

# **VERMONT DEPARTMENT OF TAXES**

## **ACT 175 VERMONT EDUCATION PROPERTY TAX TRANSITION STUDY**

---

**Submitted Feb. 1, 2021**

**133 State Street  
Montpelier, VT 05633  
(802) 828-2505  
[tax.vermont.gov](http://tax.vermont.gov)**

**RP-1297**



*This page intentionally left blank*

# Table of Contents

<b>Introduction</b> .....	<b>1</b>
<b>Possible Approaches</b> .....	<b>2</b>
1. Billing Schedule .....	3
2. Collection of the Tax .....	4
3. Homestead Status and Ownership Information .....	6
4. Property Tax Credits .....	7
5. Delinquent Taxes .....	9
6. Cash Flow .....	10
7. Abatements .....	11
8. Locally-Voted Exemptions .....	12
9. Payment Methods .....	13
10. Electronic Administration – Information Technology (IT) .....	14
11. Assessment Calendar .....	15
<b>Cost Considerations for the Department of Taxes</b> .....	<b>16</b>
<b>Suggested Legislation</b> .....	<b>17</b>
<b>Appendices</b> .....	<b>19</b>
Appendix A: Vermont League of Cities and Towns (VLCT) Memo .....	19
Appendix B: Vermont Municipal Clerks’ & Treasurers’ Association (VMCTA) Survey Results (Images) .....	20

## Introduction

The Department of Taxes provides this report as required by Act 175 of 2020, Sec. 4, which states:

On or before February 1, 2021, the Department of Taxes, in consultation with the Vermont League of Cities and Towns, the Vermont Municipal Clerks' and Treasurers' Association, the Vermont Bankers Association, and the Association of Vermont Credit Unions, shall submit to the House Committees on Ways and Means and on Government Operations and the Senate Committees on Finance and on Government Operations a report studying potential approaches to transitioning the responsibility for billing and collecting the statewide education property tax from municipalities to the Department. The report shall include recommended legislation and estimates of the fiscal impact of the transition.

An extensive report studying this issue was published in 2011 (per Section 45 of Act 160 of the 2010 session) and while some of the information about electronic administration is now obsolete, much of the report is still relevant. Thus, this report is an attempt to build on and update the 2011 report, focusing on specific issues related to the transition that the legislature would need to address if it chose to move forward.

The Department has met with the stakeholders listed in the report. Two entities, the Vermont League of Cities and Towns (VLCT) and the Vermont Municipal Clerks and Treasurers Association (VMCTA), have also provided formal responses. VLCT's Executive Board issued a statement in support of moving forward with the concept of moving billing and collections of the statewide education property tax to the Department of Taxes, although support was not universal. Generally, VMCTA membership is not in favor of such a transition. VMCTA expressed concerns regarding the complexity and misunderstanding some taxpayers may experience as the result of getting two separate bills: municipal (from the local jurisdictions) and Education Property Tax (from the State), as well as the erosion of local control and increase in tasks taken on by State. Discussions with the Vermont Bankers Association raised concerns about escrow, billing cycles, software changes and the creation of two separate bills and billing funding streams. In addition, towns rely on revenue generated by holding funds in savings accounts for interest (also known as "float"), and penalties and interest on delinquent taxes.

In considering this transition, the Department recommends that the legislative body consider Vermont's long-standing traditions which support local control. Specifically, in this case, the education property tax is only a statewide tax in the sense that the revenue is shared. It is still a local tax because locally-voted budgets are what determine the tax rates. That important element of local control is not as robust as it should be because of the complexity of the overall process, but moving billing to the state would erode that connection further. With education taxes on a separate bill, municipal taxes would also likely increase, as VLCT noted in its memo.

## Possible Approaches

The Department aims to provide Vermont's policymakers with a greater understanding of the issues raised by a transition to State billing and collection of the education property tax. Any approach to making this significant transition needs to start with breaking down the transition into its component issues, which the Department tried to do in this report. Each section below discusses each component issue that must be taken into consideration when discussing the transfer of responsibilities for billing and collection to the Department. Each section also contains a table listing the positive and negative aspects (pros and cons) of such a transfer.

It is unlikely that this major shift in tax administration could change in a single piece of legislation or a single year, but it is possible that incremental steps could be taken so that a change of this nature could be possible in the future. Act 11 of 2018's special session, which split the calculation of education and municipal tax credits and separated the presentation of those two taxes on the bill is a recent example of a critical incremental change if billing is going to be eventually managed by the Department. In general, changes that standardize billing practices across towns and untangle the complexity of property taxes and education funding will enhance the potential of a state-run billing system.

Some near-term changes that would standardize education property tax billing could include: requiring a statewide billing cycle, standardizing the look and format of bills, normalizing property tax exemptions for veterans, and establishing an education property tax abatement mechanism at the state level. Legislative suggestions are found at the conclusion of the report.

# 1. Billing Schedule

## Background

The property tax billing schedule and number of payments vary by town. According to the Joint Fiscal Office, 120 towns have a single property tax payment per year, 70 have two payments, 20 have three payments, and 49 have four payments. Towns with the same number of payments do not necessarily have them due on the same date. For example, a town on a two-payment format could have them on September 15 and March 15 while another town that also has two payment dates could have them on October 15 and April 15. Also, the majority of towns operate on a fiscal year basis consistent with the state’s fiscal year but some still operate on a calendar year basis. In addition, some towns split their property tax bills to collect the municipal property taxes on one bill entirely and the statewide education property taxes on a separate, later bill.

Within 20 days of collection, towns are required to send education property taxes to their school district(s). On December 1 and June 1, towns are required to send any additional education property taxes to the education fund. Late payments to the education fund are subject to an eight percent penalty per annum, assessed on a per diem rate. School districts receive money from the education fund on September 10, December 10, and April 30.

Pros of Transition	Cons of Transition
Standardization of payment due dates could help with state accounting and help in the event of natural disasters when the state might want to provide uniform guidance.	Standardization of payment due dates would mean taxpayers (and escrow companies) could have up to eight different due dates to two different recipients: four each to the town for municipal taxes and four to the state for education taxes. There would also be substantial transition year issues in that case, including payments spaced very close together in some towns. If the education payment date is not standardized, the Department would have significant challenges conforming to the variety of town billing schedules and the taxpayer would still have to direct bills to two different recipients.
Complexity of schedule of town payments to local district(s) and education fund would be removed.	
Standardization of payments for education property taxes would clarify due dates for escrow, yet not for municipal taxes.	

## 2. Collection of the Tax

### Background

The responsibility for collection of education property taxes is a local matter with the State playing an advisory role with respect to listing practices only. Property owners receive municipal and state property tax bills from the municipality and remit both municipal tax and State education tax payments to municipalities. While education spending levels are voted locally, the State Legislature sets the base education tax rate for all property: homesteads and non-homesteads.

<b>Pros of Transition</b>	<b>Cons of Transition</b>
The State has an established and successful system for billing and collections (VTax).	Would increase the cost to the State and its taxpayers, creating more centralized government and a loss of local control.
	Local jurisdictions are allowed to retain a statutorily prescribed portion of the tax, valued at approximately \$3.1 million in FY 2021, collectively. Local jurisdictions would lose this income.

Pros of Transition	Cons of Transition
<p>With notable exceptions, the Vermont League of Cities and Towns has indicated that it supports this change for the following reasons:</p> <ul style="list-style-type: none"> <li>• The inclusion of education property taxes on the tax bills issued by the municipalities leaves little room for municipal taxes.</li> <li>• Municipalities are required by law to pay the State or their school district on specific dates whether or not they have collected the billed education property taxes, creating cash flow issues for the municipality.</li> <li>• Local officials are blamed for tax increases, complexity, and disconnection to the school budgets approved by voters.</li> <li>• The education property taxpayers are asked to fill the gap when there are insufficient funds raised elsewhere.</li> <li>• The relationship between the Department of Taxes and municipal officials is complicated.</li> </ul>	<p>One large town, located in Chittenden County and a member of the Vermont League of Cities and Towns, does not support this change for the following reasons:</p> <ul style="list-style-type: none"> <li>• The volume of penalties and interest collected by the town is such that it is actually budgeted for and would cause a significant budgetary shortfall if taken away while leaving the burden of maintaining the grand list.</li> <li>• In the absence of income from the penalties and interest, this particular town would have to increase taxes levied to balance the budget.</li> <li>• The town benefits from 20 days of interest earned from the time the tax is collected to the time those funds are transferred to the State.</li> <li>• The percentage of the amount of education property taxes collected that is retained by the town is also part of the town's budget that would be lost in this transition.</li> <li>• Property owners would receive two tax bills, rather than one.</li> </ul>
	<p>Creates a duplication of work as towns will still be sending municipal tax bills.</p>

### 3. Homestead Status and Ownership Information

#### Background

Around 170,000 taxpayers declare their primary residence as their homestead with the “homestead declaration” form which is usually filed with the Department by April 15. The Department then transmits the homestead information to the towns so the town can properly classify the property for education tax purposes. Roughly half of Vermont’s taxable properties are classified as homestead each year. A homestead parcel can have a portion classified as non-homestead if that portion is used for a business or rental.

The majority of the homestead information is transmitted to the towns before July 1 but some is sent later than that because some homestead declarations are filed after April 15. Declarations are accepted up to October 15 but may be assessed a penalty by the town of up to 3% if the nonhomestead rate is higher than the homestead rate, and up to 8% if the nonhomestead rate is lower than the homestead rate. The town maintains current ownership information and bills the current owner of the property based on the applicable rate(s).

<b>Pros of Transition</b>	<b>Cons of Transition</b>
The homestead status of individual parcels will not need to be transmitted to the towns between April and October of each year. Because the state handles education tax billing, the homestead status could be maintained internally.	Local officials, who are often aware of who does and does not classify as homestead, would be removed from the process.
Penalties related to late homestead filings would accrue to the state	Towns would lose the revenue from penalties associated with late homestead filings

## 4. Property Tax Credits

### Background

More than two thirds of the 170,000 resident homeowners in Vermont receive a property tax credit each year (formerly called a property tax adjustment) through a unique Vermont program often called “income sensitivity.” During tax filing season, all resident homeowners are required to complete a “homestead declaration” for the upcoming property tax year. Households with income up to about \$140,000 file a property tax adjustment claim based on current year property taxes and household income for the calendar year just ended. The Department computes the education and municipal credit amounts (if any) and communicates them to the towns, which then apply the amounts as credits to the claimant’s bill in the following property tax year. Non-homestead properties are not eligible for this program.

The Department calculates and communicates credit amounts to towns in batches once a month between July and November. Credits must be computed and communicated across that long timeline because of late filings, amended filings, and form errors or missing information. If a town receives new credit information from the Department after bills have already been printed it will need to reprint and mail a new bill to the property owner.

Section H.12 – H. 13 of Act 11 of 2018’s special session separated the calculation process for the education and municipal tax credits. Furthermore, section H.14 directed towns to clearly indicate on their bills the education liability versus any other property taxes, such as municipal. Working together, those changes allowed taxpayers to see more clearly how much of their net property tax bill was attributable to municipal taxes versus education.

In fiscal year 2021, approximately 119,000 households received a total of \$171.5M in credit to their education property taxes and approximately 25,000 received a total of \$16.6M credit to their municipal property taxes. The credit to the education taxes is not actually funds paid by the state but takes the form of foregone revenue to the education fund, while the municipal credit is actual funds paid monthly from the state’s general fund to the towns to make them whole for the municipal credits they have applied to taxpayers’ bills as directed by the Department.

<b>Pros of Transition</b>	<b>Cons of Transition</b>
<p>For the education tax credit which almost 120,000 households receive, the credit could be calculated by the Department and then applied to the bill the Department mails without any town involvement. If there are issues with late filings, amended filing, or form errors, the Department could print a new bill and mail it.</p>	<p>The roughly 25,000 households who receive a credit to their municipal property tax liability would still require the existing state/town communication process to exist, albeit at a smaller scale.</p>
<p>Taxpayer confidentiality may be marginally improved since the credit amounts for roughly 95,000 taxpayers would not have to go through the town</p>	

## 5. Delinquent Taxes

### Background

The Department's Compliance Division supervises the appropriate payment of all other income and corporate taxes throughout the state. Among other things, the Compliance Division works to reduce delinquency and underpayment by contacting taxpayers with outstanding debts and to ensure that taxpayers are compliant with the law.

However, the Compliance Division, and the State in general, play no role in education property tax delinquencies. That work is all done by local jurisdictions. Municipalities are required to appoint a delinquent tax collector, and depend on revenue from the collections of penalties and interest and tax sales to fund this position.

To make the transition to State billing and collection would likely require the Compliance Division to take on the added task of acting when property owners fail to pay the education property tax.

<b>Pros of Transition</b>	<b>Cons of Transition</b>
The State has an existing Compliance and Collections methodology for income and corporate taxes.	Education Tax delinquency collection effort would increase the volume of liens, off-sets, abatements, late payments, and administrative changes within the jurisdiction of the Department's Compliance Division.
Collection of delinquent taxes by the State would standardize the application of penalties, interest, and experience of delinquent taxpayers.	Collection of local property taxes is currently a statutory function of an appointed official and is often a revenue stream or self-funded position for the town. Education taxes usually make up about 75% of total town property taxes. Should the education component be removed from the responsibilities of the local delinquent tax collector, municipalities may lose both the revenue stream necessary for funding this position and other related revenues.

## 6. Cash Flow

### Background

The local jurisdictions would no longer have cash from property taxes paid. There is significant concern from municipalities that this change would result in a loss of revenue for the municipality. There is also concern that, the way the statewide education funding structure is designed, the towns would no longer be able to benefit from the collections and interest as they collect the education taxes before the payments are due to the Agency of Education.

(See also **Section 9. Payment Methods** on page 13.)

As noted, towns must pay the Education Fund at specific times each year. Towns that have not collected sufficient funds to make payment to the Education Fund must borrow funds or be subject to interest.

Pros of Transition	Cons of Transition
Towns would no longer be responsible for making the education fund payments regardless of whether the funds are collected.	Towns would lose revenue previously collected from interest on floated funds as well as any additional revenue brought in by the self-funded position of delinquent tax collector.
Removes towns from the business of explaining and tracking education taxes.	Towns are concerned taxpayers would pay their education bill and not their municipal.
Relieves towns of the obligation of dealing with revised education tax bills.	This would require escrow firms (the majority of taxpayers escrow their property taxes) to change their software functionality and print two separate checks (a cost to them likely passed along to the taxpayer).

## 7. Abatements

### Background

Local boards of abatement have the authority to abate both education and municipal property taxes under certain circumstances (24 V.S.A. § 1535). When the town abates education taxes, the town is still responsible for paying the education fund the education taxes that were abated because the abatement does not decrease the town grand list value which is the determinant of the town's obligation to the education fund 32 V.S.A. § 5402.

Pros of Transition	Cons of Transition
If abatement authority were established at the state level, taxpayers would receive consistent treatment on a statewide basis in regards to education tax abatement requests.	If the authority to abate education property taxes still resides with the municipality, a complicated situation would arise when property taxes are abated. The board would have to tell the State which parcels have had their property taxes abated and the State would have to bill back the town for the education tax amount. The State would also need to flag those parcels in its records and pause collection procedures.
	Since the town no longer collects education taxes (and the related interest, penalties, etc.), the cost of abated education tax might be more difficult to absorb. Conversely, if the State takes the financial responsibility for abated education taxes, there might be more incentive for towns to abate taxes because only the lost municipal tax (usually about one-third of the bill) will affect their finances.
	If the authority to abate education taxes is shifted to the State, the taxpayer or their representative will need to deal with two separate authorities: one at the municipal level for municipal taxes and the one at the state level for education taxes. A state level abatement mechanism would require staffing and resources.
	State level abatement authority for education taxes would result in increased pressure on the education property tax rates.

## 8. Locally-Voted Exemptions

### Background

Towns currently have the option to exempt certain properties from the statewide education property tax under 32 V.S.A. § 5404a. The town is still obligated to compensate the education fund for those revenues, however, and does so by generating a “local agreement tax rate” (LATR), levied on the town’s municipal grand list to raise foregone education taxes. Currently, the town is in possession of the grand list, including homestead and non-homestead classification, and so it only needs the rates from the State to calculate how much it needs to raise through the local agreement tax rate.

Pros of Transition	Cons of Transition
The veterans’ exemption could be standardized at \$40,000 for all towns. More than 90% of towns have voted to allow a \$40,000 exemption for veterans (32 V.S.A. § 3802) which exceeds the \$10,000 allowed by the State. The resulting difference in revenue currently needs to be made up through the local agreement tax rate, but if it were standardized at \$40,000 these smaller residential parcels could be excluded from the LATR tax rate calculation with minimal impact to the education fund. This change should be made even if responsibility for billing is not transitioned to the State. See statutory recommendation.	There would need to be a potentially complex data exchange between the town and the State, where the town sends the State a list of the eligible properties, the State calculates the lost revenue to the education fund and communicates that back to the town, and the town calculates the local agreement tax rate to apply. To simplify the calculation, it could be statutorily prescribed that only the non-homestead rate is used to calculate the impact to the education fund, but this would increase the cost to towns somewhat because roughly 20% of the LATR revenue is the result of the veterans’ exemption which is usually applied to homestead property.

## 9. Payment Methods

### Background

Currently, the ways education property taxes can be paid varies from town to town. Some towns offer incentives for pre-payment of property taxes and some do not. Some have automatic payment options (scheduled transfers from the taxpayer's bank to the town) and others do not. A few dozen allows payment by credit card while a majority do not. If the Department of Taxes administered the education property tax, these options would need to be standardized.

Most property owners pay their property taxes through escrow. In fact, this is now the default option when a mortgage account is set up with a lender after a home is purchased, and not paying through escrow requires an intentional opt-out (if allowed) on the part of the property owner. Escrow is an arrangement where property taxes, and sometimes home insurance, are included with the monthly mortgage payment. The escrow company, which is usually the mortgage servicer but is sometimes a third party, then transmits the necessary funds to the town and the insurance company whenever they are due. The taxpayer still receives a property tax bill from the town to review, but the payments are handled by the escrow company. The amount of property taxes the escrow company includes with the monthly mortgage payment is based on the prior year property taxes, so it might be more or less than what is actually owed in which case the property owner may get a refund or have an amount due at the end of the year.

<b>Pros of Transition</b>	<b>Cons of Transition</b>
The interest from any property taxes paid early would accrue to the State.	Towns would lose any interest accrued for property taxes paid early.
Standard and easily accessed payment methods through the Department's online portal	Current automatic payment arrangements between taxpayers and their towns would need to be re-routed.
Standardization of payment incentives and penalties might help escrow companies.	Escrow companies would need to contact both the State and the municipality in which the mortgaged property is located; now only the municipality is contacted. This would be an arrangement unique to Vermont which may present challenges for escrow companies.

## 10. Electronic Administration— Information Technology (IT)

### Background

In 2014, the Department contracted with FAST Enterprises to build and implement VTax, the system that captures and processes data collected from filed taxes and related returns for 30 different tax types. VTax stores information and tracks deadlines regarding all taxpayers to produce tax bills, correspondence, and data that the Department uses internally to guide its decisions.

If the billing and collection of the education property tax is transferred to the Department, this would require not only additional Tax employees and FAST Enterprises contract employees for both start-up and for ongoing maintenance of the system, but will result in implementation and maintenance fees paid to FAST Enterprises that will likely register in the millions.

Pros of Transition	Cons of Transition
With additional staff, programming, collaboration, and costs, this could be handled in the Department's VTax system.	Due to the complexities of the education tax, implementation would be especially challenging and implementation costs, including the requirement of additional staffing, would exceed the normal development of a new tax type.

## 11. Assessment Calendar

### Background

Currently, the Department sends key information such as tax rates and credit amounts to the towns by the beginning of the property tax year (July 1). The towns are the keepers of the taxable values that those rates will be levied upon and, therefore, the liabilities that the credit amounts will be applied against. The Department does not even start to get the parcel-by-parcel values until August 15 (32 V.S.A. § 5404). August 15 is after the grievance period is over and grievances have been mailed. Changes to the Grand List continue to happen after August 15 as a result of property value appeals to the Boards of Civil Authority and the Vermont Supreme Court, but the bulk of the changes happen during the grievance period. The Department does not have the final grand list values by parcel until well after the calendar year is over, even though the assessment date is “as of” April 1.

The Department is currently rolling out an updated Grand List Software system from a New Hampshire Company, Axiomatic LLC, which will create a real-time, online portal that both Department staff and municipalities will be able to work in which could help mitigate these issues. However, for the state to administer education property tax billing and maintain the current flow of funds to school districts, the Department would need reasonably final parcel values by June 15 which is two months earlier than the Department gets them now.

Alternatively, if it were determined that the education fund had enough revenue from non property tax sources to provide school districts with their first education fund disbursement on September 10, the assessment calendar could be kept the way it is now. In that case, the Department would get taxable values by August 15, send bills by September 1, and first payments would be due by October 1. Whether the education fund would have enough available funds to support this transition in its first year would

Pros of Transition	Cons of Transition
Property tax credits are calculated based on prior (fiscal/property) year housesite education and municipal taxes, and prior (calendar) year household income. This is why some people say there is a “lag” or “lookback” in the credit system. If the Department was in possession of current year taxable values, the credits could potentially be based on current year taxable values, but the lag in income information would still exist.	If towns are asked to send the State parcel by parcel grand list information by June 15 they will be forced to move up their assessment calendars. If the calendar is moved up to accommodate a grievance period (which it will likely need to be) this would require the “as of” valuation date to be moved up from April 1 to a much earlier date, moving the determination of taxable value further away from the related property tax year and impacting the work schedules of the lister/assessor community. If the grievance period happens after values have already been transmitted to the State, the Department will have to reissue thousands of education property tax bills every year.

## Cost Considerations for the Department of Taxes

Currently there are 254 distinct taxing municipalities managing the Education Tax. The shift of this work would require a significant increase to the Department's staffing and budget.

For context, the largest tax type the Department currently administers is the Vermont Personal Income Tax, with approximately 390,000 taxpayers. Considering there are approximately 325,000 taxable parcels, it is reasonable to assume that the demands for creating and processing the education property tax would be comparable. It is important to note that the personal income tax "season" is limited to several months each year, but staffing needs related to the education tax would not experience the same level of seasonality.

For the Department's FY21 budget of approximately \$22 million, personal income tax administration and processing accounts for about one-third of the total budget, or over \$7 million annually. Therefore, if using the efforts of Personal Income taxes to be comparable with education tax collection, the Department would expect a minimum one-third increase to its operating budget. It is important to note that this would not include startup costs such as initial programming costs or additional temporary staff to help with transition years, and those costs in total will be in the millions. In order for the overall tax burden on Vermonters to stay at current levels, municipal government around the state would either need to contract in similar numbers to the Department's expansion or provide other value add activities.

## Suggested Legislation

Given the number of discrete component transitions outlined above, it would be disruptive to attempt this major shift in tax administration through a single piece of legislation or in a single year. However, it is possible that incremental steps could be taken so that a change of this nature could be possible in the future. In lieu of immediately moving the billing and collection of the statewide education property tax to the Department of Taxes, the Department recommends the following legislative changes:

### 1. Standardize the Billing Cycle

Across the state, the schedule by which municipalities bill and collect taxes varies greatly. The Department suggests that tax bills should not be printed until August 1 to allow Agency of Education time to calculate rates and for reappraisals to be completed. Payments from the taxpayer to the municipalities should be due no earlier than September 1.

Alternatively, we ask that that statute specify that the Department “has a minimum of 30 days after a town passes its budget” to publish education property tax rates and deliver the file regarding property tax credits to the municipalities.

The rush by some municipalities to deliver tax bills to their taxpayers in July sometimes results in the need to deliver revised tax bills. Factors that could necessitate the creation of a revised tax bill include: tax rate changes, grievances, reappraisal delay, late homestead declarations, late property tax credit claims, and current use enrollment changes.

Adoption of this proposal would require changes to 32 V.S.A. § 5402(b).

### 2. Standardize the look and format of tax bills

The responsibility for creating the format or template for both property and municipal tax bills should be given to the Department. Doing so would create consistency across towns and help to increase simplicity and understanding for taxpayers and the town and tax representatives who often explain tax bills to taxpayers.

Adoption of this proposal would also require changes to 32 V.S.A. § 5402(b).

### 3. Standardize Property Tax exemption for veterans

Regardless of whether the responsibility for billing and collection is transferred to the State, the veterans’ exemption should be standardized at \$40,000 for all towns.

More than 90% of towns have voted to allow a \$40,000 exemption for veterans under 32 V.S.A. § 3802, which exceeds the \$10,000 allowed by the State. The resulting difference in revenue currently needs to be made up through the local agreement tax rate, but if it was standardized at \$40,000 these smaller residential parcels could be excluded from the Local Agreement Tax Rate (LATR) tax rate calculation with minimal impact to the education fund.

Adoption of this proposal would require changes to 32 V.S.A. c 3802(11)

#### **4. Establish an education property tax abatement mechanism as the state level**

Establish a mechanism whereby state education property taxes might be abated due to States of Emergency or natural disasters with amounts owed by municipalities to the Education Fund also forgiven.

Adoption of this proposal would require changes to 32 V.S.A. § 5409 and 24 V.S.A. § 1535.

## Appendices

### Appendix A: Vermont League of Cities and Towns (VLCT) Memo

Date: November 25, 2020

To: Jill Remick, Director of Property Valuation and Review

From: Karen horn, Director, Public Policy and Advocacy

Re: Billing and Collection of Education Property Tax

The Vermont League of Cities and Towns membership voted at its annual meeting on September 30, to support “directing the Vermont Department of Taxes to bill and collect education property taxes”. Thank you for your attention to the following considerations.

For decades we have urged the legislature to address the over-reliance on the property tax for funding education, a need that is always highlighted in legislators’ campaigns and has never been substantively addressed. In addition to this fact, please find below reasons spurring the membership to take this action.

The total amount of property taxes billed by the city, town or village includes education property taxes that range from 50 to more than 90 percent of the entire bill, leaving little if any capacity or room for flexibility on the municipal side to address pressing needs.

The law requires that municipalities must pay the state or their school district on specific dates whether or not they have collected the billed education property taxes. Thus education property tax takes precedence over municipal property tax revenues that are used to pay for plowing the roads, recreation and after school programs, law enforcement and many more vital programs that protect the health and safety of Vermonters.

The fact that local officials must bill and collect the education property tax means that local officials take the blame for its relentless increase every year, for its complexity, for its disconnection from the school budgets that voters adopt, and for the fact that the dysfunction that legislation built into the system is never rectified.

The education property tax system is endlessly complicated, confusing and disconnected from the education budgets that voters adopt at the local level. Nor is there is any sign that legislators have an appetite for making it significantly less complicated or confusing.

There is no ceiling on the education property tax. When school budgets are adopted, if there are insufficient sales tax or other state raised revenues to pay the resulting bill, the education property tax fills the gap. The welcome efforts of the legislature to address the potentially devastating shortfall in Education Fund revenues due to the COVID-19 pandemic instead of leaving the education property tax to pick up the slack was an historic anomaly.

The relationship between the Tax Department and municipal officials is likewise complicated, a fact amply demonstrated by the lengthy explanations, lists of responsibilities , back and forth over individual town education property tax rates, and calendars on the Department of Taxes website for municipal officials.( <https://tax.vermont.gov/municipal-officials/resources#pub>).

## Appendix B: Vermont Municipal Clerks' & Treasurers' Association (VMCTA) Survey Results (Images)

### Survey responses on state collecting education taxes

Responses to date		129
Fiscal Year		
July - June		87
Calendar		42
other		
# of tax installments		
	1	55
	2	35
	3	10
	4	27
who issues the tax bill		
	clerk &/or treasurer	93
	assessor/lister	6
	tax dept/finance	8
who collects taxes		
	clerk &/or treasurer	110
	finance	3
	tax dept/collector	13
support		
	yes	22
	no	79
	not sure	26

Pros

WILL NOT HAVE TO MONEY THAT ISN'T COLLECTED

will be in sink with when the state sends them payment for payments

We won't have to do after people for delinquent taxes

We may have to deal less with homestead & state payment issues.

We can get our portion of the tax bill out faster

we are not responsible in sending bills

Unknown at this time

TOWNS WOULDN'T HAVE TO DEAL WITH SENDING REVISED TAX BILLS

towns not cutting checks to the state or to the school districts

THEY SHOULD, UNPAID SCHOOL TAX SHOULD NOT BE A RESPONSIBILITY OF THE TOWN

They can track down and collect the delinquencies.

They can deal with late filing taxpayers.

There are none.

THERE ARE NONE

There are no pros to this proposal

There are no pros

The towns people will realize that we aren't the cause of their property taxes being so high!

The Town doesn't have to remit the taxes to the School District, even though the Town hasn't received payment.

The state would finally own the burden of defending our onerous ED tax structure.

The State would carry the delinquency.

The state will need to address any questions regarding the collection of education taxes

the education property tax system to taxpayers. It will simplify our tax collection process and also help property tax payers understand the difference between Municipal taxes which support local government vs. Education taxes which support the school system.

burden has fallen 100% on the municipal side. For example, the education tax due to the school district is paid in full within 10 days from the due date of collection of taxes. All delinquent tax liability falls on the municipal side to manage and adjust spending to avoid deficits within a year. Separating this liability would free up an enormous burden currently borne solely by the municipal side. This would release financial stress and allow the

---

The delinquencies would be their issue. Ed. taxes are the larger portion of the bill, so the taxpayer may be more likely to pay the town before the state if they can't pay all of the bill.

---

The appearance that the funds are going to the municipality will be eliminated rates on the tax bill

---

State is very difficult to reach in a timely manner, very much like the DMV right now. Local control should be upheld. I see no pros to this proposal, only frustration.

---

State has to deal with homestead issues, late filed homesteads and property tax adjustments.

---

Simplify a lot for the towns in my opinion

---

Showing the tax payers where their money is going, School vs Town

---

SAVES TOWNS \$ BY NOT HAVE TO BORROW TO PAY DISTRICT

---

residence can contact the state directly with questions

---

are needed, the Municipality may not have to borrow in their Tan, reducing borrowing costs. Not having to do all the education tax bill revisions.

---

Pros- it would be nice to have the State take care of that part of the tax bill especially when amounts are always changing especially months after things are final.

---

taxes collected as a salary. The state is not accessible, they are unable to timely process income sensitivity or current use, do not add to their burden. The Dept of Ed had us secure less in taxes than we had to pay them, Work needs to be done at the State to improve service before adding anything further

---

PROPERTY OWNERS CAN SEE HOW MUCH THEY PAY FOR EDUCATION VS TOWN TAX

---

Potentially, this lifts some of the burden of tax collection on towns. Since I assume that municipal taxes would still need to be billed and collected separately, the amount of work and cost to municipalities would be about the same. I assume the State would be billing separately, and on a different timeframe, so for the taxpayers I believe confusion would increase unless some very simple, clear solution is found.

---

Our office wouldn't have to hear the complaints

---

Open-Ended Response

---

nothing

---

not sure

---

Not Sure

---

not sure

Not having to pay the school money when we have delinquencies, tax payers realizing that the majority of their bill is out of our control, the municipalities will likely be paid in full more often, much easier to collect

Not having to issue revised bills.

None, I can't think of anything good about that

None, from the taxpayer's point of view. From the Town's point of view, it would save us all of the time that we spend dealing with homestead declarations and tax bill revisions.

NONE!

None that I can see

none that I can see

none I can think of

None at all, still have to mail the local bills. I think it would cause issues.

None

no pros

no pros

NO MORE HOMESTEAD

No longer the responsibility of the town.

no clue, what are they?

Many pros - the state would deal directly with the tax payer regarding state payment, late filings, adjusted bills, payments to school districts, and etc.

much is delinquent.

Less work for the towns if we don't have to have to deal with Homestead and Downloads and Revised tax bills

Less work collecting and processing funds for the school

Less work at the municipal level, less cost, less bookkeeping

less money to collect, less confusion on what the actual payment is due to the school is.

It would take the municipality out of the role of middleman. It would also allow taxpayers the contact information for questions concerning education taxes. It would give the town better control over cash flow.

It sounds good to start, but it would be a nightmare for mortgage companies to pay one portion to municipality and other to the state. Could result in chaos. What about the extra from homestead exemption. I think this would all be a nightmare and another task for the state when it seems to be going okay right now.

It may help by eliminating the Town as the middle man

chase down any unpaid school taxes. The town would not be on the hook for any unpaid school taxes. The state could answer questions about the education taxes instead of town officials doing that. Income sensitive information would be kept by the state. People might call the state instead of town when a state payment is wrong or hasn't been filed on time.

In my opinion, there isn't any pros.

I, as Town Treasurer, like to know who owes and who paid.

I would not have to deal with the education taxes

I really don't see any, as we have to send a bill out for our portion too.

I don't see any pros.

I DON'T SEE ANY PROS

I dont see any pros

I don't know of any

I don't know if I currently feel there are any pros- it will not decrease workload flow as the town will still have to do everything on the municipal side with respect to taxes

I don't believe there are any pros.

i do not see any pros

I do not see a pro

I can't think of any. We still have to send out the bills so there is no savings there.

I can't think of any pros

I can't come up with any pros for this proposal

I am not sure there are pros unless you are a town that does separately billing and collection for education taxes. In a town like mine, there is not extra work as a bill will be sent either way.

Helpful, but not sure what property owners will think.

## Cons

The con would be mass confusion on the part of tax payers.

1) HOW WOULD ABATEMENTS BE HANDLED, SAY FROM A FIRE 2) MUNICIPAL CASHFLOW WOULD BE AFFECTED

3) NEW PROPERTY OWNERS AFTE APRIL 1ST MAY NOT RECEIVE THEIR TAX BILL FROM THE STATE

1. Would have to adjust for cash flow changes;

1. Taxpayer confusion 2. Clerk/Treasurers will still be answering for the Tax dept. 3. Penalties won't go to the Delinquent tax collector, so harder to find them

A great deal of frustration to the taxpayer when they have questions and concerns that need to be answered in a timely manner. We only have 1 tax payment now so separating them will cause confusion and very likely delinquent taxes. local control should be maintained since it has already been proven that it works, whereas, government control has proven to be more frustrating.

ARE NOT TIMELY IN WHAT THEY DO NOW

are they going to be doing all the revised bills??? more confusing for tax payers!!

Cash flow from July to October for us.

Change is always challenging for people to grapple with. It might create some headaches for escrow companies and therefore for taxpayers who rely on those companies for paying their property taxes on time. It could create a situation where there are more incorrect payments to the town because of escrow company errors but this should work itself out in a year or two.

Change, people don't like change. Also having to make more than one payment

Confusing to the tax payers to have 2 separate bills

Confusion everywhere - escrow companies, citizens, etc.

Confusion from tax payers getting 2 bills. Delinquent tax collectors will lose their fees on Education taxes?

Confusion relative to separate bills; people trying to pay school taxes to town instead of state

Confusion to the tax payers. Over penalizing the late payers. Loss of Town Control of anything.

confusion to what amount is actually paid with receiving 2 different bills. what about the majority of taxpayers that have their taxes escrowed? is the State going to send an actual tax bill or a bill that they have tacked on various other things that they have tried to attach to tax bills in the past?

Confusion with the tax payer, not a local office to ask questions of

companies, escrow companies, tax sale lawyers, towns instituting tax sales, tax sale buyers. Everytime a property valuation changed the town would be responsible for notifying the state? Recording of DT warrants would probably be on an individual basis and cause a large influx of recordings in each office. State could write an exemption of recording fees for this.

escrow companies having two bills - two entities to pay - possible varying due dates; concern for public accessibility to the tax office. With all the changes due to Homestead/tax credits, changes in ownership, etc., there will be major hurdles to overcome. I see what a mess the Tax Dept has made on property tax bill revisions to date, what about the schools who are receiving entities? Concern for coordination with school districts for receipt of funds from the State. The reconciliation process to date has not been great with regards to Homestead/tax credit revisions, now add collections. Municipalities could stand to loose monies as well ont he delinquent penalties. Towns pay school what is due and the balance remains with Town which includes the penalties and interest. How does the State intend to handle delinquencies?

Definitely cons

Diminishing the Local Level Involment and control is a con of this proposal.

have to file income taxes in the spring, I doubt the state could keep up with the number of requests from people asking for a copy of the bill they lost. Double the resources of bills, envelopes, postage, staff to process all of it. It seems like a big cost to taxpayers for what exactly? People will still call their town clerk with questions for which we won't have answers. How do taxpayers decide which entity to pay if they can't pay it all? The state might struggle to follow up on delinquent tax payers, where local tax collectors might be able to serve better and on a more personal level. If one or both bills goes delinquent, who takes the property owner to "tax sale"? Who pays the legal fees for tax sales, the State or Town or both together. It sounds more complicated. We are facing closing our schools because of too high costs and not enough people to pay them. This seems like an added cost that will just further hurt schools and students. We should aim to decrease administrative costs and put more money to keeping schools open.

escrow companies having two bills and dealing with the state

Everything: State has proven to be incompetent in many undertakings: state health care, customer service with no phone call Wednesdays, revised tax information that required that I reprint all last year's tax bills, no work on invasive plants, less highway roadside maintenance, Lake Champlain still horribly polluted. With the EXCEPTION of covid, the State does a miserable job, just a bureaucracy that is nearly impossible to access. It would be a failure that towns would probably have to clean up.

Extreme confusion for both mortgage companies and tax payers

For the first year VT residents might be slightly confused when they receive a bill from the Town and a bill from the State but with Clerks/Treasurers and State employees working together to do outreach and education this can easily be solved it will just take time.

From a town government standpoint, I see mostly pros. One con would be that taxpayers would have deal directly with the state instead of having a local person to answer their questions. The 2nd con would be the loss of income towns receive as reimbursement of their time spent billing and collecting the school taxes.

GOING TO TAKE LONGER, COST MORE, PROPERTY OWNERS MIGHT GET CONFUSED

tax bills from two entities, town will lose interest earned, we give our school monies through out the year as needed

HOW IS THE TOWN INVOLVED IF THEY ARE DELINQUENT

how will delinquencies and abatements be handled

How would the town handle delinquent tax sales. Will the state do their own collection and take responsibility? If they are going to take it, then take the whole process

I believe a third party involved in resolving transferred property, homestead issues, etc. will result in Towns wanting to continue with the system as it is now. This will also create another level of bureaucracy in the tax dept. and result in an increase in taxes just to implement and maintain it. Tax payers will also be confronted with yet another level of taxes coming directly from the state - confusing for them and creating a second level of paperwork / documentation and more room for error.

I cannot think of any cons from the town's perspective

I cannot think of any cons to this proposal

I can't think of any

I feel that taxpayers will find it VERY confusing, and there are sure to be multiples snafus, especially with respect to escrow company payments. Cost to the state? Ability of the state to sufficiently staff?

I heard that Towns would be responsible for collecting delinquent tax. People will be very confused with getting 2 bills and making 2 payments.

i like the idea of keeping them separate

I see it as not having cons

I would rather not have that as it seems to be confusing for the residents to receive 2 bills, I feel the towns should continue to handle

It seems too confusing to have state and municipality handle each segment. Don't see how this would work. It will be confusing for the taxpayer. The town will still need to answer the taxpayers questions. The state is too unresponsive and they are used to dealing with the town. How would a tax sale work? I don't believe the state could handle the added work load. It is very difficult getting homestead and current use information from the state in a timely manner now.

It will be like inventing the wheel for the state to do this.

It will cause great confusion and eliminate the local contact for residents with questions, all towns have different due dates and payment structures it would be hard to separate this.

It will confuse tax payers. What if they only choose to pay one or the other. Either the school or the town is going to have a large amount of delinquencies. How will they collect delinquent taxes? Who will address grievance hearings, and abatement hearings?

bills.

Late file Homestead and corrections that need to be made

Less flexibility and hand holding for our tax payers, ie responding to questions, providing copies and housesite tax information, dealing with their escrow companies and their many, many phone calls

losing local control - it would be very confusing to tax payers to have to pay two different bills

can't deal with the state and this would be yet another step away from local municipality; unable to find number to call

loss of interest

loss of interest income to the town

Loss of interest income to the Town, Loss of penalty income to the clerks that work for fees.

Loss of local control

Loss of local control; who is going to be responsible for the delinquent penalties & interest? The VT Dept of Taxes appears to be overburdened right now without adding such a huge item to their workload.

LOSS OF PENALTY/INTEREST REVENUE & CUSTOMER SERVICE MORE DIFFICULT

Loss of revenue to town - interest on payments outstanding. Loss of income for the delinquent tax collector.

Loss of the individual relationships within the town.

Lost revenue to the Towns for Penalty & interest on delinquent taxes and lost interest from the bank. Increased cost to the Town for answering all taxpayer questions when they have to pay two bills. Loss of transparency as we won't know what is collected for our Town and in turn won't know how the budget will affect the rates. Just another small transfer of control from the Town to the State of Vermont.

many - confused property owners; possible mismatch in number/date of billing; who collects delinquencies; record keeping and updates

mass confusion, late payments as people are used to paying the Town for everything.

may confuse tax payers

More confusion, especially delinquent tax collections

more cost to taxpayers for administration, less eyes on the process to check for accuracy,

Most towns are use to one bill. This will really confuse people, will complicate the state payments a bit.

My concerns would be around the public awareness piece for the taxpayer and around the ability of the state to do the work efficiently and effectively. There was a huge disconnect when the state sent ballots to every voter, I am concerned that the same disconnect will happen with separate tax bills. That will add to our work load as everyone will call the town, not the state.

No cons

no cons - very exciting

none

None

Not a good idea for many reasons. I believe this would be very confusing to the tax payer. With homesteads, prebate pmts, escrow payments, ect that come into play for each town would be a mess with the state.

Not Sure

Not sure

Not sure.

One bill, one collection, local contact for taxpayer, can get money to the School sooner so they don't need to borrow, maintains local control

Out of town control, questions will come to town but state will have the info, state takes long to do anything. Delinquent tax collector in town loses income but has same amount of work

Potential loss of local control. Local School Districts may go by the wayside.

Property closings would be too complicated regarding taxes

Residents wouldn't benefit from this, they wouldn't be able to have local access for payment drop off of to be able to get copies for income tax purposes.

same as above

see above

See above

happens when someone pays Town taxes but not education - delinquencies? Tax Sale? Too many issues to list.....

State is unable to keep up with tax issues now. Taxpayers not getting answers to their questions and the towns having to still deal with the issues.

**TAX PAYERS MAY BE CONFUSED WITH RECEIVING TWO TAX BILLS**

Tax payers will be confused and the number of phone calls will be huge, assuming we would just ask individual to call the VT Dept of Taxes - not sure how they would handle the sheer number of calls they will receive.

Tax payers will get two bills, Tax collections will not be as timely on the delinquent, More confusion for tax payers. Also, if there are issues such as rebilling because the ed rate was wrong, NEMRC helped us with the rebilling, I don't believe the state would be able to help with that, certainly not in a timely manner.

Taxpayer confusion and anger at 1) any change, 2) having to make separate payments, 3) not knowing who to call for questions.

Taxpayers may be more inclined to pay the education tax portion before the town portion of their property taxes as the State may be a more loathsome collection body as opposed to the town's treasurer or clerk.

taxpayers will be very confused. taxes are delinquent for a number of years. School in turn will not collect their tax money. as it is now. the town owes the money to the school no matter what in full.

Taxpayers will have two separate bills to pay, could be confusing for some, and see the town taking the hit on unpaid taxes and going delinquent.

the delinquent side of the collection

The delinquent tax collector will make much less money

**THE DELINQUENT TAX COLLECTOR WOULD GET HIT HARD WITH LESS INCOME**

rates are unanswered, this will create more confusion for the taxpayers, there is a possibility for a reduction in town collections, who will deal with late payments and delinquencies, will the town have to make those payments, how will they deal with escrow companies and revised bills which is often a full time job as the homestead changes occur, how will state payments be dealt with in 2 systems, will they issue refunds for overpayments...

The state has a hard time managing what they do already (look at the fiasco of the unemployment claims in 2020), they don't know our property owners, they don't know our towns

The State has their hands in enough of what Towns do.

The tax payers will have 2 payments to mail out (no cons to town)

capacity to deal with questions, and it is not easy to get through to a real person. Telling folks to look on a website for answers does not work for everyone, particularly the elderly and those without reliable internet. There will be no one to advocate for the taxpayer. Escrow accounts will need to be re-calculated with new payment schedules. Attornies need to be able to call and speak to someone directly to find out if taxes are paid. How will delinquent taxes be collected? Some properties will sell before the tax department files a lien for delinquent taxes. How will abatements be handled?

The Town will not have use of the funds before they are remitted to the School District.

a mess.

the worst idea ever

**THERE TO MANY TO MENTION**

This will be a disaster

get ahold of someone to ask questions we would not be able to help them. The State would never be able to handle the calls on mortgages, taxes, etc. etc. This would only frustrate people even more worse than the DMV has during this pandemic.

to hard to contact state for taxpayers and attorneys

Too big to care.

Too big to care.

too many to count

too many to count

Town loses any penalty/interest income for late payments, loses visibility to how much Town sends to the State, State unprepared to deal with escrow companies to get payments - leading to confusion between these companies, taxpayers and the Towns, loss of access to bills, State unprepared to handle simple things like address changes, another loss of "local control"

**TAXES. IF STATE DOES IT, IT WOULD COST VT TAXPAYERS MORE, WHAT HAPPENS WHEN THERE ARE DELINQUENCIES/TAX SALES.**

Towns lose out on interest that we earn those few months that we have a large chunk of money collected. There would be error as always when the State takes over doing what has been done without a problem. The Town still has to send out the municipal bills so it's not saving any work for anyone and people will be getting two bills in the mail which will be confusing to them. The State will be reducing the revenue Towns get for the penalty and interest we earn on delinquent taxes. There is nothing good about this.

Towns will be less able to answer any questions of residents who are confused about their tax bills and why they don't have a state payment etc...

**TOWN'S WOULD LOOSE INTEREST REVENUE, DEPT OF TAXES HAS A DIFFUCULT TIME WITH TASKS AS IT IS, JUST ANOTHER WAY FOR THE STATE TO TAKE OVER A TOWN'S RESPOSIBILITY**

Two separate billings, creating confusion to taxpayers and towns alike. Will the state collect delinquent taxes too? Homestead declaration applied proportionally or what??

Unknown at this time

Unless the Legislature puts significant funding AND skilled, well paid workers behind this proposal, with a clear timeframe for its implementation, the chaos which would follow might not be the best choice at this time. More centralization is not what the people I represent crave. If they have a problem with understanding their bill, we in the town office help them. If the state government takes over billing and collection of education tax, will the VT tax department respond with long phone menus and wait times? From my point of view as a municipal official, the level of personal customer care we offer is not likely to be replicated at state level.

---

Very confusing for our tax payers. If we are paying them on time like we should what is the problem. If its not broke why try to fix it?

---

waiting for money, we would send out town bills, not good

---

Way more liens having to be put on taxpayer properties for none payment. Way more paperwork for the state, more cost to the state, harder to collect local tax from people that can't pay because the total amount is lower and are you going to have a tax sale for \$100? To much large government oversite, should be kept at home. Mort cost to the state hiring all the people to do this and to write checks to all the towns schools and do all the accounting. Right now it's all being taken care of at the cost of people who are here doing their jobs anyway. I think it would be fiscally irresponsible to incur this astronomical debt. to the tax payers.

---

What happens to delinquent taxes? More state taking over local duties. More state bureaucracy.

---

Who would handle delinquent taxes if School tax not paid but town tax is paid? How would tax sales be handled. Who would handle escrow company payments? Would escrow companies send 1 payment to the town and another to the state? Who would answer questions about taxes for properties sold after April 1st? Who would issue revised bills and return credits to the taxpayer?

---

Who's going to handle all the problems? The Tax Dept????

---

will likely cause confusion to the tax payers at first, but they will adjust

---

You will be babysitting grown adults.

---

You will eliminate the delinquent tax collector. Who is be responsible to tax sales?

---

## other comments

All towns have different schedules - leave it alone collected each quarter. What will happen if State takes over and state we need to pay a certain amount each quarter and wasn't collected.

disbursements with school.

state by mistake

Concerns about taxpayer confusion with two bills; State would need to add customer service reps

delinquent tax collecting is hard, very hard. I do not think the state will be able to work with townspeople as the local delinquent tax collector does.

don't see any good reason to change a system that has works

How are the delinquent taxes going to be dealt with?

How long before the towns get paid?

handled by the State or SU. Issues concerning confidentiality of homestead tax payments create issues and changes to homestead status/homestead credits (and the work associated with revised tax bills) create a good deal of work for a small town. We are a calendar town and because of the 'late filer' allowance, we aren't able to collect our town taxes until November. If we were not required to wait for the state tax rate, we could bill far earlier in the year.

more confusing for the seller/buyer to separate what they have paid on one tax bill. I feel the town would have no delinquencies at end of year. BUT, if a town runs on the anticipated funds until payment goes to state, this could pose quite the problems.

I believe it will add more work to an already confusing situation.

I believe people will pay their education taxes and not pay their municipal taxes. That would hurt towns throughout the State. Also, people will be getting extra bills which will confuse the elderly.

I can not imagine the chaos that this will create. I seriously doubt that the complexity of this task is understood.

I cannot imagine how confusing this will be for our taxpayers. I believe we should be adding jobs at the local level and downsizing at the State level, this proposal is certainly the opposite of that.

that will only cause much distress to everyone, treasurers, clerks and taxpayers. Seriously, this is wrong on so many levels.

I do not support the state taking this over. My residents come to me when they need help because it is unavailable at the State level.

I do not think the State is equipped to handle the volume of requests from attorneys, title searchers and mortgage companies to see if people are current with their property taxes. Or what amounts are coming due. In South Burlington I average 20 emails and countless phone calls daily requesting information. How much is the State going to put back on municipalities when they can't handle the daily volume.

I don't believe we need the State to step in and take local control of taxes from our Towns.

control.

I don't think the department of taxes is equipped to handle this. They need to have more conversations with the people who do this every day.

I don't think this is in the best interest of the individual taxpayer. I can't figure out what problem the legislature is trying to solve by removing the personal service out of the process.

I have not heard the benefits of this proposal.

I hope that the Legislature is aware of the process involved with tax sales for delinquent properties.

I hope the state works very closely with VMCTA when trying to decide whether to make this change or not and to put a plan in place based on assistance from VMCTA to set it up as best as possible. If the state will be collecting taxes, they need to educate the tax payers on the change and what it means, collection, etc.

being the ones to collect the taxes. Not really sure how that helps anyone. Education should be funded more evenly throughout the state. To keep everything the same and just change who collects it doesn't really accomplish anything.

pandemic.

I think this idea is great! I also hope the State is consulting with Listers/Assessors and Town District Advisors too!

I think this is a horrible idea. The Treasurers are all set up to do this. The residents know exactly what to expect of their tax bill. 2 bills would be so confusing I don't want the state to have to hire more people and train them to get the job done. We are all set and it runs smoothly as to how it is now handled.

DISTRICTS.. ALSO WHEN TAXES ARE ABATED, EDUCATION TAX STILL REQUIRED FROM TOWN. THIS WILL ALEVIATE THE LOSS.

I think we have enough going on in our municipal lives without people at the state ensuring job security by taking away the local option

state is implementing? If there is not a decent reason for changing the system, I would think we should leave well enough alone.

I would prefer that the State Legislature mandate that the VT Tax Dept follow up on taxpayers who refuse to file their Homestead Declaration every year & take advantage of the lower tax rate. We have sent our list to the Tax Dept every year & nothing gets done!

if it ain't broke.....

if the State takes over the billing they need to take all of it. Do not leave anything for the Towns to do.

IF TOWNS ARE ALREADY COLLECTING MUNICIPAL TAXES, THEN COLLECTING SCHOOL TAXES TAKES NO EXTRA TIME. TAX SALES WOULD BE AN ISSUE, WHAT IF THEY PAY TOWN AND NOT SCHOOL OR VICE VERSA. NO REASON TO CHANGE IF NOT BROKEN. NO REASON TO TAKE MORE DUTIES FROM TOWNS.

if you do not have a school in your town you bill, collect and send the money to the school district. If the state does this they will have to deal with it all.

it sure feels like the State, once again, is stripping the Town of local control and making things more difficult than they have to be. I might be more receptive to a change if the State had a track record of doing things correctly. They cannot even educate the public on the Homestead/Tax Credit topic. Once again, the Town will be expected to do the State's legwork, while they reap the monetary funds - shrinking our tills.

it will be interesting to see how many times revised bills need to go out if the State is collecting the education tax. You will also need to hear abatement hearings on the school portion of the property tax as the Town cannot issue reimbursement on something we do not collect.

it would be interesting to know what the thought process is behind having taxes billed and collected through the VT Dept of Taxes

decision

Local control of our small schools has already been dissolved despite the fact the taxpayers had voted it down twice. Collecting the taxes by the government just adds to the distrust

Maybe I am uncertain of why this proposal is being brought up. It might make the municipal work load slightly lighter, but is not worth creating a whole new state office for. The State already gets a lot of work out of towns for nothing. I'd rather see the state spend time trying to figure out how to reduce the number of superintendents and decrease the number of small schools being closed.

My reaction when this was first proposed a few years ago was that it would be very confusing to tax payers. Now I'm thinking if it was rolled out smoothly and staffed accordingly, it could work. When people get a \$4,000 bill from the State and a \$400 bill from the town, it will help to clarify just where their money is actually going.

n/a

Need to think about it more.

none at this time

None.

Open-Ended Response

Our school our responsibility to collect. The state has been overwhelmed supposedly with everything else like current use, prebates etc. how do they expect to handle this and make it work?

Please share any additional thoughts:

BILLS. IF THE PROPOSAL PASSES, IT WILL TAKE A COUPLE OF YEARS FOR PEOPLE TO SETTLE DOWN AND BE USED TO THE PROCESS.

State government needs to develop accountability, and make an honest effort to accomplish its responsibilities. Over the past 20 years, I would say VT government has gone from a good status to a shabby incompetent one.

Stop changing things, if its working why mess with it?

The Legislature should work on how to reduce the eeducation spending in this State and not worry abouty the billing. When they have solved that proplem, we can talk about billing.

The State has taken over way too much that should be handled at the local level. Tax payers will the education side to prevent penalty then not the Town side due to smaller taxes or visa versa.

The state has the tools to collect taxes such as income Taxes. Using the same tools this would be a good idea.

The state made a mistake in the amount of ed tax this town paid by approx. \$5,000. I tried on numerous occasions to talk with them, but they just refused to listen to me. I had the proof. They just kept saying it was a grand list issue. It was not a grant list issued, it was their mistake in the summary of the amount we were billed for and wrote the check for. It has been several months and I still cannot get a response from them.

The State must accept the responsibility of collection of any delinquent education tax amounts due.

THE STATE OF VERMONT IS LEANING TOWARDS "BIG CITY" VALUES MORE AND MORE AS THE YEARS GO BY. IT DOESN'T SEEM TO HAVE FAITH IN LOCAL GOVERNMENT ANY LONGER AND AT THE SAME TIME IMPOSING STATE MANDATES ON TOWNS THAT ARE UNFUNDED THEREFORE ADDING TO LOCAL TAX BURDENS.

The state should not even consider this until the new Grand List system is in place and all the kinks are worked out. How else can Clerk/Treasurers assess the impact of the proposed change? How many additional years did it take to get the VRIMS system functional? This could be the same scenario, causing the state to delay implementation at the last minute, creating havoc with all involved in the process. PLEASE DON'T DO THIS.

The Tax Department can't handle all that they are supposed to do now. How will they handle more?

the town will lose revenues from late penalties, taxpayers will be frustrated when no answers will be provided at local level, this will end up costing the state thousands of dollars to maintain this for all towns.

They that don't do the work aren't aware of the amount of work there is to do.

This has been "studied" before and seemed to have been shelved.

This has been discussed for a few years. I feel like I might be old fashioned, but the Town Office will get all the calls with questions for years to come.

This is something that is long overdue.

this may increase voter participation in school budget decisions when they actually see Ed taxes separated out in such a finite way.

just keep typing until I run out of space. Perhaps some Shakespeare - Oh, for a muse of fire that would ascend the brightest heaven of invention. A kingdom for a stage, princes to act and monarchs to behold the swelling scene. Then should the warlike Harry, like himself, assume the port of Mars. OK, that's enough. Clearly you can type quite a bit.

Too far removed from Local jurisdictions & response

Turn around of new owners , address changes etc

We need to know more, who is responsible to collect delinquent taxes and how will that effect tax payers?  
Many more questions when someone is late...What about mortgages and escrow payments...  
What is wrong with the way we do it now??  
While there might be some things that would be easier for the town, I believe there are many more cons. You have people already collecting the taxes, why reinvent the wheel.  
Why fix something when it isn't broke.  
Why would the State want to do this when they get their money and don't have to try to collect it  
Will more State employees need to be hired to adequately manage this monumental undertaking? What would the increase costs be to the taxpayers?  
Would have been better to have more information about the proposal. This is just my first gut reaction!  
would like an opportunity to discuss this issue further with clerks and get their thoughts on the change.  
would like to see the tax department finish the grand list software conversion and fix homestead and current use issues first before taking on more  
education taxes due

ty will be a number of painful years of transition.

and implementation plan before I give an opinion

owns are NOT responsible for collection of delinquent education taxes.

time - emphatically NO