



VERMONT LEGISLATIVE
Joint Fiscal Office

1 Baldwin Street • Montpelier, VT 05633-5701 • (802) 828-2295 • <https://jfo.vermont.gov>

Fiscal Note

Date: March 23, 2023

Author: Julia Richter, Fiscal Analyst

H.480 – An act relating to property valuation and reappraisals

As introduced by the House Committee on Ways and Means¹

Bill Summary

This bill would remove municipalities from the property reappraisal process for the purposes of property taxation and would require that the Division of Property Value and Review (PVR) conduct reappraisals for all municipalities in the State. The bill repeals the \$8.50 State per parcel fee paid by the State to municipalities for reappraisals, and doubles the State per parcel fee paid to municipalities for assistance with the State equalization study from \$1 to \$2. The bill also would require that the Department of Taxes prepare a written plan and progress report on the implementation of a new statewide system of reappraisals, and recommend new categories of property for the grand list.

Fiscal Impact

In fiscal year 2024, this bill appropriates \$50,000 from the General Fund to the Department of Taxes to contract with one or more consultant to assist in preparing the implementation plan for a statewide reappraisal system.

The bill also has the following fiscal impacts for future years:

- The bill states that it is the intent of the General Assembly to appropriate a sufficient sum in fiscal year 2025 from the General Fund to the Department of Taxes to fund the implementation costs of an Office of Statewide Reappraisal.
- The bill creates an annual appropriation on January 1 of \$2.54 million from the General Fund to PVR effective July 1, 2025.
- The bill increases the State per parcel fee paid to municipalities, which JFO estimates will result in an annual cost of approximately \$340,000, effective July 1, 2025.

The bill repeals the \$8.50 State per parcel fee paid to towns for reappraisals effective January 1, 2025. JFO estimates this would result in approximately \$2.9 million in annual savings to the General Fund.

Except for the one-time appropriation in fiscal year 2024, and intended one-time appropriation in fiscal year 2026, JFO estimates that the net fiscal impact of the other parts of this bill on the General Fund will be de Minimis as the savings are estimated to offset the costs.

¹ <https://legislature.vermont.gov/Documents/2024/Docs/BILLS/H-0480/H-0480%20As%20Introduced.pdf>

The following tables outline the anticipated savings and costs of the bill.

Estimated Savings

Section of bill	Estimated annual savings	Impacted Fund	Effective date
3	\$2.9 million	General Fund	January 1, 2025

Estimated Costs

Section of bill	Type of cost	Amount	Impacted Fund	Effective date
4	One-time appropriation for study	\$50,000	General Fund	Fiscal year 2024
4	Intended one-time appropriation for implementation costs of creating and operating an office of statewide reappraisals	“Sufficient sum”	General Fund	Fiscal year 2025
6	Annual cost of statewide reappraisals	\$2.54 million	General Fund	Fiscal year 2026
7	Estimated annual cost of increased per parcel fee to towns for grand list maintenance	\$340,000	General Fund	Fiscal year 2026

Background and Details

The following sections have a fiscal impact.

Section 3

Section 3 repeals the \$8.50 State per parcel fee paid to towns for reappraisals as of January 1, 2025. JFO estimates this would result in approximately \$2.9 million in annual savings to the General Fund.

Section 4

Section 4 appropriates \$50,000 from the General Fund to the Department of Taxes in fiscal year 2024 to contract with one or more consultants to assist the Department of Taxes in preparing the implementation plan of the statewide reappraisal program.

Section 4 also states that it is the intent of the General Assembly to appropriate a sufficient sum in fiscal year 2025 from the General Fund to the Department of Taxes to fund the implementation costs of an Office of Statewide Reappraisal. The bill specifies that the intended amount of the appropriation would be based on the recommendation from the Department of Taxes.

Section 6

Section 6 expands the Department of Taxes’ state appraisal and litigation assistance program to include statewide reappraisals. The section also requires that the Commissioner of Taxes determine a reappraisal schedule for each municipality’s grand list, and conduct or contract to conduct statistical and full reappraisals.

Effective July 1, 2025, Section 6 creates an annual appropriation of \$2.54 million from the General Fund to PVR to fund the statewide reappraisal program.

Section 7

Effective July 1, 2025, Section 7 increases the State per parcel fee paid to municipalities for assistance with the equalization study from \$1 to \$2 per grand list parcel. JFO estimates this will result in an increased annual cost of approximately \$340,000 to the General Fund.