

1 Introduced by Committee on Ways and Means

2 Date:

3 Subject: Taxation; property tax; reappraisals; reports

4 Statement of purpose of bill as introduced: This bill proposes to remove  
5 municipalities from the property reappraisal process and require instead that  
6 the Division of Property Valuation and Review within the Department of  
7 Taxes conduct full and statistical reappraisals for all municipalities in the State.  
8 This bill also proposes to require a written plan and progress report from the  
9 Department of Taxes to the General Assembly on the implementation of the  
10 new statewide system of full and statistical reappraisals. Additionally, this bill  
11 requires the Department of Taxes to report to the General Assembly  
12 recommending new categories of property for the grand list. This bill also  
13 makes miscellaneous changes to lister and assessor education laws.

14 An act relating to property valuation and reappraisals

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

16 \* \* \* Statewide Reappraisals \* \* \*

17 Sec. 1. 32 V.S.A. § 5413 is amended to read:

18 § 5413. STATE APPRAISAL, REAPPRAISAL, AND LITIGATION

19 ASSISTANCE PROGRAM

1           (a)(1) A State appraisal, reappraisal, and litigation assistance program shall  
2 be created within the Division of Property Valuation and Review of the  
3 Department of Taxes to assist municipalities with the following:

4                   (A) ~~valuation~~ appraisal of complex commercial or other unique  
5 properties within a municipality's jurisdiction and ~~to assist~~ assistance with any  
6 appeals arising from those ~~valuations~~ appraisals; and

7                   (B) statistical and full reappraisals of each municipality's grand list  
8 properties for purposes of the municipal and statewide education grand lists as  
9 required under subsection (c) of this section.

10           (2) The Commissioner of Taxes may contract with one or more  
11 ~~commercial~~ appraisers to provide State appraisal, statistical and full  
12 reappraisal, and litigation assistance to municipalities under this section. The  
13 Commissioner may adopt rules to administer ~~the provisions of~~ this section.

14           (b) ~~The~~ For complex commercial or other unique properties, the  
15 Commissioner shall:

16                   (1) determine the conditions for a property to be eligible for State  
17 appraisal and litigation assistance, including the grand list value or category of  
18 the property or other relevant factors as determined by the Commissioner; and

19                   (2) provide a process by which a municipality may apply for appraisal  
20 and litigation assistance under this ~~section~~ subsection for one or more complex  
21 commercial or other unique properties.

1           (c) Beginning July 1, 2025, for purposes of the municipal and statewide  
2 education grand lists:

3           (1) the Commissioner shall determine a reappraisal schedule for each  
4 municipality’s grand list and shall publish the schedule annually;

5           (2) statistical reappraisals for each municipality shall commence not  
6 later than two years after the commencement of the immediately preceding full  
7 reappraisal, provided that a statistical reappraisal shall not be required in the  
8 same year as a full reappraisal in the same municipality; and

9           (3) full reappraisals for each municipality shall commence not later than  
10 six years after the commencement of the most recent full reappraisal.

11           (d) Any municipality assisted that receives State appraisal and litigation  
12 assistance for complex commercial or other unique properties under this  
13 section shall be considered to have followed best practices pursuant to  
14 subdivision 5412(a)(1)(D) of this title.

15           (e) Upon completion of a reappraisal, the property values set pursuant to  
16 this section shall be binding on the municipality and the municipality’s  
17 municipal and statewide education grand lists.

18           Sec. 2. 32 V.S.A. § 4041a is amended to read:

19           § 4041a. REAPPRAISAL

20           (a) ~~A municipality shall be paid \$8.50 per grand list parcel per year from~~  
21 ~~the Education Fund to be used only for reappraisal and costs related to~~

1 ~~reappraisal of its grand list properties and for maintenance of the grand list.~~

2 [Repealed.]

3 (b) If the Director of Property Valuation and Review determines that a  
4 municipality's ~~education~~ grand list is at a common level of appraisal below 85  
5 percent or above 115 percent, or has a coefficient of dispersion greater than 20,  
6 the municipality shall reappraise its ~~education~~ grand list properties. If the  
7 Director orders a reappraisal, the Director shall send the municipality written  
8 notice of the decision. The municipality shall be given 30 days to contest the  
9 finding under procedural rules adopted by the Director, to develop a  
10 compliance plan, or both. If the Director accepts a proposed compliance plan  
11 submitted by the municipality, the Director shall not order commencement of  
12 the reappraisal until the municipality has had one year to carry out that plan.

13 (c) If a municipality fails to submit an acceptable plan or fails to carry out  
14 the plan, pursuant to subsection (b) of this section, the State shall withhold the  
15 education, transportation, and other funds from the municipality until the  
16 Director certifies that the town has carried out that plan.

17 (d) ~~A sum not to exceed \$100,000.00 each year shall be paid from the~~  
18 ~~Education Fund to the Division of Property Valuation and Review for the~~  
19 ~~purpose of providing assessment education for municipal assessing officials.~~  
20 ~~The Director is authorized to establish guidelines and requirements for~~  
21 ~~education programs to be provided using the funds described in this section.~~

1 ~~Education programs provided using funds described in this section shall be~~  
2 ~~provided at no cost or minimal cost to the municipal assessing officials. In~~  
3 ~~addition to providing the annual education programs as described in this~~  
4 ~~section, up to 20 percent of the amount available for education programs may~~  
5 ~~be reserved as a scholarship fund to permit municipal assessing officials to~~  
6 ~~attend national programs providing education opportunities on advanced~~  
7 ~~assessment topics. All applications for scholarships shall be submitted to and~~  
8 ~~approved by the Director. [Repealed.]~~

9 ~~(e) The Director shall adopt rules necessary for administration of this~~  
10 ~~section. [Repealed.]~~

11 Sec. 3. 32 V.S.A. § 4041a is amended to read:

12 § 4041a. REAPPRAISAL

13 (a) ~~[Repealed.]~~

14 ~~(b)~~ If the Director of Property Valuation and Review determines that a  
15 municipality's grand list has a coefficient of dispersion greater than 20, the  
16 Director shall order a state reappraisal of the municipality's ~~shall reappraise its~~  
17 grand list properties pursuant to subsection 5413(e) of this title. If the Director  
18 orders a reappraisal, the Director shall send the municipality written notice of  
19 the decision. The municipality shall be given 30 days to contest the finding  
20 under procedural rules adopted by the Director, to develop a compliance plan,  
21 or both. If the Director accepts a proposed compliance plan submitted by the

1 municipality, the Director shall not ~~order commencement of~~ commence the  
2 reappraisal until the municipality has had one year to carry out that plan.

3 (e) If a municipality fails to submit an acceptable plan or fails to carry out  
4 the plan, pursuant to subsection (b) of this section, the ~~State shall withhold the~~  
5 ~~education, transportation, and other funds from the municipality until the~~  
6 ~~Director certifies that the town has carried out that plan~~ Director shall  
7 commence the reappraisal.

8 Sec. 4. 32 V.S.A. § 5405(f) is amended to read:

9 (f) Within the limits of the resources available for that purpose, the  
10 Commissioner may employ such individuals, whether on a permanent,  
11 temporary, or contractual basis, as shall be necessary, in the judgment of the  
12 Commissioner, to aid in the performance of duties under this section. The  
13 Commissioner shall pay each municipality the sum of ~~\$1.00~~ \$2.00 per grand  
14 list parcel in the municipality for services provided to the Commissioner in  
15 connection with the performance of duties under this section and for costs  
16 related to the maintenance of the grand list. Each municipality shall deposit  
17 payments received under this subsection into a special fund that shall be used  
18 to support the preparation of the education property tax grand list.

19 Sec. 5. MUNICIPAL REAPPRAISAL TRANSITION FUNDING; FISCAL  
20 YEAR 2024 APPROPRIATION

1        In fiscal year 2024, \$X,000,000.00 shall be appropriated from the General  
2        Fund to the Department of Taxes to assist municipalities required to conduct  
3        townwide reappraisals pursuant to 32 V.S.A. § 4041a(b) for grand lists lodged  
4        on and after April 1, 2022, during the transition period after passage of this act  
5        and before State reappraisals commence.

6        Sec. 6. IMPLEMENTATION PLAN AND PROGRESS REPORT;

7                STATEWIDE REAPPRAISALS; PROPERTY GRAND LIST

8                CATEGORIES; DEPARTMENT OF TAXES

9                (a) On or before December 15, 2023, the Department of Taxes shall submit  
10              in writing to the House Committee on Ways and Means and the Senate  
11              Committee on Finance a progress report on the first six months of:

12                      (1) implementation of the office of statewide reappraisals; and

13                      (2) defining new categories of homestead and nonhomestead property  
14              that apply to both municipal and statewide education grand lists and property  
15              taxes, including a preliminary proposal for statutory definitions.

16              (b)(1) On or before December 15, 2024, the Department of Taxes shall  
17              submit in writing to the House Committee on Ways and Means and the Senate  
18              Committee on Finance:

19                      (A) a detailed implementation plan and progress report on the first 18  
20              months of implementation of the statewide system to conduct reappraisals of  
21              both municipal and statewide education grand lists administered by the State

1 appraisal, reappraisal, and litigation assistance program within the Division of  
2 Property Valuation and Review of the Department of Taxes pursuant to 32  
3 V.S.A. § 5413; and

4 (B) recommended legislative language to define new categories of  
5 homestead and nonhomestead property that apply to both municipal and  
6 statewide education grand lists and property taxes and a detailed plan for  
7 certifying or designating new property categories and integrating them into  
8 both municipal and statewide education grand lists in 2025.

9 (2) The written submission required under this subsection shall identify  
10 and recommend the means to achieve consistency in property valuation and  
11 taxation across the State in order to prioritize the elimination of racial and  
12 other implicit bias.

13 (3) The report required under subdivision (1)(A) of this subsection  
14 regarding the implementation of the statewide office of reappraisals shall make  
15 recommendations and propose legislative language regarding the following:

16 (A) Adequate funding, including cost saving measures and  
17 reallocating the revenues from the per parcel fee under 32 V.S.A. § 4041a(a),  
18 repealed pursuant to this act, to operate the office of statewide reappraisals.

19 The report shall address staffing costs for hiring trained assessors to carry out  
20 reappraisals and hearing officers to hold appeals at locations across the State.



1           (B) Administration of full and statistical reappraisals of each  
2           municipality’s municipal and statewide education grand list, including  
3           selection and prioritization criteria, and any other recommendations for  
4           establishing a reappraisal schedule. The report shall list the municipalities that,  
5           at the time of passage of this act, have been ordered to reappraise pursuant to  
6           32 V.S.A. § 4041a for the longest duration of time and propose the means to  
7           prioritize a first State-level reappraisal for those municipalities’ grand lists,  
8           provided no municipality shall be required to reappraise in fewer than five  
9           years after completion of the most recent full reappraisal. The report shall  
10           further list the municipalities that have recently undergone or are currently  
11           undergoing a reappraisal and propose the means to ensure that those  
12           municipalities’ grand lists are not scheduled for a first State-level reappraisal in  
13           fewer than five years after completion of the most recent full reappraisal.

14           (C) Creation of a reappraisal appeal structure that:

15           (i) ensures impartiality and installs procedural safeguards against  
16           conflicts of interest;

17           (ii) ensures all communities have convenient and reasonable  
18           access to State appeal hearings, regardless of geographical location of the  
19           appellant; and

20           (iii) takes into consideration any other matters identified by the  
21           Department relating to appeals, including a recommendation on potentially

1 narrowing or eliminating the role of Boards of Civil Authority within the  
2 appraisal appeal process.

3 (D) Streamlining, integrating, and updating State and municipal  
4 software vendor agreements relating to reappraisals and maintaining both  
5 municipal and statewide education grand lists, including the integration of new  
6 property categories as required in subdivision (1)(B) of this subsection (b)  
7 beginning in 2025. The report shall further estimate costs and analyze any  
8 other considerations regarding software vendor agreements.

9 (E) Distinguishing between contiguous parcels for purposes of  
10 property valuation and the payment of the per parcel fee under 32 V.S.A.  
11 § 5405(f).

12 (F) Incorporating the principles of a high-quality tax system into the  
13 statewide reappraisal system as enumerated by the National Conference of  
14 State Legislatures, “Tax Policy Handbook for State Legislators” (February  
15 2010), 3rd ed., including sustainability, reliability, fairness, simplicity,  
16 economic competitiveness, tax neutrality, and accountability.

17 (4) The recommendations and detailed plan required under subdivision  
18 (1)(B) of this subsection regarding new property categories that apply to both  
19 municipal and statewide education grand lists and property taxes and the State  
20 homestead and nonhomestead property classifications shall include the  
21 following:

1           (A) Legislative language that distinguishes between different  
2           property types and uses in a way that reconfigures and consolidates existing  
3           municipal and statewide education grand list property categories in order to  
4           obtain detailed, accurate, and consistent data on all properties throughout the  
5           State. The plan shall include discrete categories for different types of rental  
6           housing properties, including affordable housing.

7           (B) Creation of a certification or other designation process for  
8           categorizing property in a detailed, accurate, and consistent way that takes into  
9           consideration the compliance and administrative burdens placed on both  
10           property owners and municipal and State administrators. The plan shall  
11           provide clear and actionable guidance on the new property categories and the  
12           certification or other designation process for both property owners and  
13           municipal listers and assessors.

14           (C) Assistance during the transition period for municipal listers and  
15           assessors with conducting the initial categorization of properties under any  
16           new statutory definitions.

17           (D) Integration of new categories into the statewide reappraisal  
18           system.

19       Sec. 7. 2022 Acts and Resolves No. 163, Sec. 8(2) is amended to read:

20           (2) Sec. 3 (State appraisal and litigation assistance program) shall take  
21       effect on July 1, 2023, ~~provided the General Assembly has, on or before July 1,~~

1 ~~2023, appropriated funding to cover the Department of Taxes' operating costs~~  
2 ~~required to create, implement, and maintain a new State appraisal and litigation~~  
3 ~~assistance program.~~

4 \* \* \* Lister and Appraiser Education \* \* \*

5 Sec. 8. 32 V.S.A. § 3436 is amended to read:

6 § 3436. ASSESSMENT EDUCATION

7 (a) The Director shall certify assessment education programs for municipal  
8 listers and assessors at convenient times and places during the year and is  
9 authorized to contract with one or more persons to provide part or all of the  
10 assessment instruction. Certified programs may include instruction in lister  
11 duties, property inspection, data collection, valuation methods, ~~mass appraisal~~  
12 ~~techniques~~, property tax administration, or such other subjects as the Director  
13 deems beneficial to listers and may be presented by Property Valuation and  
14 Review or a person pursuant to a contract with Property Valuation and Review,  
15 the International Association of Assessing Officials, the Vermont Assessors  
16 and Listers Association, or the Vermont League of Cities and Towns.

17 (b) The Director shall establish designations recognizing levels of  
18 achievement and the necessary course work or evaluation of equivalent  
19 experience required to attain each designation. Designation for any one level  
20 shall be for a period of three years.

1 (c) Designation obtained under subsection (b) of this section may be  
2 renewed for three-year periods upon completion of requirements as determined  
3 by the ~~director~~ Director.

4 (d) The Director shall also notify all towns annually of any new approaches  
5 that the Division of Property Valuation and Review is aware of for ~~obtaining or~~  
6 ~~performing mass reappraisals and for~~ grand list maintenance.

7 (e) A sum not to exceed \$100,000.00 each year shall be paid from the  
8 Education Fund to the Division of Property Valuation and Review for the  
9 purpose of providing assessment education for municipal listers and assessors.  
10 The Director is authorized to establish guidelines and requirements for  
11 education programs to be provided using the funds described in this section.  
12 Education programs provided using funds described in this section shall be  
13 provided at no cost or minimal cost to the municipal listers and assessors. In  
14 addition to providing the annual education programs described in this section,  
15 up to 20 percent of the amount available for education programs may be  
16 reserved as a scholarship fund to permit municipal listers and assessors to  
17 attend national programs providing education opportunities on advanced  
18 assessment topics. All applications for scholarships shall be submitted to and  
19 approved by the Director.

20 Sec. 9. 32 V.S.A. § 4052 is amended to read:

21 § 4052. CONTRACT APPRAISALS; ~~CERTIFICATION~~ ASSESSOR

1                    AND LISTER QUALIFICATIONS

2                    (a) No municipality shall employ or contract a person, firm, or corporation  
3 shall be employed by a municipality to perform and no elected lister or board  
4 of listers shall perform appraisals of real property for the purpose of property  
5 taxation unless approved by the Director of Property Valuation and Review as  
6 qualified under this section.

7                    (b) No person shall conduct the work of an elected lister, board of listers, or  
8 assessor employed or contracted by a municipality pursuant to 17 V.S.A. §  
9 2651c(b) unless the person meets the training requirements established by the  
10 Director of Property Valuation and Review under this section.

11                    (c) The Director shall establish by rule reasonable qualifications for  
12 approval and training requirements, which shall include successful completion  
13 of educational and training courses approved by the Director and, in the case of  
14 an appraiser hired to do ~~a townwide reappraisal~~ reappraisals, at least one year's  
15 experience with an appraiser who has satisfactorily completed ~~townwide~~  
16 reappraisals.

17                    ~~(e)~~(d) This section shall not apply to elected or appointed officials of any  
18 town except elected listers or boards of listers.

19                    Sec. 10. 17 V.S.A. § 2651c is amended to read:

20                    § 2651c. LACK OF ELECTED LISTER; APPOINTMENT OF LISTER;

21                    ELIMINATION OF OFFICE; HIRING ASSESSORS

1 (a)(1) Notwithstanding any other provisions of law to the contrary and  
2 except as provided in subsection (b) of this section, in the event the board of  
3 listers of a town falls below a majority and the selectboard is unable to find a  
4 person or persons to appoint as a lister or listers under the provisions of 24  
5 V.S.A. § 963, the selectboard may appoint an assessor to perform the duties of  
6 a lister as set forth in Title 32 until the next annual meeting.

7 (2) The appointed person need not be a resident of the town and shall  
8 have the same powers and be subject to the same duties and penalties as a duly  
9 elected lister for the town.

10 (b)(1) A town may vote by ballot at an annual meeting to eliminate the  
11 office of lister.

12 (2)(A) If a town votes to eliminate the office of lister, the selectboard  
13 shall ~~contract with or employ~~ notify the Director of Property Valuation and  
14 Review within 14 days and employ or contract a professionally qualified  
15 assessor, who, prior to conducting any work, shall meet the training  
16 requirements established by the Director under 32 V.S.A. § 4052 and need not  
17 be a resident of the town.

18 (B) The assessor shall have the same powers, discharge the same  
19 duties, proceed in the discharge thereof in the same manner, and be subject to  
20 the same liabilities as are prescribed for listers or the board of listers under the  
21 provisions of Title 32.

1           (3) A vote to eliminate the office of lister shall remain in effect until  
2 rescinded by majority vote of the registered voters present and voting at an  
3 annual or special meeting warned for that purpose.

4           (c) The term of office of any lister in office on the date a town votes to  
5 eliminate that office shall expire on the 45th day after the vote or on the date  
6 upon which the selectboard ~~appoints~~ employs or contracts an assessor under  
7 this subsection, whichever occurs first.

8           (d) The authority to vote to eliminate the office of lister as provided in this  
9 section shall extend to all towns except those towns that have a charter that  
10 specifically provides for the election or appointment of the office of lister.

11           (e) If an assessor is employed or contracted to assist an elected board of  
12 listers, the board of listers shall retain the same powers and duties, discharge  
13 those powers and duties in the same manner, and be subject to the same  
14 liabilities as those imposed on listers or the board of listers under the  
15 provisions of Title 32.

16           \* \* \* Conforming Revisions; Repeal of Town Reappraisals \* \* \*

17           Sec. 11. CONFORMING REVISIONS; TOWN REAPPRAISALS

18           When preparing the Vermont Statutes Annotated for publication, the Office  
19 of Legislative Counsel shall make the following revisions throughout Title 32  
20 as needed for consistency with this act relating to repealing the municipal



1 requirement to conduct townwide reappraisals, as long as the revisions have no  
2 other effect on the meaning of the affected statutes:

3 (1) replace “reappraisal” with “appraisal” or strike “reappraisal” or  
4 “townwide” preceding “reappraisal” in 32 V.S.A. chapters 129, 131, and 135;  
5 and

6 (2) revisions that are substantially similar to those described in  
7 subdivision (1) of this section.

8 \* \* \* Effective Dates \* \* \*

9 Sec. 12. EFFECTIVE DATES

10 This act shall take effect on July 1, 2023, except:

11 (1) Sec. 2, 32 V.S.A. § 4041a, (reappraisal) shall apply to grand lists  
12 lodged on and after April 1, 2023; and

13 (2) Sec. 3, 32 V.S.A. § 4041a, (reappraisal) shall take effect on July 1,  
14 2025.