

1 H.637

2 Introduced by Representatives Johnson of Canaan, Martin of Wolcott and

3 Sharpe of Bristol

4 Referred to Committee on

5 Date:

6 Subject: Conservation and development; Vermont Housing Finance Agency;

7 tax exemption

8 Statement of purpose: This bill proposes to require that proceeds from the sale
9 of a tax-exempt property owned by the Vermont Housing Finance Agency be
10 used to satisfy any tax liability that would have attached to the property but for
11 its tax-exempt status.

12 An act relating to tax-exempt property owned by the Vermont Housing
13 Finance Agency

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

15 Sec. 1. 10 V.S.A. § 641 is amended to read:

16 § 641. TAX EXEMPTION

17 (a) All property of the agency is public property devoted to an essential
18 public and governmental function and purpose and is exempt from all taxes,
19 franchise fees, and special assessments of whatever nature of the state or any
20 subdivision. All bonds or notes issued under this chapter are issued by a body

1 corporate and public of this state and for an essential public and governmental
2 purpose and those bonds and notes, and the interest thereon and the income
3 therefrom, and all activities of the agency and fees, charges, funds, revenues,
4 incomes, and other moneys of the agency whether or not pledged or available
5 to pay or secure the payment of those bonds or notes, or interest thereon, are
6 exempt from all taxation, franchise fees, or special assessments of whatever
7 kind except for transfer, inheritance, and estate taxes.

8 (b) The agency is not required to make or file any reports, statements, or
9 informational returns required of any other bodies corporate except as provided
10 in this chapter.

11 (c) Notwithstanding subsection (a) of this section, a tax lien on real
12 property which has attached pursuant to 32 V.S.A. § 5061 shall not be
13 extinguished as a result of the acquisition by the agency of property subject to
14 such lien. No real property owned by the agency on April 1 of any year shall
15 be assessed for taxes by any municipality and no lien for taxes pursuant to
16 32 V.S.A. § 5061 shall attach to such property whether or not the agency
17 subsequently transfers the property to a taxable person prior to April 1 of the
18 following year.

19 (d) If the agency sells real property that is exempt from taxation under this
20 section, the proceeds of the sale shall be used to satisfy any tax liability that

- 1 would have attached to the property but for its tax-exempt status pursuant to
- 2 this section.