

1 H.859

2 Introduced by Representatives Gannon of Wilmington and LaLonde of
3 South Burlington

4 Referred to Committee on

5 Date:

6 Subject: Municipal government; public lands and funds; public lands;
7 lease lands

8 Statement of purpose of bill as introduced: This bill proposes to require any
9 municipality seeking to retain title to certain lease lands to affirmatively vote
10 to retain ownership of the lease lands and vests municipal title to the lands in
11 the leaseholders on January 1, 2020 if no affirmative vote is made.

12 An act relating to requiring municipal corporations to affirmatively vote to
13 retain ownership of lease lands

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

15 Sec. 1. 24 V.S.A. § 2409 is added to read:

16 § 2409. RETENTION OF MUNICIPAL OWNERSHIP OF LEASE LANDS

17 (a) As used in this section:

18 (1) "Lessee" means the person entitled to possess, enjoy, and use land
19 subject to a perpetual lease and shall include the person's heirs, executors,
20 administrators, and assigns.

1 (2) “Municipal corporation” shall have the same meaning as
2 “municipality” in 1 V.S.A. § 126 and shall also include every municipal
3 corporation identified in subdivision 1751(1) of this title, the University of
4 Vermont and State Agricultural College, any unorganized towns and gores in
5 the State, and any of the unified towns and gores of Essex County.

6 (3) “Perpetual lease” means any leasehold interest in Vermont land, and
7 every estate in Vermont land other than fee simple absolute, the title to which
8 is held by a municipal corporation according to section 2401 of this title,
9 arising out of or created by an instrument of lease that conveys to a person
10 designated as lessee the right to possess, enjoy, and use the land in perpetuity
11 or substantially in perpetuity. “Perpetual lease” shall include leasehold
12 interests that are subject to restrictions on the lessee’s use of the land and shall
13 include lands that the municipal corporation may repossess for nonpayment of
14 rent or other default under the terms of the lease.

15 (4) “Perpetual lease land” means all land described in a perpetual lease
16 that is owned in fee simple by a municipal corporation. “Perpetual lease land”
17 does not include land described in a perpetual lease that is held in title by any
18 person other than a municipal corporation, or any land described in a perpetual
19 lease over which the municipal corporation acts exclusively as trustee.

20 (b)(1) On January 1, 2020, title to perpetual lease lands shall vest in the
21 current lessee of record, free and clear of any interest of a municipal

1 corporation but subject to any other encumbrances of record, unless the
2 municipal corporation votes in the affirmative to retain ownership of the
3 perpetual lease land.

4 (2) Notwithstanding subdivision (b)(1) of this section, lease lands which
5 do not have a current lessee of record, or which are abandoned, unused, or
6 unoccupied, shall be deemed to vest in the municipal corporation as public
7 lands.

8 (c)(1) Before January 1, 2020, a municipal corporation that seeks to retain
9 ownership of perpetual lease land shall list every perpetual lease land owned
10 by the municipal corporation. The list shall be in the same manner and form as
11 required in 32 V.S.A. § 3610(b).

12 (2) The municipal corporation shall provide to every affected lessee a
13 notice of the intent to retain ownership of perpetual lease lands.

14 (3) After notice to every affected lessee, the municipal corporation shall
15 conduct a public hearing prior to holding a vote to retain ownership of a
16 perpetual lease land.

17 (4) Nothing in this section shall prevent a municipal corporation that has
18 retained ownership from later conveying the perpetual lease land pursuant to
19 section 2406 of this title.

20 Sec. 2. EFFECTIVE DATE

21 This act shall take effect on July 1, 2018.