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S.76

Introduced by Senators Lyons, Ayer, Cummings, and Ingram

Referred to Committee on

Date:

Subject: Taxation; property taxes; appeals

Statement of purpose of bill as introduced: This bill proposes to require the State to compensate cities and towns for property tax overpayments resulting from a State board or court decision. This bill also proposes to divide equitably litigation expenses and attorney's fees incurred in property tax appeals between towns and the State.

An act relating to property tax appeals

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

Sec. 1. 32 V.S.A. § 5412 is amended to read:

§ 5412. REDUCTION OF LISTED VALUE AND RECALCULATION OF
EDUCATION TAX LIABILITY

(a)(1) If a listed value is reduced as the result of an appeal or court action, and if the municipality files a written request with the Commissioner within 30 days after the date of the determination, entry of the final order, or settlement agreement if the Commissioner determines that the settlement value is the fair market value of the parcel, the Commissioner shall recalculate the

1 municipality's education property tax liability for the year at issue, in accord
2 with the reduced valuation, provided that:

3 (A) the reduction in valuation is the result of an appeal under chapter
4 131 of this title to the Director of Property Valuation and Review or to a court,
5 with no further appeal available with regard to that valuation, or any judicial
6 decision with no further right of appeal, or a settlement of either an appeal or
7 court action if the Commissioner determines that the settlement value is the
8 fair market value of the parcel;

9 (B) the municipality notified the Commissioner of the appeal or court
10 action, in writing, within 10 days after notice of the appeal was filed under
11 section 4461 of this title or after the complaint was served; and

12 (C) ~~as a result of the valuation reduction of the parcel, the value of~~
13 ~~the municipality's grand list is reduced at least one percent.~~ [Repealed.]

14 (D) the municipality employs at least one lister or assessor who holds
15 a certification from the Director of Property Valuation and Review issued
16 pursuant to section 3436 of this title; and

17 (E) the Commissioner determines that the assessment was consistent
18 with best practices published by the Director of Property Valuation and
19 Review in consultation with the Vermont Assessors and Listers Association.

20 * * *

1 (e) Reimbursements made to a municipality under this section shall be
2 limited to one-tenth of one percent of the value of the municipality's grand list
3 in each taxable year.

4 Sec. 2. 32 V.S.A. § 5413 is added to read:

5 § 5413. ATTORNEY'S FEES

6 In any appeal to a court under chapter 131 of this title, the court, in its
7 discretion, may allow a reasonable attorney's fee as part of the costs to a
8 prevailing municipality.

9 Sec. 3. 32 V.S.A. § 5414 is added to read:

10 § 5414. GRAND LIST LITIGATION ASSISTANCE

11 If the Commissioner recalculates a municipality's education property tax
12 liability pursuant to section 5412 of this title, the municipality may submit to
13 the Attorney General legal expenditures made as a result of any related
14 litigation. The Attorney General shall review the submitted bills and, if
15 reasonable, approve reimbursement up to one-half of the submitted expenses to
16 be paid out of the Consumer Settlement Account.

17 Sec. 4. EFFECTIVE DATE

18 This act shall take effect on July 1, 2017.