



State of Vermont
Department of Taxes
133 State Street
Montpelier, VT 05633-1401

Date: February 16, 2018
To: Janet Ancel, Chair, House Ways and Means Committee
From: Jill Remick, Director, Property Valuation and Review Division
Re: Response to question regarding Current Use Program assessment administration by PVR

Good morning Chair Ancel,

During recent testimony before your committee regarding the annual Current Use Audit administration done by my division, you asked me to provide an estimate of what it could potentially cost for the State to take over the assessment work related to Current Use, which is currently carried out by local listers and assessors.

Below is an estimate of the potential cost of PVR assuming this work. Please understand that these are simply estimates based on our current enrollment and data trends, to give us an idea of what this could entail. Our Department has no opinion or position on this possibility.

Note that currently municipalities are allocated a portion of the Land Use Change Tax collected (This portion was \$210,935 in 2017) for administrative costs, which would theoretically no longer be distributed to towns and could offset these theoretical annual expenditures.

Current Use Assessment Cost Analysis

1. Recalculation of all Current Use accounts (18,000 parcels)
\$700,000 to \$800,000 *onetime* cost
2. Cost of processing new accounts (approximately 400 per year)
\$16,000-\$18,000 *recurring* cost
3. Updating changes to existing accounts (8,537 in 2017)
\$170,000-\$195,000 *recurring* cost
4. Homestead/Non-resident changes
\$25,000-\$30,000 (estimate) *recurring* cost
5. Calculating Land Use Change Tax (separate calculation of parcel being removed)
\$15,000-\$20,000 (estimate) *recurring* cost
6. Appeals
\$50,000-\$60,000 (estimate) *recurring* cost
7. Public relations
\$15,000-\$20,000 *recurring* cost

Summary: Onetime cost \$700,000 to \$800,000

Recurring Annual cost total	\$343,000 (which would equate to 4-5 new employees)
Less	<u>-\$210,000</u> (LUCT revenue no longer sent to municipalities)
	\$133,000

