

Summary of Senate Amendment to H.16: Education Finance

DRAFT

Prepared by JFO June 20, 2018

In H.13

- Transfers \$9.8 million from FY2018 GF surplus to Education Fund stabilization reserve
- Repeals GF transfer to EF on a revenue-neutral basis:
 - Dedicates 100% of sales & use tax and 25% of meals & rooms tax to the EF
 - Transfers EF uses to GF – adult education; CHSVT; renter rebate; reappraisal & listing payment

New

- Sets education tax rates for FY2019:

	<u>FY2018</u>	<u>FY2019</u>
Average homestead tax rate	\$1.500	\$1.500
Average tax rate on household income	2.55%	2.49%
Uniform nonresidential tax rate	\$1.535	\$1.580

H.911 with modifications and timing changes

- Reduces the property tax adjustment (PTA):
 - Lowers the maximum housesite value for a full PTA from \$500k to \$400k
 - Lowers the maximum housesite value limit for a partial PTA from \$250k to \$225K
- Requires separate presentation of education and municipal property tax bills beginning in FY2020
- Separates the homeowner rebate into its education and municipal property tax components beginning in FY2020
- Modifies the reporting dates for JFO's Tax Increment Financing report
- Makes a technical correction to the parameters for setting education tax rates in the Tax Commissioner's December 1st recommendation to the Legislature
- Establishes statewide bargaining for school employees' health care contract and reconstitutes the VEHI board