

# **Bond Case Briefs**

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## **TAX - VERMONT**

### **Zlotoff Foundation, Inc. v. Town of South Hero**

**Supreme Court of Vermont - March 20, 2020 - A.3d - 2020 WL 1325417 - 2020 VT 25**

Taxpayer, a nonprofit charitable organization, appealed board of listers' denial of its request for tax exemption for land and property used to store classic automobiles for its museum.

The Board of Civil Authority (BCA) denied the appeal, and taxpayer appealed. The Superior Court entered summary judgment for taxpayer in part, holding that property was exempt from taxation, and entered summary judgment for town in part, holding that taxpayer was not entitled to refund of property taxes already paid or owing. Taxpayer and town both appealed.

The Supreme Court held that:

- Taxpayer's land and garage qualified for public use property tax exemption, and
- Taxpayer was not entitled to refund of property taxes paid or owed before it obtained certificate of authority.

Land and garage owned and used by nonprofit charitable organization for purpose of storing and maintaining collection of classic automobiles displayed at nearby museum qualified for public use property tax exemption, since garage served essential function that was directly connected to the running of the museum and furthered the museum's charitable purposes.

Nonprofit charitable organization, a foreign corporation whose property was determined to be exempt from property taxes under the public use exemption, was not entitled to refund of property taxes paid or owed before it obtained certificate of authority allowing it to transact business in the state; exemption was based on business that organization transacted, and certificate was required for it to conduct that business.