

Reaction to House Ways and Means Committee Meeting on 02/01/2023

<https://www.youtube.com/watch?v=weMBwamJj5k>

Submitted 02/07/2023 by:

Lisa Wright

VT Certified Residential Appraiser, SRA

VT Master Property Assessor, Level IV

VT PVR Certified Project Supervisor For Municipal Assessment

Wright Appraisal Company

4277 Whipple Hollow Rd

Florence, VT 05744

(802) 438-0063 landline or (802) 558-2770 cell

Please note that the following is the opinion of Lisa Wright alone. I am the president of the Vermont Association of Listers and Assessors; however, in this case I am not speaking for them. We will be discussing this issue at our meeting tomorrow 2/8/2023 and I will be happy to provide an updated commentary based on the opinions and ideas discussed by our members at that meeting. I will also encourage our members to provide individual commentary as they see fit as well.

What follows is my attempt to synopsise my 20 pages of comments after watching this committee meeting.

1 – First my concern is the reactionary behavior and belief that we have a “reappraisal crisis”. I don’t believe we have a reappraisal crisis, nor do we have a “CLA crisis”. What we have is a real estate market of historically low inventory and historically high demand and that has created a market of price increases. As we are taught early in the assessment profession (and perhaps in life), the only constant is change. This is just another change in the market. By reacting too abruptly to this normal ebb and flow in the marketplace, the legislature may well create a crisis of its’ own making.

While I agree that it is problematic that there are many towns that haven’t reappraised in 10 years or longer, the high number under order this year is not only a result of this issue. There are many towns that are under order to reappraise or very close to that 85% CLA that have completed a town wide reappraisal in the past 5 years. Also, other states are scrambling to get reappraisals done that are in fact on a regular schedule, and have been so for many years. While I am inclined to agree that completing town wide reappraisals on no less than a 10 year cycle is certainly good practice, it would not have avoided the changes in CLA we have seen in the past 2-3 years.

2 – To assume that the state can hire and recruit reappraisal firms that the towns cannot is also based on faulty data. I would think everyone is aware of the “silver tsunami” or “graying” of all municipal professional sectors. There simply aren’t enough new people coming into the profession to replace the ones that are retiring. Rushing to fill positions by the state, or by towns in securing the first firm available to complete a reappraisal, will likely result in unqualified or under-qualified staff doing this work.

3 – Technological innovations and economies of scale to be realized in towns working on combined bids, etc. are also good practice; however, they do come with limitations. For just one example, aerial imaging and pictometry is a very useful technology; however, it is much more practical and cost-effective in more densely populated urban and suburban areas than it is in remote and often heavily wooded rural areas.

Economies of scale could certainly be realized if towns worked together on combined bid for reappraisal contracts, and I am actually working on just this strategy for my towns in Rutland County. The idea expressed by one legislator that we could have a statewide land schedule is rather alarming and reflects a lack of knowledge of appraisal concepts. One land schedule doesn’t even work for many small towns, for example consider a rural town with lakefront lots as well as rural large acreage properties. The phrase “location, location, location” comes to mind as well as there are many variances throughout the state in locational appeal as well as other aspects of land values. A thorough understanding of highest and best use needs to be applied in any model for a land schedule, not just a basic statistical model.

4 – Please consult with appraisal and assessment professionals (yes including “Listers”) before making these decisions. When Montpelier acts in a vacuum without consulting professionals who have “boots on the ground” we see a failure to anticipate the fallout from making legislative changes. I caution against making the assumption that a hired assessor is automatically more qualified than an elected Lister. Individuals should be evaluated on their capabilities based on experience and education, not on title alone.

I am open to further discussion, and would be happy to speak with this committee, as this is a very important topic. Please take this in the spirit in which it was written and that is my initial reaction advising caution in proceeding with such a significant change in how reappraisal is judged and conducted in Vermont.