

To: House Ways and Means Committee
 From: Carol Dawes, Barre City Clerk/Treasurer
 chair, VT Municipal Clerks & Treasurers Association Legislative Committee
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 Date: January 21, 2020
 Re: VMCTA Comments/Concerns on Miscellaneous Tax Bill

Page numbers below reference VT LEG #345224 v.1.

Summary & Title	VMCTA comments
Correcting omissions from the grand list on or before December 31 st . 32 VSA §4261 Page 1	VMCTA supports this proposed change.
Eliminate recording of extension letter in the clerk's office. 32 VSA §4342 Page 1	VMCTA supports this proposed change.
Standardize billing cycle for tax bills from municipalities. 32 VSA §5402(b) Page 2	<p>VMCTA does not support standardizing billing cycles.</p> <p>The Department of Taxes is proposing to establish August 1st as the earliest date for mailing tax bills, and September 1st as the earliest date for collecting taxes. If bills can't be mailed until September 1st, the 1st due date must be October 1st or later.</p> <p>Many cities and towns have early tax payments deadlines, including Barre City, where our charter sets our property tax payment due dates. The first due date is August 15th. We are required by law to get the bills out at least 30 days before the first due date; therefor the bills must be mailed by July 16th. It takes about a week for our printing company to print the bills and process them for mailing, so that pushes us back to July 9th when we need the education tax rate.</p> <p>As we understand it, the reasons behind the need for such adjustment are due to school mergers and internal changes in staffing at the Tax Department, which have made it difficult to get education tax rates published in a timely manner. According to the Department, the school</p>

	<p>mergers and staffing changes caused incorrect tax rates to be sent to some towns this past July. These towns inadvertently sent out incorrect tax bills, and had to send out corrected bills after the fact. We sympathize with the Department's issue, especially on behalf of those towns that had to send corrected bills, but there are concerns around adjusting the tax bill dates.</p> <p>Cash flow is the most significant concern. Many towns count on those early tax payments to cover ongoing operating expenses. By pushing the mailing date by even a couple weeks, towns would be required to borrow in anticipation of taxes, with the cost of borrowing borne by their taxpayers.</p> <p>In my conversation with Mr. Farnham from the Tax Department, there are two vital components used in calculating the education tax rates; 1) budget numbers from the school districts, and 2) the yield as approved by the legislature. In most instances the Department receives budget numbers after they are approved on Town Meeting Day, therefore there should be no delay in calculating tax rates, provided the yield is established by the legislature under the usual timelines.</p> <p>Mr. Farnham said there are issues associated with merged school districts, but if districts are running late in passing budgets, then the burden rests on those individual districts, and shouldn't be passed along to all communities.</p>
<p>Standardize the look/format of tax bills. 32 VSA §5402(b) Page 3</p>	<p>VMCTA has concerns about standardization of tax bills. Many communities have created personalized tax bill templates, and would be reluctant to move away from them, as they contain information specific to that town. Perhaps the standardization could be limited to a portion of the tax bill – this year the bills incorporated a new layout for the middle third of the bill as per changes in statute, and to our knowledge that change went fairly smoothly. Please remember that these are municipal tax bills, too, and the town is paying to have them printed and mailed. They should have a say in their layout and format.</p>
<p>Designate funds/municipal payments for listing officer must be maintained in a separate fund by municipalities. 32 VSA §5405(f) Page 4</p>	<p>VMCTA supports the proposed change.</p>