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MEMORANDUM

To: Property Tax Study Committee

CC:

From: Steven E. Jeffrey, Executive Director

Date: September 13, 2013

RE: Vermont League of Cities and Towns' Interests in Study Committee Recommendations

Committee Chair Mullen requested that I provide the Committee with what VLCT may be looking for as a potential result of the committee's work.

The Vermont League of Cities and Towns Municipal Policy calls for the following legislative action concerning the purview of the Committee:

1.04 VERMONT TAX STRUCTURE OVERHAUL

The legislature should act to ensure that all three main components of Vermont's tax structure – income, sales, and property – are thoroughly analyzed and reformed to be simpler, sustainable, equitable, balanced, and make Vermont more economically competitive. Municipal officials should be fully involved in such an analysis and reform process. Vermont's reformed tax structure should also include sufficient revenues to pay for initiatives that local governments need but cannot afford. Since the state education property tax continues to be controversial, no new state property taxes should be imposed until such reformed tax structure is adopted. *Additionally, until such reform is adopted, the state should either reimburse municipalities for all state-mandated property tax exemptions or give voters the authority to impose municipal service fees on those properties exempted by the state.* [Emphasis added]

I would presume that the work of the committee will be attempting to address a portion of the goals in the first sentence and we are appreciative of being made a part of that analysis and reform process. Perhaps the committee can consider the suggestion in the last sentence as a temporary fix until the first recommendation can be enacted and implemented.

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