

VLCT Proposals of Amendment to the Miscellaneous Tax Bill, 2-20-2013

Miscellaneous Tax Bill is amended by inserting the following (based on H. 820):

24 § 1535. Abatement

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

Reason for insertion:

32 § 1674. Delinquent tax commission and collection costs

The **fees and penalties** collected by collectors of taxes shall be as follows:

(1) Where a municipality does not vote to collect its taxes by its treasurer, the collector shall not tax or collect of the taxpayer **any commission or fees** on taxes paid within the time established in the notice required by section 4772 of this title.

(2) On all taxes collected after the expiration of the time established in the notice required by section 4772 or 4792 of this title, **the collector may charge and collect from the taxpayer a commission of eight percent on the amount of the tax**, unless a municipality votes otherwise pursuant to subdivision (3) of this section.

(3) For all taxes collected after the expiration of the time established in the notice required by section 4772 or 4792 of this title, voters of a municipality may adopt by a majority vote of the municipality's members present and voting at an annual or special meeting:

(A) The percent of the amount of the tax collected that shall be charged as a commission, provided that the adopted percent does not exceed eight percent.

(B) A grace period or graduated commission schedule for taxes paid within a defined time frame after the established time of payment.

(4) Whenever it is necessary to levy on persons or personal estate, the collector shall be allowed to tax and collect from the taxpayer, as further compensation, such **fees** as sheriffs are allowed for levying executions.

Miscellaneous Tax Bill is amended by inserting the following:

§ 6066a. Determination of property tax adjustments

(a) Annually, the Commissioner shall determine the property tax adjustment amount under section 6066 of this title, related to a homestead owned by the claimant. The Commissioner shall notify the municipality in which the housesite is located of the amount of the property tax adjustment for the claimant for homestead property tax liabilities, on July 1 for timely filed claims, **on October 1 for claims filed between April 15 and September 15**, and on November 1 for late claims filed by October 15. The tax adjustment of a claimant who was assessed property tax by a town which revised the dates of its fiscal year, however, is the excess of the property tax which was assessed in the last 12 months of the revised fiscal year, over the adjusted property tax of the claimant for the revised fiscal year as determined under section 6066 of this title, related to a homestead owned by the claimant.

Reason for insertion:

Section 13 of the first draft of the Miscellaneous Tax Bill moves the late homestead filing deadline from September 1 to October 15. Tax Department agreed to do this and actually did it this year and just want to memorialize it in statute. It reduces the number of corrected property tax bills that need to be sent, and over- and under-payments of early property tax due and installment dates.

Miscellaneous Tax Bill is amended by inserting the following (based on H. 833):

32 § 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, **except for owner-occupied housing identified in subdivision (C) of this section**, the estimated fair market value. The estimated fair market value of a property is the price which the property will bring in the market when offered for sale and purchased by another, taking into consideration all the elements of the availability of the property, its use both potential and prospective, any functional deficiencies, and all other elements such as age and condition which combine to give property a market value. Those elements shall include ~~a consideration of a decrease in value in nonrental residential property due to a housing subsidy covenant as defined in 27 V.S.A. § 610, or the effect of any~~ **State** or local law or regulation affecting the use of land, including 10 V.S.A. chapter 151 or any land capability plan established in furtherance or implementation thereof, rules adopted by the State Board of Health and any local or regional zoning ordinances or development plans. In determining estimated fair market value, the sale price of the property in question is one element to consider, but is not solely determinative.

(C) For owner-occupied housing that is subject to a housing subsidy covenant or other legal restriction as defined in 27 V.S.A. 610, imposed by a governmental, quasi-governmental, or public purpose entity, that limits the price for which the property may be sold, the housing subsidy covenant or other legal restriction shall be deemed to cause a material decrease in the value of the owner-occupied housing, and the appraisal value means not more than 70 80 percent of what the fair market value of the property would be if it were not subject to the housing subsidy covenant or other legal restriction.

(2) "Listed value" shall be an amount equal to 100 percent of the appraisal value. The ratio shall be the same for both real and personal property.

Sec. 2. EFFECTIVE DATE

This act shall take effect on January 1, 2015 and apply to property appearing on grand lists lodged in 2015 and after.

For reference:

27 § 610. Housing subsidy covenants; enforceability

(a) Definition. As used in this section, "housing subsidy covenant" means a covenant the purpose of which is to encourage the development and continued availability of affordable rental and owner-occupied housing for low and moderate income persons. A housing subsidy covenant

may be created during ownership or at the time of conveyance by the owner of real property as a condition of:

(1) an allocation of "low income housing tax credits" pursuant to regulations of the agency of commerce and community development;

(2) a grant, loan or contract made by an agency, instrumentality or political subdivision of this state;

(3) a grant, loan, or contract made by a nonprofit corporation;

(4) a subsidized loan from any lending institution that makes loans for residential housing;
or

(5) a subsidized private transaction.

(b) Restrictions. A housing subsidy covenant may include without limitation restrictions on the use of real property, restrictions on resale price, restrictions on tenant income and rents and restrictions on the income of a purchaser of housing or a housing unit for his or her own residence.

(c) Requirements. A housing subsidy covenant shall be set forth in a separate and distinct document and executed, acknowledged and recorded in the manner provided by law for the execution, acknowledgment and recording of deeds.

(d) Duration. A housing subsidy covenant may be perpetual or may be limited to a period of time specified in the document and may be amended or terminated by written agreement of the owner of the land and all persons or entities holding the right to enforce the covenant. Any amendment or termination shall be executed, acknowledged and recorded as provided in this section.

(e) Enforceability. A covenant that complies with this section shall run with the land and shall be enforceable according to its terms. The covenant may include provisions for monitoring and enforcing compliance. The covenant may be enforced by the person or entity that provided the subsidy of which creation of the covenant was a condition, or by any agency, instrumentality or political subdivision of the state or nonprofit corporation organized for the purpose of promoting affordable housing to whom the right of enforcement has been assigned.