

1 Introduced by Representative Kornheiser of Brattleboro
2 Referred to Committee on
3 Date:
4 Subject: Taxation; education property tax; classification; nonhomestead
5 Statement of purpose of bill as introduced: This bill proposes to create new
6 categories of properties classified as nonhomestead for purposes of the
7 statewide education property tax. The new nonhomestead property categories
8 created under this bill will be affordable housing, commercial, industrial, open
9 land and structures, rental housing, seasonal dwellings, secondary, nonseasonal
10 dwellings, and utilities.

11 An act relating to defining new categories of nonhomestead property

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

13 Sec. 1. 32 V.S.A. § 5401(17) is added to read:

14 (17) All nonhomestead property, as defined in subdivision (10) of this
15 section, shall be categorized as defined in this subdivision.

16 (A) “Affordable housing” has the same meaning as in 24 V.S.A.
17 § 4303(1) and includes units subject to rent restrictions under provisions of
18 State or federal law, including one of the following programs: Section 8
19 moderate rehabilitation, Section 8 housing choice vouchers, or Section 236 or
20 Section 515 rural development rental housing.

1 (B) “Commercial” means any nonhomestead property used for
2 business purposes not otherwise categorized under this subdivision (17).

3 (C) “Industrial” means property used to manufacture, process,
4 fabricate, or finish items for wholesale and retail distribution as part of what is
5 commonly regarded by the general public as an industrial manufacturing or
6 processing operation or an agricultural commodity processing operation.

7 (D)(i) “Open land and structures” means any area of land, including
8 forestland, agricultural land, and unproductive land, irrespective of the land’s
9 enrollment status in the Use Value Appraisal Program under chapter 124 of
10 this title, and structures that are not dwellings for human habitation on
11 forestland, agricultural land, and unproductive land, the use of which:

12 (I) maintains and enhances the conservation of natural or scenic
13 resources;

14 (II) protects natural streams or water supply;

15 (III) promotes conservation of soils, wetlands, beaches, or
16 marshes;

17 (IV) enhances the value to the public of abutting or neighboring
18 parks, forests, wildlife preserves, nature reservations or sanctuaries, or other
19 open spaces;

20 (V) enhances public recreation opportunities; or

21 (VI) preserves historic sites.

1 (ii) As used in this subdivision (D), “unproductive land” means
2 land, including wetlands, that by its nature is incapable of producing
3 agricultural or forest products due to poor soil or site characteristics, or the
4 location of which renders it inaccessible or impractical to harvest agricultural
5 or forest products.

6 (E) “Rental housing” means any dwelling unit for which a landlord is
7 required to submit a Landlord Certificate under section 6069 of this title,
8 provided the dwelling does not qualify as affordable housing under subdivision
9 (A) of this subdivision (17).

10 (F) “Seasonal dwelling” means a dwelling that is:

11 (i) not weatherized for year-round occupancy, which shall be
12 established by the absence of basic amenities or utilities required for year-
13 round occupancy or use, including a permanent heating system, insulation, or
14 year-round usable plumbing; and

15 (ii) not rented or occupied by a resident individual as the
16 individual’s domicile as defined in subdivision (14) of this section.

17 (G) “Secondary, nonseasonal dwelling” means a dwelling that is
18 weatherized for year-round occupancy, which shall be established by the
19 presence of basic amenities or utilities required for year-round occupancy or
20 use, including a permanent heating system, insulation, or year-round usable
21 plumbing, but does not include a dwelling:

1 (i) for which a landlord is required to submit a Landlord
2 Certificate under section 6069 of this title; and

3 (ii) that is rented or occupied by a resident individual as the
4 individual’s domicile as defined in subdivision (14) of this section.

5 (H) “Utility” means property regulated under Title 30 by the
6 Department of Public Service or the Public Utility Commission.

7 Sec. 2. 32 V.S.A. § 5402(b) is amended to read:

8 (b) The statewide education tax shall be calculated as follows:

9 (1) The Commissioner of Taxes shall determine for each municipality
10 the education tax rates under subsection (a) of this section, divided by the
11 municipality’s most recent common level of appraisal. The legislative body in
12 each municipality shall then bill each property taxpayer at the homestead or
13 nonhomestead rate determined by the Commissioner under this subdivision,
14 multiplied by the education property tax grand list value of the property,
15 properly classified as homestead or nonhomestead property and without regard
16 to any other tax classification of the property, provided property classified as
17 nonhomestead shall be categorized pursuant to subdivision 5401(17) of this
18 title. Statewide education property tax bills shall show the tax due and the
19 calculation of the rate determined under subsection (a) of this section, divided
20 by the municipality’s most recent common level of appraisal, multiplied by the
21 current grand list value of the property to be taxed. Statewide education

1 property tax bills shall also include language provided by the Commissioner
2 pursuant to subsection 5405(g) of this title.

3 (2) Taxes assessed under this section shall be assessed and collected in
4 the same manner as taxes assessed under chapter 133 of this title with no tax
5 classification other than as homestead or nonhomestead property; provided,
6 however, that the tax levied under this chapter shall be billed to each taxpayer
7 by the municipality in a manner that clearly indicates the category of
8 nonhomestead property pursuant to subdivision 5401(17) of this title and that
9 the tax is separate from any other tax assessed and collected under chapter 133,
10 including an itemization of the separate taxes due. The bill may be on a single
11 sheet of paper with the statewide education tax and other taxes presented
12 separately and side by side.

13 * * *

14 Sec. 3. EFFECTIVE DATE

15 This act shall take effect on July 1, 2023 and shall apply to grand lists
16 lodged on and after April 1, 2024.