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H.268

Introduced by Representatives Donahue of Northfield and Grad of Moretown

Referred to Committee on

Date:

Subject: Municipal government; taxation; municipal lands; abatement

Statement of purpose: This bill proposes to clarify that water and sewer lines owned by one municipality may not be taxed by another municipality and to require that taxes be abated in cases of manifest error or mistake.

An act relating to municipal taxation and abatement

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

Sec. 1. 24 V.S.A. § 1535 is amended to read:

§ 1535. ABATEMENT

(a) The board may abate in whole or part taxes, interest, and collection fees, other than those arising out of a corrected classification of homestead or nonresidential property, accruing to the town in the following cases:

- (1) taxes of persons who have died insolvent;
- (2) taxes of persons who have removed from the state;
- (3) taxes of persons who are unable to pay their taxes, interest, and collection fees;
- (4) [Repealed.]

1 * * *

2 (b) The board shall abate in whole taxes, interest, and collection fees
3 accruing to the town in cases in which there is manifest error or a mistake of
4 the listers.

5 (c) The board's abatement of an amount of tax shall automatically abate
6 any uncollected interest and fees relating to that amount.

7 * * *

8 Sec. 2. 32 V.S.A. § 3659 is amended to read:

9 § 3659. MUNICIPAL LANDS

10 Land and buildings of a municipal corporation, whether acquired by
11 purchase or condemnation and situated outside of its territorial limits shall be
12 taxed by the municipality in which such land is situated. Said land shall be set
13 to such municipal corporation in the grand list of the town or city in which
14 such real estate is located at the value fixed in the appraisal next preceding the
15 date of acquisition of such property and taxed on such valuation. The value
16 fixed on such property at each appraisal thereafter shall be the same per acre as
17 the value fixed on similar property in the town or city. Improvements made
18 subsequent to the acquisition of the land shall not be taxed; except that an
19 additional tax not to exceed 75 percent of the appraisal of the land may be
20 levied in lieu of a personal property tax. Electric utility poles, lines and pole
21 fixtures owned by a municipal utility lying beyond its boundaries shall be

1 taxed at appraisal value as defined in section 3481 of this title. Water systems
2 as defined under 24 V.S.A. § 3341 and sewage systems as defined under
3 24 V.S.A. § 3501 which are owned by a municipal corporation but which are
4 situated outside the municipal corporation's territorial limits shall not be taxed
5 by the municipality in which they are situated.

6 Sec. 3. EFFECTIVE DATE

7 This act shall take effect on passage.