

## Land underlying property subject to the Uniform Capacity Tax

### Summary

Last year's Miscellaneous Energy Bill [H.431/Act 54 of 2021](#) included language to change the way that land is valued when it's underlying certain renewable energy plants or energy storage facilities – i.e., when it's underlying anything subject to the Uniform Capacity Tax (UCT). This change required a municipality to value underlying land as if the land was vacant, without consideration of the technology sitting on top of it. The change was intended to help make municipally assessed property values more uniform and predictable for industry.

The intent was for the language to apply to the entire property tax system, both education property tax and municipal property tax (Title 32 Chapters 121-135). However, the statutory reference in Act 54 of 2021 currently refers only to the education property tax (Chapter 135 of Title 32). The resulting tax law requires differing valuation methodologies for the education property tax and municipal tax for the same parcel of land.

### Recommended change

In [32 V.S.A. § 8701\(d\)\(2\)](#), replace reference to “chapter 135” with “chapters 121-135.”

### Proposed language

32 V.S.A. § 8701. Uniform capacity tax

(d) The existence of a renewable energy plant or energy storage facility subject to tax under subsection (b) of this section shall not:

(1) alter the exempt status of any underlying property under section 3802 or subdivision 5401(10)(F) of this title; or

(2) alter the taxation of the underlying property under ~~chapter 135~~ chapters 121-135 of this title.