

1 S.69

2 Introduced by Senators Hardy and Ram Hinsdale

3 Referred to Committee on

4 Date:

5 Subject: Taxation; property tax; nonhomestead; nonprimary dwelling;
6 surcharge

7 Statement of purpose of bill as introduced: This bill proposes to create a
8 property tax surcharge on nonhomestead properties that are dwellings
9 weatherized for year-round use, that are not long-term rental units, and that are
10 not rented or occupied by a resident individual as the individual's domicile.
11 The revenues collected from the surcharge imposed under this bill shall be
12 allocated to the Vermont Housing and Conservation Board and dedicated to the
13 construction of affordable housing in this State.

14 An act relating to a surcharge on nonprimary dwellings

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

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

17 (17)(A) "Nonprimary dwelling" means a nonhomestead property as
18 defined in subdivision (10) of this section that is a weatherized dwelling with
19 basic amenities or utilities required for year-round occupancy or use, including
20 a permanent heating system, insulation, or year-round usable plumbing.

1 (B) “Nonprimary dwelling” does not include:

2 (i) a rental property for which a landlord is required to submit a
3 Landlord Certificate under section 6069 of this title; or

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

7 Sec. 2. 32 V.S.A. § 5402a is added to read:

8 § 5402a. NONPRIMARY DWELLING SURCHARGE

9 (a) In addition to the nonhomestead property tax imposed under
10 § 5402(a)(1) of this title, there shall be imposed on all nonprimary dwellings a
11 tax of \$0.25 per \$100.00 of equalized education property value as most
12 recently determined under section 5405 of this title.

13 (b) All assessment, billing, collection, and other administrative
14 requirements pertaining to the statewide education property tax shall apply to
15 the nonprimary dwelling surcharge imposed under this section.

16 (c) Notwithstanding any provision of this title or Title 16 to the contrary,
17 all revenue from the nonprimary dwelling surcharge imposed under this
18 section, collected by municipalities, and remitted to the State shall be allocated
19 to the Vermont Housing and Conservation Trust Fund created in 10 V.S.A.

20 § 312. The surcharge revenue shall be used by the Vermont Housing

1 Conservation Board for the purposes of 10 V.S.A. chapter 15, including the
2 construction of affordable housing in this State.

3 Sec. 3. 10 V.S.A. § 312 is amended to read:

4 § 312. CREATION OF VERMONT HOUSING AND CONSERVATION
5 TRUST FUND

6 There is created a special fund in the State Treasury to be known as the
7 “Vermont Housing and Conservation Trust Fund.” The Fund shall be
8 administered by the Board and expenditures therefrom shall only be made to
9 implement and effectuate the policies and purposes of this chapter. The Fund
10 shall be ~~comprised~~ composed of 50 percent of the revenue from the property
11 transfer tax under 32 V.S.A. chapter 231, all revenue from the nonprimary
12 dwelling surcharge under 32 V.S.A. § 5402a, and any monies from time to
13 time appropriated to the Fund by the General Assembly or received from any
14 other source, private or public, approved by the Board. Unexpended balances
15 and any earnings shall remain in the Fund for use in accord with the purposes
16 of this chapter.

17 Sec. 4. 16 V.S.A. § 4025(a) is amended to read:

18 (a) The Education Fund is established to comprise the following:

19 (1) all revenue paid to the State from the statewide education tax on
20 nonhomestead and homestead property under 32 V.S.A. chapter 135, except
21 the nonprimary dwelling surcharge under 32 V.S.A. § 5402a;

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Sec. 5. EFFECTIVE DATE

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This act shall take effect on July 1, 2024 and shall apply to grand lists set on

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and after April 1, 2024.