

***When must the town treasurer deposit the school district's share of the taxes in the school district's account?***

Sixteen V.S.A. § 426 provides several answers to this question. First, the general rule is that within 20 days after the school taxes are due and payable, the treasurer must deposit the amount collected into the district's account.

Second, the exception to this rule is that the selectboard and the school board may agree, in writing, to have the money transferred at some other time.

Note that the rule and the exception apply only to the money actually collected. For example, total school taxes assessed were \$1,000,000. The amount actually collected as of day 20 was \$900,000. Therefore, by day 20 the treasurer must deposit \$900,000 in the school district's account.

The third part of the answer is that "within 120 days after the date on which [school] taxes become delinquent, but in no event later than the end of the school year," the entire amount of school taxes assessed must be deposited in the district's account. Thus, if the total amount of school tax assessed was \$1,000,000 but the amount collected so far is only \$950,000, the town must dip into its own pocket to make up the difference and be sure that the school gets its entire \$1,000,000 within those 120 days.

Finally, notwithstanding 16 V.S.A. § 426, a "sending town" under Act 60 will be billed by the state commissioner of taxes to send its property tax liability payments to the state by December 1 and June 1 of the following calendar year. 32 V.S.A. § 5402. This statute has the effect of partially overriding 16 V.S.A. § 426 in the case of towns that send to the sharing pool. The 20 and 120 day provisions are still in effect for direct payments to the local school district, but the money which goes to the sharing pool goes directly to the state on December 1 and June 1.

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