

Testimony to Senate Finance committee on April 6, 2018 on H.911

My name is Ernest T Saunders, president of the New England Municipal Resource Center (NEMRC) which is a Vermont company that I founded in 1986. NEMRC employs 23 Vermonters all working out of their homes scattered throughout the state. We provide software development, technical assistance, training and consulting in the areas of municipal accounting, IT services, reappraisals, water and sewer billing, dog licensing, land records, planning and zoning, parcel tax mapping etc. to municipalities throughout the United States.

EVERY city and town in Vermont generates their property tax bills using the NEMRC grand list software which downloads weekly homestead declaration information and individual income sensitivity payment from the state.

NEMRC also provides tax receivable administrative software to approximately 200 Vermont cities and towns. The other 51 towns use tax receivable software from other vendors.

The NEMRC grand list software produces a 'standard format' plain paper property tax bill (see attached) that includes all of the variability needed in the diversity of tax bills in Vermont. Such as number of payments, exemptions, current use, various tax rates, districts, variable tax rates etc. This 'standard' bill format is used by approximately 170 to 180 towns while the other 70 to 80 cities/towns use their own pre-printed custom tax bill which we have programmed to their pre-printed bills.

Printing separate education tax bills would incur the following costs:

- NEMRC programming costs of approximately \$20,000.00.
- Increased production costs for municipalities.
- Increased administrative costs for issues such as:
 - o Revised bills
 - o Delinquent billing
 - o Escrow payment handling
 - o Development of partial payment policies.
 - o Small issues such as the taxpayer adding the two bill amounts together incorrectly and confusion.
 - o Lockbox fees from financial institutions.

Another Option:

NEMRC could redesign the 'standard format' bill to more clearly separate the education taxes (see attached). This new bill format would still involve programming costs and the individual redesign of the 70 to 80 pre-printed custom bills (which have already been ordered for multiple years ahead for many municipalities). This is just a middle position alternative that would help to minimize some of the other costs but would still be more costly than staying with the current system.