

5-YEAR FREEZE

Freeze the property value of newly constructed or rehabilitated residential dwellings at their pre-improvement value

WHERE? Designated downtown districts; village centers; neighborhood development areas; federal new market tax credit areas

A value freeze will incentivize construction and restoration of additional housing. The proposal is modeled on similar programs in nearly a dozen states around the United States.

ELIGIBILITY

Properties may be used as owner-occupied homesteads or long-term rentals, but not as short-term rentals.

Property owners must apply for a freeze and certify annually that property will be used for eligible purposes.

Multi-family units must be mixed income; a portion of the units must be considered affordable housing.

Rehabilitation qualifies if the property is blighted and meets certain thresholds of investment.

Properties in tax increment financing (TIF) districts are not eligible.

ADMINISTRATION

Applications, eligibility and enforcement are administered by the Vermont Agency of Commerce and Community Development (ACCD).

The freeze applies to State education property tax and, if approved by voters, municipal property tax.

The freeze begins the first property tax year after the exemption application is approved and occupancy is confirmed.

At the end of the 5-year freeze, the property will be taxed at its full grand list value.

If sold, the freeze can transfer with the land if the buyer continues to use the property for eligible purposes.