

1 Sec. 68. [Deleted.]

2 Twenty-fifth: By striking out Secs. 73–78 in their entireties and inserting in
3 lieu thereof new Secs. 73–78 to read as follows:

4 Sec. 73. 32 V.S.A. § 9602 is amended to read:

5 § 9602. TAX ON TRANSFER OF TITLE TO PROPERTY

6 (a) A tax is hereby imposed upon the transfer by deed of title to property
7 located in this State, or a transfer or acquisition of a controlling interest in any
8 person with title to property in this State. The amount of the tax equals ~~one~~
9 ~~and one-quarter~~ 1.25 percent of the value of the property transferred up to
10 \$750,000.00 of value and 3.65 percent of the value of the property transferred
11 in excess of \$750,000.00, or \$1.00, whichever is greater, except as follows:

12 (1) With respect to the transfer of property to be used for the principal
13 residence of the transferee, the tax shall be imposed at the rate of ~~five tenths of~~
14 ~~one~~ 0.5 percent of the first ~~\$100,000.00~~ \$200,000.00 in value of the property
15 transferred and at the rate of ~~one and one-quarter~~ 1.25 percent of the value of
16 the property transferred in excess of ~~\$100,000.00~~ \$200,000.00; except that no
17 tax shall be imposed on the first ~~\$110,000.00~~ \$250,000.00 in value of the
18 property transferred if the purchaser obtains a purchase money mortgage
19 funded in part with a homeland grant through the Vermont Housing and
20 Conservation Trust Fund or that the Vermont Housing and Finance Agency or
21 U.S. Department of Agriculture and Rural Development has committed to

1 make or purchase; and tax at the rate of ~~one and one-quarter~~ 1.25 percent shall
2 be imposed on the value of that property in excess of ~~\$110,000.00~~
3 \$250,000.00. In all cases, the tax shall be imposed at the rate of 3.65 percent
4 of the value of the property transferred in excess of \$750,000.00.

5 (2) [Repealed.]

6 (3) With respect to the transfer to a housing cooperative organized under
7 11 V.S.A. chapter 7 and whose sole purpose is to provide principal residences
8 for all of its members or shareholders, or to an affordable housing cooperative
9 under 11 V.S.A. chapter 14, of property to be used as the principal residence of
10 a member or shareholder, the tax shall be imposed in the amount of ~~five tenths~~
11 ~~of one~~ 0.5 percent of the first ~~\$100,000.00~~ \$200,000.00 in value of the
12 residence transferred and at the rate of ~~one and one-quarter~~ 1.25 percent of the
13 value of the residence transferred in excess of ~~\$100,000.00~~ \$200,000.00;
14 provided that the homesite leased by the cooperative is used exclusively as the
15 principal residence of a member or shareholder. If the transferee ceases to be
16 an eligible cooperative at any time during the six years following the date of
17 transfer, the transferee shall then become obligated to pay any reduction in
18 property transfer tax provided under this subdivision, and the obligation to pay
19 the additional tax shall also run with the land. In all cases, the tax shall be
20 imposed at the rate of 3.65 percent of the value of the property transferred in
21 excess of \$750,000.00.

1 (b) Each year on August 1, the Commissioner shall adjust the values taxed
2 at a lower rate under subdivisions (a)(1) and (3) of this section according to the
3 percent change in the Bureau of Labor Statistics Consumer Price Index for All
4 Urban Consumers (CPI-U) by determining the increase or decrease, to the
5 nearest 0.1 percent, for the month ending on June 30 in the calendar year one
6 year prior to the first day of the current fiscal year compared to the CPI-U for
7 the month ending on June 30 in the calendar year two years prior. The
8 Commissioner shall update the return required under section 9610 of this title
9 according to this adjustment.

10 Sec. 74. 32 V.S.A. § 9602a is amended to read:

11 § 9602a. CLEAN WATER SURCHARGE

12 There shall be a surcharge of ~~0.2~~ 0.22 percent on the value of property
13 subject to the property transfer tax under section 9602 of this title, except that
14 there shall be no surcharge on the first ~~\$100,000.00~~ \$200,000.00 in value of
15 property to be used for the principal residence of the transferee or the first
16 ~~\$200,000.00~~ \$250,000.00 in value of property transferred if the purchaser
17 obtains a purchase money mortgage funded in part with a homeland grant
18 through the Vermont Housing and Conservation Trust Fund or that the
19 Vermont Housing and Finance Agency or U.S. Department of Agriculture and
20 Rural Development has committed to make or purchase. The surcharge shall
21 be in addition to any tax assessed under section 9602 of this title. The

1 surcharge assessed under this section shall be paid, collected, and enforced
2 under this chapter in the same manner as the tax assessed under section 9602
3 of this title. The Commissioner shall deposit the surcharge collected under this
4 section in the Clean Water Fund under 10 V.S.A. § 1388, except for the first
5 \$1,000,000.00 of revenue generated by the surcharge, which shall be deposited
6 in the Vermont Housing and Conservation Trust Fund created in
7 10 V.S.A. § 312.

8 Sec. 75. 2017 Acts and Resolves No.85, sec. I.10 is amended to read:

9 Sec. I.10 32 V.S.A. § 9602a is amended to read:

10 § 9602a. CLEAN WATER SURCHARGE

11 There shall be a surcharge of ~~0.2~~ 0.04 percent on the value of property
12 subject to the property transfer tax under section 9602 of this title, except that
13 there shall be no surcharge on the first ~~\$100,000.00~~ \$200,000.00 in value of
14 property to be used for the principal residence of the transferee or the first
15 ~~\$200,000.00~~ \$250,000.00 in value of property transferred if the purchaser
16 obtains a purchase money mortgage funded in part with a homeland grant
17 through the Vermont Housing and Conservation Trust Fund or which the
18 Vermont Housing and Finance Agency or U.S. Department of Agriculture and
19 Rural Development has committed to make or purchase. The surcharge shall
20 be in addition to any tax assessed under section 9602 of this title. The
21 surcharge assessed under this section shall be paid, collected, and enforced

1 under this chapter in the same manner as the tax assessed under section 9602
2 of this title. The Commissioner shall deposit the surcharge collected under this
3 section ~~in the Clean Water Fund under 10 V.S.A. § 1388, except for the first~~
4 ~~\$1,000,000.00 of revenue generated by the surcharge, which shall be deposited~~
5 in the Vermont Housing and Conservation Trust Fund created in 10 V.S.A. §
6 312.

7 Sec. 76. 24 V.S.A. § 4306(a) is amended to read:

8 (a)(1) The Municipal and Regional Planning Fund for the purpose of
9 assisting municipal and regional planning commissions to carry out the intent
10 of this chapter is hereby created in the State Treasury.

11 (2) The Fund shall be composed of ~~47~~ 13 percent of the revenue
12 deposited from the property transfer tax under 32 V.S.A. chapter 231 and any
13 monies from time to time appropriated to the Fund by the General Assembly or
14 received from any other source, private or public. All balances at the end of
15 any fiscal year shall be carried forward and remain in the Fund. Interest earned
16 by the Fund shall be deposited in the Fund.

17 * * *

18 Sec. 77. 32 V.S.A. § 435(b) is amended to read:

19 (b) The General Fund shall be composed of revenues from the following
20 sources:

21 (1) alcoholic beverage tax levied pursuant to 7 V.S.A. chapter 15;

1 (2) [Repealed.]

2 (3) [Repealed.]

3 (4) corporate income and franchise taxes levied pursuant to chapter 151
4 of this title;

5 (5) individual income taxes levied pursuant to chapter 151 of this title;

6 (6) all corporation taxes levied pursuant to chapter 211 of this title;

7 (7) 69 percent of the meals and rooms taxes levied pursuant to chapter
8 225 of this title;

9 (8) [Repealed.]

10 (9) [Repealed.]

11 (10) ~~33~~ 37 percent of the revenue from the property transfer taxes levied
12 pursuant to chapter 231 of this title and the revenue from the gains taxes levied
13 each year pursuant to chapter 236 of this title; and

14 (11) [Repealed.]

15 (12) all other revenues accruing to the State not otherwise required by
16 law to be deposited in any other designated fund or used for any other
17 designated purpose.

18 Sec. 78. TRANSFERS; PROPERTY TRANSFER TAX

19 Notwithstanding 10 V.S.A. § 312, 24 V.S.A. § 4306(a), 32 V.S.A.

20 § 9610(c), or any other provision of law to the contrary, amounts in excess of

1 \$32,954,775.00 from the property transfer tax shall be transferred into the

2 General Fund. Of this amount:

3 (1) \$6,356,310.00 shall be transferred from the General Fund into the
4 Vermont Housing and Conservation Trust Fund.

5 (2) \$1,279,740.00 shall be transferred from the General Fund into the
6 Municipal and Regional Planning Fund.

7 Twenty-sixth: By striking out Secs. 79–83, property value freeze for new
8 construction and rehabilitation, in their entirety and inserting in lieu thereof
9 new Secs. 79–83 to read as follows:

10 Sec. 79. [Deleted.]

11 Sec. 80. [Deleted.]

12 Sec. 81. [Deleted.]

13 Sec. 82. [Deleted.]

14 Sec. 83. [Deleted.]

15 Twenty-seventh: By adding a new section to be Sec. 83a to read as follows:

16 Sec. 83a. 32 V.S.A. § 9603 is amended to read:

17 § 9603. EXEMPTIONS

18 The following transfers are exempt from the tax imposed by this chapter:

19 * * *

20 (27)(A) Transfers of abandoned dwellings that the transferee certifies
21 will be rehabilitated for occupancy as principal residences and not as short-

1 term rentals as defined under 18 V.S.A. § 4301(a)(14), provided the
2 rehabilitation is completed and occupied not later than three years after the
3 date of the transfer. If three years after the date of transfer the rehabilitation
4 has not been completed and occupied, then the tax imposed by this chapter
5 shall become due.

6 (B) As used in this subdivision (27):

7 (i) “Abandoned” means real estate owned by a municipality and
8 acquired through condemnation or a tax sale, provided the real estate has
9 substandard structural or housing conditions, including unsanitary and unsafe
10 dwellings and deterioration sufficient to constitute a threat to human health,
11 safety, and public welfare.

12 (ii) “Completed” means rehabilitation of a dwelling to be fit for
13 occupancy as a principal residence.

14 (iii) “Principal residence” means a dwelling occupied by a resident
15 individual as the individual’s domicile during the taxable year and for a
16 property owner, owned, or for a renter, rented under a rental agreement other
17 than a short-term rental as defined under 18 V.S.A. § 4301(a)(14).

18 (iv) “Rehabilitation” means extensive repair, reconstruction, or
19 renovation of an existing dwelling beyond normal and ordinary maintenance,
20 painting, repairs, or replacements, with or without demolition, new
21 construction, or enlargement.

1 (28) Transfers of a new mobile home, as that term is defined in
2 10 V.S.A. § 6201(1), that bears a label evidencing greater energy efficiency
3 provided under the ENERGY STAR Program established in 42 U.S.C.
4 § 6294a.

5

6 Sec. 114. EFFECTIVE DATES

7 This act shall take effect on passage, except that:

8 (1) Secs. 12 (10 V.S.A. § 6001), 13 (10 V.S.A. § 6086(a)(8)), and 20
9 (10 V.S.A. § 6001) shall take effect on December 31, 2026;

10 (2) Sec. 19 (10 V.S.A. § 6001(3)(A)(xii)) shall take effect on July 1,
11 2026;

12 (3) Secs. 73 (property transfer tax rates) and 83a (property transfer tax
13 exemptions) shall take effect on August 1, 2024; and

14 (4) Sec. 75 (clean water surcharge) shall take effect on July 1, 2027.

15 and that after passage the title of the bill be amended to read: “An act
16 relating to land use planning, development, and housing”

17