



VERMONT LEGISLATIVE  
**Joint Fiscal Office**

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## Fiscal Note

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### **H.492 (Act 52) – An act relating to setting the homestead property tax yields and the nonhomestead property tax rate**

As passed by the General Assembly<sup>1</sup>

#### **Bill Summary**

This bill sets the property dollar and income dollar equivalent yields and in doing so, sets the homestead property tax rates for fiscal year 2024; the bill also sets the nonhomestead property tax rate in fiscal year 2024. The bill reserves funds within the Education Fund to be used to offset education property tax rate increase in fiscal year 2025.

#### **Fiscal Summary**

For fiscal year 2024, the bill sets the following:

- The property dollar equivalent yield to be \$15,443;
- The income dollar equivalent yield to be \$17,537; and
- The nonhomestead property tax rate to be \$1.391 per \$100.00 of equalized education property value.

The property yield and nonhomestead property tax rate are expected to generate approximately \$1.45 billion in property tax revenues. Together with other non-property tax revenue sources, these revenues are expected to fully fund total education expenditures within the Education Fund in fiscal year 2024, along with the required 5% stabilization reserve.

The yields and tax rate have been set to fund the Education Fund according to the most recently available school district budget data and according to the following parameters:

- \$13 million is reserved within the Education Fund to offset education property tax rate increases in fiscal year 2025.
- The yields, tax rates, and reserve were calculated assuming changes associated with legislation that is still being considered by the General Assembly.

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<sup>1</sup> <https://legislature.vermont.gov/Documents/2024/Docs/BILLS/H-0492/H-0492%20As%20Passed%20by%20Both%20House%20and%20Senate%20Official.pdf>