

1 Sec. 1. 32 V.S.A. chapter 121, subchapter 1A is added to read:

2 Subchapter 1A. Statewide and Regional Property Assessment

3 § 3415. LEGISLATIVE INTENT

4 It is the intent of the General Assembly in adopting this subchapter to create
5 regional assessment districts so that:

6 (1) properties on grand lists are regularly reappraised;

7 (2) property data collection is consistent and standardized across the
8 State; and

9 (3) property valuation is conducted by trained and certified individuals
10 and firms.

11 § 3416. REGIONAL ASSESSMENT DISTRICTS; ESTABLISHMENT

12 (a) There are hereby established 12 regional assessment districts, whose
13 member municipalities shall fully and jointly reappraise their grand lists every
14 six years pursuant to subsection 3417(b) of this subchapter. The member
15 municipalities of a regional assessment district shall contract jointly with a
16 third party to conduct reappraisals.

17 (b) Each county shall constitute one regional assessment district, except that
18 Franklin and Grand Isle Counties shall constitute one district and Essex and
19 Orleans Counties shall constitute one district.

1 § 3417. STANDARD GUIDELINES; PROCEDURES; RULEMAKING

2 (a) The Director of Property Valuation and Review shall establish standard
3 guidelines and procedures, and may adopt rules, for regional assessment
4 districts, including:

5 (1) guidelines for contracting with third parties to conduct or assist with
6 reappraisals, including standard reappraisal contract terms;

7 (2) standards for the collection and recordation of parcel data;

8 (3) requirements relating to information technology, including standards
9 for data software contracts and computer-assisted mass appraisal systems; and

10 (4) standardized practices for a full reappraisal, including cases in which
11 physical inspections are unnecessary and how technology is to be utilized.

12 (b) The Director of Property Valuation and Review shall establish a
13 schedule for each regional assessment district to fully reappraise every six
14 years. The Director, at the Director's discretion, may alter the reappraisal
15 schedule for a regional assessment district or for one or more of a regional
16 assessment district's member municipalities.

17 * * * Transition to Regional Assessment Districts * * *

18 Sec. 2. TRANSITION; ANNUAL PROGRESS REPORT

19 (a) Notwithstanding 32 V.S.A. § 4041a or any other provision of law to the
20 contrary:

1 (1) the Director of Property Valuation and Review shall not order any
2 new municipal reappraisals of grand list properties on and after January 1,
3 2027;

4 (2) a reappraisal order for which a municipality does not have a contract
5 in place before January 1, 2030 shall no longer have the force and effect of law
6 on and after January 1, 2030; and

7 (3) a municipality shall not enter into a new reappraisal contract on or
8 after January 1, 2027.

9 (b) On or before every January 15 from January 15, 2027 to January 15,
10 2030, the Commissioner of Taxes shall submit a report to the House
11 Committee on Ways and Means and the Senate Committee on Finance relating
12 to the progress made in preparing for the implementation of this act.

13 Sec. 3. REGIONAL ASSESSMENT DISTRICT STAKEHOLDER
14 WORKING GROUP

15 On or before January 15, 2026, the Department of Taxes, in consultation
16 with relevant stakeholders, shall submit recommendations to the House
17 Committee on Ways and Means and the Senate Committee on Finance
18 advising on the implementation of regional assessment districts and on the
19 development of guidelines, procedures, and rules needed to effectuate a
20 regionalized reappraisal system. The recommendations will include an
21 analysis of the advantages and disadvantages of having the State take full

1 responsibility for regionalized appraisals. In making its recommendation, the
2 Department of Taxes shall provide suggestions for legislative language that
3 address:

4 (1) the authority or authorities who will contract for and conduct
5 reappraisals;

6 (2) the authority or authorities who will hear and decide property
7 valuation appeals;

8 (3) amendments necessary to conform statute to the change from an
9 April 1 to January 1 grand list assessment date; and

10 (4) any other recommended revisions to achieve a regionalized
11 reappraisal system.

12 * * * Grand List Assessment Date * * *

13 Sec. 4. 32 V.S.A. § 5405 is amended to read:

14 § 5405. DETERMINATION OF EQUALIZED EDUCATION PROPERTY

15 TAX GRAND LIST AND COEFFICIENT OF DISPERSION

16 (a) Annually, on or before ~~April~~ January 1, the Commissioner shall
17 determine the equalized education property tax grand list and coefficient of
18 dispersion for each municipality in the State; provided, however, that for
19 purposes of equalizing grand lists pursuant to this section, the equalized
20 education property tax grand list of a municipality that establishes a tax
21 increment financing district shall include the fair market value of the property

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

7 (b) The sum of all municipal equalized education property tax grand lists
8 shall be the equalized education property tax grand list for the State.

9 (c) In determining the fair market value of property that is required to be
10 listed at fair market value, the Commissioner shall take into consideration
11 those factors required by section 3481 of this title. The Commissioner shall
12 value property as of ~~April~~ January 1 preceding the determination and shall take
13 account of all homestead declaration information available before October 1
14 each year.

15 * * *

16 Sec. 5. 32 V.S.A. § 3481(1)(B) is amended to read:

17 (B) For residential rental property that is subject to a housing subsidy
18 covenant or other legal restriction, imposed by a governmental, quasi-
19 governmental, or public purpose entity, on rents that may be charged, fair
20 market value shall be determined by an income approach using the following
21 elements:

1 (i) market rents with utility allowance adjustments for the
2 geographic area in which the property is located as determined by the federal
3 office of Housing and Urban Development or in the case of properties
4 authorized under 42 U.S.C. § 1437, 12 U.S.C. § 1701q, 42 U.S.C. § 1485, 12
5 U.S.C. § 1715z-1, 42 U.S.C. § 1437f, and 24 CFR Part 882 Subpart D and E,
6 the higher of contract rents (meaning the amount of federal rental assistance
7 plus any tenant contribution) and HUD market rents;

8 (ii) actual expenses incurred with respect to the property that shall
9 be provided by the property owner in a format acceptable to the Commissioner
10 and certified by an independent third party, such as a certified public
11 accounting firm or public or quasi-public funding agency;

12 (iii) a vacancy rate that is 50 percent of the market vacancy rate as
13 determined by the U.S. Census Bureau with local review by the Vermont
14 Housing Finance Agency; and

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

19 Sec. 6. 32 V.S.A. § 3482 is amended to read:

20 § 3482. PROPERTY LISTED AT ONE PERCENT

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

4 Sec. 7. 32 V.S.A. § 3485 is amended to read:

5 § 3485. RECORDS TO BE KEPT RELATING TO DEEDS AND
6 MORTGAGES

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

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

19 Sec. 8. 32 V.S.A. § 3603(a) is amended to read:

20 (a) Construction equipment and other personal estate used in the
21 construction or repair of highways, dams, reservoirs, public utilities, or

1 buildings shall be listed and taxed on the same basis as other personal estate in
2 the town in which it is located on ~~April~~ January 1. Such equipment brought
3 into the State after ~~April~~ January 1 and prior to December 15 of any year shall
4 be taxed as other personal estate for that year in the town in which it is first
5 used for a normal full work shift. The owner or person in charge of any
6 equipment enumerated in this section shall, upon request of the Treasurer or
7 tax collector of any municipality, present evidence that it has been listed for
8 tax purposes in a municipality in this State. The Transportation Board and
9 other State agencies shall insert in all contracts for construction a term by
10 which the contractor agrees to pay taxes assessed under this section and section
11 4151 of this title.

12 Sec. 9. 32 V.S.A. § 3610(b) is amended to read:

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

20 Sec. 10. 32 V.S.A. § 3613 is amended to read:

1 The State of Vermont shall have the same right to appeal from the appraisal
2 of the listers and assessors and from the decision of ~~the Board of Civil~~
3 ~~Authority~~ a regional property valuation board as is given to any interested
4 individual as provided by ~~chapter 131~~ of this title.

5 Sec. 11. 32 V.S.A. § 3618(c)(2) is amended to read:

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

9 Sec. 12. 32 V.S.A. § 3651 is amended to read:

10 § 3651. GENERAL RULE

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

14 Sec. 13. 32 V.S.A. § 3691 is amended to read:

15 § 3691. GENERAL RULE

16 Taxable tangible personal estate shall be set in the list to the last owner
17 thereof on ~~April~~ January 1 in each year, in the town, village, school, and fire
18 district where such property is situated, with the exception that such personal
19 estate situated within this State owned by persons residing outside the State or
20 by persons unknown to the listers shall be set in the list to the person having
21 the same in charge, in the town, village, school, and fire district where the

1 same is situated and shall be holden for all taxes assessed on such list.

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

6 Sec. 14. 32 V.S.A. § 3692(b) is amended to read:

7 (b) A trailer coach shall be taxed as real property by the town in which it is
8 located notwithstanding subsection (a) of this section if it is situated in the
9 town on the same trailer site or camp site for more than 180 days during the
10 365 days prior to ~~April~~ January 1. A trailer coach shall not be taxed as real
11 property if it is stored on property on which the owner resides in another
12 dwelling as a permanent residence.

13 Sec. 15. 32 V.S.A. § 3708 is amended to read:

14 § 3708. PAYMENTS IN LIEU OF TAXES FOR LANDS HELD BY THE
15 AGENCY OF NATURAL RESOURCES

16 * * *

17 (b) The State shall annually pay to each municipality a payment in lieu of
18 taxes (PILOT) that shall be the base payment as set forth under this section, for
19 all ANR land, excluding buildings or other improvements thereon, as of ~~April~~
20 January 1 of the current year.

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

3 (1) On parcels acquired before April 1, 2016, 0.60 percent of the fair
4 market value as appraised by the Director of Property Valuation and Review as
5 of April 1 of fiscal year 2015;

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

9 * * *

10 Sec. 16. 32 V.S.A. § 3755 is amended to read:

11 § 3755. ELIGIBILITY FOR USE VALUE APPRAISALS

12 * * *

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

15 (1) The land is subject to a forest management plan, subject to a
16 conservation management plan in the case of lands certified under 10 V.S.A. §
17 6306(b), that is filed in the manner and form required by the Department of
18 Forests, Parks and Recreation and that:

19 * * *

20 (D) Provides for continued conservation management, reserve
21 forestland management, or forest crop production on the parcel for 10 years.

1 An initial forest management plan or conservation management plan must be
2 filed with the Department of Forests, Parks and Recreation on or before
3 October 1 and shall be effective for a 10-year period beginning the following
4 ~~April~~ January 1. Prior to expiration of a 10-year plan and on or before ~~April~~
5 January 1 of the year in which the plan expires, the owner shall file a new
6 conservation or forest management plan for the next succeeding 10 years to
7 remain in the program.

8 * * *

9 (3) There has not been filed with the Director an adverse inspection
10 report by the Department stating that the management of the tract is contrary to
11 the forest management plan, conservation management plan, or contrary to the
12 minimum acceptable standards for forest or conservation management. The
13 management activity report shall be on a form prescribed by the Commissioner
14 of Forests, Parks and Recreation in consultation with the Commissioner of
15 Taxes and shall be signed by all the owners and shall contain the tax
16 identification numbers of all the owners. All information contained within the
17 management activity report shall be forwarded to the Department of Forests,
18 Parks and Recreation, except for any tax identification number included in the
19 report. If any owner satisfies the Department that he or she was prevented by
20 accident, mistake, or misfortune from filing an initial or revised management
21 plan that is required to be filed on or before October 1, or a management plan

1 update that is required to be filed on or before ~~April~~ January 1 of the year in
2 which the plan expires, or a management activity report that is required to be
3 filed on or before February 1 of the year following the year when the
4 management activity occurred, the owner may submit that management plan or
5 management activity report at a later date; provided, however, no initial or
6 revised management plan shall be received later than December 31, and no
7 management plan update shall be received later than one year after ~~April~~
8 January 1 of the year the plan expires, and no management activity report shall
9 be received later than March 1.

10 * * *

11 Sec. 17. 32 V.S.A. § 3756(c) is amended to read:

12 (c) The Director shall notify the applicant not later than ~~April~~ January 15 of
13 the Director's decision to classify or refusal to classify the applicant's property
14 as eligible for use value appraisal. In the case of a refusal, the Director shall
15 state the reasons therefor in the notification.

16 Sec. 18. 32 V.S.A. § 3758 is amended to read:

17 § 3758. APPEALS

18 (a) Whenever the Director denies in whole or in part any application for
19 classification as agricultural land or managed forestland or farm buildings, or
20 grants a different classification than that applied for, or the Director or
21 assessing officials fix a use value appraisal or determine that previously

1 classified property is no longer eligible or that the property has undergone a
2 change in use, the aggrieved owner may appeal the decision of the Director to
3 the Commissioner within 30 days of the decision, and from there to Superior
4 Court in the county in which the property is located.

5 (b) Any owner who is aggrieved by the determination of the fair market
6 value of classified land for the purpose of computing the land use change tax
7 may appeal in the same manner as an appeal of a grand list valuation.

8 (c) Whenever the Director denies a request for an exemption from the
9 terms of the definition of a “farmer” as provided in subsection 3756(j) of this
10 title, the aggrieved person may appeal the decision of the Director to the
11 Commissioner within 30 days of the decision, and from there to the Superior
12 Court in the county in which the property is located.

13 * * *

14 Sec. 19. 32 V.S.A. § 3802a is amended to read:

15 § 3802a. REQUIREMENT TO PROVIDE INSURANCE INFORMATION

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

1 Sec. 20. 32 V.S.A. § 3850(d) is amended to read:

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

5 Sec. 21. 32 V.S.A. § 4001(a) is amended to read:

6 (a) Annually on ~~April~~ January 1, at the expense of the State, the Director
7 shall furnish to the several ~~town~~ municipal clerks and boards of appraisers for
8 unorganized towns and goes inventory forms sufficient in number to meet the
9 requirements of this chapter. Such forms shall be formulated by the Director
10 and, among other things, shall contain suitable interrogatories requiring each
11 taxpayer to furnish therein a brief statement of all of each taxpayer's taxable
12 property, real and personal, and such other information, including income and
13 expense information with respect to any income-producing properties, as will
14 enable the listers or appraisers to appraise such part thereof as is required by
15 law to be by them appraised, and to make up the abstract of individual lists and
16 grand list in the manner prescribed by law.

17 Sec. 22. 32 V.S.A. § 4041 is amended to read:

18 § 4041. EXAMINATION OF PROPERTY; APPRAISAL

19 On ~~April~~ January 1, the listers and assessors shall proceed to take up such
20 inventories and make such personal examination of the property that they are
21 required to appraise as will enable them to appraise it at its fair market value.

1 When a board of listers is of the opinion that expert advice or assistance is
2 needed in making any appraisal required by law, it may, with approval of
3 ~~selectboard~~ the legislative body of the municipality or by vote of the ~~town~~
4 municipality, employ such assistance.

5 Sec. 23. 32 V.S.A. § 4044 is amended to read:

6 § 4044. APPRAISAL OF PERSONALTY ON ~~APRIL~~ JANUARY 1

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

10 Sec. 24. 32 V.S.A. § 4045 is amended to read:

11 § 4045. APPRAISAL ON OTHER THAN ~~APRIL~~ JANUARY 1

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

18 Sec. 25. 32 V.S.A. § 4052(c) is amended to read:

19 (c) The Director shall establish by rule reasonable qualifications for
20 approval and training requirements, which shall include successful completion
21 of educational and training courses approved by the Director and, in the case of

1 an appraiser hired to do a ~~townwide~~ reappraisal in one or more municipalities,
2 at least one year's experience with an appraiser who has satisfactorily
3 completed ~~townwide~~ similar reappraisals.

4 Sec. 26. 32 V.S.A. § 5401(7) is amended to read:

5 (7) "Homestead":

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

12 * * *

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

18 * * *

19 Sec. 27. 32 V.S.A. § 5404a(a)(6) is amended to read:

20 (6) An exemption of a portion of the value of a qualified rental unit
21 parcel. An owner of a qualified rental unit parcel shall be entitled to an

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

21 Sec. 28. 32 V.S.A. § 5406(b) is amended to read:

1 (b) Not later than ~~April~~ January 1 of each year, the Director shall certify to
2 the Secretary of Education the equalized education property value and
3 coefficient of dispersion for the prior year of every municipality of the State.

4 Sec. 29. 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 (c) In the event that an unsigned but otherwise completed homestead
14 declaration is filed with the declarant's signed State income tax return, the
15 Commissioner may treat such declaration as signed by the declarant.

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

21 * * *

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* * * Effective Dates * * *

Sec. 30. EFFECTIVE DATES

This act shall take effect on January 1, 2030, except Secs. 2 (transition;
annual progress report) and 3 (stakeholder working group) shall take effect on
passage.