

**S.214, EDUCATION PROPERTY TAX VALUATION, AS PASSED BY SENATE**

Section-by-Section Summary – March 25, 2022

Sec.	Summary	Notes
1	<p><b>Increases cap on reimbursements to towns from \$100,000 to \$1,000,000.</b> 32 V.S.A. § 5412(e)</p> <ul style="list-style-type: none"> <li>Increases annual statewide cap on Education Fund reimbursements to towns whose grand list values are reduced after a final appeal, court order, or settlement. In those cases, towns must reimburse education property taxes to taxpayer.</li> <li>Retains proration of total reimbursements allowed to eligible towns.</li> </ul>	
2	<p><b>Creates a State appraisal and litigation assistance program.</b> 32 V.S.A. § 5413</p> <ul style="list-style-type: none"> <li>Creates new program at Dept. of Taxes, Property Valuation and Review to assist municipalities with the valuation of complex commercial, utility, or other unique properties within a municipality’s jurisdiction and to assist with any appeals arising from those valuations.</li> <li>Allows Commissioner to contract with commercial appraisers.</li> <li>Allows Commissioner to adopt rules to administer program.</li> <li>Requires Commissioner to determine conditions for eligibility and create application process.</li> <li>Any municipality receiving State assistance is considered to have followed best practices as required to be reimbursed under 32 V.S.A. § 5412(a)(1)(D) following a reduction in grand list value.</li> </ul>	
3	<p><b>Cost estimate; new State program</b></p> <ul style="list-style-type: none"> <li>Requires Commissioner of Taxes, on or before January 15, 2023, to submit to House Committees on Appropriations and on Ways and Means, and Senate Committees on Appropriations and on Finance, an estimate of costs of standing up State appraisal and litigation assistance program for municipalities.</li> <li>Cost estimate must include upfront and ongoing operating costs required to create, implement, and maintain the new program, including contracting with one or more commercial appraisers to provide State assistance to municipalities.</li> </ul>	
4	<p><b>Complex or unique appeals; Director forwards to Superior Court</b> 32 V.S.A. § 4461(a)</p> <ul style="list-style-type: none"> <li>Grants Director of Property Valuation and Review discretion to decline to assign a property valuation hearing officer to an appeal and instead forward appeal to Superior Court if, in Director’s opinion, the appeal involves a complex or unique property or valuation that would be best adjudicated by Superior Court.</li> <li>Forwarded appeals are considered timely filed in Superior Court if timely appealed to Director.</li> </ul>	
5	<p><b>Director not to assign hearing officer when forwarding appeals to Court</b> 32 V.S.A. § 4465</p> <ul style="list-style-type: none"> <li>Adds an exception to the general rule that Director of Property Valuation and Review refer appeals to property valuation hearing officers when Director forwards appeals to Superior Court.</li> </ul>	

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6	<p><b>Repeals \$8.50 per parcel reappraisal assistance fee.</b> 32 V.S.A. § 4041a(a)</p> <ul style="list-style-type: none"> <li>• \$8.50 fee is paid to towns for reappraisals and preparing the grand list.</li> <li>• Although statute directs payment from Education Fund, fee has been paid from General Fund in budget bill since 2018.</li> </ul>	
7	<p><b>Increases per parcel equalization fee from \$1 to \$12.</b> 32 V.S.A. § 5405(f)</p> <ul style="list-style-type: none"> <li>• Allowable uses are expanded to include current uses for \$8.50 fee (reappraisals and preparing the grand list).</li> <li>• Segregation of monies into a special fund by municipalities is expanded to include use of funds for reappraisals.</li> </ul>	
8	<p><b>Report; time-share project valuation</b></p> <ul style="list-style-type: none"> <li>• Requires Commissioner of Taxes, on or before January 15, 2023, to submit to House Committee on Ways and Means and Senate Committee on Finance a report on time-share project valuations.</li> <li>• Report must propose options for addressing complexities of valuing time-share projects, including a review of other states’ laws and an evaluation of feasibility of applying those formulas in Vermont.</li> </ul>	
9	<p><b>Effective dates</b></p> <ul style="list-style-type: none"> <li>• On passage: <ul style="list-style-type: none"> <li>○ Effective dates section</li> <li>○ Sec. 3 (cost estimate; new State program)</li> <li>○ Secs. 6 and 7 (per parcel fees)</li> <li>○ Sec. 8 (report; time-share project valuation)</li> </ul> </li> <li>• January 1, 2023 for Sec. 1 (refund for reduction in grand list value) <ul style="list-style-type: none"> <li>○ New \$1,000,000 cap on refunds applies to municipal requests for reduction submitted on or after January 1, 2023 for a final appeal or court action resolved within the previous calendar year, beginning with the 2022 calendar year.</li> </ul> </li> <li>• July 1, 2023 contingent effective date for Sec. 2 (State appraisal and litigation assistance program) <ul style="list-style-type: none"> <li>○ General Assembly must, on or before July 1, 2023, appropriate funding to cover the Department of Taxes’ operating costs required to create, implement, and maintain a new State appraisal and litigation assistance program.</li> </ul> </li> </ul>	