

To: Senate Finance Committee  
From: Carol Dawes, Barre City Clerk/Treasurer  
Legislative Chair, VT Municipal Clerks & Treasurers Association  
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Date: April 2, 2020  
Re: COVID-19 Response: Property Taxes and Change in Income Tax Filing Date

Under the current COVID-19 emergency health conditions, the state of Vermont has extended the April 15, 2020 deadline for income tax filing, homestead declaration filing and property tax adjustment (rebate) filing to July 15, 2020. These extensions will likely delay the issuance of education tax rates, and subsequent property tax bills. There are a number of possible scenarios:

1. Sending separate municipal and education tax bills due to delayed release of education tax rates. Municipal bills potentially delayed due to late filing of grand lists.
2. Sending delayed property tax bills (including both municipal and education) because of delayed release of education tax rates.
3. Sending timely bills with municipal tax rates and estimated education tax rates, and then following up with revised bills once the actual education tax rates are released.

The possible impacts for the scenarios above are:

- a. Negative impact on cash flow. Need to borrow funds for municipal operations. Costs associated with such borrowing.
- b. Taxpayer confusion if they receive multiple bills.
- c. Escrow company/mortgage company confusion associated with multiple bills and billing files.

Another impact from the Stay at Home order is that listers and assessors are not able to make inspections necessary to adjust grand list values for 2020 Tax Year (FY2021). They may also be hampered by a lack of technology with regards to keeping up with data entry from home while being in compliance with the order. It is possible towns will not be able to lodge accurate grand lists by the statutory deadlines. This could have a significant negative impact on a community's municipal, local agreement, and education tax rates, and when they can send out their tax bills. If grand list growth is hampered, tax rates will need to be higher to support the municipal and education budgets.

In a discussion with House Ways & Means on Wednesday, April 1<sup>st</sup>, Jill Remick, director of Property Valuation and Review, said their intention is to offer municipalities the option to extend their grand list filing deadline to August 15<sup>th</sup>. PVR has also posted guidance information for listers and assessors on how to hold remote grievance hearings, and the VT Association of Listers and Assessors has created a draft letter for its members, giving them ideas on how to request information from property owners without being able to perform inspections.

What's most important is to create as many tools for communities to pick and choose from when making decisions related to when and how they issue property tax bills.