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H.833

Introduced by Representatives Ram of Burlington, Christie of Hartford,
Clarkson of Woodstock, Deen of Westminster, Emmons of
Springfield, French of Randolph, Hooper of Montpelier,
Kitzmiller of Montpelier, Lenex of Shelburne, Masland of
Thetford, McCormack of Burlington, Moran of Wardsboro,
O’Sullivan of Burlington, Pearson of Burlington, Sharpe of
Bristol, Stevens of Waterbury, Weed of Enosburgh, Wright of
Burlington, and Yantachka of Charlotte

Referred to Committee on

Date:

Subject: Taxation and finance

Statement of purpose of bill as introduced: This bill proposes to amend the
definition of appraisal value for owner-occupied housing that is subject to a
housing subsidy covenant or other legal restriction imposed by a governmental,
quasi-governmental, or public purpose entity.

An act relating to the appraisal value of owner-occupied housing subject to
a housing subsidy covenant or other legal restriction

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

1 Sec. 1. 32 V.S.A. § 3481 is amended to read:

2 § 3481. DEFINITIONS

3 The following definitions shall apply in this Part and chapter 101 of this
4 title, pertaining to the listing of property for taxation:

5 (1)(A) "Appraisal value" shall mean, with respect to property enrolled in
6 a use value appraisal program, the use value appraisal as defined in subdivision
7 3752(12) of this title, multiplied by the common level of appraisal, and with
8 respect to all other property, except for owner-occupied housing identified in
9 subdivision (C) of this section, the estimated fair market value. The estimated
10 fair market value of a property is the price ~~which~~ that the property will bring in
11 the market when offered for sale and purchased by another, taking into
12 consideration all the elements of the availability of the property, its use both
13 potential and prospective, any functional deficiencies, and all other elements
14 such as age and condition which combine to give property a market value.
15 Those elements shall include ~~a consideration of a decrease in value in~~
16 ~~nonrental residential property due to a housing subsidy covenant as defined in~~
17 ~~27 V.S.A. § 610, or~~ the effect of any ~~state~~ State or local law or regulation
18 affecting the use of land, including 10 V.S.A. chapter 151 or any land
19 capability plan established in furtherance or implementation thereof, rules
20 adopted by the State Board of Health and any local or regional zoning
21 ordinances or development plans. In determining estimated fair market value,

1 the sale price of the property in question is one element to consider, but is not
2 solely determinative.

3 * * *

4 (C) For owner-occupied housing that is subject to a housing subsidy
5 covenant or other legal restriction, imposed by a governmental,
6 quasi-governmental, or public purpose entity, that limits the price for which the
7 property may be sold, the housing subsidy covenant or other legal restriction
8 shall be deemed to cause a material decrease in the value of the
9 owner-occupied housing, and the appraisal value means not more than
10 70 percent of what the fair market value of the property would be if it were not
11 subject to the housing subsidy covenant or other legal restriction.

12 (2) "Listed value" shall be an amount equal to 100 percent of the
13 appraisal value. The ratio shall be the same for both real and personal
14 property.

15 Sec. 2. EFFECTIVE DATE

16 This act shall take effect on January 1, 2015 and apply to property
17 appearing on grand lists lodged in 2015 and after.