

REPORT OF THE PROPERTY TAX EXEMPTION STUDY COMMITTEE

January 15, 2014

The Property Tax Exemption Study Committee is authorized by 2013 Acts and Resolves No. 73, Sec. 42, a copy of which is attached as Exhibit 1 to this report. The Committee offers this report and recommendations as a starting point for consideration by the committees of jurisdiction.

The Committee decided to use past legislative efforts as a starting point for its work. Specifically, the Committee reviewed the report and proposed legislation from the Commission on Property Tax Exemptions that was formed by 1999 Acts and Resolves No. 71, Sec. 59. This earlier Commission had proposed legislation in 1999 that was modified by the House and passed by that body in April 2000 as H.53.

The Committee took that legislation and modified it based on the input it received. The Committee retained two central components of H.53 of 2000. First, under the legislation proposed by the Committee, the Division of Property Valuation and Review would certify properties that qualified as public or charitable properties. Those properties would then be automatically exempt from the statewide education tax, and towns could choose to exempt them from municipal taxes by vote. Second, colleges and universities would receive a clear property tax exemption for their property, but they would be required to enter into municipal service fee agreements with their host towns.

In addition to these two main changes, the Committee makes several minor recommendations in its proposed legislation that were suggested by the Committee members or the Department of Taxes. The Committee's proposed legislation makes it clear that municipal property, not used for commercial purposes, is exempt from municipal and statewide education taxes. The proposed legislation also clarifies that:

- all fixtures extending beyond the boundary of a municipality may be taxed at fair market value
- exempt properties must be both owned and operated on a nonprofit basis
- a portion of a property may be certified as meeting the requirements for exempt status
- fraternal organizations must certify that they donate more to charity than they receive in property tax exemptions
- boards of civil authority are included in the appeal process for exempt status

The Committee met six times and heard presentations from the Department of Taxes, the Office of Legislative Council, and the Joint Fiscal Office. The Committee also held a forum to accept public comments on December 16, 2013, and accepted written and public comment from numerous witnesses.

The Committee's testimony and discussion focused on the current legal and fiscal framework of the public, pious, and charitable property tax exemption under 32 V.S.A. § 3802(4). The Committee heard about past legislative efforts to address the problems related to exempt properties, particularly after the passage of 1998 Acts and Resolves No. 60. The Committee heard testimony about approaches to valuing and taxing exempt properties in other jurisdictions, and in particular about efforts in the Boston area. The Committee heard testimony about the legal issues related to taxing or exempting public, pious, and charitable properties, as well as testimony about tax-exempt organizations at the federal and State level.

The legislation proposed by the Committee is in bill form and is attached as Exhibit 2.

A summary of the Committee's proposed legislation was prepared by the Office of Legislative Council and is as follows:

Sec. 1. 32 V.S.A. § 3802(4) (effective January 1, 2016)

Strikes existing 3802(4), the section in current law that addresses public, pious, and charitable properties.

Inserts new language that:

- (1) Removes public and charitable organizations from § 3802. These properties will now be subject to the certification process in a new § 3832.
- (2) Retains other exemptions from current law, albeit with some simplification of language.
- (3) Clarifies that hospital property not used for profit is exempt.
- (4) Clarifies that municipal property not used for commercial purposes is exempt.

Sec. 2. 32 V.S.A. § 3832 (effective January 1, 2016)

Strikes current law which serves as a limitation on the present public, pious, and charitable exemption in 3802(4).

Adds language from H.53 of 2000 that:

(1) Exempts from education taxes property certified as public or charitable by the State, college and university property sequestered after 1941, and property of a nonprofit volunteer fire, ambulance, or rescue company to the extent voted by the town.

(2) Allows towns to vote to exempt from municipal taxes property certified as public or charitable by the State, land held in trust by a municipal corporation outside the town where the municipal corporation does business, recreational property, and property used by a volunteer nonprofit fire, ambulance, or rescue company.

Adds language that requires fraternal organizations to certify that they donate to charities at least as much money as they receive in property tax exemptions.

Sec. 3. 32 V.S.A. § 3833 (effective January 1, 2016)

Adds a new 32 V.S.A. § 3833 that provides the process for certifying property as exempt as public or charitable property. The language follows the standard of the American Fly Fishing Museum case and covers the remaining exclusions that were provided for by the former 32 V.S.A. § 3832. Provides for appeals to PVR and eventually to Vermont courts.

Sec. 4. 32 V.S.A. § 3831 (effective January 1, 2016)

Makes college and university property sequestered after 1941 subject to municipal taxes at a fixed appraisal value. This is a change from current law which has these properties subject to both municipal and education taxes at a fixed appraisal rate.

The language referring to college properties is also altered from current law to be more clear, and to match the new reference in 32 V.S.A. § 3802, which in turn is a modification of the existing 32 V.S.A. § 3832.

Sec. 5 and 6. Repeals and 32 V.S.A. § 3802(4)(D) (effective January 1, 2017)

Taken together, these sections repeal the current law treatment of college and university property, and exempt all noncommercial college and university property from both municipal and education property taxes.

Sec. 7. 32 V.S.A. § 3831 (effective January 1, 2017)

Adds the process that came from H.53 of 2000 to require towns and colleges and universities to enter into municipal service fee agreements. If the town and the school cannot come to an agreement, arbitration is required, and there are penalties for refusing to participate.

Sec. 8. Report

Requires the Vermont League of Cities and Towns and the Association of Vermont Independent Colleges to report to the House Committee on Ways and Means on any recommended changes to the process for municipal service fees.

Sec. 9. 32 V.S.A. § 3431 (effective January 1, 2016)

Conforming change to make it clear in the lister's oath that both taxable and exempt property must be appraised.

Sec. 10. 32 V.S.A. § 3659

Clarifies that fixtures extending beyond the boundaries of a town may be taxed at fair market value.

Sec. 11. 32 V.S.A. § 4152 (effective January 1, 2016)

Conforming change to make clear that exempt property is included on the grand list and to conform a cross-reference.

Sec. 12. 32 V.S.A. § 4404 (effective January 1, 2016)

Clarifies that appeals relating to exempt status shall be heard by the board of civil authority in each town.

Sec. 13. REPEALS

Sec. 14. EFFECTIVE DATES

EXHIBIT 1

From Act No. 73 of 2013:

Sec. 42. STUDY COMMITTEE ON CERTAIN PROPERTY TAX

EXEMPTIONS

(a) Creation of committee. There is created a Property Tax Exemption Study Committee to study issues related to properties that fall within the public, pious, and charitable property tax exemption in 32 V.S.A. § 3802(4). The Committee shall study and make recommendations related to the definition, listing, valuation, and tax treatment of properties within this exemption.

(b) Membership. The Property Tax Exemption Study Committee shall be composed of seven members. Four members of the Committee shall be members of the General Assembly. The Committee on Committees of the Senate shall appoint two members of the Senate, not from the same political party, and the Speaker of the House shall appoint two members of the House, not from the same political party. The Chair and Vice Chair of the Committee shall be legislative members selected by all members of the Committee. Three members of the Committee shall be as follows:

- (1) the Director of the Division of Property Valuation and Review;
- (2) one member from Vermont's League of Cities and Towns, chosen by its board of directors; and
- (3) one member of the Vermont Assessors and Listers Association, chosen by its board of directors.

(c) Powers and duties.

(1) The Committee shall study the definition, listing practices, valuation, and tax treatment of properties within the public, pious, and charitable exemption, including the following:

(A) ways to clarify the definitions of properties that fall within this exemption, including recreational facilities, educational facilities, and publically owned land and facilities;

(B) guidelines to ensure a uniform listing practice of public, pious, and charitable properties in different municipalities;

(C) methods of providing a valuation for properties within this exemption; and

(D) whether the policy justification for these exemptions continues to be warranted and whether a different system of taxation or exemption of these properties may be more appropriate.

(2) For purposes of its study of these issues, the Committee shall have the assistance of the Joint Fiscal Office, the Office of Legislative Council, and the Department of Taxes.

(d) Report. By January 15, 2014, the Committee shall report to the Senate Committee on Finance and the House Committee on Ways and Means its findings and any recommendations for legislative action.

(e) Number of meetings; term of Committee. The Committee may meet no more than six times, and shall cease to exist on January 16, 2014.

(f) Reimbursement. For attendance at meetings during adjournment of the general assembly, legislative members of the committee shall be entitled to compensation and reimbursement for expenses as provided in 2 V.S.A. § 406; and other members of the committee who are not employees of the state of Vermont shall be reimbursed at the per diem rate set in 32 V.S.A. § 1010.

DRAFT

EXHIBIT 2

Draft 3.1

Introduced by

Referred to Committee on

Date:

Subject: Taxation; property taxes; exemptions

Statement of purpose of bill as introduced: This bill proposes to change the tax-exempt treatment of public, pious, and charitable properties. Under the bill, determinations of eligibility for the exemption would be done at the State level, and qualified properties would be exempt from the statewide education property tax. Municipalities could then vote to exempt qualified properties from municipal taxes. In addition, colleges and universities would eventually be exempt from all property taxes but would be required to enter into agreements with local municipalities to pay fees for services.

An act relating to the public, pious, and charitable property tax exemption

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

* * * Public, Pious, and Charitable Properties * * *

Sec. 1. 32 V.S.A. § 3802(4) is amended to read:

(4) ~~Real and personal estate granted, sequestered or used for public, pious or charitable uses; real property owned by churches or church societies or conferences and used as parsonages and personal property therein used by ministers engaged in full time work in the care of the churches of their~~

~~fellowship within the state; real and personal estate set apart for library uses and used by the public and private circulating libraries, open to the public and not used for profit; lands leased by towns or town school districts for educational purposes; and lands owned or leased by colleges, academies or other public schools or leased by towns for the support of the gospel; and lands and buildings owned and used by towns for the support of the poor therein; but private buildings on such lands shall be set in the list to the owners thereof, and shall not be exempt. The exemption of lands owned or leased by colleges, academies or other public schools, shall not apply to lands or buildings rented for general commercial purposes, nor to farming or timber lands owned or leased thereby; but this provision shall not affect the exemption of so-called school or college lands, sequestered to such use prior to January 28, 1911.~~

(A) real and personal property owned by churches, synagogues, religious societies, or religious conferences and used as a house of worship, parsonage, convent, center for religious education, administrative office, home provided without regard to any ability to pay, or school; related outbuildings; land not used to produce income adjacent to any of these buildings and kept and used as a parking lot, lawn, playground, or garden, or any glebe lands sequestered as tax-exempt;

(B) real and personal estate set apart for library uses and used by the public and private circulating libraries, open to the public, and not used for profit;

(C) real property owned or leased by school districts for educational purposes;

(D) real property owned or leased by nonprofit colleges, universities, academies, or other public schools, and used for educational purposes, including student housing, and not used for general commercial purposes. The exemption of property owned by nonprofit colleges and universities under this section shall apply only to property acquired and owned on or before April 1, 1941;

(E) property owned by a nonprofit hospital licensed under 18 V.S.A. chapter 43 that provides its services to all who need them without regard to their ability to pay for those services. The property must be owned and operated by the nonprofit hospital, directly connected to the hospital's operation, and the use of the property must confer a benefit on society; and

(F) real property owned by a municipality within its borders as long as it is used for municipal purposes and not used for general commercial purposes.

Sec. 2. 32 V.S.A. § 3832 is amended to read:

§ 3832. PUBLIC, PIOUS AND CHARITABLE USES

~~The exemption from taxation of real and personal estate granted, sequestered or used for public, pious or charitable uses shall not be construed as exempting:~~

~~(1) Real and personal property held in trust for a municipal corporation by virtue of a trust which takes effect after passage of this act when the~~

~~property is located outside the town where the said municipal corporation has its principal place of business, unless the town or municipality in which the property is located so votes at any regular or special meeting duly warned therefor.~~

~~(2) Real estate owned or kept by a religious society other than a church edifice, a parsonage, the outbuildings of the church edifice or parsonage, a building used as a convent, school, orphanage, home or hospital, land adjacent to any of the buildings named in this subsection, kept and used as a parking lot not used to produce income, lawn, playground or garden and the so-called glebe lands.~~

~~(3) Property of railroad corporations.~~

~~(4) A municipal electric light plant when located outside the town wherein the municipality owning it is situated.~~

~~(5) Real and personal property held by the state and located in any town other than that in which the institution of which it forms a part is located.~~

~~(6) Real and personal property owned or kept by an orphanage, home or hospital including diagnostic and treatment center not used for the purpose of such institution but leased to others for income or profit, whether or not the institution is conducted by or connected with a religious society unless the town or municipality in which the property is located so votes at any regular or special meeting duly warned therefor.~~

~~(7) Real and personal property of an organization when the property is used primarily for health or recreational purposes, unless the town or~~

~~municipality in which the property is located so votes at any regular or special meeting duly warned therefor.~~

(a) The following property shall be exempt from statewide education property tax based on its charitable or public use:

(1) real and personal property certified under section 3833 of this title to be dedicated to a charitable or public use;

(2) real property acquired and owned by nonprofit colleges and universities after April 1, 1941, used for educational purposes, including student housing, and not used for general commercial purposes; and

(3) real property owned by a nonprofit volunteer fire, ambulance, or rescue company, and used exclusively for the purposes of such company, to the extent voted exempt from municipal taxes under subsection (b) of this section.

(b) A town may at a regular or special meeting duly warned, by a majority of those present and voting, elect to exempt any of the following in whole or in part, from municipal tax authorized under 17 V.S.A. § 2664:

(1) real and personal property certified under section 3833 of this title to be dedicated to a charitable or public use;

(2) real and personal property held in trust for a municipal corporation, but located outside the town where that municipal corporation has its principal place of business;

(3) property used primarily for recreational purposes, is owned and operated on a nonprofit basis, dedicated unconditionally to public use, used for

the benefit of an indefinite class of the public and only for the purpose of such institution, and the use of which confers a benefit on society; or

(4) real property owned by a nonprofit volunteer fire, ambulance, or rescue company and used for purposes consistent with the company's public mission.

(c) Notwithstanding any other provision of law, any fraternal organization exempt under the provisions of this chapter or under any provision of session law must certify under penalty of perjury to the Commissioner on an annual basis, that the amount it contributes to charity in a given year exceeds the amount of the property tax exemption that organization receives. If a fraternal organization fails to so certify to the Commissioner, or if the Commissioner determines that the certification is incorrect, the property of that organization shall be taxed for that year as if it were not entitled to any exemption. The Commissioner is authorized to develop rules and procedures to implement this subsection.

Sec. 3. 32 V.S.A. § 3833 is added to read:

§ 3833. CERTIFICATION OF CHARITABLE OR PUBLIC USE

(a) A property owner seeking a voted exemption under subsection 3832(b) of this title or seeking an education property tax exemption under subsection 3832(a) of this title shall first obtain certification from a certification officer to be appointed by the Commissioner of Taxes.

(1) An application for certification under this section shall be in writing in a form and with accompanying information as required by the certification

officer. An application under this section shall constitute a waiver of any right to confidentiality with regard to any records in the possession of the certification officer related to the application for certification and these records shall be public records.

(2) The applicant shall bear the burden of proving, by a preponderance of the evidence, that the applicant meets the requirements for certification under this section.

(3) The certification officer shall certify the property as charitable or public use property if the officer finds that the property is both owned and operated on a nonprofit basis, dedicated unconditionally to public use, used for the benefit of an indefinite class of the public primarily for charitable or public purposes, and confers a benefit on society and is not:

(A) property held in trust for a municipal corporation by virtue of a trust when the property is located outside the town where the municipal corporation has its principal place of business;

(B) a municipal electric light plant when located outside the town where the municipality owning it is situated;

(C) property leased for income or profit or used for general commercial purposes; or

(D) property used primarily for recreational purposes.

(4) The certification officer may certify a portion of the property for an exemption if not all of the property qualifies under this section. In such a case,

the listers shall only exempt the value of the portion of the property that has received certification of exempt status.

(b) A party aggrieved by a determination of the certification officer under this section shall have a right to appeal that determination by filing a notice of appeal with the Director of Property Valuation and Review within 30 days after the date the determination is issued. The appeal to the Director shall be de novo. Within five days after the Director receives a notice of appeal, the Director shall give notice of the appeal to the town in which the property is located and to the Commissioner of Taxes. The town and the Commissioner shall each have 10 days to file with the Director a notice of election to join as a party. A party to the appeal shall have the right to appeal the Director's determination to the Superior Court of the county in which the property is located, pursuant to Rule 74 of the Vermont Rules of Civil Procedure, within 30 days of the date of the Director's determination, but the appeal shall be on the record and without jury. A party to the Superior Court appeal shall have the right to appeal the Superior Court decision to the Supreme Court, on the record.

(c) Upon determination under this section that a property is a charitable or public use property, the person or court making the determination shall within 10 days of the date of that determination notify the town in which the property is located. If the certification officer determines that an application has been completed by October 1 of any year, then the officer shall issue the determination to that applicant by December 31 of that year.

* * * College and University Property * * *

Sec. 4. 32 V.S.A. § 3831 is amended to read:

§ 3831. COLLEGE, UNIVERSITY, OR FRATERNITY PROPERTY

(a)(1) Any real property acquired after April 1, 1941, by any ~~college, university or~~ fraternity such as would be exempt from taxation under the provisions of section 3802 of this title, shall be set to such institution in the grand list of the town or city in which such real property is located at the value fixed in the appraisal next preceding the date of acquisition of such property, and taxed on such valuation.

(2) Any real property acquired and owned after April 1, 1941, by any nonprofit college or university used for educational purposes, including student housing, and not used for general commercial purposes shall for municipal tax purposes only be set to such institution in the grand list of the town or city in which such real property is located at the value fixed in the appraisal next preceding the date of acquisition of such property and taxed on such valuation.

(3) However, the The voters of any town or city may at any legal meeting thereof vote to exempt ~~such from taxation,~~ property listed in subdivision (1) of this subsection from all taxes or property listed in subdivision (2) from municipal taxes either in whole or in part. Except as provided under subsection (c) of this section, the value fixed on such property at such appraisal shall not be increased so long as the property is owned and used by such institution for other than commercial and investment purposes, whether or not improvements are made thereon.

(b) The provisions of subsection (a) of this section shall not exempt from county, town, or school taxes, lands owned by a college, and leased “as long as wood grows and water runs,” securing to the lessees the right of preemption, unless such lands were chartered as sequestered for the benefit of the college, or became the property of the college prior to the organization of the town in which they lie.

(c) In the event of a general reappraisal of all property in the municipality completed after 1982, the appraisal value of property subject to subsection (a) of this section shall first be changed to an amount which yields a municipal tax liability (computed with reference to the tax rate applicable to the first tax year based on the reappraisal) equal to the municipal tax liability for such property for the tax year immediately preceding the reappraisal; provided, that in the event the tax liability imposed on the majority of all taxable properties in the municipality increases in the first tax year based on the reappraisal, then any appraisal value of property subject to subsection (a) shall be ~~further~~ further changed to an amount that yields the tax liability computed above adjusted by the average percentage increase or decrease in the tax liability of all taxable properties in the municipality.

(d) ~~For the purposes of~~ As used in this section, the term “fraternity” shall also mean “sorority.”

Sec. 5. 32 V.S.A. § 3802(4)(D) is amended to read:

(D) Real property owned or leased by nonprofit colleges, universities, academies, or other public schools, and used for educational

purposes, including student housing, and not used for general commercial purposes. ~~The exemption of property owned by nonprofit colleges and universities under this section shall apply only to property acquired and owned on or before April 1, 1941.~~

Sec. 6. 32 V.S.A. § 3831 is amended to read:

§ 3831. ~~COLLEGE, UNIVERSITY, OR FRATERNITY PROPERTY~~

(a)~~(1)~~ Any real property acquired after April 1, 1941, by any fraternity such as would be exempt from taxation under the provisions of section 3802 of this title, shall be set to such institution in the grand list of the town or city in which such real property is located at the value fixed in the appraisal next preceding the date of acquisition of such property, and taxed on such valuation.

~~(2) Any real property acquired and owned after April 1, 1941, by any nonprofit college or university used for educational purposes, including student housing, and not used for general commercial purposes shall for municipal tax purposes only be set to such institution in the grand list of the town or city in which such real property is located at the value fixed in the appraisal next preceding the date of acquisition of such property and taxed on such valuation.~~

~~(3) The voters of any town or city may at any legal meeting thereof vote to exempt property listed in subdivision (1) of this subsection from all taxes or property listed in subdivision (2) from municipal taxes~~ this subsection either in whole or in part. Except as provided under subsection (c) of this section, the value fixed on such property at such appraisal shall not be increased so long as

the property is owned and used by such institution for other than commercial and investment purposes, whether or not improvements are made thereon.

(b) The provisions of subsection (a) of this section shall not exempt from county, town, or school taxes, lands owned by a college, and leased “as long as wood grows and water runs,” securing to the lessees the right of preemption, unless such lands were chartered as sequestered for the benefit of the college or became the property of the college prior to the organization of the town in which they lie.

(c) In the event of a general reappraisal of all property in the municipality completed after 1982, the appraisal value of property subject to subsection (a) of this section shall first be changed to an amount which yields a municipal tax liability (computed with reference to the tax rate applicable to the first tax year based on the reappraisal) equal to the municipal tax liability for such property for the tax year immediately preceding the reappraisal; provided that in the event the tax liability imposed on the majority of all taxable properties in the municipality increases in the first tax year based on the reappraisal, then any appraisal value of property subject to subsection (a) of this section shall be further changed to an amount that yields the tax liability computed above adjusted by the average percentage increase or decrease in the tax liability of all taxable properties in the municipality.

(d) As used in this section, the term “fraternity” shall also mean “sorority.”

Sec. 7. 32 V.S.A. § 3831a is added to read:

§ 3831a. COLLEGE AND UNIVERSITY PROPERTY

(a) A town and a nonprofit college or university shall negotiate an agreement for payment to the town for municipal services. The amount of the payment shall be based upon the value of town services and benefits provided or available to the college or university offset by the value of the services and benefits provided to the community by the college or university that reduce the cost of providing municipal services.

(b) An agreement under this section may be for a period of no longer than 10 years. The college or university and the town shall negotiate a new agreement by April 1 of a taxable year for which there is no agreement under this section.

(c) If the parties are unable to reach an agreement as described in this section by April 1, then the parties shall enter into mediation under the American Arbitration Association rules of mediation. If by the following June 1 the parties are unable to select a mediator and to reach a payment agreement, the parties shall submit the issue for binding arbitration under the Vermont Arbitration Act. If the parties are unable to agree upon selection of an arbitrator by June 10, then a court shall appoint an arbitrator as provided under 12 V.S.A. § 5675. The determination of a fee through mediation or arbitration shall be based upon:

(1) a finding of the value of town services and benefits provided or available to the college or university; and

(2) a finding of the value of the services and benefits provided to the community by the college or university which reduce the cost of providing municipal services. The cost of mediation and arbitration shall be paid one-half by the town and one-half by the college or university.

(d) If the arbitrator determines that the town has failed to participate as necessary to reach a fee determination in arbitration, the college or university shall not be required to make any payment to the town for municipal services until such time as an agreement or fee determination is reached.

(e) If the arbitrator determines that the college or university has failed to participate as necessary to reach a fee determination in arbitration, the college or university shall pay to the town a fee for municipal services of 50 percent of the town's current rate of tax authorized under 17 V.S.A. § 2664, on all buildings exempt under subdivision 3802(4)(D) of this title. The fee shall be applied to the estimated current cost of replacing the buildings, depreciated by the age and condition of the buildings.

(f) An agreed payment under subsection (a) or (b) of this section or a fee determined under subsection (c) or (e) of this section shall be a lien upon the college or university real property, and the enforcement provisions and powers of 24 V.S.A. § 3504(a), (b), and (d) shall apply in like manner to the payment agreement or fee.

Sec. 8. REPORT

By January 15, 2015, the Vermont League of Cities and Towns and the Association of Vermont Independent Colleges shall each submit a written

report to the House Committee on Ways and Means evaluating and proposing any recommended changes to the procedure for property tax agreements and fees as specified in Sec. 9 of this act.

* * * Conforming Changes * * *

Sec. 9. 32 V.S.A. § 3431(a) is amended to read:

(a) Each lister shall take and subscribe and file in the town clerk's office, before entering upon the duties of his or her office, the following oath; and the oath as subscribed shall be recorded in the town clerk's office:

"I, _____, do solemnly swear (or affirm) that I will appraise all the personal property subject to taxation and all the real property subject to taxation in the town (or city) of _____, so far as required by law, at its fair market value, will list the same without discrimination on a proportionate basis of such value for the grand list of such town (or city), will set the same in the grand list of such town (or city) at one ~~per cent~~ percent of the listed value and will faithfully discharge all the duties imposed upon me by law. So help me God." (or, "under the pains and penalties of perjury.")

Sec. 10. 32 V.S.A. § 3659 is amended to read:

§ 3659. MUNICIPAL LANDS

Land and buildings of a municipal corporation, whether acquired by purchase or condemnation and situated outside ~~of~~ its territorial limits shall be taxed by the municipality in which such land is situated. ~~Said~~ Such land shall be set to ~~such~~ the municipal corporation that owns it in the grand list of the

town or city in which ~~such~~ the real estate is located at the value fixed in the appraisal next preceding the date of acquisition of ~~such~~ the property and taxed on ~~such~~ its valuation. The value fixed on such property at each appraisal thereafter shall be the same per acre as the value fixed on similar property in the town or city. Improvements made subsequent to the acquisition of the land, and used for municipal purposes and not used for general commercial purposes, shall not be taxed; except that an additional tax not to exceed 75 percent of the appraisal of the land may be levied in lieu of a personal property tax. ~~Electric utility poles, lines and pole fixtures owned by a municipal utility lying beyond its boundaries shall be taxed at appraisal value as defined in section 3481 of this title~~ Fixtures extending beyond the boundaries of the municipality shall be taxed at appraisal value as defined in section 3481 of this title.

Sec. 11. 32 V.S.A. § 4152(a) is amended to read:

(a) When completed, the grand list of a town shall be in such form as the ~~director~~ Director prescribes and shall contain such information as the ~~director~~ Director prescribes, including:

- (1) In alphabetical order, the name of each real property owner and each owner of taxable personal property;
- (2) The last known mailing address of all such owners;
- (3) A brief description of each parcel of taxable and tax-exempt real estate in the town. "Parcel" means all contiguous land in the same ownership, together with all improvements thereon;

(4) The listed valuation of such owner's personal estate taxable in the town; and for property exempted under the provisions of sections 3834, 3836, 3837, and 3838 of this title, what the full listed value of the property would be absent the exemption, the statutory authority for granting such exemption, the year in which the exemption became effective, and the year in which it ends;

(5) The listed valuation of each parcel ~~which~~ that is not exempt;

(6) For those parcels ~~which~~ that are exempt, what the full listed value of the property would be absent the exemption and the statutory authority for granting such exemption and, for properties exempt pursuant to a vote, the year in which the exemption became effective, and the year in which the exemption ends;

(7) For those parcels appraised under the provisions of sections 3607a, ~~subdivisions 3832(1), (6), and (7) 3832, and sections 3836, 3840, 3845, or 3847~~ of this title, the value ~~which~~ that reflects the taxes to be paid on the property, the full listed value absent such appraisal, the statutory authority for granting such appraisal, the year in which such appraisal became effective, and the year in which it ends;

(8) The full listed value and the stabilization value agreed to by an owner and a town pursuant to 24 V.S.A. § 2741 or section 3843 or 3846 of this title, the year in which the stabilization agreement became effective, and the year in which it ends; and

(9) Separate columns ~~which will~~ that show the listed valuations of homesteads as defined in subdivision 5401(7) of this title and housesites as defined under subdivision 6061(11) of this title.

Sec. 12. 32 V.S.A. § 4404(a) is amended to read:

(a) Within 14 days after the date of notice thereof a person aggrieved by the final decision of the listers under the provisions of section 4221 of this title, including a determination as to exempt status, may appeal in writing therefrom to the ~~board of civil authority~~ Board of Civil Authority, by lodging his or her appeal with the town clerk, who shall record the same in the book containing the abstract of individual lists. The grounds upon which such appeal is based shall therein be briefly set forth.

* * * Repeals * * *

Sec. 13. REPEALS

(a) The following sections are repealed on January 1, 2016:

(1) 32 V.S.A. § 3840 (charitable and fraternal organizations).

(2) 32 V.S.A. § 5401(10)(F) (municipal property); and

(3) 32 V.S.A. § 5404a(a)(4) (nonprofit fire, ambulance, and rescue organizations).

(b) 32 V.S.A. § 3832(a)(2) (education property tax exemption for college and university property) is repealed on January 1, 2017.

* * * Effective Dates * * *

Sec. 14. EFFECTIVE DATES

This act shall take effect on January 1, 2016 and apply to grand lists for 2016 and after, except:

(1) Sec. 3 (certificate of public use) shall take effect on July 1, 2015.

(2) Sec. 8 (report on municipal service fees) shall take effect on passage.

(3) Secs. 5 and 6 (college and university property) shall take effect on January 1, 2017 and apply to the grand list for 2017 and after.

(4) Sec. 7 (college and university fee agreements) shall take effect on January 1, 2017 and apply for property year 2017 and later; provided however, that for any nonprofit college or university which has an agreement with a town for payment in lieu of taxes which is in effect on January 1, 2017.

(5) Sec. 7 shall not apply until the termination of the agreement in subdivision (4) of this section without extension or renewal.

**2014 Report of the Property Tax Exemption Study Committee
to the Senate Committee on Finance and House Committee on
Ways and Means**

Senator Kevin Mullin, Chair

Representative Alison Clarkson,
Vice Chair

Senator Tim Ashe

Representative Patti Komline

Bill Johnson, Director PVR

Steven Jeffery, VLCT

John Fike, VALA

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