

Jake Feldman  
Vermont Department of Taxes  
April 10<sup>th</sup>, 2024

Some steps the department is taking right now to address CLA transparency and volatility:

- Publishing preliminary CLAs along with the Commissioner's Dec. 1<sup>st</sup> letter for school boards to use
- Showing pre-CLA property tax rates and CLAs on the fronts of tax bills starting in FY25
- Moving to a six year reappraisal cycle (H.480)
- Looking at the International Association of Assessing Officers' (IAAO) updated standards for opportunities to improve equalization study methodology

"Yield Bill" DR 24-0692 Sec 10. EDUCATION PROPERTY TAX LIABILITY

**Pros:**

- In a rapidly appreciating statewide real estate market (such as VT experienced the past few years) this would prevent the yield from rising because of grand list appreciation and keep town CLAs relatively steady year over year
- In a rapidly depreciating statewide real estate market this would prevent the yield from going down because of grand list depreciation and keep town CLAs relatively steady year over year

*In a normal real estate market this change would have no noticeable effect on the yield or town CLAs*

**Cons:**

- This would be harder to explain than the current CLA where it's understood that all towns are paying on their fair market value. This would be more like towns are paying on how their level of appraisal compares to the average statewide level of appraisal
- Towns would be getting two numbers and might have a hard time making sense of them. The new CLA that is applied to property tax rates might need its own name such as "differential CLA"

*Places in Title 32 that mention "equalized value" would need to be studied for potential complications and/or clarified that what is meant is equalized with the normal CLA not the differential CLA*