

1 TO THE HONORABLE SENATE:

2 The Committee on Finance to which was referred Senate Bill No. 76
3 entitled “An act relating to property tax appeals” respectfully reports that it has
4 considered the same and recommends that the bill be amended by striking out
5 all after the enacting clause and inserting in lieu thereof the following:

6 Sec. 1. 32 V.S.A. § 5412 is amended to read:

7 § 5412. REDUCTION OF LISTED VALUE AND RECALCULATION OF
8 EDUCATION TAX LIABILITY

9 (a)(1) If a listed value is reduced as the result of an appeal or court action
10 made pursuant to section 4461 of this title, and if the municipality files a
11 written request with the Commissioner within 30 days after the date of the
12 determination, entry of the final order, or settlement agreement if the
13 Commissioner determines that the settlement value is the fair market value of
14 the parcel, the Commissioner a municipality may submit a request for the
15 Director of Property Valuation and Review to recalculate its education
16 property tax liability for the education grand list value lost due to a
17 determination, declaratory judgment, or settlement. The Director shall
18 recalculate the municipality's education property tax liability for the year at
19 issue, in accord with the reduced valuation, provided that:

20 (A) the reduction in valuation is the result of an appeal under
21 chapter 131 of this title to the Director of Property Valuation and Review or to

1 a court, with no further appeal available with regard to that valuation, or any
2 judicial decision with no further right of appeal, or a settlement of either an
3 appeal or court action if the ~~Commissioner~~ Director determines that the
4 settlement value is the fair market value of the parcel;

5 (B) the municipality submits the request on or before January
6 15 for a request involving an appeal or court action resolved within the
7 previous calendar year notified the Commissioner of the appeal or court action,
8 in writing, within 10 days after notice of the appeal was filed under section
9 4461 of this title or after the complaint was served; and

10 (C) ~~as a result of the valuation reduction of the parcel, the value~~
11 ~~of the municipality's grand list is reduced at least one percent. [Repealed.]~~

12 (D) the Director determines that the municipality's actions were
13 consistent with best practices published by the Property Valuation and Review
14 in consultation with the Vermont Assessors and Listers Association. The
15 municipality shall have the burden of showing that its actions were consistent
16 with the Director's best practices.

17 (2) A determination of the Director made under subdivision (a)(1)
18 may be appealed within 30 days by an aggrieved municipality to the
19 Commissioner for a hearing to be held in accordance with 3 V.S.A. §§ 809–
20 813. The Commissioner's determination may be further appealed to Superior
21 Court, which shall review the Commissioner's determination using the record

1 that was before the Commissioner. The Commissioner's determination may
2 only be overturned for abuse of discretion.

3 (3) Upon the Director's ~~The municipality's~~ request, a municipality
4 submitting a request under subdivision (a)(1) shall include a copy of the
5 agreement, determination or final order, and any other documentation
6 necessary to show the existence of these conditions.

7 (b) To the extent that the municipality has paid that liability, the
8 ~~Commissioner~~ Director shall allow a credit for any reduction in education tax
9 liability against the next ensuing year's education tax liability ~~or, at the request~~
10 ~~of the municipality, may refund to the municipality an amount equal to the~~
11 ~~reduction in education tax liability.~~

12 (c) If a listed value is increased as the result of an appeal under chapter
13 131 of this title or court action, whether adjudicated or settled and the
14 ~~Commissioner~~ Director determines that the settlement value is the fair market
15 value of the parcel, with no further appeal available with regard to that
16 valuation, the ~~Commissioner~~ Director shall recalculate the municipality's
17 education property tax for each year at issue, in accord with the increased
18 valuation, and shall assess the municipality for the additional tax at the same
19 time the ~~Commissioner~~ Director assesses the municipality's education tax
20 liability for the next ensuing year, unless the resulting assessment would be

1 less than \$300.00. Payment under this section shall be due with the
2 municipality's education tax liability for the next ensuing year.

3 (d) Recalculation of education property tax under this section shall have
4 no effect other than to reimburse or assess a municipality for education
5 property tax changes which result from property revaluation.

6 (e) A reduction made under this section shall be an amount equal to the
7 loss in education grand list value multiplied by the tax rate applicable to the
8 subject property in the year the request is submitted. However, the total
9 amount for all reductions made under this section in one year shall not exceed
10 \$1,000,000.00. If total reductions for a calendar year would exceed that
11 amount, the Director shall instead pro-rate the reductions proportionally among
12 all municipalities eligible for a reduction so that total reductions equal
13 \$1,000,000.00.

14 (f) Prior to the issuance of a final administrative determination or judicial
15 order, a municipality may request that the Director certify that best practices
16 were followed for purposes of meeting the requirements of subdivision
17 (a)(1)(D) of this section. The Director may choose to grant certification, deny
18 certification, or refrain from a decision until a request is submitted under
19 subdivision (a)(1) of this section. The Director shall consider the potential
20 impact on the education fund, the unique character of the subject property or
21 properties, and any extraordinary circumstances when deciding whether to

1 grant certification under this subsection. The Director shall be bound by a
2 decision to grant certification unless the municipality agrees to a settlement
3 after such certification was made.

4 Sec. 2. GRAND LIST LITIGATION ASSISTANCE; STUDY

5 (a) The Attorney General, in consultation with the Vermont League of
6 Cities and Towns, shall study approaches to assisting municipalities with
7 attorney's fees and costs incurred during appeals taken under chapter 131 of
8 this title.

9 (b) On or before December 1, 2017, the Attorney General shall submit a
10 report to the Senate Committee on Finance and the House Committee on Ways
11 and Means on the findings of the study described in subsection (a) of this
12 section. The report shall include recommendations for legislative action based
13 on the findings of the study.

14 Sec. 3. EFFECTIVE DATE

15 This act shall take effect on July 1, 2017.

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18 (Committee vote: _____)

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Senator _____

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FOR THE COMMITTEE