

1 H.405

2 Introduced by Representatives Smith of New Haven and Clark of Vergennes

3 Referred to Committee on

4 Date:

5 Subject: Taxation; property tax; appraised value

6 Statement of purpose: This bill proposes to freeze the appraisal value of
7 property owned by taxpayers 65 years of age and older until subsequent
8 transfer.

9 An act relating to freezing appraisal values for taxpayers 65 years of age
10 and older until subsequent transfer

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

12 Sec. 1. 32 V.S.A. § 5404 is amended to read:

13 § 5404. DETERMINATION OF EDUCATION PROPERTY TAX GRAND
14 LIST

15 (a) Municipalities shall determine the education property tax grand list by
16 calculating one percent of the listed value of nonresidential and homestead real
17 property as provided in this section. The listed value of all nonresidential and
18 homestead real property in a municipality shall be its fair market value, its
19 value established under a stabilization agreement described in section 5404a of
20 this title, or the use value of property enrolled in a use value program under

1 chapter 124 of this title. If a homestead is located on a parcel of greater than
2 two acres, the entire parcel shall be appraised at fair market value; the
3 housesite shall then be appraised as if it were situated on a separate parcel and
4 the value of the housesite shall be subtracted from the value of the total parcel
5 to determine the value of the remainder of the parcel. If a homestead is wholly
6 owned by one or more individuals who have reached the age of 65 by April 1
7 of a given year and whose income does not exceed 300 percent of the
8 applicable federal poverty guidelines as updated in the Federal Register by the
9 United States Department of Health and Human Services under the authority of
10 42 U.S.C. § 9902(2), the listed value of the housesite, as that term is defined by
11 subdivision 6061(11) of this title, shall remain the same as it is on April 1 of
12 that year, until the property is transferred to owners who are not age 65 or
13 older, or until the taxpayer has income that exceeds 300 percent of the federal
14 poverty guidelines for three consecutive years.

15 * * *

16 Sec. 2. EFFECTIVE DATE

17 This act shall apply to taxable year 2012 and after.