

## Valuation of Tax Exempt Properties: Helping Property Owners and Municipal Assessors Comply with Vermont Law

### Insurance Replacement Costs on the Grand List

Vermont law requires owners of certain tax exempt properties to provide assessing officials with the insurance replacement cost of each exempt property. Assessing officials must include the fair market value of the property on the grand list or, if that is not available, the insurance replacement cost.

### Duty of the Property Owner

Property owners are required to provide assessing officials with an insurance replacement cost before April 1. This is an annual filing requirement for property owners. The requirement is found at 32 V.S.A. § 3802a.

If the property is uninsured, the owner must provide a written explanation of why it is not insured. The requirement applies to most, but not all, exempt properties. The table on the next page indicates the types of property owners to which the reporting requirement applies.

A form that can be used to make the required report is available on the Vermont Department of Taxes website at [www.tax.vermont.gov](http://www.tax.vermont.gov). The Department advises property owners to check with the municipal office to determine whether their municipality has a preferred method for collecting this information.

### Duty of the Assessing Official

A municipality's grand list must include either (1) the fair market value of each exempt property; or (2) the insurable value reported to the assessing official. The Department advises that a municipal assessing official use the current valuation in the grand list instead of the insurable value if there is already a grand list value that he or she believes reflects a reasonable estimated value of the exempt property. In addition, the grand list must include the statutory authority for each exemption, the date the exemption became effective, and, if the exemption expires, the year in which the exemption ends. These requirements are found at 32 V.S.A. § 4152(4), (6).

The list of exempt properties provided by the Department aligns with the data field in the NEMRC module so that municipalities may conveniently record the required information.

For questions or suggestions on how the Department can assist with the reporting process, please contact the Division of Property Valuation and Review at (802) 828-5860.

**Please see the table on the next page showing types of property owners that must report insurance values.**



Disclaimer: This fact sheet is intended to provide an overview only. Vermont tax statutes, regulations, Vermont Department of Taxes rulings, or court decisions supersede information provided in this fact sheet.

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<b>Property Owners Who Must Report Insurance Values</b>	<b>Statutory Citation</b>
Owners of property used for public purposes	32 V.S.A. § 3802(4)
Owners of property used for pious purposes	32 V.S.A. § 3802(4)
Charitable organizations that own property used for charitable purposes	32 V.S.A. § 3802(4)
Churches, church societies, or conferences that own property used for parsonages, if the property is used by the minister in full-time operation of fellowship	32 V.S.A. § 3802(4)
Libraries (public and private circulating libraries, not operated for profit)	32 V.S.A. § 3802(4)
Towns that lease property for educational purposes	32 V.S.A. § 3802(4)
Colleges, academies, and other public schools	32 V.S.A. § 3802(4)
College fraternities and the societies and corporations that own their property	32 V.S.A. § 3802(5)
YMCAs and YWCAs	32 V.S.A. § 3802(6)
Agricultural societies that own property used for annual fairs	32 V.S.A. § 3802(9)
Operators of facilities/property for the abatement of pollution of the waters of the state of Vermont or waters within the purview of the New England Interstate Water Pollution Control Compact	32 V.S.A. § 3802(12)
Charitable/non-profit organizations operating facilities for the humane treatment of animals	32 V.S.A. § 3802(15)
Owners of personal property, machinery, inventory and equipment, ski lifts and snow-making equipment for a ski area	32 V.S.A. § 5401(10)(D)
Municipalities (property of the municipality, located within the municipality and used for the provision of municipal services including utility services)	32 V.S.A. § 5401(10)(F)
Owners of machinery and equipment used for processing whey	32 V.S.A. § 5401(10)(G)
Owners of buildings and fixtures of wind-powered electric generating facilities taxed under section 5402c of title 32	32 V.S.A. § 5401(10)(J)
Owners of solar power renewable energy plants taxed under section 8701 of title 32	32 V.S.A. § 5401(10)(J)