

H.480: Property Categories in the Grand list

Jake Feldman, Senior Fiscal Analyst
Rebecca Sameroff, Deputy Commissioner

Vermont Department of Taxes

- H.480's Reference to Grand List Categories
- **Sec. 8. IMPLEMENTATION PLAN AND PROGRESS REPORT;
STATEWIDE REAPPRAISALS; PROPERTY GRAND LIST
CATEGORIES; DEPARTMENT OF TAXES**
- (2) defining new categories of homestead and nonhomestead property that apply to both municipal and statewide education grand lists and property taxes, including a preliminary proposal for statutory definitions
- (B) recommended legislative language to define new categories of homestead and nonhomestead property that apply to both municipal and statewide education grand lists and property taxes and a detailed plan for certifying or designating new property categories and integrating them into both municipal and statewide education grand lists in 2025.

• Grand List Categories

- All property, in any category, is nonhomestead unless a homestead declaration is filed for that year
- Categories are not in statute and only exist for PVR’s equalization study (i.e., determining CLAs). Guidance is provided in Lister Handbook: [GB-1143.pdf \(vermont.gov\)](http://www.vermont.gov/GB-1143.pdf)
- Any variation or subjectivity related to how properties are categorized between towns and Listers/Assessors has no material impact on property owners
- Categories do not and cannot reflect how a property (or part of a property) is being used at any point in time. Based on “highest and best use” which is how it would sell on the open market

Grand List Category	Count	Homestead Value	Non-homestead Value
Residential <6 acres	157,924	\$ 25,802,000,000	\$ 13,245,000,000
Residential >=6 acres	55,680	\$ 11,744,000,000	\$ 7,485,000,000
Mobile Home no land	9,757	\$ 152,000,000	\$ 113,000,000
Mobile Home with land	10,676	\$ 755,000,000	\$ 384,000,000
Seasonal <6 acres	9,344	\$ 120,000,000	\$ 1,470,000,000
Seasonal >=6 acres	5,699	\$ 61,000,000	\$ 821,000,000
Commercial	14,616	\$ 87,000,000	\$ 9,526,000,000
Commercial Apartment	2,308	\$ 16,000,000	\$ 1,908,000,000
Industrial	890	\$ 1,000,000	\$ 1,328,000,000
Utilities Electric	1,141	\$ -	\$ 3,406,000,000
Utilities Other	146	\$ -	\$ 380,000,000
Farm	2,551	\$ 457,000,000	\$ 406,000,000
Other	23,908	\$ 1,779,000,000	\$ 4,565,000,000
Woodland	5,781	\$ 11,000,000	\$ 372,000,000
Miscellaneous	27,063	\$ 85,000,000	\$ 1,828,000,000

- How does Vermont give special tax treatment to certain types of properties?

- Through the Homestead Declaration which is a form of “self-attestation.” Homestead property tax rates are lower in two-thirds of towns and most homesteads are eligible for an income-based credit.
- and
- Through Lister-applied and town approved exemptions. These are based on who owns the property, its present-day use, and a successful application

Exemption Type	Parcels	Cost
UVM & Vermont State Colleges	190	\$21,000,000
Housing Authorities (i.e., affordable housing)	60	\$2,000,000
Qualified Housing (i.e., rent-restricted housing) – 10% exemption	650	\$1,000,000
Churches	1,150	\$14,000,000
Owned by Agricultural Societies (fairgrounds)	15	\$600,000

Source: JFO’s 2023 Vermont Tax Expenditures Biennial Report. See Report for full list

- Secondary Residences in the Grand List

- Secondary Residences are not distinguishable in the grand list
- Importantly, “nonhomestead” does not mean second home. It’s anything that’s not a declared homestead
- A second home could be categorized in almost any grand list category
- What is a secondary residence?

Is an uninsulated camp a secondary residence?

Is a time share at a ski resort?

Is half of a duplex that’s rented out on AirBnB?

Is seasonal housing for farm help a second home?

- A property might be used in multiple ways at any one time
- Different parts of a property might be used in different ways
- Property use can change at any time, year to year and owner to owner

Act 73 Secondary Residences Report Summary

Option 1: Tax creates “working definition” and analyzes existing Grand List data for reporting

Option 2: Legislature defines, Listers enforce

Option 3: Legislature defines, owners self-attest

- Tax [presentation](#) to Ways and Means on Act 73 report
- [Act 73 Secondary Residences Report: RP-1310.pdf \(vermont.gov\)](#)

- Conclusion/Recommendation

For specific and well-defined types of properties that the Legislature is interested in either taxing differently or gathering better data on:

Ask the Tax Department to study how these types of properties could potentially be identified through the Grand List process or other means

- Recommended edits on pages 14-15, Sec 8 (b)(3)(H) and (b)(4)(A), still need specificity and possibility definitions.