



VERMONT LEGISLATIVE
Joint Fiscal Office

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Fiscal Note

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H.556 – An act relating to exempting property owned by Vermont-recognized Native American tribes from property tax – *As introduced*

URL for bill: <https://legislature.vermont.gov/Documents/2022/Docs/BILLS/H-0556/H-0556%20As%20Introduced.pdf>

Bill Summary

This bill exempts all property owned by Native American tribes or owned by nonprofit organization organized for the benefit of those tribes from statewide education property tax and municipal property tax. To be eligible for the exemption, the property may not be leased or rented for profit and must be used for purposes of the tribe.

Fiscal impact

In Fiscal Year 2023, JFO estimates this bill will reduce Education Funds by approximately \$7,000 and municipalities less than \$2,000.

Details and analysis

Based upon information from Vermont's four legally recognized Native American tribes, there are a total of four properties in Vermont which are owned by tribes or by eligible nonprofit organizations and would thus be eligible for exemption through this bill. The fiscal impact assumes that these four properties are the only properties eligible for exemption under H.556.

In calculations of the fiscal impact, JFO assumes the universe of eligible parcels would not be expanded with the passage of the bill. This estimate also assumes that that no additional non-profits whose mission includes the benefits of Vermont's Native American tribes will be created or will use this exemption. The fiscal impact also assumes the bill would not incentivize the transfer of property ownership from private ownership to tribe or non-profit ownership. As the fiscal impact directly corresponds with eligible properties, an increase in eligible non-profits, properties and/or acreage would result in an increase of the fiscal impact.

Sources

Vermont Department of Taxes, 2020 Statewide Grand List Data