

1 Introduced by Committee on Ways and Means

2 Date:

3 Subject: Taxation; income tax; property transfer tax; use value appraisal;
4 property tax; property valuation; municipal grand list stabilization;
5 equalization study; health IT fund; education finance; inflation index;
6 homestead declaration; property tax credit; estate tax; federal tax
7 credit for contributions to scholarship granting organizations; grand
8 lists; grand list assessment date; municipal tax collection

9 Statement of purpose of bill as introduced: This bill proposes to make multiple
10 administrative and policy changes to Vermont tax laws.

11 An act relating to miscellaneous administrative and policy changes to the
12 tax laws

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

14 * * * Credit for Taxes Paid in Another State by an S Corporation * * *

15 Sec. 1. REPEAL

16 32 V.S.A. § 5916 (denial of tax credits for S corporations) is repealed.

17 * * * Property Transfer Tax * * *

18 Sec. 2. 32 V.S.A. § 9602 is amended to read:

19 § 9602. TAX ON TRANSFER OF TITLE TO PROPERTY

1 A tax is hereby imposed upon the transfer by deed of title to property
2 located in this State, or a transfer or acquisition of a controlling interest in any
3 person with title to property in this State. The amount of the tax equals 1.25
4 percent of the value of the property transferred, or \$1.00, whichever is greater,
5 except as follows:

6 * * *

7 (4) Tax shall be imposed at the rate of 3.4 percent of the value of the
8 property transferred with respect to transfers of residential property:

9 (A) ~~residential property~~ that is fit for habitation on a year-round
10 basis;

11 (B) that will not be used as the principal residence of the transferee;
12 and

13 (C) for which the transferee will not be required to provide a landlord
14 certificate pursuant to section 6069 of this title.

15 (5) If a transfer would have been subject to the tax rate under
16 subdivision (4) of this section but for the transferee's filing of a landlord
17 certificate of rent for which there is no bona fide landlord-tenant relationship
18 between the parties, the Commissioner shall assess tax at the rate under
19 subdivision (4) of this section on the transfer. To make this determination, the
20 Commissioner may consider whether the transferee and tenant are related
21 parties, whether the transferee charges the tenant fair market rent, whether the

1 transferee is an entity with a business purpose other than the avoidance of
2 property transfer tax, and any other factor the Commissioner deems relevant.

3 * * * Current Use; Land Use Change Tax * * *

4 Sec. 3. 32 V.S.A. § 3757 is amended to read:

5 § 3757. LAND USE CHANGE TAX

6 (a) Land that has been classified as agricultural land or managed forestland
7 pursuant to this chapter shall be subject to a land use change tax upon the
8 development of that land, as defined in section 3752 of this chapter. The tax
9 shall be at the rate of 10 percent of the full fair market value of the changed
10 land determined without regard to the use value appraisal. If changed land is a
11 portion of a parcel, the fair market value of the changed land shall be the fair
12 market value of the changed land as a separate parcel, divided by the common
13 level of appraisal. Such fair market value shall be determined as of the date
14 the land is no longer eligible for use value appraisal. This tax shall be in
15 addition to the annual property tax imposed upon such property. Nothing in
16 this section shall be construed to require payment of an additional land use
17 change tax upon the subsequent development of the same land, nor shall it be
18 construed to require payment of a land use change tax merely because
19 previously eligible land becomes ineligible, provided no development of the
20 land has occurred.

1 (b) Any owner of eligible land who wishes to withdraw land from use
2 value appraisal shall notify the Director, who shall in turn notify the local
3 assessing official. In the alternative, if the Director determines that
4 development has occurred, the Director shall notify the local assessing official
5 of ~~his or her~~ the Director's determination. Thereafter, land that has been
6 withdrawn or developed shall be appraised and listed at its full fair market
7 value in accordance with the provisions of chapter 121 of this title and
8 subsection 3756(d) of this title, according to the appraisal model and land
9 schedule of the municipality.

10 (c) For the purposes of the land use change tax, the determination of the
11 fair market value of the land shall be made by the local assessing officials in
12 accordance with ~~the provisions of~~ subsection (b) of this section and divided by
13 the municipality's most recent common level of appraisal as determined by the
14 Director. The determination shall be made within 30 days after the Director
15 notifies the local assessing officials of the date that the owner has petitioned
16 for withdrawal from use value appraisal or that the Director or local assessing
17 official has determined that development has occurred. The local assessing
18 officials shall notify the Director and the owner of their determination, ~~and the~~
19 Failing a determination of the fair market value of the withdrawn portion of the
20 parcel by the local assessing officials within 30 days as required under this
21 subsection, the Director shall establish the fair market value of the changed

1 land and notify the local assessing officials and the owner of the Director's
2 determination within 30 days. The provisions for appeal relating to property
3 tax assessments in chapter 131 of this title shall apply, except that the owner
4 shall have 30 days to appeal the determination to the municipality or to the
5 Director as applicable under this subsection. If an owner erroneously appeals a
6 municipality's determination to the Director, the Director may forward the
7 appeal to the municipality and, provided the appeal to the Director is made
8 within 30 days as permitted under this subsection, the appeal shall be
9 considered timely filed to the municipality.

10 (d) The land use change tax shall be due and payable by the owner 30 days
11 after the tax notice is mailed to the ~~taxpayer~~ owner. The tax shall be paid to
12 the Commissioner, who, if the municipality's local assessing officials timely
13 determine fair market value of the withdrawn portion of the parcel pursuant to
14 subsection (c) of this section, shall remit to the municipality the lesser of one-
15 half the tax paid or \$2,000.00. ~~The Director and~~ shall deposit three-quarters of
16 the remainder of the tax paid in the Education Fund, and one-quarter of the
17 remainder of the tax paid in the General Fund. If the municipality's local
18 assessing officials fail to timely determine fair market value of the withdrawn
19 portion of the parcel pursuant to subsection (c) of this section, the municipality
20 shall forfeit any tax paid and the Commissioner shall deposit three-quarters of
21 the tax paid in the Education Fund, and one-quarter of the tax paid in the

1 General Fund. The Commissioner shall issue a form to the assessing officials
2 that shall provide for a description of the land developed, the amount of tax
3 payable, and the fair market value of the land at the time of development or
4 withdrawal from use value appraisal. The owner shall fill out the form and
5 shall sign it under the penalty of perjury. After receipt of the completed and
6 signed form, the Commissioner shall furnish the owner with one copy, shall
7 retain one copy, and shall forward one copy to the local assessing officials, one
8 copy to the register of deeds of the municipality in which the land is located,
9 and one copy to the Secretary of Agriculture, Food and Markets if the land is
10 agricultural land and in all other cases to the Commissioner of Forests, Parks
11 and Recreation.

12 * * *

13 Sec. 4. 32 V.S.A. § 3758(b) is amended to read:

14 (b) Any owner who is aggrieved by the determination of the fair market
15 value of classified land for the purpose of computing the land use change tax
16 may appeal in the same manner as an appeal of a grand list valuation under this
17 title, except that the owner shall have 30 days to appeal the determination to
18 the municipality or to the Director as applicable under subsection 3757(c) of
19 this chapter.

1 not yet of bearing age. As used in this section, the term “farm crops” also
2 includes animal fiber, cider, wine, and cheese, produced on the enrolled land or
3 on a housesite adjoining the enrolled land, from agricultural products grown on
4 the enrolled land.

5 * * * Municipal Grand List Stabilization Program * * *

6 Sec. 6. 32 V.S.A. § 3710(c) is amended to read:

7 (c) Upon notification by the Commissioner of Public Safety, the
8 Commissioner of Taxes shall certify the payment amounts and make an annual
9 payment to each municipality for each eligible property to compensate for the
10 loss of municipal property tax. The payment shall be calculated using the
11 grand list value of the acquired property for the year during which the property
12 was either damaged by flooding or identified as flood-prone by the
13 Commissioner of Public Safety, multiplied by the municipal tax rate, including
14 any submunicipal tax rates, in effect ~~each~~ in the immediately preceding year.
15 This payment shall be made on or before January 1 of each year for five years.

16 * * * Communications Property; Inventories * * *

17 Sec. 7. 32 V.S.A. § 3602b(d)(2) and (3) are amended to read:

18 (2) On or before March 31 of each year, each communications service
19 provider shall submit to the Division a sworn inventory of all its taxable
20 communications property in a form that identifies the valuation of its property
21 in each municipality. If the communications service provider fails to submit

1 the inventory on or before April 15 and in the form prescribed, the
2 Commissioner may fine the provider not more than \$100.00 for each violation,
3 unless the provider’s failure is due to factors beyond the provider’s control.

4 (3) The Division shall prescribe the form of the inventory required under
5 subdivision (2) of this subsection and the officer or officers who shall submit
6 the sworn inventory. If a communications service provider willfully omits to
7 make, swear to, and submit an inventory, or to answer any interrogatory
8 therein, or makes a false answer or statement therein, then the Division shall
9 ascertain the amount and fair market value of the provider’s communications
10 property using the best information available to the Division. In addition to the
11 fine under subdivision (2) of this subsection, the provider shall be barred from
12 any statutory appeal under this chapter or chapter 129 or 131 of this title of the
13 value set by the Division under this subdivision.

14 * * * Equalization Study * * *

15 Sec. 8. 32 V.S.A. § 5405(a) is amended to read:

16 (a) Annually, on or before April 1, the Commissioner shall determine the
17 equalized education property tax grand list and coefficient of dispersion for
18 each municipality in the State; provided, however, that for purposes of
19 equalizing grand lists pursuant to this section, the equalized education property
20 tax grand list of a municipality that establishes a tax increment financing
21 district or a housing development site under 24 V.S.A. chapter 53, subchapter

1 7 shall include the fair market value of the property in the district or site and
2 not the original taxable value of the property, and further provided that the
3 unified towns and gores of Essex County may be treated as one municipality
4 for the purpose of determining an equalized education property grand list and a
5 coefficient of dispersion, if the Director determines that all such entities have a
6 uniform appraisal schedule and uniform appraisal practices.

7 Sec. 9. 32 V.S.A. § 5406 is amended to read:

8 § 5406. NOTICE OF FAIR MARKET VALUE AND COEFFICIENT OF
9 DISPERSION

10 * * *

11 (c) If the Director of Property Valuation and Review certifies that a
12 municipality has completed a townwide reappraisal, the common level of
13 appraisal for that municipality shall be ~~equal to its new grand list value divided~~
14 ~~by its most recent equalized grand list value~~ 100 percent, for purposes of
15 determining education property tax rates.

16 * * * Health IT Fund Sunset Extension * * *

17 Sec. 10. 2013 Acts and Resolves No. 73, Sec. 60(10), as amended by 2017
18 Acts and Resolves No. 73, Sec. 14, 2018 Acts and Resolves No. 187, Sec. 5,
19 2019 Acts and Resolves No. 71, Sec. 21, 2021 Acts and Resolves No. 73,
20 Sec. 14, 2023 Acts and Resolves No. 78, Sec. E.306.1, and 2024 Acts and
21 Resolves No. 144, Sec. 11, is further amended to read:

1 (10) Secs. 48–51 (health care claims tax) shall take effect on July 1,
2 2013, and Sec. 52 (Health IT-Fund; sunset) shall take effect on July 1, ~~2026~~
3 2031.

4 Sec. 11. 2019 Acts and Resolves No. 6, Sec. 105, as amended by 2019 Acts
5 and Resolves No. 71, Sec. 19, 2022 Acts and Resolves No. 83, Sec. 75, 2023
6 Acts and Resolves No. 78, Sec. E.306.2, and 2024 Acts and Resolves No. 144,
7 Sec. 12, is further amended to read:

8 Sec. 105. EFFECTIVE DATES

9 * * *

10 (b) Sec. 73 (further amending 32 V.S.A. § 10402) shall take effect on July
11 1, ~~2026~~ 2031.

12 * * * Inflation Index Updates * * *

13 Sec. 12. 16 V.S.A. § 559(e)(7) is amended to read:

14 (7) Nothing in this section shall require a school board or supervisory
15 union board to invite or advertise for bids if it is renewing a contract entered
16 into pursuant to subsection (a) of this section, provided that:

17 (A) annual costs will not increase more than the most recent ~~New~~
18 ~~England Economic Project Cumulative Price Index~~ National Income and
19 Product Accounts (NIPA) implicit price deflator, as of November 15, for ~~State~~
20 state and local government ~~purchases of goods and services,~~ consumption

Commented [KK1]: Removed: Change to VHEIP contributions credit.

1 expenditures and gross investment published by the U.S. Department of
2 Commerce, Bureau of Economic Analysis;

3 (B) the total amount of the contract does not exceed an increase of 30
4 percent more than the total amount of the original contract; and

5 (C) the contract for the renewal period allows termination by the
6 board following an annual review of performance.

7 Sec. 13. 16 V.S.A. § 2959a(d) is amended to read:

8 (d) If the amount of Medicaid reimbursement funds received for services
9 provided in the prior State fiscal year exceeds \$25,000,000.00, in addition to
10 the 50 percent of the funds paid to supervisory unions submitting Medicaid
11 bills, 25 percent of the amounts in excess of the \$25,000,000.00 shall be paid
12 into an incentive fund created in the Agency of Education. These funds shall
13 be used for an incentive payment to supervisory unions with student
14 participation rates of over 80 percent in accordance with a formula to be
15 developed by the Agency, in consultation with the Vermont Superintendents
16 Association. For any incentive payments made subsequent to fiscal year 2007,
17 the \$25,000,000.00 threshold of this subsection shall be increased by the
18 percentage increase of the most recent ~~New England Economic Project~~
19 ~~Cumulative Price Index~~ National Income and Product Accounts (NIPA)
20 implicit price deflator, as of November 15, for state and local government
21 ~~purchases of goods and services~~ consumption expenditures and gross

1 investment published by the U.S. Department of Commerce, Bureau of
2 Economic Analysis, from fiscal year 2005 through the fiscal year for which the
3 payment is being determined, plus an additional one-tenth of one percent.

4 Sec. 14. 16 V.S.A. § 4011(b) is amended to read:

5 (b) For each fiscal year, the base education amount shall be \$6,800.00,
6 increased by the most recent ~~New England Economic Project Cumulative Price~~
7 ~~Index~~ National Income and Product Accounts (NIPA) implicit price deflator,
8 as of November 15, for state and local government ~~purchases of goods and~~
9 ~~services~~ consumption expenditures and gross investment published by the U.S.
10 Department of Commerce, Bureau of Economic Analysis, from fiscal year
11 2005 through the fiscal year for which the amount is being determined, plus an
12 additional one-tenth of one percent.

13 Sec. 15. 32 V.S.A. § 5401(12)(B) is amended to read:

14 (B) In excess of 118 percent of the statewide average district per
15 pupil education spending increased by inflation, as determined by the Secretary
16 of Education on or before November 15 of each year based on the passed
17 budgets to date. As used in this subdivision, “increased by inflation” means
18 increasing the statewide average district per pupil education spending for fiscal
19 year 2025 by the most recent ~~New England Economic Project cumulative price~~
20 ~~index~~ National Income and Product Accounts (NIPA) implicit price deflator, as
21 of November 15, for state and local government ~~purchases of goods and~~

1 ~~services~~ consumption expenditures and gross investment published by the U.S.
2 Department of Commerce, Bureau of Economic Analysis, from fiscal year
3 2025 through the fiscal year for which the amount is being determined.

4 * * * Homestead Declaration and Property Tax Credit * * *

5 Sec. 16. 32 V.S.A. § 6062(c) is amended to read:

6 (c) When a homestead is owned by two or more persons as joint tenants,
7 tenants by the entirety, or tenants in common and one or more of these persons
8 are not members of the claimant's household, the property tax is the same
9 proportion of the property tax levied on that homestead as the proportion of
10 ownership of the homestead by the claimant and members of the claimant's
11 household; provided, however, that:

12 * * *

13 (3) the property tax of a claimant who is a joint tenant with a former
14 spouse and who has possession of the homestead pursuant to the joint owners'
15 final divorce decree is the property tax for which the claimant is responsible
16 under the joint owners' final divorce decree or any modifying orders; ~~and~~

17 (4) if the homestead is a portion of a duplex and all owners of the duplex
18 occupy some portion of the building as their principal residence, the property
19 tax of the claimant shall be that percentage of the total property tax equal to the
20 ratio of the claimant's principal residence value to the total duplex building
21 value; and

1 (2) In fiscal year 2020 through fiscal year 2026, the allocating agency
2 may award up to \$250,000.00 in total first-year credit allocations for loans
3 through the Down Payment Assistance Program created in subdivision (b)(3)
4 of this section.

5 (3) In fiscal year 2027 through fiscal year 2031, the allocating agency
6 may award up to \$350,000.00 in total first-year credit allocations for loans
7 through the Down Payment Assistance Program created in subdivision (b)(3)
8 of this section.

9 * * * Federal Tax Credit for SGO Contributions * * *

10 Sec. 19. FINDINGS

11 The General Assembly finds:

12 (1) Section 25F of the Internal Revenue Code creates a new federal
13 program to subsidize scholarships for expenses at public and private schools.

14 (2) Under the terms of the statute, states may voluntarily elect to
15 participate in the program, or they may decline to participate.

16 (3) The decision concerning whether or not to participate in the program
17 is to be made by “the Governor of the State or by such other individual,
18 agency, or entity as is designated under State law to make such elections on
19 behalf of the State with respect to Federal tax benefits.”

20 Sec. 20. 2 V.S.A. § 24 is added to read:

21 § 24. DESIGNATED ENTITY; PARTICIPATION IN FEDERAL TAX

1 ~~reasonable fees or charges for the use of the lands, roads, buildings, other~~
2 ~~property, and the use of and tuition for the Green Mountain Conservation~~
3 ~~Camps, notwithstanding 32 V.S.A. § 603. Fees collected for the use of fish and~~
4 ~~wildlife lands and properties shall be deposited in the Fish and Wildlife Fund.~~

5 [Repealed.]

6 * * *

7 Sec. 23. REPEAL; COMMISSIONER OF FISH AND WILDLIFE RULE ON
8 FEES FOR THE USE OF FISH AND WILDLIFE DEPARTMENT
9 LANDS AND FACILITIES

10 Commissioner of Fish and Wildlife Rule 2008-01, CVR 12-101-075. Fees
11 for the Use of Fish and Wildlife Department Lands and Facilities, is repealed.

12 Sec. 24. DEPARTMENT OF FISH AND WILDLIFE REPORT ON FEES

13 On or before January 15, 2027, the Commissioner of Fish and Wildlife shall
14 submit to the House Committee on Ways and Means and the Senate
15 Committee on Finance recommended fees to be charged for the use of the
16 lands, roads, buildings, or other property owned or controlled by the
17 Department of Fish and Wildlife, and for the use of and tuition for the Green
18 Mountain Conservation Camps, so that the General Assembly, consistent with
19 the requirements of 32 V.S.A. § 603, shall establish the fees by statute for the
20 service or product provided or regulatory function performed.

21 * * * Grand List Assessment Date * * *

1 Sec. 25. 24 V.S.A. § 1892(b) is amended to read:

2 (b) When adopted by the act of the legislative body of that municipality,
3 the plan shall be recorded with the municipal clerk and lister or assessor, and
4 the creation of the district shall occur at 12:01 a.m. on ~~April~~ January 1 of the
5 calendar year so voted by the municipal legislative body.

6 Sec. 26. 24 V.S.A. § 1904(b)(2) is amended to read:

7 (2) When adopted by the act of the legislative body of that municipality,
8 the plan shall be recorded with the municipal clerk and lister or assessor, and
9 the creation of the district shall occur at 12:01 a.m. on ~~April~~ January 1 of the
10 calendar year so voted by the municipal legislative body.

11 Sec. 27. 32 V.S.A. § 3481(1)(B)(iv) is amended to read:

12 (iv) a capitalization rate that is typical for the geographic area
13 determined and published annually prior to ~~April~~ January 1 by the Division of
14 Property Valuation and Review after consultation with the Vermont Housing
15 Finance Agency.

16 Sec. 28. 32 V.S.A. § 3482 is amended to read:

17 § 3482. PROPERTY LISTED AT ONE PERCENT

18 Except as otherwise provided, all real and personal estate shall be set in the
19 list at one percent of its listed value on ~~April~~ January 1, of the year of its
20 appraisal.

21 Sec. 29. 32 V.S.A. § 3485 is amended to read:

1 § 3485. RECORDS TO BE KEPT RELATING TO DEEDS AND
2 MORTGAGES

3 (a) Annually on ~~April~~ January 1, ~~town~~ municipal clerks shall furnish the
4 listers with copies of the property tax returns filed by the clerk under section
5 9610 of this title relating to deeds that were filed for record during the year
6 ending on the first day of such month. However, upon request in writing by
7 the listers, on or before the 15th day of each month, ~~town~~ municipal clerks
8 shall furnish the listers with copies of the property transfer tax returns to deeds
9 that were filed for record during the next preceding calendar month.

10 (b) Failure on the part of the ~~town~~ municipal clerk to furnish the copies
11 required under subsection (a) of this section shall not render the town liable in
12 damages to any person. A ~~town~~ municipal clerk who willfully fails to furnish
13 the copies required under subsection (a) of this section shall be fined \$10.00
14 for each offense.

15 Sec. 30. 32 V.S.A. § 3603(a) is amended to read:

16 (a) Construction equipment and other personal estate used in the
17 construction or repair of highways, dams, reservoirs, public utilities, or
18 buildings shall be listed and taxed on the same basis as other personal estate in
19 the town in which it is located on ~~April~~ January 1. Such equipment brought
20 into the State after ~~April~~ January 1 and prior to December 15 of any year shall
21 be taxed as other personal estate for that year in the town in which it is first

1 used for a normal full work shift. The owner or person in charge of any
2 equipment enumerated in this section shall, upon request of the Treasurer or
3 tax collector of any municipality, present evidence that it has been listed for
4 tax purposes in a municipality in this State. The Transportation Board and
5 other State agencies shall insert in all contracts for construction a term by
6 which the contractor agrees to pay taxes assessed under this section and section
7 4151 of this title.

8 Sec. 31. 32 V.S.A. § 3610(b) is amended to read:

9 (b) The listers of each town and the appraisers of each unorganized town
10 and gore shall list every perpetual lease in a separate record in which shall be
11 shown as to each lease a brief description of the leased land, the fair market
12 value of the land as appraised by them, the name of the lessor, the annual rental
13 payable under the lease, and as of ~~April~~ January 1 of each year the name and
14 address of the lessee. If for any reason the lease is exempt under subsection
15 (d) of this section, the reason for the exemption shall be noted.

16 Sec. 32. 32 V.S.A. § 3618(c)(2) is amended to read:

17 (2) “Net book value” of property means the cost less depreciation of the
18 property as shown on the federal income tax return required to be filed with the
19 federal authorities on or nearest in advance of ~~April~~ January 1 in any year.

20 Sec. 33. 32 V.S.A. § 3651 is amended to read:

21 § 3651. GENERAL RULE

1 Taxable real estate shall be set in the list to the last owner or possessor
2 thereof on ~~April~~ January 1 in each year in the town, village, school, and fire
3 district where it is situated.

4 Sec. 34. 32 V.S.A. § 3691 is amended to read:

5 § 3691. GENERAL RULE

6 Taxable tangible personal estate shall be set in the list to the last owner
7 thereof on ~~April~~ January 1 in each year, in the town, village, school, and fire
8 district where such property is situated, with the exception that such personal
9 estate situated within this State owned by persons residing outside the State or
10 by persons unknown to the listers shall be set in the list to the person having
11 the same in charge, in the town, village, school, and fire district where the
12 same is situated and shall be holden for all taxes assessed on such list.

13 However, tangible personal estate owned by nonresident persons or
14 corporation, and used in this State by the State or a department or institution
15 thereof, under lease, contract or other agreement, written or oral, may be set in
16 the list in the town where so used, to such nonresident owner.

17 Sec. 35. 32 V.S.A. § 3692(b) is amended to read:

18 (b) A trailer coach shall be taxed as real property by the town in which it is
19 located notwithstanding subsection (a) of this section if it is situated in the
20 town on the same trailer site or camp site for more than 180 days during the
21 365 days prior to ~~April~~ January 1. A trailer coach shall not be taxed as real

1 property if it is stored on property on which the owner resides in another
2 dwelling as a permanent residence.

3 Sec. 36. 32 V.S.A. § 3708 is amended to read:

4 § 3708. PAYMENTS IN LIEU OF TAXES FOR LANDS HELD BY THE
5 AGENCY OF NATURAL RESOURCES

6 * * *

7 (b) The State shall annually pay on or before October 31 to each
8 municipality a payment in lieu of taxes (PILOT) that shall be the base payment
9 as set forth under this section, for all ANR land, excluding buildings or other
10 improvements thereon, as of ~~April~~ January 1 of the current year.

11 (c) The State shall establish the base payment for all ANR land, excluding
12 buildings or other improvements thereon, as follows;:

13 (1) ~~On~~ on parcels acquired before April 1, 2016, 0.60 percent of the fair
14 market value as appraised by the Director of Property Valuation and Review as
15 of April 1 of fiscal year 2015;

16 (2) ~~On~~ on parcels acquired on or after April 1, 2016, the municipal tax
17 rate of the fair market value as assessed on ~~April~~ January 1 in the year of
18 acquisition by the municipality in which it is located.

19 * * *

20 Sec. 37. 32 V.S.A. § 3755(b) is amended to read:

1 (b) Managed forestland shall be eligible for use value appraisal under this
2 chapter only if:

3 (1) The land is subject to a forest management plan, subject to a
4 conservation management plan in the case of lands certified under 10 V.S.A.
5 § 6306(b), that is filed in the manner and form required by the Department of
6 Forests, Parks and Recreation and that:

7 * * *

8 (D) Provides for continued conservation management, reserve
9 forestland management, or forest crop production on the parcel for 10 years.
10 An initial forest management plan or conservation management plan must be
11 filed with the Department of Forests, Parks and Recreation on or before
12 October 1 and shall be effective for a 10-year period beginning the following
13 ~~April~~ January 1. Prior to expiration of a 10-year plan and on or before ~~April~~
14 January 1 of the year in which the plan expires, the owner shall file a new
15 conservation or forest management plan for the next succeeding 10 years to
16 remain in the program.

17 * * *

18 (2) A management report of whatever activity has occurred, signed by
19 the owner, has been filed with the Department of Taxes' Director of Property
20 Valuation and Review on or before February 1 of the year following the year
21 when the management activity occurred.

1 (3) There has not been filed with the Director an adverse inspection
2 report by the Department stating that the management of the tract is contrary to
3 the forest management plan, conservation management plan, or contrary to the
4 minimum acceptable standards for forest or conservation management. The
5 management activity report shall be on a form prescribed by the Commissioner
6 of Forests, Parks and Recreation in consultation with the Commissioner of
7 Taxes and shall be signed by all the owners and shall contain the tax
8 identification numbers of all the owners. All information contained within the
9 management activity report shall be forwarded to the Department of Forests,
10 Parks and Recreation, except for any tax identification number included in the
11 report. If any owner satisfies the Department that ~~he or she~~ the owner was
12 prevented by accident, mistake, or misfortune from filing an initial or revised
13 management plan that is required to be filed on or before October 1, or a
14 management plan update that is required to be filed on or before ~~April~~ January
15 1 of the year in which the plan expires, or a management activity report that is
16 required to be filed on or before February 1 of the year following the year
17 when the management activity occurred, the owner may submit that
18 management plan or management activity report at a later date; provided,
19 however, no initial or revised management plan shall be received later than
20 December 31, and no management plan update shall be received later than one

1 year after ~~April~~ January 1 of the year the plan expires, and no management
2 activity report shall be received later than March 1.

3 Sec. 38. 32 V.S.A. § 3802a is amended to read:

4 § 3802a. REQUIREMENT TO PROVIDE INSURANCE INFORMATION

5 Before ~~April~~ January 1 of each year, owners of property exempt from
6 taxation under subdivisions 3802(4), (6), (9), (12), and (15) and under
7 subdivisions 5401(10)(D), (F), (G), and (J) of this title shall provide their local
8 assessing officials with information regarding the insurance replacement cost
9 of the exempt property or with a written explanation of why the property is not
10 insured.

11 Sec. 39. 32 V.S.A. § 3850(d) is amended to read:

12 (d) If a dwelling unit is certified as blighted under subsection (b) of this
13 section, the exemption shall take effect on the ~~April~~ January 1 following the
14 certification of the dwelling unit.

15 Sec. 40. 32 V.S.A. § 4001(a) is amended to read:

16 (a) Annually on ~~April~~ January 1, at the expense of the State, the Director
17 shall furnish to the several ~~town~~ municipal clerks and boards of appraisers for
18 unorganized towns and gores inventory forms sufficient in number to meet the
19 requirements of this chapter. Such forms shall be formulated by the Director
20 and, among other things, shall contain suitable interrogatories requiring each
21 taxpayer to furnish therein a brief statement of all of each taxpayer's taxable

1 property, real and personal, and such other information, including income and
2 expense information with respect to any income-producing properties, as will
3 enable the listers or appraisers to appraise such part thereof as is required by
4 law to be by them appraised, and to make up the abstract of individual lists and
5 grand list in the manner prescribed by law.

6 Sec. 41. 32 V.S.A. § 4004 is amended to read:

7 § 4004. RETURN OF INVENTORIES BY INDIVIDUALS

8 On or before ~~April~~ January 20, unless otherwise required, every taxable
9 person shall procure such inventory form, make full answers to all
10 interrogatories therein, subscribe the same, make oath thereto, and deliver or
11 forward the same to one of the listers in the town wherein such person owns or
12 possesses property required by law to be set to ~~him or her~~ the person in the
13 grand list. When notice in writing to file, deliver, or forward such inventory on
14 or before a given date is delivered by one of the listers to a person, or mailed
15 postage prepaid to ~~him or her~~ the person at ~~his or her~~ the person's last known
16 post office address, such person, within the time therein specified, shall
17 properly fill out such inventory and deliver or forward the same to one of the
18 listers, notwithstanding ~~he or she~~ the person may not own or possess property
19 subject to taxation. Persons taxable only for real estate shall not be required to
20 file such inventory unless notified so to do as herein provided.

21 Sec. 42. 32 V.S.A. § 4041 is amended to read:

1 § 4041. EXAMINATION OF PROPERTY; APPRAISAL

2 On ~~April~~ January 1, the listers and assessors shall proceed to take up such
3 inventories and make such personal examination of the property that they are
4 required to appraise as will enable them to appraise it at its fair market value.
5 When a board of listers is of the opinion that expert advice or assistance is
6 needed in making any appraisal required by law, it may, with approval of
7 ~~selectboard~~ the legislative body of the municipality or by vote of the ~~town~~
8 municipality, employ such assistance.

9 Sec. 43. 32 V.S.A. § 4044 is amended to read:

10 § 4044. APPRAISAL OF PERSONALTY ON ~~APRIL~~ JANUARY 1

11 Unless otherwise provided, the taxable personal estate contained in the
12 inventory shall be appraised by the listers at its fair market value on ~~April~~
13 January 1.

14 Sec. 44. 32 V.S.A. § 4045 is amended to read:

15 § 4045. APPRAISAL ON OTHER THAN ~~APRIL~~ JANUARY 1

16 If any business is normally operated for a period less than 12 consecutive
17 months and is not in operation on ~~April~~ January 1, an inventory shall be filed
18 with the listers at least 15 days prior to the anticipated annual suspension of
19 such business and the stock in trade shall be appraised for the period of
20 operation so as to represent an average of values of such property during that
21 period in which the business has been carried on.

1 Sec. 45. 32 V.S.A. § 4605 is amended to read:

2 § 4605. ASSESSMENT WHEN APPRAISAL ON OTHER THAN ~~APRIL~~
3 JANUARY 1

4 * * *

5 Sec. 46. 32 V.S.A. § 5401(7) is amended to read:

6 (7) “Homestead”:

7 (A) “Homestead” means the principal dwelling and parcel of land
8 surrounding the dwelling, owned and occupied by a resident individual as the
9 individual’s domicile or owned and fully leased on ~~April~~ January 1, provided
10 the property is not leased for more than 182 days out of the calendar year or,
11 for purposes of the renter credit under subsection 6066(b) of this title, is rented
12 and occupied by a resident individual as the individual’s domicile.

13 * * *

14 (G) For purposes of homestead declaration and application of the
15 homestead property tax rate, “homestead” also means a residence that was the
16 homestead of the decedent at the date of death and, from the date of death
17 through the next ~~April~~ January 1, is held by the estate of the decedent and not
18 rented.

19 * * *

20 Sec. 47. 32 V.S.A. § 5404a(a)(6) is amended to read:

1 (6) An exemption of a portion of the value of a qualified rental unit
2 parcel. An owner of a qualified rental unit parcel shall be entitled to an
3 exemption on the education property tax grand list of 10 percent of the grand
4 list value of the parcel, multiplied by the ratio of square footage of
5 improvements used for or related to residential rental purposes to total square
6 footage of all improvements, multiplied by the ratio of qualified rental units to
7 total residential rental units on the parcel. “Qualified rental units” means
8 residential rental units that are subject to rent restriction under provisions of
9 State or federal law but excluding units subject to rent restrictions under only
10 one of the following programs: Section 8 moderate rehabilitation, Section 8
11 housing choice vouchers, or Section 236 or Section 515 rural development
12 rental housing. A municipality shall allow the percentage exemption under
13 this subsection upon presentation by the taxpayer to the municipality, by ~~April~~
14 January 1, of a certificate of education grand list value exemption obtained
15 from the Vermont Housing Finance Agency (VHFA). VHFA shall issue a
16 certificate of exemption upon presentation by the taxpayer of information that
17 VHFA and the Commissioner shall require. A certificate of exemption issued
18 by VHFA under this subsection shall expire upon transfer of the building, upon
19 expiration of the rent restriction, or after 10 years, whichever first occurs;
20 provided, however, that the certificate of exemption may be renewed after 10

1 years and every 10 years thereafter if VHFA finds that the property continues
2 to meet the requirements of this subsection.

3 Sec. 48. 32 V.S.A. § 5405 is amended to read:

4 § 5405. DETERMINATION OF EQUALIZED EDUCATION PROPERTY
5 TAX GRAND LIST AND COEFFICIENT OF DISPERSION

6 (a) Annually, on or before April 1, the Commissioner shall determine the
7 equalized education property tax grand list and coefficient of dispersion for
8 each municipality in the State; provided, however, that for purposes of
9 equalizing grand lists pursuant to this section, the equalized education property
10 tax grand list of a municipality that establishes a tax increment financing
11 district shall include the fair market value of the property in the district and not
12 the original taxable value of the property, and further provided that the unified
13 towns and gores of Essex County may be treated as one municipality for the
14 purpose of determining an equalized education property grand list and a
15 coefficient of dispersion, if the Director determines that all such entities have a
16 uniform appraisal schedule and uniform appraisal practices.

17 * * *

18 (c) In determining the fair market value of property that is required to be
19 listed at fair market value, the Commissioner shall take into consideration
20 those factors required by section 3481 of this title. The Commissioner shall
21 value property as of ~~April~~ January 1 preceding the determination and shall take

1 account of all homestead declaration information available before October 1
2 each year.

3 * * *

4 Sec. 49. 32 V.S.A. § 5410 is amended to read:

5 § 5410. DECLARATION OF HOMESTEAD

6 (a) A homestead owner shall declare ownership of a homestead for
7 purposes of education property tax.

8 (b) Annually, on or before the due date for filing the Vermont income tax
9 return, without extension, each homestead owner shall, on a form prescribed
10 by the Commissioner, which shall be verified under the pains and penalties of
11 perjury, declare the owner's homestead, if any, as of, or expected to be as of,
12 ~~April~~ January 1 of the year in which the declaration is made.

13 * * *

14 (d) The Commissioner shall provide a list of homesteads in each town to
15 the ~~town~~ municipal listers and assessors by May 15. The listers and assessors
16 shall notify the Commissioner by June 1 of any residences on the
17 Commissioner's list that do not qualify as homesteads. The listers and
18 assessors shall separately identify homesteads in the grand list.

19 * * *

*** * * Municipal Tax Collection; State Oversight * * ***

Sec. 50. 32 V.S.A. chapter 133, subchapter 9 is amended to read:

Subchapter 9: Delinquent Taxes

§ 5131. ~~SUPERVISION BY DIRECTOR~~

~~The Director shall supervise the collection of delinquent taxes by officials of towns and other municipal corporations. [Repealed.]~~

§ 5132. ~~CONFERENCES; BULLETINS; FORMS~~

~~The Director may examine a tax list in the hands of a collector; shall confer from time to time with collectors, advise them concerning their official duties, and furnish them printed instructions and directions relating thereto; shall issue such bulletins as in the Director's judgment will aid in enforcing the law; and shall formulate and furnish the necessary forms for the use of officials required to make returns to the Director. [Repealed.]~~

§ 5133. ~~MEETINGS OF TAX COLLECTORS~~

~~The Director shall call meetings of collectors of taxes to be held at such places and at such times as he or she shall designate for the purpose of instruction as to the law governing their official duties and concerning the collection of delinquent taxes. [Repealed.]~~

§ 5134. ~~FAILURE TO ATTEND MEETINGS; COMPENSATION~~

~~Collectors shall attend all meetings for instruction to which they are summoned in writing by the Director. When a collector is unable to attend, he~~

1 ~~or she shall notify forthwith the Director stating the cause of such inability and,~~
2 ~~in his or her discretion, the Director may summon such collector to attend such~~
3 ~~other meeting as he or she may designate. Collectors attending such meetings~~
4 ~~shall receive therefor from the treasury of their municipality not less than~~
5 ~~\$10.00 per day and their necessary expenses. [Repealed.]~~

6 § 5135. RETURNS TO DIRECTOR

7 ~~Collectors and other officials named in this chapter shall render such~~
8 ~~assistance, furnish such information, and make such returns to the Director in~~
9 ~~relation to the subject of delinquent taxes and the administration of the law in~~
10 ~~reference thereto as he or she may require. [Repealed.]~~

11 * * *

12 * * * Effective Dates * * *

13 Sec. 51. EFFECTIVE DATES

14 This act shall take effect on passage except:

15 (1) Notwithstanding 1 V.S.A. § 214, Sec. 1 (credit for taxes paid in
16 another state by an S corporation) shall take effect retroactively on January 1,
17 2025, and shall apply to taxable years beginning on and after January 1, 2025.

18 (2) Secs. 3 and 4 (current use; land use change tax) shall take effect on
19 October 1, 2026.

- 1 (3) Sec. 5 (current use; qualifying income) shall take effect on
2 September 2, 2026, and shall apply to grand lists lodged on and after April 1,
3 2028.
- 4 (4) Sec. 21 (grand list definition of parcel) shall take effect on April 1,
5 2027, and shall apply to grand lists lodged on and after that date.
- 6 (5) Secs. 22 and 23 (repeal of Department of Fish and Wildlife fee
7 setting authority) shall take effect on July 1, 2027.
- 8 (6) Secs. 25–49 (grand list assessment date) shall take effect on July 1,
9 2031, and shall apply to grand lists lodged after that date.