

1 TO THE HONORABLE SENATE:

2 The Committee on Government Operations to which was referred House
3 Bill No. 480 entitled “An act relating to property valuation and reappraisals”
4 respectfully reports that it has considered the same and recommends that the
5 Senate propose to the House that the bill be amended by striking out all after
6 the enacting clause and inserting in lieu thereof the following:

7 * * * Reappraisals * * *

8 Sec. 1. 32 V.S.A. § 4041a is amended to read:

9 § 4041a. REAPPRAISAL

10 * * *

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

21 * * *

1 properties. If the Director orders a reappraisal, the Director shall send the
2 municipality written notice of the decision. The municipality shall be given 30
3 days to contest the finding under procedural rules adopted by the Director or to
4 develop a compliance plan, or both. If the Director accepts a proposed
5 compliance plan submitted by the municipality, the Director shall not order
6 commencement of the reappraisal until the municipality has had one year to
7 carry out that plan.

8 * * *

9 (d) Each municipality shall commence a reappraisal not later than six years
10 after the commencement of the municipality's most recent reappraisal unless a
11 longer period of time is approved by the Director.

12 * * *

13 **Sec. 3. ONE-TIME APPROPRIATION; DEPARTMENT OF TAXES**

14 In fiscal year 2024, \$50,000.00 shall be appropriated from the General Fund
15 to the Department of Taxes to contract with one or more consultants with
16 expertise in statewide reappraisal systems to assist the Department in preparing
17 the implementation **proposal** required under this act.

18 **Sec. 4. IMPLEMENTATION **PROPOSAL** AND PROGRESS REPORT;**
19 **STATEWIDE REAPPRAISALS; GRAND LIST **PROPERTIES**;**
20 **DEPARTMENT OF TAXES**

1 (a) On or before December 15, 2023, the Department of Taxes shall submit
2 in writing to the House Committees on Government Operations and Military
3 Affairs and on Ways and Means and the Senate Committees on Finance and on
4 Government Operations a progress report on the first six months of work on
5 the implementation plan and recommendations required under subsection (b)
6 of this section. The progress report shall include the following:

7 (1) With regard to the proposal to implement a statewide reappraisal
8 system, a preliminary schedule to phase in full reappraisals for each
9 municipality every six years with the first municipalities scheduled to
10 reappraise beginning on July 1, 2025. In setting the proposed six-year
11 reappraisal schedule, the Department shall prioritize the following factors:

12 (A) municipalities for which the last year of reappraisal is the oldest;

13 (B) the geographic proximity of municipalities; and

14 (C) any other relevant municipal data metrics.

15 (2) With regard to the recommendations on property data, a study of
16 existing municipal data metrics to differentiate and identify properties on both
17 the municipal and statewide education grand lists based on property types and
18 characteristics, including, use, occupancy or vacancy, square footage, and any
19 other relevant factors.

20 (3) Options for and any implementation of implicit bias reduction
21 training for listers and assessors.

1 (b)(1) On or before December 15, 2024, the Department of Taxes shall
2 submit in writing to the House Committees on Government Operations and
3 Military Affairs and on Ways and Means and the Senate Committees on
4 Finance and on Government Operations:

5 (A) a detailed implementation proposal for creating a statewide
6 system to conduct reappraisals of both municipal and statewide education
7 grand lists administered by the State within the Division of Property Valuation
8 and Review of the Department of Taxes; and

9 (B) recommendations to distinguish between different types and uses
10 of property on both the municipal and statewide education grand lists and a
11 detailed proposal for designating new or updated property types and
12 integrating them into both the municipal and statewide education grand lists
13 and the overall property taxation system in 2026.

14 (2) The written submission required under this subsection shall identify
15 and recommend the means to achieve consistency in property valuation and
16 taxation across the State in order to prioritize the elimination of racial,
17 economic, and other implicit biases. Pursuant to this subdivision, the
18 Department shall review State training programs and guidance provided to
19 listers and assessors, including the Vermont Department of Taxes, Division of
20 Property Valuation and Review publication titled “Lister and Assessor
21 Handbook A Guide for Vermont Listers and Assessors,” for instances of racial,

1 economic, and other implicit biases and report on any revisions made or
2 planned to be made to those training programs and guidance.

3 (3) The implementation proposal required under subdivision (1)(A) of
4 this subsection regarding the creation of a statewide reappraisal system shall
5 make recommendations and propose legislative language, as applicable or
6 needed to achieve the Department’s recommendations, regarding the
7 following:

8 (A) Adequate funding, including cost saving measures and
9 potentially reallocating the revenues from the per parcel fee under 32 V.S.A. §
10 4041a(a) to operate a statewide reappraisal system. The implementation
11 proposal shall address staffing costs for hiring or contracting with trained
12 assessors, or both, to carry out reappraisals and hearing officers to hold appeals
13 at locations across the State.

14 (B)(i) Administration of full and statistical reappraisals of each
15 municipality’s municipal and statewide education grand list, including:

- 16 (I) selection and prioritization criteria;
17 (II) any proposed adjustments to the coefficient of dispersion
18 threshold that causes a reappraisal order pursuant to 32 V.S.A. § 4041a;
19 (III) the frequency and efficacy of conducting full and
20 statistical reappraisals on a set schedule; and

1 (IV) any other recommendations for establishing a reappraisal
2 schedule.

3 (ii) The **implementation proposal** shall list the municipalities that,
4 at the time of passage of this act, have been ordered to reappraise pursuant to
5 32 V.S.A. § 4041a for the longest duration of time and propose the means to
6 prioritize a first State-level reappraisal for those municipalities' grand lists,
7 provided no municipality shall be required to reappraise in fewer than **six** years
8 after completion of the most recent full reappraisal. The **implementation**
9 **proposal** shall further list the municipalities that have recently undergone or are
10 currently undergoing a reappraisal and propose the means to ensure that those
11 municipalities' grand lists are not scheduled for a first State-level reappraisal in
12 fewer than **six** years after completion of the most recent full reappraisal.

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

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

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

19 (iii) based on a study of other State administrative appeal
20 structures, incorporates the strengths and advantages of those appeal structures;
21 and

1 (iv) takes into consideration any other matters identified by the
2 Department relating to appeals, including a recommendation on potentially
3 narrowing or eliminating the role of Boards of Civil Authority within the
4 appraisal appeal process.

5 (D) Streamlining, integrating, and updating State and municipal
6 software vendor agreements relating to reappraisals and maintaining both
7 municipal and statewide education grand lists, including the integration of any
8 new or updated property types into both municipal and statewide education
9 grand lists beginning in 2026. The implementation proposal shall further
10 estimate costs and analyze any other considerations regarding software vendor
11 agreements.

12 (E) Existing definitions and data metrics currently gathered by
13 municipal Computer Assisted Mass Appraisal (CAMA) systems and the
14 potential for using those definitions and data to collect information on the
15 number of residential units, land value distinct from the value of buildings or
16 other improvements on the land, the year of construction for buildings or other
17 improvements, and any other pertinent data relating to properties in this State.

18 (F) Distinguishing between contiguous parcels for purposes of
19 property valuation and the payment of the per parcel fee under 32 V.S.A.
20 § 5405(f).

1 (G) Incentivizing municipalities to submit grand list parcel map data
2 to the Vermont Center for Geographic Information, including conditioning
3 payment of higher per grand list parcel fees on the submission of data.

4 (H) Incorporating the principles of a high-quality tax system into a
5 potential statewide reappraisal system as enumerated by the National
6 Conference of State Legislatures, “Tax Policy Handbook for State Legislators”
7 (February 2010), 3rd ed., including sustainability, reliability, fairness,
8 simplicity, economic competitiveness, tax neutrality, and accountability.

9 (4) The recommendations and detailed proposal required under
10 subdivision (1)(B) of this subsection regarding new or updated property types
11 that apply to both the municipal and statewide education grand lists and the
12 overall property taxation system shall include the following:

13 (A)(i) Legislative language, as applicable or needed to achieve the
14 Department’s recommendations, that differentiates between grand list
15 properties based on property type and characteristics, including use, occupancy
16 or vacancy, square footage, and any other relevant factors. The
17 implementation proposal shall recommend how certain property types and
18 characteristics could be identified and data could be collected, including:

19 (I) different types of rental and affordable housing properties;

20 (II) the number of residential units in this State;

- 1 (III) land value distinct from the value of buildings or other
2 improvements on the land;
3 (IV) the year of construction for buildings or other
4 improvements; and
5 (V) any other pertinent data relating to properties in this State.

6 (ii) The recommendation under this subdivision shall consider the
7 way that existing municipal and statewide education grand list property
8 categories used for purposes of the equalization study could be reconfigured
9 and consolidated and any other means to identify properties in order to obtain
10 detailed, accurate, and consistent data on all properties throughout the State.

11 (B) Updating or creating a data collection and reporting system and
12 designation process for integrating different property types into the grand list
13 and the overall property taxation system in a detailed, accurate, and consistent
14 way that takes into consideration the compliance and administrative burdens
15 placed on both property owners and municipal and State administrators. The
16 detailed proposal shall provide clear and actionable guidance on any new or
17 updated property types and the designation process for both property owners
18 and municipal listers and assessors.

19 (C) Assistance during the transition period for municipal listers and
20 assessors with conducting the initial designation, data collection, and reporting
21 of any new or updated property types.

1 (D) Integration of new or updated property types into a potential
2 statewide reappraisal system and into the overall property taxation system.

3 Sec. 5. 2022 Acts and Resolves No. 163, Sec. 8(2) is amended to read:

4 (2) Sec. 3 (State appraisal and litigation assistance program) shall take
5 effect on July 1, 2023, ~~provided the General Assembly has, on or before July 1,~~
6 ~~2023, appropriated funding to cover the Department of Taxes' operating costs~~
7 ~~required to create, implement, and maintain a new State appraisal and litigation~~
8 ~~assistance program.~~

9 * * * Lister and Appraiser Education * * *

10 Sec. 6. 32 V.S.A. § 3436 is amended to read:

11 § 3436. ASSESSMENT EDUCATION

12 (a) The Director shall certify assessment education programs for municipal
13 listers and assessors at convenient times and places during the year and is
14 authorized to contract with one or more persons to provide part or all of the
15 assessment instruction. Certified programs shall include education on racial
16 disparities in property valuation outcomes in the United States and on-going
17 bias reduction training and may include instruction in lister duties, property
18 inspection, data collection, valuation methods, mass appraisal techniques,
19 property tax administration, or such other subjects as the Director deems
20 beneficial to listers and may be presented by Property Valuation and Review or
21 a person pursuant to a contract with Property Valuation and Review, the

1 International Association of Assessing Officials, the Vermont Assessors and
2 Listers Association, or the Vermont League of Cities and Towns.

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

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

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

13 (e) A sum not to exceed \$100,000.00 each year shall be paid from the
14 Education Fund to the Division of Property Valuation and Review for the
15 purpose of providing assessment education for municipal listers and assessors.
16 The Director is authorized to establish guidelines and requirements for
17 education programs to be provided using the funds described in this section.
18 Education programs provided using funds described in this section shall be
19 provided at no cost or minimal cost to the municipal listers and assessors. In
20 addition to providing the annual education programs described in this section,
21 up to 20 percent of the amount available for education programs may be

1 reserved as a scholarship fund to permit municipal listers and assessors to
2 attend national programs providing education opportunities on advanced
3 assessment topics. All applications for scholarships shall be submitted to and
4 approved by the Director.

5 Sec. 7. 32 V.S.A. § 4052 is amended to read:

6 § 4052. CONTRACT APPRAISALS; ~~CERTIFICATION~~ ASSESSOR
7 AND LISTER QUALIFICATIONS

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

13 (b) No person shall conduct the work of an elected lister, board of listers, or
14 assessor employed or contracted by a municipality pursuant to 17 V.S.A.
15 § 2651c(b) unless the person meets the training requirements established by the
16 Director of Property Valuation and Review under this section.

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

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

3 Sec. 8. 17 V.S.A. § 2651c is amended to read:

4 § 2651c. LACK OF ELECTED LISTER; APPOINTMENT OF LISTER;
5 ELIMINATION OF OFFICE; HIRING ASSESSORS

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

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

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

17 (2)(A) If a town votes to eliminate the office of lister, the selectboard
18 shall ~~contract with or employ~~ notify the Director of Property Valuation and
19 Review within 14 days and employ or contract a professionally qualified
20 assessor, who, prior to conducting any work, shall meet the training

1 requirements established by the Director under 32 V.S.A. § 4052 and need not
2 be a resident of the town.

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

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

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

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

17 (e) If an assessor is employed or contracted to assist an elected board of
18 listers, the board of listers shall retain the same powers and duties, discharge
19 those powers and duties in the same manner, and be subject to the same
20 liabilities as those imposed on listers or the board of listers under the
21 provisions of Title 32.

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* * * Effective Dates * * *

Sec. 9. EFFECTIVE DATES

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

(1) notwithstanding 1 V.S.A. § 214, Sec. 1, 32 V.S.A. § 4041a,
(reappraisal orders) shall apply retroactively to grand lists lodged on and after
April 1, 2022; and

(2) Sec. 2, 32 V.S.A. § 4041a, (reappraisal orders) shall take effect on
July 1, 2026.

(Committee vote: _____)

Senator _____

FOR THE COMMITTEE