property tax or income tax otherwise~~
19 ~~payable~~, the credit shall be reduced or canceled and the proper portion of any
20 amount paid shall be similarly recovered by assessment as income taxes are
21 assessed, and ~~such~~ the assessment shall bear interest at the rate per annum

1 established ~~from time to time~~ by the Commissioner pursuant to section 3108 of
2 this title from the date of payment ~~or, in the case of credit of a property tax bill~~
3 ~~under section 6066a of this title, from December 1 of the year in which the~~
4 ~~claim is filed until refunded or paid.~~

5 (c) ~~In any case in which a homestead is rented by a person from another~~
6 ~~person under circumstances deemed by the Commissioner to be not at arms-~~
7 ~~length, the Commissioner may determine the rent constituting property tax for~~
8 ~~purposes of this chapter. [Repealed.]~~

9 Sec. 21. 32 V.S.A. § 6074 is amended to read:

10 § 6074. AMENDMENT OF CERTAIN CLAIMS

11 At any time within three years after the date for filing claims under
12 ~~subsection~~ section 6068(a) of this chapter, a claimant who filed a claim by
13 October 15 may file to amend that claim ~~with regard to housesite value,~~
14 ~~housesite education tax, housesite municipal tax, and ownership percentage or~~
15 ~~to correct the amount of household income reported on that claim.~~

16 * * * Education Fund * * *

17 Sec. 22. 16 V.S.A. § 4001 is amended to read:

18 § 4001. DEFINITIONS

19 As used in this chapter:

1 (1) “Average daily membership” of a school district or, if needed in
2 order to calculate the appropriate ~~homestead~~ resident education tax rate, of the
3 municipality as defined in 32 V.S.A. § 5401(9), in any year means:

4 * * *

5 (2) “Equalized grand list” has the same meaning ~~that~~ as equalized
6 education property ~~tax~~ grand list ~~has~~ in 32 V.S.A. chapter 135.

7 * * *

8 Sec. 23. 16 V.S.A. § 4025 is amended to read:

9 § 4025. EDUCATION FUND

10 (a) The Education Fund is established to comprise the following:

11 (1) all revenue paid to the State from the statewide education ~~tax~~ taxes
12 ~~on nonhomestead and homestead property~~ under 32 V.S.A. chapter 135;

13 * * *

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

15 * * *

16 (3) ~~To make payments required under 32 V.S.A. § 6066(a)(1) and only~~
17 ~~that portion attributable to education taxes, as determined by the Commissioner~~
18 ~~of Taxes, of payments required under 32 V.S.A. § 6066(a)(3). The State~~
19 ~~Treasurer shall withdraw funds from the Education Fund upon warrants issued~~
20 ~~by the Commissioner of Finance and Management based on information~~
21 ~~supplied by the Commissioner of Taxes. The Commissioner of Finance and~~

1 ~~Management may draw warrants for disbursements from the Fund in~~
2 ~~anticipation of receipts. All balances in the Fund at the end of any fiscal year~~
3 ~~shall be carried forward and remain a part of the Fund. Interest accruing from~~
4 ~~the Fund shall remain in the Fund. [Repealed.]~~

5 * * *

6 Sec. 24. 16 V.S.A. § 4026 is amended to read:

7 § 4026. EDUCATION FUND BUDGET STABILIZATION RESERVE;

8 CREATION AND PURPOSE

9 (a) It is the purpose of this section to reduce the effects of annual variations
10 in State revenues upon the Education Fund budget of the State by reserving
11 certain surpluses in Education Fund revenues that may accrue for the purpose
12 of offsetting deficits. The Education Fund Advisory Committee established
13 under 32 V.S.A. § 5413 shall annually review and recommend measures to the
14 General Assembly to balance the Fund.

15 * * *

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

1 stabilization reserve established by this section, and for other purposes. If the
2 stabilization reserve established under this section should in any fiscal year be
3 less than 5.0 percent of the prior fiscal year's appropriations from the
4 Education Fund, as defined in subsection (b) of this section, the Joint Fiscal
5 Committee shall review the information provided by the Education Fund
6 Advisory Committee pursuant to 32 V.S.A. § 5402b and provide the General
7 Assembly its recommendations for change necessary to restore the stabilization
8 reserve to the statutory level provided in subsection (b) of this section.

9 Sec. 25. 16 V.S.A. § 4028(c) is amended to read:

10 (c)(1) Any district that has adopted a school budget that includes high
11 spending, as defined in 32 V.S.A. § 5401(12), shall, upon timely notice, be
12 authorized to use a portion of its high spending penalty to reduce future
13 education spending:

14 * * *

15 (2) To the extent approved by the Secretary, the Agency shall pay the
16 district from the ~~property~~ resident education tax revenue to be generated by the
17 high spending increase to the district's spending adjustment as estimated by the
18 Secretary, up to a maximum of \$5,000.00. ~~For the purposes of~~ As used in this
19 subsection, "timely notice" means written notice from the district to the
20 Secretary by September 30 of the budget year. If the district enters into a
21 contract with a consultant pursuant to this subsection, the consultant shall not

1 be an employee of the district or of the Agency. A copy of the consultant's
2 final recommendations or a copy of the district's recommendations regarding
3 reorganization, as appropriate, shall be submitted to the Secretary, and each
4 affected town shall include in its next town report an executive summary of the
5 consultant's or district's final recommendations and notice of where a
6 complete copy is available. No district is authorized to obtain funds under this
7 section more than one time in every five years.

8 Sec. 26. 16 V.S.A. § 4031 is amended to read:

9 § 4031. UNORGANIZED TOWNS AND GORES

10 (a) For a municipality that, as of January 1, 2004, is an unorganized town
11 or gore, its resident education ~~property tax spending adjustment under~~
12 ~~32 V.S.A. § 5401(13)~~ shall be one for purposes of determining the tax rate
13 under 32 V.S.A. § ~~5402(a)(2)~~ 5402a shall be two percent.

14 (b) ~~For purposes of a claim for property tax credit under 32 V.S.A.~~
15 ~~chapter 154 by a taxpayer in a municipality affected under this section, the~~
16 ~~applicable percentage shall not be multiplied by a spending adjustment under~~
17 ~~32 V.S.A. § 5401(13).~~ [Repealed.]

18 * * * Repeals * * *

19 Sec. 27. REPEALS

20 The following are repealed:

1 (1) 32 V.S.A. § 3108(b)(4) (interest on overpayments to homestead tax
2 liabilities);

3 (2) 32 V.S.A. § 3800(g) (statutory purpose for veterans' homestead
4 property exemptions);

5 (3) 32 V.S.A. § 3802(11) (veterans' homestead property exemptions);

6 (4) 32 V.S.A. § 6061(1)–(6), (8), (11), and (13)–(17) (income sensitivity
7 property tax credit definitions);

8 (5) 32 V.S.A. § 6062(b)–(e) (income sensitivity property tax credit
9 claimants);

10 (6) 32 V.S.A. § 6064 (offset of property tax credit against other tax
11 liabilities);

12 (7) 32 V.S.A. § 6065 (property tax credit forms, tables, and notices);

13 (8) 32 V.S.A. § 6066(a), (d)–(i) (computation of property tax credit);

14 (9) 32 V.S.A. § 6066a (determination of property tax credit);

15 (10) 32 V.S.A. § 6067 (property tax credit limitations); and

16 (11) 32 V.S.A. § 6070 (disallowed property tax credit claims).

17 Sec. 28. 32 V.S.A. § 4111(e) is amended to read:

18 (e) When the listers return the grand list book to the town clerk, they shall
19 notify by first-class mail, on which postage has been prepaid and which has
20 been addressed to their last known address, all affected persons, listed as
21 property owners in the grand list book of any change in the appraised value of

1 such property or any change in the allocation of value to the homestead as
2 defined under subdivision 5401(7) of this title ~~or the house site as defined under~~
3 ~~subdivision 6061(11) of this title~~, and also notify them of the amount of such
4 change and of the time and place fixed in the public notice hereinafter provided
5 for, when persons aggrieved may be heard. No notice shall be required for a
6 change solely to reflect a new use value set by the Current Use Advisory Board
7 or the adjustment of that value by the common level of appraisal. Notices shall
8 be mailed at least 14 days before the time fixed for hearing. Such personal
9 notices shall be given in all towns and cities within the State, anything in the
10 charter of any city to the contrary notwithstanding. At the same time, the
11 listers shall post notices in the town clerk's office and in at least four other
12 public places in the town or in the case of a city, in such other manner and
13 places as the city charter shall provide, setting forth that they have completed
14 and filed such book as an abstract and the time and place of the meeting for
15 hearing grievances and making corrections. Unless the personal notices
16 required hereby were sent by registered or certified mail, or unless an official
17 certificate of mailing of the same was obtained from the post office, in the case
18 of any controversy subsequently arising it shall be presumed that the personal
19 notices were not mailed as required.

1 Sec. 29. 32 V.S.A § 4152(a) is amended to read:

2 (a) When completed, the grand list of a town shall be in such form as the
3 Director prescribes and shall contain such information as the Director
4 prescribes, including:

5 * * *

6 (9) ~~Separate columns~~ A separate column that will show the listed
7 valuations of homesteads as defined in subdivision 5401(7) of this title ~~and~~
8 ~~housesites as defined under subdivision 6061(11) of this title.~~

9 Sec. 30. 32 V.S.A. § 4261 is amended to read:

10 § 4261. CORRECTING OMISSION FROM GRAND LIST

11 When real or personal estate is omitted from the grand list by mistake or an
12 obvious error is found, the listers, with the approval of the selectboard, on or
13 before December 31, may supply such omissions or correct such errors and
14 make a certificate thereon of the fact; provided, however, the listers may make
15 a correction resulting from the filing or rescission of a ~~homestead~~ resident
16 declaration of domicile without approval of the selectboard.

17 Sec. 31. 32 V.S.A § 4467 is amended to read:

18 § 4467. DETERMINATION OF APPEAL

19 Upon appeal to the Director or the court, the hearing officer or court shall
20 proceed de novo and determine the correct valuation of the property as
21 promptly as practicable and to determine a homestead ~~and a housesite~~ value if

1 a ~~homestead~~ resident declaration of domicile has been ~~declared~~ made with
2 respect to the property for the year in which the appeal is taken. The hearing
3 officer or court shall take into account the requirements of law as to valuation,
4 and the provisions of Chapter I, Article 9 of the Constitution of Vermont and
5 the 14th Amendment to the Constitution of the United States. If the hearing
6 officer or court finds that the listed value of the property subject to appeal does
7 not correspond to the listed value of comparable properties within the town, the
8 hearing officer or court shall set said property in the list at a corresponding
9 value. The findings and determinations of the hearing officer shall be made in
10 writing and shall be available to the appellant. If the appeal is taken to the
11 Director, the hearing officer may inspect the property prior to making a
12 determination, unless one of the parties requests an inspection, in which case
13 the hearing officer shall inspect the property prior to making a determination.
14 Within 10 days of the appeal being filed with the Director, the Director shall
15 notify the property owner in writing of his or her option to request an
16 inspection under this section.

17 Sec. 32. 32 V.S.A § 5400(c) is amended to read:

18 (c) The statutory purpose of the exemption for qualified housing in
19 subdivision 5404a(a)(6) of this title is ~~to ensure that taxes on this rent-~~
20 ~~restricted housing provided to low- and moderate-income Vermonters are more~~
21 ~~equivalent to property taxed using the State homestead rate and to adjust the~~

1 costs of investment in rent-restricted housing to reflect more accurately the
2 revenue potential of such property.

3 * * * Effective Dates * * *

4 Sec. 33. EFFECTIVE DATES

5 This section and Secs. 12–13 (Education Fund Advisory Committee) shall
6 take effect on passage, and all remaining sections shall take effect on July 1,
7 2023.