

**DRAFT 1.2 OF LANGUAGE BASED ON H .53 OF 2000
SECTION BY SECTION**

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

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

Inserts new language that:

- (1) Removes public, pious, 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.

Sec. 2. 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. 3. 32 VSA 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:

- (a) 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
- (b) 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 of the town where the municipal corporation does business, recreational property, and property used by a volunteer nonprofit fire, ambulance or rescue company.

Sec. 4. 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. 5. 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. 6. 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. 7 and 8. 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 non-commercial college and university property from both municipal and education property taxes.

Sec. 9. 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. 10. Report

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

Sec. 11. Effective dates