

1 H.746
2 Introduced by Representatives Canfield of Fair Haven and Helm of Fair Haven
3 Referred to Committee on
4 Date:
5 Subject: Taxation; common interest property
6 Statement of purpose of bill as introduced: This bill proposes to limit the
7 increase in a property tax assessment for common elements located in one
8 town when the unit owner is located in another town.

9 An act relating to the taxation of common elements located in a town other
10 than the town where a unit is located

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

12 Sec. 1. 27A V.S.A. § 1-105 is amended to read:

13 § 1-105. SEPARATE TITLES AND TAXATION

14 (a) In a condominium or planned community:

15 (1) ~~if~~ If there is any unit owner other than a declarant, each unit that has
16 been created, together with its interest in the common elements, constitutes for
17 all purposes a separate parcel of real estate;

18 (2) ~~if~~ If there is any unit owner other than a declarant, each unit shall be
19 separately taxed and assessed, and no separate tax or assessment may be
20 rendered against any common elements for which a declarant has reserved no

1 development rights; provided, however, that if a portion of the common
2 elements is located in a town other than the town in which the unit is located,
3 the town in which the common elements are located may designate that portion
4 of the common elements within its boundaries as a parcel for property tax
5 assessment purposes and for the first five years after designating a parcel, the
6 town in which the common elements are located may tax each unit owner at ~~an~~
7 the lesser of the appraisal value pursuant to 32 V.S.A. § 3481 or the value that
8 the common elements were assessed by the town in which the units are
9 located, in the year prior to designation. After five years, the town in which
10 the common elements are located shall assess the designated parcel at the
11 appraisal value pursuant to 32 V.S.A. § 3481.

12 (b) Any portion of the common elements for which the declarant has
13 reserved any development right shall be separately taxed and assessed against
14 the declarant, and the declarant alone is liable for payment of those taxes.

15 (c) If there is no unit owner other than a declarant, the real estate
16 comprising a common interest community may be taxed and assessed in any
17 manner provided by law.

18 Sec. 2. EFFECTIVE DATE

19 Notwithstanding 1 V.S.A. § 214, this act shall apply retroactively to
20 May 15, 2012.