

**H.556, AN ACT RELATING TO EXEMPTING PROPERTY OWNED BY VERMONT-
RECOGNIZED NATIVE AMERICAN TRIBES FROM PROPERTY TAX, AS PASSED HOUSE**
SECTION-BY-SECTION SUMMARY – March 15, 2022

Sec.	Topic	Notes
1	<p>FINDINGS; STATEMENT OF PURPOSE</p> <p>The General Assembly acknowledges the Abenaki people as the traditional land caretakers of Ndakinna (En-DAH-kee-nah), which includes parts of Vermont, New England, and Quebec. The purpose of H.556 is to acknowledge the Western Abenaki people and to provide a statewide and municipal property tax exemption for property owned by the Native American tribes who are legally recognized in Vermont.</p>	
2	<p>STATUTORY PURPOSE. 32 V.S.A. § 3800(p).</p> <p>The statutory purpose of the exemption is to recognize the Abenaki people as the traditional land caretakers of Vermont and to lower their costs to allow them to dedicate more of their financial resources to furthering their tribe-related activities. Vermont law requires tax expenditures (including exemptions like this) that create forgone revenue to be accompanied by a legislative purpose statement enacted into statute in order to be implemented and enforced. 32 V.S.A. § 312(d).</p>	
3	<p>PROPERTY TAX EXEMPTION. 32 V.S.A. § 3802.</p> <p>Creates a new full exemption from both State and municipal property taxes.</p> <p><u>Conditions for exemption</u></p> <p>Exemption is available for nonhomestead property owned by:</p> <ul style="list-style-type: none"> • a Native American tribe that has been recognized pursuant to 1 V.S.A. chapter 23 (application to Vt Commission on Native American Affairs), or • owned by a nonprofit organization that is organized for the tribe’s benefit and controlled by the tribe • provided the property: <ul style="list-style-type: none"> ○ is used for purposes of the tribe, and ○ is not leased or rented for profit. (similar to exemption for property owned by a post of a veterans’ organization). <p><u>Consequences of exemption</u></p> <ul style="list-style-type: none"> • The exemption is not available to individual homestead owners. • There is no requirement that exemption be approved by local voters. It will apply uniformly across the entire state. • Neither State nor municipal property taxes would be collected from the taxpayer. Towns would not be required to make education property tax payments to the State for the exempt property. Both the Education Fund and the local budget would forgo property tax revenue, so it affects both town and State grand lists. 	
Effective Date		
4	Effective date is July 1, 2022	