

1 TO THE HONORABLE SENATE:

2 The Committee on Finance to which was referred Senate Bill No. 214
3 entitled “An act relating to valuation of time-share projects” respectfully
4 reports that it has considered the same and recommends that the bill be
5 amended by striking out all after the enacting clause and inserting in lieu
6 thereof the following:

7 Sec. 1. 32 V.S.A. § 5412(e) is amended to read:

8 (e) A reduction made under this section shall be an amount equal to the loss
9 in education grand list value multiplied by the tax rate applicable to the subject
10 property in the year the request is submitted. However, the total amount for all
11 reductions made under this section in one year shall not exceed ~~\$100,000.00~~
12 \$1,000,000.00. If total reductions for a calendar year would exceed this
13 amount, the Director shall instead prorate the reductions proportionally among
14 all municipalities eligible for a reduction so that total reductions equal
15 ~~\$100,000.00~~ \$1,000,000.00.

16 Sec. 2. 32 V.S.A. § 5413 is added to read:

17 § 5413. STATE APPRAISAL AND LITIGATION ASSISTANCE

18 PROGRAM

19 (a) A State appraisal and litigation assistance program shall be created
20 within the Division of Property Valuation and Review of the Department of
21 Taxes to assist municipalities with the valuation of complex commercial,

1 utility, or other unique properties within a municipality’s jurisdiction and to
2 assist with any appeals arising from those valuations. The Commissioner of
3 Taxes may contract with one or more commercial appraisers to provide State
4 appraisal and litigation assistance to municipalities under this section. The
5 Commissioner may adopt rules to administer the provisions of this section.

6 (b) The Commissioner shall:

7 (1) determine the conditions for a property to be eligible for State
8 assistance, including the grand list value or category of the property or other
9 relevant factors as determined by the Commissioner; and

10 (2) provide a process by which a municipality may apply for assistance
11 under this section for one or more properties.

12 (c) Any municipality assisted under this section shall be considered to have
13 followed best practices pursuant to subdivision 5412(a)(1)(D) of this title.

14 Sec. 3. COST ESTIMATE; NEW STATE PROGRAM

15 On or before January 15, 2023, the Commissioner of Taxes shall submit a
16 cost estimate for the creation of a new State appraisal and litigation assistance
17 program within the Division of Property Valuation and Review of the
18 Department of Taxes to the House Committees on Appropriations and on
19 Ways and Means and the Senate Committees on Appropriations and on
20 Finance. The cost estimate under this section shall include the upfront and
21 ongoing operating costs required to create, implement, and maintain a new

1 program, including contracting with one or more commercial appraisers to
2 provide State assistance to municipalities.

3 Sec. 4. 32 V.S.A. § 4461(a) is amended to read:

4 (a) A taxpayer or the selectboard members of a town aggrieved by a
5 decision of the board of civil authority under subchapter 1 of this chapter may
6 appeal the decision of the board to either the Director or the Superior Court of
7 the county in which the property is located. The appeal to the Superior Court
8 shall be heard without a jury. The appeal to either the Director or the Superior
9 Court shall be commenced by filing a notice of appeal pursuant to Rule 74 of
10 the Vermont Rules of Civil Procedure within 30 days after entry of the
11 decision of the board of civil authority. The date of mailing of notice of the
12 board's decision by the town clerk to the taxpayer shall be deemed the date of
13 entry of the board's decision. The town clerk shall transmit a copy of the
14 notice to the Director or to the Superior Court as indicated in the notice and
15 shall record or attach a copy of the notice in the grand list book. The entry fee
16 for an appeal to the Director is \$70.00; provided, however, that the Director
17 may waive, reduce, or refund the entry fee in cases of hardship or to join
18 appeals regarding the same parcel. If, in the opinion of the Director, an appeal
19 under this subsection involves a complex or unique property or valuation that
20 would be best adjudicated by the Superior Court, the Director may decline to
21 assign a property valuation hearing officer pursuant to section 4465 of this title

1 and shall forward the appeal to the Superior Court where it shall be heard. An
2 appeal forwarded by the Director under this subsection shall be considered
3 timely filed in the Superior Court if it was timely appealed to the Director.

4 Sec. 5. 32 V.S.A. § 4465 is amended to read:

5 § 4465. APPOINTMENT OF PROPERTY VALUATION HEARING
6 OFFICER; OATH; PAY

7 When an appeal to the Director is not withdrawn or forwarded by the
8 Director to Superior Court pursuant to subsection 4461(a) of this title, the
9 Director shall refer the appeal in writing to a person not employed by the
10 Director, appointed by the Director as hearing officer. The Director shall have
11 the right to remove a hearing officer for inefficiency, malfeasance in office, or
12 other cause. In like manner, the Director shall appoint a hearing officer to fill
13 any vacancy created by resignation, removal, or other cause. Before entering
14 into their duties, persons appointed as hearing officers shall take and subscribe
15 the oath of the office prescribed in the Constitution, which oath shall be filed
16 with the Director. The Director shall pay each hearing officer a sum not to
17 exceed \$150.00 per diem for each day wherein hearings are held, together with
18 reasonable expenses as the Director may determine. A hearing officer may
19 subpoena witnesses, records, and documents in the manner provided by law for
20 serving subpoenas in civil actions and may administer oaths to witnesses.

1 Sec. 6. 32 V.S.A. § 4041a(a) is amended to read:

2 (a) ~~A municipality shall be paid \$8.50 per grand list parcel per year from~~
3 ~~the Education Fund to be used only for reappraisal and costs related to~~
4 ~~reappraisal of its grand list properties and for maintenance of the grand list.~~

5 [Repealed.]

6 Sec. 7. 32 V.S.A. § 5405(f) is amended to read:

7 (f) Within the limits of the resources available for that purpose, the
8 Commissioner may employ such individuals, whether on a permanent,
9 temporary, or contractual basis, as shall be necessary, in the judgment of the
10 Commissioner, to aid in the performance of duties under this section. The
11 Commissioner shall pay each municipality the sum of ~~\$1.00~~ \$12.00 per grand
12 list parcel in the municipality for services provided to the Commissioner in
13 connection with the performance of duties under this section, for preparation of
14 the municipality's education property tax grand list, and for reappraisal and
15 costs related to reappraisal of the municipality's education property tax grand
16 list properties. Each municipality shall deposit payments received under this
17 subsection into a special fund that shall be used to support the preparation of
18 the municipality's education property tax grand list and reappraisals.

19 Sec. 8. REPORT; TIME-SHARE PROJECT VALUATION

20 On or before January 15, 2023, the Commissioner of Taxes shall submit a
21 report to the House Committee on Ways and Means and the Senate Committee

1 on Finance proposing options for addressing the complexities of valuing time-
2 share projects in this State. The report under this section shall include a review
3 of other states’ time-share project valuation laws and an evaluation of the
4 feasibility of applying those formulas in Vermont. The report shall propose
5 any recommendations for legislative changes to clarify the valuation of time-
6 share projects.

7 Sec. 9. EFFECTIVE DATES

8 This act shall take effect on passage, except that:

9 (1) Sec. 1 (refund for reduction in grand list value) shall take effect on
10 January 1, 2023 and shall apply to municipal requests for reduction submitted
11 on or after January 1, 2023 for a final appeal or court action resolved within
12 the previous calendar year, beginning with the 2022 calendar year.

13 (2) Sec. 2 (State appraisal and litigation assistance program) shall take
14 effect on July 1, 2023, provided the General Assembly has, on or before July 1,
15 2023, appropriated funding to cover the Department of Taxes’ operating costs
16 required to create, implement, and maintain a new State appraisal and litigation
17 assistance program.

18 and that after passage the title of the bill be amended to read: “An act
19 relating to valuation for purposes of the education property tax”
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(Committee vote: _____)

Senator _____

FOR THE COMMITTEE