

H.454 Side by Side: As Passed by the House vs. Senate Proposal of Amendment

5.27.25

Kirby Keeton; Office of Legislative Counsel

H.454 As Passed by the House	H.454 Senate Proposal of Amendment
Sec. 60. 32 V.S.A. § 4152 is amended to read: [1/1/29] § 4152. CONTENTS	Sec. 60. 32 V.S.A. § 4152 is amended to read: [1/1/29] § 4152. CONTENTS (a) When completed, the grand list of a town shall be in such form as the Director prescribes and shall contain such information as the Director prescribes, including: (1) In alphabetical order, the name of each real property owner and each owner of taxable personal property. (2) The last known mailing address of all such owners. (3) A brief description of each parcel of taxable real estate in the town. “Parcel” <u>As</u> <u>used in this subdivision, “parcel” means a</u> <u>separate and sellable lot or piece of real estate.</u> <u>Parcels may be combined to represent all</u> contiguous land in the same ownership, together with all improvements thereon. Removes reference to tax classifications but keeps change in definition to parcel.

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Sec. 61. 32 V.S.A. § 4152a is added to read:

[1/1/29]

§ 4152a. PROPERTY TAX CLASSIFICATIONS

(a) The grand list of a town shall include one or more tax classifications for each parcel of real estate. A parcel shall be classified using one of the general classes of real estate listed under subsection (b) of this section and based on the considerations set forth in this section and by guidance provided by the Division of Property Valuation and Review. The listers and assessors shall annually update the grand list to include a tax classification not later than June 1 of every year, using information submitted to the Department of Taxes pursuant to this section. The tax classification may be updated after June 1 when a taxpayer files, or corrects an erroneously filed, homestead declaration after June 1.

(b) A parcel shall be assigned one or more of the following general classes:

- (1) Homestead;
- (2) Nonhomestead apartment;
- (3) Nonhomestead nonresidential; and
- (4) Nonhomestead residential.

(c) As used in this section:

(1) "Homestead" means a parcel, or portion of a parcel, declared as a homestead on or before October 15 in accordance with section 5410 of this title for the current year.

(2) "Nonhomestead apartment" means a parcel, or portion of a parcel, with one or more dwelling units, for which a landlord certificate was filed in the previous year pursuant to section 6069 of this title, and the landlord attested that the unit would be leased to a long-term tenant for a minimum of six months in the current year.

(3) "Nonhomestead nonresidential" means a parcel, or portion of a parcel, that does not qualify as "homestead," "nonhomestead apartment," or

Sec. 61. PROPERTY TAX CLASSIFICATIONS STUDY;

IMPLEMENTATION PROPOSAL

On or before December 15, 2025, in consultation with relevant stakeholders, the Commissioner of Taxes shall submit in writing to the House Committee on Ways and Means and the Senate Committee on Finance a report regarding the establishment of a system for property tax classifications that would allow for different tax rates on different classes of property. The report shall include:

(1) one or more ways to define, identify, and classify residential properties based on present-day use;

(2) a proposed method for classifying mixed-use parcels wherein different portions of the same parcel are used for different purposes;

(3) proposed methods for collecting the data necessary to administer the proposed tax classification system, including a description of any new or revised forms;

(4) a proposed method for appeals under the proposed tax classification system; and

(5) proposed methods to ensure taxpayer compliance with the new system, including ways to prevent taxpayers from circumventing the legislative intent to tax properties used primarily as second homes and short-term rentals at a higher rate.

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“nonhomestead residential” under this section.

(4) “Nonhomestead residential” means a parcel, or portion of a parcel, with one or more dwelling units, habitable on a year-round basis, for which a homestead was not declared in accordance with section 5410 of this title for the current year, and a landlord certificate was not filed pursuant to section 6069 of this title in which the landlord attested that the unit would be leased to a long-term tenant for a minimum of six months in the current year.

(d) A parcel with two or more portions qualifying for different tax classifications under this section shall be classified proportionally based on the percentage of floor space used.

(1) In the case of a homestead with 25 percent or less of floor space used for a business purpose, the parcel shall be classified as a homestead pursuant to subdivision 5401(a)(7)(F) of this title.

(2) If a portion of floor space is used for more than one purpose, the use in which the floor space is most often used shall be considered the primary use and the floor space shall be dedicated to that use for purposes of tax classification.

(e) The Commissioner shall amend existing forms, and publish new forms, as needed to gather the necessary attestations and declarations required under this section.

(f) Nothing in this section shall be construed to alter the tax treatment or enrollment eligibility of property as it relates to use value appraisal under chapter 124 of this title.

(g) Persons aggrieved by a decision to classify property for taxation purposes under this section may appeal in the manner provided for property valuation appeals under this title.

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Sec. 61a. PROPERTY TAX CLASSIFICATIONS; TRANSITION; DATA COLLECTION [passage]	<i>No similar provision</i>
Sec. 61b. PROPERTY TAX CLASSIFICATIONS IMPLEMENTATION REPORT [passage]	<i>No similar provision</i>
Sec. 62. 32 V.S.A. chapter 121, subchapter 1A is added to read: [1/1/30] <u>Subchapter 1A. Statewide and Regional Property Assessment</u>	Sec. 62. 32 V.S.A. chapter 121, subchapter 1A is added to read: <u>Subchapter 1A. Statewide and Regional Property Assessment</u>
Sec. 63. TRANSITION; ANNUAL PROGRESS REPORT [passage]	Sec. 63. TRANSITION; ANNUAL PROGRESS REPORT [passage]
Sec. 64. REGIONAL ASSESSMENT DISTRICT STAKEHOLDER WORKING GROUP [passage]	Sec. 64. REGIONAL ASSESSMENT DISTRICT STAKEHOLDER WORKING GROUP [passage] <i>Note – Includes directive for amendments necessary to transition to Jan. 1 GL date.</i>
Sec. 65. 32 V.S.A. § 5405 is amended to read: [1/1/30] § 5405. DETERMINATION OF EQUALIZED EDUCATION PROPERTY TAX GRAND LIST AND COEFFICIENT OF DISPERSION	<i>No similar provision</i>
Sec. 66. 32 V.S.A. § 3481(1)(B) is amended to read: [1/1/30]	<i>No similar provision</i>
Sec. 67. 32 V.S.A. § 3482 is amended to read: [1/1/30] § 3482. PROPERTY LISTED AT ONE PERCENT	<i>No similar provision</i>
Sec. 68. 32 V.S.A. § 3485 is amended to read: [1/1/30] § 3485. RECORDS TO BE KEPT RELATING TO DEEDS AND MORTGAGES	<i>No similar provision</i>
Sec. 69. 32 V.S.A. § 3603(a) is amended to read: [1/1/30]	<i>No similar provision</i>

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Sec. 70. 32 V.S.A. § 3610(b) is amended to read: [1/1/30]	<i>No similar provision</i>
Sec. 71. 32 V.S.A. § 3613 is amended to read: [1/1/30]	<i>No similar provision</i>
Sec. 72. 32 V.S.A. § 3618(c)(2) is amended to read: [1/1/30]	<i>No similar provision</i>
Sec. 73. 32 V.S.A. § 3651 is amended to read: [1/1/30]	<i>No similar provision</i>
Sec. 74. 32 V.S.A. § 3691 is amended to read: [1/1/30]	<i>No similar provision</i>
Sec. 75. 32 V.S.A. § 3692(b) is amended to read: [1/1/30]	<i>No similar provision</i>
Sec. 76. 32 V.S.A. § 3708 is amended to read: [1/1/30] § 3708. PAYMENTS IN LIEU OF TAXES FOR LANDS HELD BY THE AGENCY OF NATURAL RESOURCES	<i>No similar provision</i>
Sec. 77. 32 V.S.A. § 3755 is amended to read: [1/1/30] § 3755. ELIGIBILITY FOR USE VALUE APPRAISALS	<i>No similar provision</i>
Sec. 78. 32 V.S.A. § 3756(c) is amended to read: [1/1/30]	<i>No similar provision</i>
Sec. 79. 32 V.S.A. § 3758 is amended to read: [1/1/30] § 3758. APPEALS	<i>No similar provision</i>
Sec. 80. 32 V.S.A. § 3802a is amended to read: [1/1/30] § 3802a. REQUIREMENT TO PROVIDE INSURANCE INFORMATION	<i>No similar provision</i>

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Sec. 81. 32 V.S.A. § 3850(d) is amended to read: [1/1/30]	<i>No similar provision</i>
Sec. 82. 32 V.S.A. § 4001(a) is amended to read: [1/1/30]	<i>No similar provision</i>
Sec. 83. 32 V.S.A. § 4041 is amended to read: [1/1/30] § 4041. EXAMINATION OF PROPERTY; APPRAISAL	<i>No similar provision</i>
Sec. 84. 32 V.S.A. § 4044 is amended to read: [1/1/30] § 4044. APPRAISAL OF PERSONALTY ON APRIL <u>JANUARY 1</u>	<i>No similar provision</i>
Sec. 85. 32 V.S.A. § 4045 is amended to read: [1/1/30] § 4045. APPRAISAL ON OTHER THAN APRIL <u>JANUARY 1</u>	<i>No similar provision</i>
Sec. 86. 32 V.S.A. § 4052(c) is amended to read: [1/1/30]	<i>No similar provision</i>
Sec. 87. 32 V.S.A. § 5401(7) is amended to read: [1/1/30]	<i>No similar provision</i>
Sec. 88. 32 V.S.A. § 5404a(a)(6) is amended to read: [1/1/30]	<i>No similar provision</i>
Sec. 89. 32 V.S.A. § 5406(b) is amended to read: [1/1/30]	<i>No similar provision</i>
Sec. 90. 32 V.S.A. § 5410 is amended to read: [1/1/30] § 5410. DECLARATION OF HOMESTEAD	<i>No similar provision</i>
Sec. 91. 32 V.S.A. § 6066a(f)(1) is amended to read: [passage]	Sec. 65. 32 V.S.A. § 6066a(f)(1) is amended to read: [passage] No changes

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Sec. 92. 32 V.S.A. § 5252 is amended to read: [passage] § 5252. LEVY AND NOTICE OF SALE; SECURING PROPERTY	Sec. 66. 32 V.S.A. § 5252 is amended to read: [passage] § 5252. LEVY AND NOTICE OF SALE; SECURING PROPERTY No changes
Sec. 93. 32 V.S.A. § 4465 is amended to read: [7/1/25] § 4465. APPOINTMENT OF PROPERTY VALUATION HEARING OFFICER; OATH; PAY	Sec. 67. 32 V.S.A. § 4465 is amended to read: [7/1/25] § 4465. APPOINTMENT OF PROPERTY VALUATION HEARING OFFICER; OATH; PAY No changes
Sec. 94. 32 V.S.A. § 5402(c)(2) is amended to read: [passage]	Sec. 68. 32 V.S.A. § 5402(c)(2) is amended to read: [passage] No changes
<i>No similar provision</i>	Sec. 69. 32 V.S.A. § 5401(13) is amended to read: [passage] (13)(A) “Education property tax spending adjustment” means the greater of one or a fraction in which: (i) the numerator is the district’s per pupil education spending plus excess spending for the school year, and (ii) the denominator is the property dollar equivalent yield for the school year, as defined in subdivision (15) of this section, multiplied by the statewide adjustment. (B) “Education income tax spending adjustment” means the greater of one or a fraction in which the numerator is the district’s per pupil education spending plus excess spending for the school year, and the denominator is the income dollar equivalent yield for the school year, as defined in subdivision (16) of this section.