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H.716

Introduced by Representatives Trieber of Rockingham and Partridge of  
Windham

Referred to Committee on

Date:

Subject: Taxation; statewide education property tax; appraisal value;  
definitions

Statement of purpose: This bill proposes to clarify the appraisal value and tax  
treatment for nonrental residential property subject to a housing subsidy  
covenant.

An act relating to the appraisal of nonrental residential property

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

Sec. 1. 32 V.S.A. § 3481 is amended to read:

§ 3481. DEFINITIONS

The following definitions shall apply in this Part and chapter 101 of this  
title, pertaining to the listing of property for taxation:

(1)(A) “Appraisal value” shall mean, with respect to property enrolled in  
a use value appraisal program, the use value appraisal as defined in subdivision  
3752(12) of this title, multiplied by the common level of appraisal, and with  
respect to all other property, the estimated fair market value. The estimated

1 fair market value of a property is the price which the property will bring in the  
2 market when offered for sale and purchased by another, taking into  
3 consideration all the elements of the availability of the property, its use both  
4 potential and prospective, any functional deficiencies, and all other elements  
5 such as age and condition which combine to give property a market value.

6 Those elements shall include ~~a consideration of a decrease in value in~~  
7 ~~nonrental residential property due to a housing subsidy covenant as defined in~~  
8 ~~section 610 of Title 27, or~~ the effect of any state or local law or regulation  
9 affecting the use of land, including ~~but not limited to~~ 10 V.S.A. chapter 151 of  
10 ~~Title 10~~ or any land capability plan established in furtherance or  
11 implementation thereof, rules adopted by the state board of health and any  
12 local or regional zoning ordinances or development plans. In determining  
13 estimated fair market value, the sale price of the property in question is one  
14 element to consider, but is not solely determinative.

15 (B) For residential rental property that is subject to a housing subsidy  
16 covenant or other legal restriction, imposed by a governmental, quasi-  
17 governmental, or public purpose entity, on rents that may be charged, fair  
18 market value shall be determined by an income approach using the following  
19 elements:

20 \* \* \*

1       Sec. 2. 32 V.S.A. § 3802(17) is added to read:

2               (17) Ten percent of the appraised value of nonrental residential property  
3       subject to a housing subsidy covenant as defined in 27 V.S.A. § 610.

4       Sec. 3. 32 V.S.A. § 6066(i) is amended to read:

5               (i) Adjustments under subsection (a) of this section shall be calculated  
6       without regard to any exemption under ~~section~~ subdivision 3802(11) or  
7       3802(17) of this title.

8       Sec. 4. EFFECTIVE DATE

9               This act shall take effect on January 1, 2013.