

From: Karen Horn [<mailto:khorn@vlct.org>]
Sent: Monday, April 13, 2020 11:30 AM
To: Carol Dawes; Gwynn Zakov
Subject: RE: School tax payments

Carol,

We are sending the following around to legislators and local officials today. Could you send to the clerks? Please note in particular, Item 4.

Last evening, I sent an email to the House Ways and Means and Senate Finance Committees, and to the Government Operations Committees requesting the following:

Please find attached to this email a letter from the Town Manager in Colchester, Aaron Frank. He is urging the state to borrow the amount of unpaid education property tax dollars that are necessary to make the education fund whole, instead of individual municipalities. We strongly support this initiative and ask you to urge your legislators to:

1. Authorize local legislative bodies to vote to waive interest and penalties on property tax payments that are due from resident and non-resident property taxpayers who pay their taxes late during the COVID emergency in spite of penalties that may have been adopted by the voters or are in charters. Some communities will waive those penalties and interest on a case by case basis, and some will make the determination that penalties and interest need to be waived for a certain amount of time across the board.
2. Authorize local legislative bodies to lower current tax rates in the face of potentially reduced municipal spending, which would relieve some pressure on taxpayers.
3. Enact legislation that eliminates the severe penalties that would ordinarily accrue to towns which make incomplete education fund property tax payments to the school district or education fund. The reason that cities and towns would make incomplete education fund payments in 2020 is that people have no capacity to pay.
4. Require the state to borrow the dollars that are needed to make the Education Fund whole on the dates in 2020 upon which payments from towns are due, if need be. The Treasurer informed the Ways and Means Committee on April 10, that the state has the capacity to make an interfund loan to itself as no interest cost. If the state had to go out to the market for a short-term loan, the interest rate will likely be lower and the ability to secure a loan stronger than for any individual community.