
TAX - VERMONT

Adams v. Town of Sudbury

Supreme Court of Vermont - January 22, 2016 - A.3d - 2016 WL 275303 - 2016 VT 11

Taxpayer, who owned three units in a condominium community located in two towns, sought judicial review of town's property tax assessment of portion of common lands within its boundaries. Following a bench trial, the Superior Court upheld the assessment. Taxpayer appealed.

The Supreme Court of Vermont held that:

- Statute providing how to tax common lands whose condominium units lie entirely in another town was constitutionally valid;
- Appraisal method used by town to value portion of taxpayer's land located within its boundary was accurate; and
- Town's apportionment of property tax burden among condominium unit owners in relation to their percentage interest in condominium community was reasonable.

Statute that expressly created two different property tax classifications, one for common elements of condominium community located entirely in one town and another for common elements located in two towns, created a tax regime that was not only reasonable but also resulted in fair and uniform tax treatment if implemented properly, and did not violate equal protection clause of federal constitution, nor proportional contribution clause of state constitution. Pursuant to the statute, towns were prevented from taxing lands located outside their boundaries, but were free to raise funds in accordance with the amount and value of land located within their boundaries.

Appraisal method used by town to value portion of taxpayer's land located within its boundary conformed to proportional contribution clause's fair market value requirement. Method began with general land schedule provided by state based on actual sales in the town over previous three years, it then made adjustments based on factors including terrain, accessibility, septic systems, and quality of structures, and its assessed values were very comparable to actual sales.

Town's apportionment of property tax burden among condominium unit owners in relation to their percentage interest in condominium community comported with statute prohibiting taxing common areas as a separate parcel only if those common areas lie in the same town as the community's units. None of the condominium community's units were within the town, so town could tax portion of common lands lying within its boundaries.

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