

H.359

Introduced by Representatives Milkey of Brattleboro, Burke of Brattleboro,

Edwards of Brattleboro and Wizowaty of Burlington

Referred to Committee on

Date:

Subject: Taxation; education property tax; deferral

Statement of purpose: This bill proposes to defer adjusted education property taxes for low income disabled or elderly persons until payment at death.

An act relating to property tax deferral for low income disabled or elderly persons

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

Sec. 1. 32 V.S.A § 3802a is added to read:

§ 3802a. PROPERTY TAX DEFERRAL FOR DISABLED OR ELDERLY
PERSONS

(a) All property taxes for the property tax year, after adjustment for income sensitivity under chapter 154 of Title 32, on any homestead property as defined in subdivision 5401(7) of this title and declared as required by section 5410 of this title, may be deferred until the earlier of the date of transfer of the property or date of death of the owner, if the homestead is occupied as the primary residence of and owned in fee simple by a person who, before May 1 of the

1 property tax year, files with the listers a claim for this deferral, verifying that
2 the claimant had federal adjusted gross income of less than \$13,000.00 for the
3 taxable year preceding the claim and at the time of the claim is 50 percent or
4 more disabled as certified by a licensed physician, certified physician's
5 assistant, or licensed advanced practice registered nurse, or is at least 75 years
6 of age. Upon the date of transfer of the property or death of the owner, all
7 deferred taxes shall become due, with interest accrued at the rate determined
8 under section 5136 of this title.

9 (b) Taxes lawfully assessed and deferred under subsection (a) of this
10 section shall constitute a first lien upon the property, underlying all mortgages,
11 attachments, liens, or other encumbrances thereon, and all estates for the term
12 of a natural life or lives, a term of years, or any other duration. Such lien shall
13 remain in full force and effect until the earlier of the transfer of the property or
14 death of the owner. Notice to all parties having an interest in such property
15 shall be given as provided by law or directed by court.

16 Sec. 2. EFFECTIVE DATE

17 This act shall apply to property taxes assessed in 2010 and after.