

Date: April 1, 2020

To: House Ways and Means Committee
Regarding: Establishing the Grand List for FY 2021

Jill Remick, Director, Property Valuation & Review
Vermont Department of Taxes

This timeline was compiled in partnership with Christie Wright, Field Director, as well as Chloe Wexler and Mark Perrault of the Joint Fiscal Office.

Property Tax Collection Timing

April 1 – Annual Assessment date. Listers must determine the value of all properties as of April 1. (32 V.S.A. § 4041). Any changes after April 1 will be reflected in the grand list the following year.

No change required or suggested. This is a date of ownership and value.

City and towns undergoing reappraisal – must also have reappraisal be effective for April 1 deadline. Reappraisals happening after April 1 will be applied the following year.

Typically, about 10-15 towns reappraise each year – these appraisals assuming they take place after April 1 would be for the *2021 grand list*. This year 19 towns are scheduled for reappraisals. Two towns have already asked for an extension, which will be granted. The Tax Department is contacting each reappraisal town this week to determine if they are still on track, or will delay another year, as this impacts their participation in the annual Statewide Equalization Study.

April 15 – Filing deadline for homestead declarations and property tax adjustment claims.

Deadline extended until July 15 – Tax Department hopes/recommends that people continue to file on time or before July 15. Approximately 15,000 resident filers wait until the last two weeks to file, 9% of homestead parcels (~170,000).

Under current law – homestead declarations are accepted until Oct. 15 so there is protocol and experience with amending grand list and filing corrected tax bills for late declarations.

The Tax Department believes they will be able to provide and furnish declarations/claims to towns by August 1.

April/May – communication between PVR/TAX and towns on homestead declarations, current use values.

June – Listers and Tax Department continue updating and correcting homestead declarations as they become available (late filing accepted until October 15 - after Oct 15 a parcel will be classified as nonhomestead).

On or before **June 4/June 24** (depending on population of town under/over 5,000) – towns must file an abstract (initial) grand list and send out notices for change of appraisal/grievances.

PVR Director will offer the option for extension of deadline to file initial grand list to August 15 (32 V.S.A. § 4342). This is a deadline for preliminary or “abstract” grand list (before grievance). Many towns will not want to wait this long, but important to allow the option and avoid many extensions requests to PVR.

Grievance hearings begin 14 days after mailing of change of appraisal (note ability to conduct these over the phone). Grievances hearings close 13 days after they start and grievants are notified of decisions within 7 days after close of hearings. After last grievance notice is sent final grand list is lodged.

June 30/July 1 – Tax Department notifies towns of education tax rates.

Yields – are rates going to be available for June 30th?

July – Municipal tax rate are set by select board.

On of before **August 15** towns submit grand list and municipal rates to PVR

PVR director extends this to Sept. 15 as a result of grand list extension.

Homestead declarations continue to be available for download and review.

Dec. 30 (Misc tax bill 2020 changes to Dec. 31) – final day to submit corrections to grand list

Options for Towns:

- a) Proceed as planned with current grand list timeline and anticipate sending out corrected tax bills that will reflect homestead declarations, business use percentages and homestead property tax credits that come in with the extended income tax deadline
- b) Delay sending out property tax bills until 8/1 when the Tax department will have had the ability to process and furnish homestead declarations and homestead credit claims
- c) Bill municipal taxes and education property taxes separately

Towns will have to weigh/balance cash flow issues with the additional costs of sending out corrected bills.

Maybe there is stimulus money or short term borrow for towns?

Number of Towns Affected:

51 towns have collections schedule for 7/1 – 8/15.

59 towns have collections scheduled from 8/16-9/15. There are 259 towns/gores in VT.

The first payment education payment to schools districts is due 9/30. So even if collections are delayed until towns should still be able to collect education revenue prior to the first education payment.

The question and decision points for towns will be if they can delay their municipal cash flows.