

Representative Ancel,

I spoke with Ernie Saunders from NEMRC yesterday afternoon in regards to obtaining an estimate for the cost of sending out two separate tax bills – one for municipal and one for statewide education tax.

NEMRC runs two software programs one for billing and one for collection.

1. Billing Software: Cost to update \$20,000 –
 - Every town in Vermont uses the billing software which uses the grand list data to generate tax bills. The software has a “standard Vermont tax bill” which the majority (75%) of towns use, although he noted 60-90 towns use a custom template which will have to be modified (at the cost of approximately \$125 per custom form).
2. Collection Software: Cost to update \$10,000 - \$20,000 –
 - Approximately 200 (out of 260) towns in Vermont use this software. (*He noted empirically that it is the smaller towns that do not use the software.*) The software links the property tax bills to the state adjustments.
3. Other cost drivers –
 - Administration – town clerks
 - 330,000 properties * \$0.50 a stamp = \$165,000

Ernie noted another couple of implications/possible policy concerns –

- Towns – additional administrative work and will be concerned about this being “a baby step towards state collection”
- Delinquent tax collection and if a partial sum is applied to a bill which portion will it cover?
- They export data to another firm called CoreLogic – which provides property tax escrow information to banks (another small software change that NEMRC will need to make)

He indicated that he would be happy to come in and speak with the committee in more detail about some of the details of the current billing system and some of the policy concerns and considerations we briefly touched on here.

His contact information is:

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Thank you,

Chloe Wexler