

# 2023 Reappraisals Demand in Vermont

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## Who pays for reappraisals in Vermont and why?

- › Vermont's statewide Education Fund and Municipalities both benefit from fair and equitable property valuation.
- › The Legislature annually appropriates \$3 million on a per-parcel basis to municipalities from the General Fund for Reappraisal purposes.
- › The goal is to have each municipality split the cost of a reappraisal with the State (General Fund).
- › Generally, a reappraisal costs a town \$100-115 per parcel in Vermont.

## Why is this important?

- › The Statewide Grand List increased in 2022 by 12%, to over **\$107 Billion** in Value.
- › Statewide, homestead and nonhomestead property tax revenue is forecasted to raise **\$1.4 Billion** for the Education Fund in FY24 per the JFO Ed Fund Outlook.
- › Statewide municipal revenue from property taxes was **\$592 million** in 2022.

## What is our current challenge?

- › The preliminary results of the 2022 Equalization Study indicate that 165 of the 254 municipalities will be subject to a reappraisal order.
- › 36 of these 165 municipalities were previously under reappraisal order; 42 have reappraisals planned for 2023 - 2027.
- › This leaves 123 towns in need of a reappraisal.
- › Over the past 10 years, reappraisal contractors in Vermont have averaged 16 municipal reappraisals per year (approximately 6% of towns per year).
- › At this rate it will take 16 years to get the entire State reappraised.

## Why are we concerned?

- › Of the 165 towns eligible to receive a reappraisal order, 102 municipalities have not reappraised since 2015 or earlier.
- › The International Association of Assessing Officers (IAAO) recommends that municipalities reassess property values every *4-6 years*.

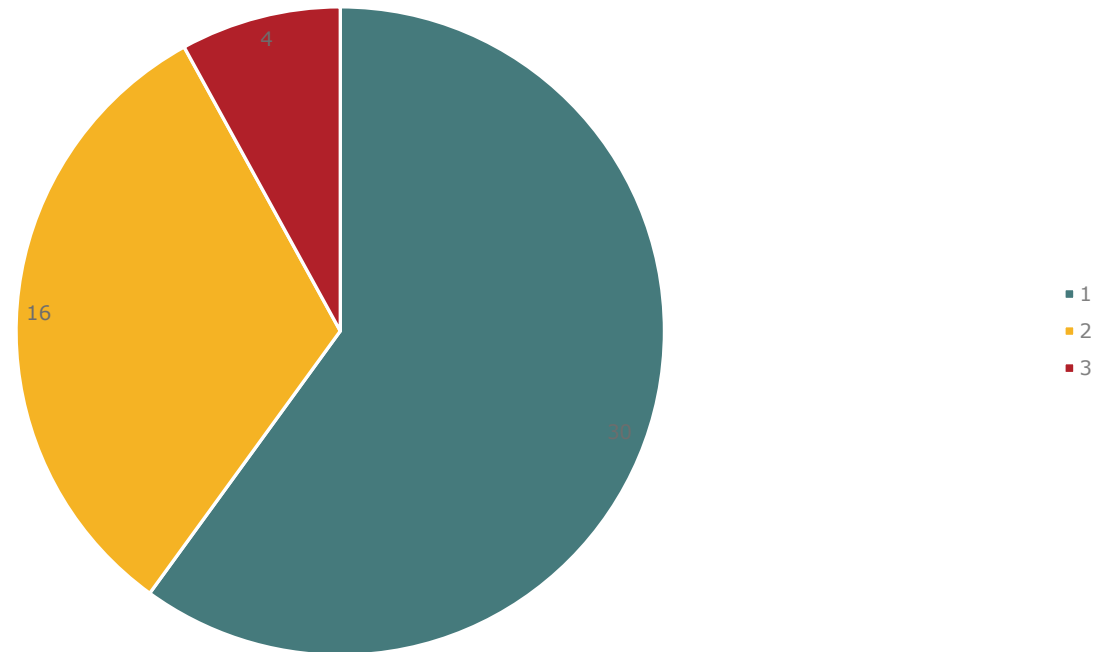
Last Year of Reappraisal	# of Towns
2005	3
2006	15
2007	13
2008	15
2009	15
2010	17
2011	14
2012	15
2013	10
2014	11
2015	11
2016	17
2017	16
2018	13
2019	22
2020	16
2021	15
2022	16
<b>Total</b>	<b>254</b>

# How is appraisal done in other states?

Required Reappraisal Cycle

According to the International Association of Assessing Officials (IAAO) most recent survey, **60% of states require a reappraisal at least every 5 years, and over half of those require it every year.**

Thirty-two percent require a fixed schedule longer than 5 years, and only eight percent (4 states) have no timeline like Vermont.



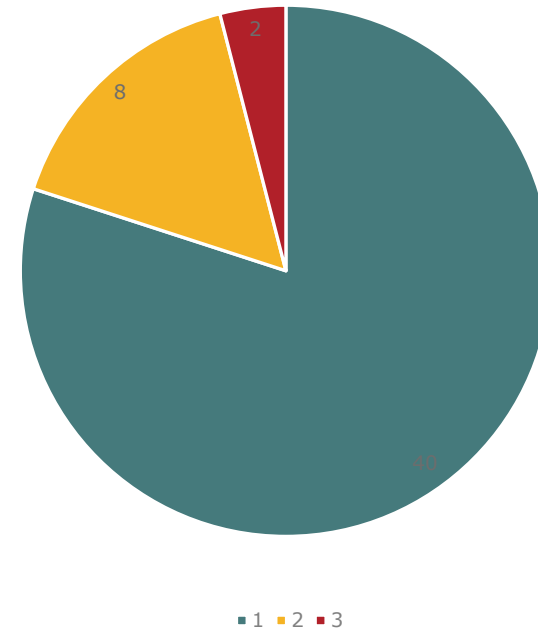
# How is appraisal done in other states?

The vast majority (40 of the 50, or 80%) of states carry out appraisal work at the **county** level.

Eight or 16% do it at the city or town level, and two (Maryland and Montana) operate at the state level.

**No state has the number of assessment districts that Vermont has.**

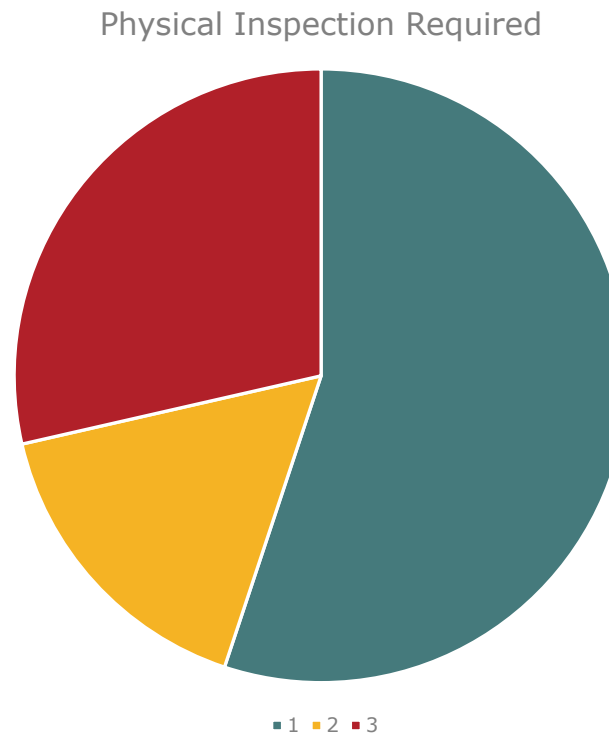
Appraisals Done at County Level



# Do other states require physical inspection?

Most states do not require a physical inspection of the property (27/49 surveyed or 55%).

Of those that do require physical inspection, 14 require it on a routine schedule and 8 do not.





# IAAO Principles of Fair and Equitable Assessments

- › Appraising properties on a regular basis to determine Fair Market Value
- › Following IAAO technical standards on assessment and office operations
- › Allocating adequate resources to jurisdictions to carry out the assessing function in accordance with best practices
- › Providing assessors and assessing staff with training and ongoing professional development

## Contact Us



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Thank you!



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