

1 H.480

2 Introduced by Committee on Ways and Means

3 Date:

4 Subject: Taxation; property tax; reappraisals; reports

5 Statement of purpose of bill as introduced: This bill proposes to remove
6 municipalities from the property reappraisal process and require instead that
7 the Division of Property Valuation and Review within the Department of Taxes
8 conduct full and statistical reappraisals for all municipalities in the State. This
9 bill also proposes to require a written plan and progress report from the
10 Department of Taxes to the General Assembly on the implementation of the
11 new statewide system of full and statistical reappraisals. Additionally, this bill
12 requires the Department of Taxes to report to the General Assembly
13 recommending new categories of property for the grand list. This bill also
14 makes miscellaneous changes to lister and assessor education laws.

15 An act relating to property valuation and reappraisals

16 It is hereby enacted by the General Assembly of the State of Vermont:

17 ~~*** Findings ***~~

18 Sec. 1. FINDINGS

19 ~~The General Assembly finds that.~~

1 (1) In Vermont, according to the Vermont Department of Taxes,
2 Division of Property Valuation and Review, as of January 1, 2023, when not
3 accounting for the municipalities undergoing a reappraisal, the most recent
4 year of reappraisal for municipalities was on average 2014. The grand lists of
5 50 percent of municipalities were reappraised in 2014 or prior. 107
6 municipalities have not performed a reappraisal in more than 10 years. For
7 comparison, technical standard 4.8 of the International Association of
8 Assessing Officers (IAAO) recommends conducting reappraisals every four to
9 six years. According to the Property Valuation and Review 2023 Annual
10 Report, in 2021, Property Valuation and Review issued reappraisal orders
11 pursuant to 32 V.S.A. § 4041a(b) to 42 municipalities. Of the 42
12 municipalities, 36 were ordered to reappraise for the first time and six had
13 received an order in the prior year and had not yet completed a reappraisal.

14 (2) In the U.S., property owners of color are statistically more likely to
15 have their properties overvalued during appraisals conducted for taxation
16 purposes, according to numerous studies and reports, including Perry, et. al,
17 “The Devaluation of Assets in Black Neighborhoods in the U.S.” (November
18 2018) Brookings Institute; Perry, Christopher, “Reassessing the Property Tax”
19 University of Chicago, Harris School of Public Policy (March 1, 2021); Yun,
20 et. al, “Snapshot of Race and Home Buying in America” (February 2022),
21 National Association of REALTORS, and Federal Home Loan Mortgage

1 ~~Corporation (Freddie Mac), “Racial and Ethnic Valuation Gaps in Home~~
2 ~~Purchase Appraisals” (September 20, 2021). A University of Chicago, Harris~~
3 ~~School of Public Policy study found that, based on data from 2,600 U.S.~~
4 ~~counties, on average, more than 90 percent of counties appraised the least~~
5 ~~expensive homes higher, relative to the market price, than the most expensive.~~
6 ~~In 24 percent of counties, the lowest-valued homes were appraised more than~~
7 ~~twice as high in relative terms as the most expensive homes.~~

8 (3) ~~Simultaneously, property owners of color in the U.S. are statistically~~
9 ~~more likely to have their properties undervalued during appraisals conducted~~
10 ~~for resale or financing purposes. Despite federal prohibitions on racial~~
11 ~~discrimination in the finance and housing industries, notably in the Fair~~
12 ~~Housing Act, 42 U.S.C. chapter 45, Black property owners seeking to sell their~~
13 ~~properties are routinely advised to “whitewash” their homes when seeking~~
14 ~~appraisals to remove evidence that the property is owned by an owner of color~~
15 ~~in an effort to avoid or reduce racial discrimination in the appraisal process, as~~
16 ~~detailed in news articles and recent lawsuits, including the Austin v. Miller and~~
17 ~~Perotti complaint filed in the U.S. District Court of Northern California (Case~~
18 ~~3:21-cv-09319-JCS); Kamin, Debra, “Black Homeowners Face Discrimination~~
19 ~~in Appraisals” (August 25, 2020), New York Times; and CST Editorial Board,~~
20 ~~“Race-based appraisals threaten American Dream for Black and Brown home~~
21 ~~owners” (December 16, 2021), Chicago Sun Times. Rates of property~~

1 ~~overvaluation or undervaluation for property owners of color is consistent~~
2 regardless of the socioeconomic status of the property owner. Furthermore,
3 the steepest and most disparate rates of property overvaluation and
4 undervaluation are observed for properties owned by Black owners.

5 * * * Statewide Reappraisals * * *

6 Sec. 2. 32 V.S.A. § 4041a is amended to read:

7 § 4041a. REAPPRAISAL

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

11 (b) If the Director of Property Valuation and Review determines that a
12 municipality's ~~education~~ grand list is at a ~~common~~ level of appraisal below 85
13 percent or above 115 percent, or has a coefficient of dispersion greater than 20,
14 the municipality shall reappraise its ~~education~~ grand list properties. If the
15 Director orders a reappraisal, the Director shall send the municipality written
16 notice of the decision. The municipality shall be given 30 days to contest the
17 finding under procedural rules adopted by the Director, to develop a
18 compliance plan, or both. If the Director accepts a proposed compliance plan
19 submitted by the municipality, the Director shall not order commencement of
20 ~~the reappraisal until the municipality has had one year to carry out that plan.~~

1 ~~(c) If a municipality fails to submit an acceptable plan or fails to carry out~~
2 ~~the plan, pursuant to subsection (b) of this section, the State shall withhold the~~
3 ~~education, transportation, and other funds from the municipality until the~~
4 ~~Director certifies that the town has carried out that plan.~~

5 ~~(d) A sum not to exceed \$100,000.00 each year shall be paid from the~~
6 ~~Education Fund to the Division of Property Valuation and Review for the~~
7 ~~purpose of providing assessment education for municipal assessing officials.~~
8 ~~The Director is authorized to establish guidelines and requirements for~~
9 ~~education programs to be provided using the funds described in this section.~~
10 ~~Education programs provided using funds described in this section shall be~~
11 ~~provided at no cost or minimal cost to the municipal assessing officials. In~~
12 ~~addition to providing the annual education programs as described in this~~
13 ~~section, up to 20 percent of the amount available for education programs may~~
14 ~~be reserved as a scholarship fund to permit municipal assessing officials to~~
15 ~~attend national programs providing education opportunities on advanced~~
16 ~~assessment topics. All applications for scholarships shall be submitted to and~~
17 ~~approved by the Director.~~

1 ~~(a) The Director shall adopt rules necessary for administration of this~~
2 ~~section.~~

3 Sec. 3. 32 V.S.A. § 4041a(a) is amended to read:

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

7 ~~[Repealed.]~~

8 Sec. 4. ONE-TIME APPROPRIATIONS; DEPARTMENT OF TAXES

9 (a) In fiscal year 2024, \$50,000.00 shall be appropriated from the General
10 Fund to the Department of Taxes to contract with one or more consultants with
11 expertise in statewide reappraisal systems to assist the Department in preparing
12 the implementation plan required under this act.

13 (b) It is the intent of the Generally Assembly to appropriate a sufficient
14 sum in fiscal year ~~2025~~ 2026 from the General Fund to the Department of
15 Taxes to fund the implementation costs of creating and operating an office of
16 statewide reappraisals pursuant to this act. The amount of the appropriation
17 authorized under this section shall be based on the recommendation of the
18 Department in the implementation plan required under this act on or before
19 December 15, 2024.

20 Sec. 5. 32 V.S.A. § 4041a is amended to read:

21 ~~§ 4041a. REAPPRAISAL~~

1 ~~(c) [Repealed]~~

2 ~~(b)(a) If the Director of Property Valuation and Review determines that a~~
3 ~~municipality's grand list has a coefficient of dispersion greater than 20, the~~
4 ~~shall reappraise its Director shall order a State reappraisal of the grand list~~
5 ~~properties. If the Director orders a reappraisal, pursuant to subsection 5413(e)~~
6 ~~of this title and the Director shall send the municipality written notice of the~~
7 ~~decision order. The municipality shall be given 30 days to contest the finding~~
8 ~~under procedural rules adopted by the Director, to develop a compliance plan,~~
9 ~~or both. If the Director accepts a proposed compliance plan submitted by the~~
10 ~~municipality, the Director shall not order commencement of the reappraisal~~
11 ~~until the municipality has had one year to carry out that plan.~~

12 ~~(c) If a municipality fails to submit an acceptable plan or fails to carry out~~
13 ~~the plan, pursuant to subsection (b) of this section, the State shall withhold the~~
14 ~~education, transportation, and other funds from the municipality until the~~
15 ~~Director certifies that the town has carried out that plan.~~

16 ~~(d)(b) The Director shall adopt rules necessary for administration of this~~
17 ~~section.~~

18 Sec. 6. 32 V.S.A. § 5413 is amended to read:

19 § 5413. STATE APPRAISAL, REAPPRAISAL, AND LITIGATION

20 ~~ASSISTANCE PROGRAM~~

1 ~~(a)(1) A State appraisal, reappraisal, and litigation assistance program shall~~
2 be created within the Division of Property Valuation and Review of the
3 Department of Taxes ~~to assist municipalities with~~ for the following purposes:

4 (A) valuation assisting municipalities with the appraisal of complex
5 commercial or other unique properties within a municipality's jurisdiction and
6 to assist with any appeals arising from those valuations appraisals; and

7 (B) conducting full and statistical reappraisals of each municipality's
8 grand list properties for purposes of the municipal and statewide education
9 grand lists as required under subsection (c) of this section.

10 (2) The Commissioner of Taxes may contract with one or more
11 ~~commercial~~ appraisers to provide State appraisal and litigation assistance to
12 municipalities and to conduct full and statistical reappraisals under this section.

13 The Commissioner may adopt rules to administer ~~the provisions of this~~
14 section.

15 (b) ~~The Commissioner shall~~ For complex commercial or other unique
16 properties:

17 (1) the Commissioner shall determine the conditions for a property to be
18 eligible for State appraisal and litigation assistance, including the grand list
19 value or category of the property or other relevant factors as determined by the
20 ~~Commissioner, and~~

1 ~~(2) the Commissioner shall provide a process by which a municipality~~
2 may apply for appraisal and litigation assistance under this section subsection
3 for one or more complex commercial or other unique properties; and

4 (3) any municipality assisted under this subsection shall be considered
5 to have followed best practices pursuant to subdivision 5412(a)(1)(D) of this
6 title.

7 ~~(c)(1) Any municipality assisted under this section shall be considered to~~
8 ~~have followed best practices pursuant to subdivision 5412(a)(1)(D) of this title~~
9 For purposes of reappraising the municipal and statewide education grand lists
10 in this State, the Commissioner shall:

11 (A) determine a reappraisal schedule for each municipality's grand
12 list and shall publish the schedule annually;

13 (B) conduct or contract with one or more appraisers to conduct
14 statistical reappraisals for each municipality, provided that a statistical
15 reappraisal shall not be required in the same year as a full reappraisal in the
16 same municipality; and

17 (C) conduct or contract with one or more appraisers to conduct full
18 reappraisals for each municipality that shall commence not later than six years
19 after the commencement of the most recent full reappraisal.

1 ~~(2) Upon completion of a reappraisal pursuant to this subsection, the~~
2 ~~property values set by the Commissioner shall be binding on the municipality~~
3 ~~and the municipality's municipal and statewide education grand lists.~~

4 ~~(3) Annually, on January 1, \$2,540,000.00 shall be paid from the~~
5 ~~General Fund to the Division of Property Valuation and Review for the~~
6 ~~purpose of funding statewide reappraisals pursuant to this subsection.~~

7 Sec. 7. 32 V.S.A. § 5403(f) is amended to read:

8 (f) Within the limits of the resources available for that purpose, the
9 Commissioner may employ such individuals, whether on a permanent,
10 temporary, or contractual basis, as shall be necessary, in the judgment of the
11 Commissioner, to aid in the performance of duties under this section. The
12 Commissioner shall pay each municipality the sum of \$1.00 ~~\$2.00~~ per grand
13 list parcel in the municipality for services provided to the Commissioner in
14 connection with the performance of duties under this section and for costs
15 related to the maintenance of the grand list. Each municipality shall deposit
16 payments received under this subsection into a special fund that shall be used
17 to support the preparation of the education property tax grand list.

18 Sec. 8. IMPLEMENTATION PLAN AND PROGRESS REPORT;

19 STATEWIDE REAPPRAISALS; PROPERTY GRAND LIST

20 ~~CATEGORIES, DEPARTMENT OF TAXES~~

1 ~~(a) On or before December 15, 2023, the Department of Taxes shall submit~~
2 ~~in writing to the House Committee on Ways and Means and the Senate~~
3 ~~Committee on Finance a progress report on the first six months of:~~

4 ~~(1) implementation of the office of statewide reappraisals; and~~

5 ~~(2) defining new categories of homestead and nonhomestead property~~
6 ~~that apply to both municipal and statewide education grand lists and property~~
7 ~~taxes, including a preliminary proposal for statutory definitions.~~

8 ~~(b)(1) On or before December 15, 2024, the Department of Taxes shall~~
9 ~~submit in writing to the House Committee on Ways and Means and the Senate~~
10 ~~Committee on Finance:~~

11 ~~(A) a detailed implementation plan and progress report on the first 18~~
12 ~~months of implementation of the statewide system to conduct reappraisals of~~
13 ~~both municipal and statewide education grand lists administered by the State~~
14 ~~appraisal, reappraisal, and litigation assistance program within the Division of~~
15 ~~Property Valuation and Review of the Department of Taxes pursuant to 32~~
16 ~~V.S.A. § 5413; and~~

17 ~~(B) recommended legislative language to define new categories of~~
18 ~~homestead and nonhomestead property that apply to both municipal and~~
19 ~~statewide education grand lists and property taxes and a detailed plan for~~
20 ~~certifying or designating new property categories and integrating them into~~
21 ~~both municipal and statewide education grand lists in 2025.~~

1 ~~(2) The written submission required under this subsection shall identify~~
2 and recommend the means to achieve consistency in property valuation and
3 taxation across the State in order to prioritize the elimination of racial and
4 other implicit bias.

5 (3) The report required under subdivision (1)(A) of this subsection
6 regarding the implementation of the statewide office of reappraisals shall make
7 recommendations and propose legislative language regarding the following:

8 (A) Adequate funding, including cost saving measures and
9 reallocating the revenues from the per parcel fee under 32 V.S.A. § 4041a(a),
10 repealed pursuant to this act, to operate the office of statewide reappraisals.
11 The report shall address staffing costs for hiring or contracting with trained
12 assessors, or both, to carry out reappraisals and hearing officers to hold appeals
13 at locations across the State.

14 (B)(i) Administration of full and statistical reappraisals of each
15 municipality's municipal and statewide education grand list, including:

- 16 (I) selection and prioritization criteria;
17 (II) any proposed adjustments to the coefficient of dispersion
18 threshold that causes a reappraisal order pursuant to 32 V.S.A. § 4041a;
19 (III) any proposed adjustments to the frequency and efficacy of
20 conducting statistical reappraisals, and

1 ~~(IV) any other recommendations for establishing a reappraisal~~
2 ~~schedule.~~

3 ~~(ii) The report shall list the municipalities that, at the time of~~
4 ~~passage of this act, have been ordered to reappraise pursuant to 32 V.S.A. §~~
5 ~~4041a for the longest duration of time and propose the means to prioritize a~~
6 ~~first State-level reappraisal for those municipalities' grand lists, provided no~~
7 ~~municipality shall be required to reappraise in fewer than five years after~~
8 ~~completion of the most recent full reappraisal. The report shall further list the~~
9 ~~municipalities that have recently undergone or are currently undergoing a~~
10 ~~reappraisal and propose the means to ensure that those municipalities' grand~~
11 ~~lists are not scheduled for a first State-level reappraisal in fewer than five years~~
12 ~~after completion of the most recent full reappraisal.~~

13 ~~(C) Creation of a reappraisal appeal structure that:~~

14 ~~(i) ensures impartiality and installs procedural safeguards against~~
15 ~~conflicts of interest;~~

16 ~~(ii) ensures all communities have convenient and reasonable~~
17 ~~access to State appeal hearings, regardless of the geographical location of the~~
18 ~~appellant;~~

19 ~~(iii) based on a study of other State administrative appeal~~
20 ~~structures, incorporates the strengths and advantages of those appeal structures;~~

21 ~~and~~

1 ~~(iv) takes into consideration any other matters identified by the~~
2 Department relating to appeals, including a recommendation on potentially
3 narrowing or eliminating the role of Boards of Civil Authority within the
4 appraisal appeal process.

5 (D) Streamlining, integrating, and updating State and municipal
6 software vendor agreements relating to reappraisals and maintaining both
7 municipal and statewide education grand lists, including the integration of new
8 property categories as required in subdivision (1)(B) of this subsection (b)
9 beginning in 2025. The report shall further estimate costs and analyze any
10 other considerations regarding software vendor agreements.

11 (E) Distinguishing between contiguous parcels for purposes of
12 property valuation and the payment of the per parcel fee under 32 V.S.A.
13 § 5405(f).

14 (F) Incentivizing municipalities to submit grand list parcel map data
15 to the Vermont Center for Geographic Information, including conditioning
16 payment of higher per grand list parcel fees on the submission of data.

17 (G) Incorporating the principles of a high-quality tax system into the
18 statewide reappraisal system as enumerated by the National Conference of
19 State Legislatures, “Tax Policy Handbook for State Legislators” (February
20 2010), 3rd ed., including sustainability, reliability, fairness, simplicity,
21 economic competitiveness, tax neutrality, and accountability.

1 ~~(4) The recommendations and detailed plan required under subdivision~~
2 ~~(1)(B) of this subsection regarding new property categories that apply to both~~
3 ~~municipal and statewide education grand lists and property taxes and the State~~
4 ~~homestead and nonhomestead property classifications shall include the~~
5 ~~following:~~

6 ~~(A) Legislative language that distinguishes between different~~
7 ~~property types and uses in a way that reconfigures and consolidates existing~~
8 ~~municipal and statewide education grand list property categories in order to~~
9 ~~obtain detailed, accurate, and consistent data on all properties throughout the~~
10 ~~State. The plan shall include discrete categories for different types of rental~~
11 ~~housing properties, including affordable housing.~~

12 ~~(B) Creation of a certification or other designation process for~~
13 ~~categorizing property in a detailed, accurate, and consistent way that takes into~~
14 ~~consideration the compliance and administrative burdens placed on both~~
15 ~~property owners and municipal and State administrators. The plan shall~~
16 ~~provide clear and actionable guidance on the new property categories and the~~
17 ~~certification or other designation process for both property owners and~~
18 ~~municipal listers and assessors.~~

19 ~~(C) Assistance during the transition period for municipal listers and~~
20 ~~assessors with conducting the initial categorization of properties under any~~
21 ~~new statutory definitions.~~

1 ~~(D) Integration of new categories into the statewide appraisal~~
2 ~~system.~~

3 Sec. 9. 2022 Acts and Resolves No. 163, Sec. 8(2) is amended to read:

4 (2) Sec. 3 (State appraisal and litigation assistance program) shall take
5 effect on July 1, 2023, ~~provided the General Assembly has, on or before July~~
6 ~~1, 2023, appropriated funding to cover the Department of Taxes' operating~~
7 ~~costs required to create, implement, and maintain a new State appraisal and~~
8 ~~litigation assistance program.~~

9 * * * Lister and Appraiser Education * * *

10 Sec. 10. 32 V.S.A. § 3436 is amended to read:

11 § 3436. ASSESSMENT EDUCATION

12 (a) The Director shall certify assessment education programs for municipal
13 listers and assessors at convenient times and places during the year and is
14 authorized to contract with one or more persons to provide part or all of the
15 assessment instruction. Certified programs may include instruction in lister
16 duties, property inspection, data collection, valuation methods, mass appraisal
17 techniques, property tax administration, or such other subjects as the Director
18 deems beneficial to listers and may be presented by Property Valuation and
19 Review or a person pursuant to a contract with Property Valuation and Review,
20 the International Association of Assessing Officials, the Vermont Assessors
21 ~~and Listers Association, or the Vermont League of Cities and Towns.~~

1 ~~(b) The Director shall establish designations recognizing levels of~~
2 achievement and the necessary course work or evaluation of equivalent
3 experience required to attain each designation. Designation for any one level
4 shall be for a period of three years.

5 (c) Designation obtained under subsection (b) of this section may be
6 renewed for three-year periods upon completion of requirements as determined
7 by the ~~director~~ Director.

8 (d) The Director shall also notify all towns annually of any new approaches
9 that the Division of Property Valuation and Review is aware of for ~~obtaining~~
10 ~~or performing mass reappraisals and for~~ grand list maintenance.

11 (e) A sum not to exceed \$100,000.00 each year shall be paid from the
12 Education Fund to the Division of Property Valuation and Review for the
13 purpose of providing assessment education for municipal listers and assessors.
14 The Director is authorized to establish guidelines and requirements for
15 education programs to be provided using the funds described in this section.
16 Education programs provided using funds described in this section shall be
17 provided at no cost or minimal cost to the municipal listers and assessors. In
18 addition to providing the annual education programs described in this section,
19 up to 20 percent of the amount available for education programs may be
20 reserved as a scholarship fund to permit municipal listers and assessors to
21 attend national programs providing education opportunities on advanced

1 ~~assessment topics. All applications for scholarships shall be submitted to and~~
2 approved by the Director.

3 Sec. 11. 32 V.S.A. § 4052 is amended to read:

4 § 4052. CONTRACT APPRAISALS; CERTIFICATION ASSESSOR
5 AND LISTER QUALIFICATIONS

6 (a) No municipality shall employ or contract a person, firm, or corporation
7 shall be employed by a municipality to perform and no elected lister or board
8 of listers shall perform appraisals of real property for the purpose of property
9 taxation unless approved by the Director of Property Valuation and Review as
10 qualified under this section.

11 (b) No person shall conduct the work of an elected lister, board of listers,
12 or assessor employed or contracted by a municipality pursuant to 17 V.S.A. §
13 2651c(b) unless the person meets the training requirements established by the
14 Director of Property Valuation and Review under this section.

15 (c) The Director shall establish by rule reasonable qualifications for
16 approval and training requirements, which shall include successful completion
17 of educational and training courses approved by the Director and, in the case
18 of an appraiser hired to do a ~~townwide reappraisal~~ reappraisals, at least one
19 year's experience with an appraiser who has satisfactorily completed ~~townwide~~
20 reappraisals.

1 ~~(c)(d) This section shall not apply to elected or appointed officials of any~~
2 town except elected listers or boards of listers.

3 Sec. 12. 17 V.S.A. § 2651c is amended to read:

4 § 2651c. LACK OF ELECTED LISTER; APPOINTMENT OF LISTER;
5 ELIMINATION OF OFFICE; HIRING ASSESSORS

6 (a)(1) Notwithstanding any other provisions of law to the contrary and
7 except as provided in subsection (b) of this section, in the event the board of
8 listers of a town falls below a majority and the selectboard is unable to find a
9 person or persons to appoint as a lister or listers under the provisions of 24
10 V.S.A. § 963, the selectboard may appoint an assessor to perform the duties of
11 a lister as set forth in Title 32 until the next annual meeting.

12 (2) The appointed person need not be a resident of the town and shall
13 have the same powers and be subject to the same duties and penalties as a duly
14 elected lister for the town.

15 (b)(1) A town may vote by ballot at an annual meeting to eliminate the
16 office of lister.

17 (2)(A) If a town votes to eliminate the office of lister, the selectboard
18 shall ~~contract with or employ~~ notify the Director of Property Valuation and
19 Review within 14 days and employ or contract a professionally qualified
20 ~~assessor, who, prior to conducting any work, shall meet the training~~

1 ~~requirements established by the Director under 32 V.S.A. § 4052 and need not~~
2 be a resident of the town.

3 (B) The assessor shall have the same powers, discharge the same
4 duties, proceed in the discharge thereof in the same manner, and be subject to
5 the same liabilities as are prescribed for listers or the board of listers under the
6 provisions of Title 32.

7 (3) A vote to eliminate the office of lister shall remain in effect until
8 rescinded by majority vote of the registered voters present and voting at an
9 annual or special meeting warned for that purpose.

10 (c) The term of office of any lister in office on the date a town votes to
11 eliminate that office shall expire on the 45th day after the vote or on the date
12 upon which the selectboard ~~appoints~~ employs or contracts an assessor under
13 this subsection, whichever occurs first.

14 (d) The authority to vote to eliminate the office of lister as provided in this
15 section shall extend to all towns except those towns that have a charter that
16 specifically provides for the election or appointment of the office of lister.

17 (e) If an assessor is employed or contracted to assist an elected board of
18 listers, the board of listers shall retain the same powers and duties, discharge
19 those powers and duties in the same manner, and be subject to the same
20 liabilities as those imposed on listers or the board of listers under the
21 provisions of Title 32.

~~*** Conforming Revisions; Repeal of Town Reappraisals ***~~

Sec. 13. CONFORMING REVISIONS; TOWN REAPPRAISALS

When preparing the Vermont Statutes Annotated for publication, the Office of Legislative Counsel shall make the following revisions throughout Title 32 as needed for consistency with this act relating to repealing the municipal requirement to conduct townwide reappraisals, provided that the revisions have no other effect on the meaning of the affected statutes:

(1) replace “reappraisal” with “appraisal” or strike “reappraisal” or “townwide” preceding “reappraisal” in 32 V.S.A. chapters 129, 131, and 135; and

(2) revisions that are substantially similar to those described in subdivision (1) of this section.

~~*** Effective Dates ***~~

Sec. 14. EFFECTIVE DATES

This act shall take effect on July 1, 2023, except:

(1) notwithstanding 1 V.S.A. § 214, Sec. 2, 32 V.S.A. § 4041a(b), (reappraisal orders) shall apply retroactively to grand lists lodged on and after April 1, 2022;

~~(2) Sec. 2, 32 V.S.A. § 4041a(e), (repeal of per parcel fee) shall take effect on January 1, 2023, and~~

1 ~~(2) Secs. 5, 32 V.S.A. § 4041a, (repeal of municipal requirement to~~
2 ~~conduct reappraisals), 6, 32 V.S.A. § 5413 (State appraisal, reappraisal, and~~
3 ~~litigation assistance program), and 7, 32 V.S.A. § 5405(f), (per parcel fee)~~
4 ~~shall take effect on July 1, 2025.~~

(2) Sec. 3, 32 V.S.A. § 4041a(a), (repeal of per parcel fee) shall take effect on January 1, 2026; and

(3) Secs. 5, 32 V.S.A. § 4041a, (repeal of municipal requirement to conduct reappraisals), 6, 32 V.S.A. § 5413, (State appraisal, reappraisal, and litigation assistance program), and 7, 32 V.S.A. § 5405(f), (per parcel fee) shall take effect on July 1, 2026.

** * * Reappraisals * * **

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

§ 4041a. REAPPRAISAL

** * **

(b) If the Director of Property Valuation and Review determines that a municipality's education grand list is at a common level of appraisal below 85 percent or above 115 percent, or has a coefficient of dispersion greater than 20, the municipality shall reappraise its education grand list properties. If the Director orders a reappraisal, the Director shall send the municipality written notice of the decision. The municipality shall be given 30 days to contest the finding under procedural rules adopted by the Director, or to develop a

compliance plan, or both. If the Director accepts a proposed compliance plan submitted by the municipality, the Director shall not order commencement of the reappraisal until the municipality has had one year to carry out that plan.

** * **

(d) A sum not to exceed \$100,000.00 each year shall be paid from the Education Fund to the Division of Property Valuation and Review for the purpose of providing assessment education for municipal assessing officials. The Director is authorized to establish guidelines and requirements for education programs to be provided using the funds described in this section. Education programs provided using funds described in this section shall be provided at no cost or minimal cost to the municipal assessing officials. In addition to providing the annual education programs as described in this section, up to 20 percent of the amount available for education programs may be reserved as a scholarship fund to permit municipal assessing officials to attend national programs providing education opportunities on advanced assessment topics. All applications for scholarships shall be submitted to and approved by the Director. [Repealed.]

** * **

Sec. 2. 32 V.S.A. § 4041a is amended to read:

§ 4041a. REAPPRAISAL

** * **

(b) If the Director of Property Valuation and Review determines that a municipality's education grand list has a coefficient of dispersion greater than 20 or that a municipality has not timely reappraised pursuant to subsection (d) of this section, the municipality shall reappraise its education grand list properties. If the Director orders a reappraisal, the Director shall send the municipality written notice of the decision. The municipality shall be given 30 days to contest the finding under procedural rules adopted by the Director or to develop a compliance plan, or both. If the Director accepts a proposed compliance plan submitted by the municipality, the Director shall not order commencement of the reappraisal until the municipality has had one year to carry out that plan.

* * *

(d) Each municipality shall commence a full reappraisal not later than six years after the commencement of the municipality's most recent full reappraisal unless a longer period of time is approved by the Director.

* * *

Sec. 3. ONE-TIME APPROPRIATION; DEPARTMENT OF TAXES

In fiscal year 2024, \$50,000.00 shall be appropriated from the General Fund to the Department of Taxes to contract with one or more consultants with expertise in statewide reappraisal systems to assist the Department in preparing the implementation proposal required under this act.

*Sec. 4. IMPLEMENTATION PROPOSAL AND PROGRESS REPORT;
STATEWIDE REAPPRAISALS; GRAND LIST PROPERTIES;
DEPARTMENT OF TAXES*

(a) On or before December 15, 2023, the Department of Taxes shall submit in writing to the House Committees on Government Operations and Military Affairs and on Ways and Means and the Senate Committees on Finance and on Government Operations a progress report on the first six months of work on the implementation proposal and recommendations required under subsection (b) of this section. The progress report shall include the following:

(1) With regard to the proposal to implement a statewide reappraisal system, a preliminary schedule to phase in full reappraisals for each municipality every six years with the first municipalities scheduled to reappraise with a completion date on or before April 1, 2027. In setting the proposed six-year reappraisal schedule, the Department shall prioritize the following factors:

(A) municipalities for which the last year of reappraisal is the oldest;

(B) the geographic proximity of municipalities; and

(C) any other relevant municipal data metrics.

(2) With regard to the recommendations on obtaining detailed, accurate, and consistent data on all properties throughout the State, a study of existing municipal data metrics that could be used to identify and differentiate between

properties on the municipal and statewide education grand lists based on property types and characteristics, including use, occupancy or vacancy, square footage, and any other relevant factors.

(3) Options for and any implementation of implicit bias reduction training for listers and assessors.

(4) Considerations and recommendations for changing the annual date by which grand lists are required to be lodged from April 1 to January 1 or another date.

(b)(1) On or before December 15, 2024, in consultation with relevant stakeholders, including groups that represent individuals from different socioeconomic backgrounds and that promote diversity, equity, and inclusion, the Department of Taxes shall submit in writing to the House Committees on Government Operations and Military Affairs and on Ways and Means and the Senate Committees on Finance and on Government Operations:

(A) a detailed implementation proposal for creating a statewide system to conduct reappraisals of municipal and statewide education grand lists administered by the State within the Division of Property Valuation and Review of the Department of Taxes; and

(B) recommendations to distinguish between different types and uses of property on the municipal and statewide education grand lists and a detailed proposal for designating new or updated property types and

integrating them into the municipal and statewide education grand lists, as applicable, and the overall property taxation system beginning on January 1, 2026.

(2) The written submission required under this subsection shall identify and recommend the means to achieve consistency in property valuation and taxation across the State in order to prioritize the elimination of racial, socioeconomic, and other implicit biases. Pursuant to this subdivision, the Department shall review and revise State training programs and guidance provided to listers and assessors, including the Vermont Department of Taxes, Division of Property Valuation and Review publication titled “Lister and Assessor Handbook A Guide for Vermont Listers and Assessors,” for instances of racial, socioeconomic, and other implicit biases and report on any revisions made or planned to be made to those training programs and guidance.

(3) The implementation proposal required under subdivision (1)(A) of this subsection regarding the creation of a statewide reappraisal system shall make recommendations and propose legislative language, as applicable or needed to achieve the Department’s recommendations, regarding the following:

(A) Adequate funding, including cost-saving measures and potentially reallocating the revenues from the per-parcel fee under 32 V.S.A. § 4041a(a) to operate a statewide reappraisal system. The implementation

proposal shall address staffing costs for hiring or contracting with trained assessors, or both, to carry out reappraisals and hearing officers to hold appeals at locations across the State.

(B)(i) Administration of full and statistical reappraisals of each municipality's municipal and statewide education grand list, including:

(I) selection and prioritization criteria;

(II) any proposed adjustments to the coefficient of dispersion threshold that causes a reappraisal order pursuant to 32 V.S.A. § 4041a;

(III) the frequency and efficacy of conducting full and statistical reappraisals on a set schedule; and

(IV) any other recommendations for establishing a reappraisal schedule.

(ii) The implementation proposal shall list the municipalities that, at the time of passage of this act, have been ordered to reappraise pursuant to 32 V.S.A. § 4041a for the longest period of time and propose the means to prioritize a first State-level reappraisal for those municipalities' grand lists, provided no municipality shall be required to reappraise in fewer than six years after completion of the most recent full reappraisal. The implementation proposal shall further list the municipalities that have recently undergone or are currently undergoing a reappraisal and propose the means to ensure that those municipalities' grand lists are not scheduled for a first State-level

reappraisal in fewer than six years after completion of the most recent full reappraisal.

(C) Creation of a reappraisal appeal structure that:

(i) ensures impartiality and installs procedural safeguards against conflicts of interest;

(ii) ensures all communities have convenient and reasonable access to State appeal hearings, regardless of the geographical location of the appellant;

(iii) based on a study of other State administrative appeal structures, incorporates the strengths and advantages of those appeal structures; and

(iv) takes into consideration any other matters identified by the Department relating to appeals, including a recommendation on potentially narrowing or eliminating the role of Boards of Civil Authority within the appraisal appeal process.

(D) Streamlining, integrating, and updating State and municipal software vendor agreements and information technology systems relating to reappraisals and maintaining municipal and statewide education grand lists, including the integration of any new or updated property types into municipal and statewide education grand lists, as applicable, and the overall property taxation system beginning on January 1, 2026. The implementation proposal

shall further estimate costs and analyze any other considerations regarding software vendor agreements.

(E) Existing definitions and data metrics currently gathered by municipal Computer Assisted Mass Appraisal (CAMA) systems and the potential for using those definitions and data to collect information on the number of residential units, land value distinct from the value of buildings or other improvements on the land, the year of construction for buildings or other improvements, and any other pertinent data relating to properties in this State.

(F) Distinguishing between contiguous parcels for purposes of property valuation and the payment of the per-parcel fee under 32 V.S.A. § 5405(f).

(G) Incentivizing municipalities to submit grand list parcel map data to the Vermont Center for Geographic Information, including conditioning payment of higher per grand list parcel fees on the submission of data.

(H) Incorporating the principles of a high-quality tax system into a potential statewide reappraisal system as enumerated by the National Conference of State Legislatures, "Tax Policy Handbook for State Legislators" (February 2010), 3rd ed., including sustainability, reliability, fairness, simplicity, economic competitiveness, tax neutrality, and accountability.

(4) The recommendations and detailed proposal required under subdivision (1)(B) of this subsection regarding new or updated property types

that apply to municipal and statewide education grand lists and the overall property taxation system shall include the following:

(A)(i) Legislative language, as applicable or needed to achieve the Department's recommendations, that differentiates between grand list properties based on property type and characteristics, including use, occupancy or vacancy, square footage, and any other relevant factors. The detailed proposal shall recommend how certain property types and characteristics could be identified and data could be collected, including:

(I) different types of rental and affordable housing properties;

(II) the number of residential units in this State, including the number of residential units per parcel;

(III) land value distinct from the value of buildings or other improvements on the land;

(IV) the year of construction for buildings or other improvements; and

(V) any other pertinent data relating to properties in this State.

(ii) The recommendation under this subdivision (4)(A) shall consider the way that existing municipal and statewide education grand list property categories used for purposes of the equalization study could be reconfigured and consolidated and any other means to identify properties in order to obtain detailed, accurate, and consistent data on all properties

throughout the State.

(B) Updating existing information technology systems or creating a new data collection and reporting system, or both, and creating a designation process for integrating different property types into the municipal and statewide education grand lists and the overall property taxation system in a detailed, accurate, and consistent way that takes into consideration the compliance and administrative burdens placed on both property owners and municipal and State administrators. The detailed proposal shall provide clear and actionable guidance on any new or updated property types and the designation process for both property owners and municipal listers and assessors.

(C) Assistance during the transition period for municipal listers and assessors with conducting the initial designation, data collection, and reporting of any new or updated property types.

(D) Integration of new or updated property types into a potential statewide reappraisal system and into the overall property taxation system.

Sec. 5. 2022 Acts and Resolves No. 163, Sec. 8(2) is amended to read:

~~(2) Sec. 3 (State appraisal and litigation assistance program) shall take effect on July 1, 2023, provided the General Assembly has, on or before July 1, 2023, appropriated funding to cover the Department of Taxes' operating costs required to create, implement, and maintain a new State appraisal and~~

litigation assistance program.

** * * Lister and Appraiser Education * * **

Sec. 6. 32 V.S.A. § 3436 is amended to read:

§ 3436. ASSESSMENT EDUCATION

(a) The Director shall certify assessment education programs for municipal listers and assessors at convenient times and places during the year and is authorized to contract with one or more persons to provide part or all of the assessment instruction. Certified programs shall include education on racial disparities in property valuation outcomes in the United States, with a focus on Vermont in particular, and on-going bias reduction training. Certified programs may include instruction in lister duties, property inspection, data collection, valuation methods, mass appraisal techniques, property tax administration, or such other subjects as the Director deems beneficial to listers and both mandatory and optional certified programs may be presented by Property Valuation and Review or a person pursuant to a contract with Property Valuation and Review, the International Association of Assessing Officials, the Vermont Assessors and Listers Association, or the Vermont League of Cities and Towns.

(b) The Director shall establish designations recognizing levels of achievement and the necessary course work or evaluation of equivalent experience required to attain each designation. Designation for any one level

shall be for a period of three years.

(c) Designation obtained under subsection (b) of this section may be renewed for three-year periods upon completion of requirements as determined by the ~~director~~ Director.

(d) The Director shall also notify all towns annually of any new approaches that the Division of Property Valuation and Review is aware of for obtaining or performing mass reappraisals and for grand list maintenance.

(e) A sum not to exceed \$100,000.00 each year shall be paid from the Education Fund to the Division of Property Valuation and Review for the purpose of providing assessment education for municipal listers and assessors. The Director is authorized to establish guidelines and requirements for education programs to be provided using the funds described in this section. Education programs provided using funds described in this section shall be provided at no cost or minimal cost to the municipal listers and assessors. In addition to providing the annual education programs described in this section, up to 20 percent of the amount available for education programs may be reserved as a scholarship fund to permit municipal listers and assessors to attend national programs providing education opportunities on advanced assessment topics. All applications for scholarships shall be submitted to and approved by the Director.

Sec. 7. 32 V.S.A. § 4052 is amended to read:

§ 4052. CONTRACT APPRAISALS; ~~CERTIFICATION~~ ASSESSOR

QUALIFICATIONS

(a) No municipality shall employ or contract a person, firm, or corporation shall be employed by a municipality to perform appraisals of real property for the purpose of property taxation unless approved by the Director of Property Valuation and Review as qualified under this section.

(b) No person shall conduct the work of an assessor employed or contracted by a municipality pursuant to 17 V.S.A. § 2651c(b) unless the person meets the training requirements established by the Director of Property Valuation and Review under this section.

(c) The Director shall establish by rule reasonable qualifications for approval and training requirements, which shall include successful completion of educational and training courses approved by the Director and, in the case of an appraiser hired to do a townwide reappraisal, at least one year's experience with an appraiser who has satisfactorily completed townwide reappraisals.

(e)(d) This section shall not apply to elected or appointed officials of any town but shall apply to an assessor employed or contracted by a municipality pursuant to 17 V.S.A. § 2651c(b).

Sec. 8. 32 V.S.A. § 4052 is amended to read:

§ 4052. CONTRACT APPRAISALS; ASSESSOR AND LISTER

QUALIFICATIONS

(a) No municipality shall employ or contract a person, firm, or corporation to perform and no elected lister or board of listers shall perform appraisals of real property for the purpose of property taxation unless approved by the Director of Property Valuation and Review as qualified under this section.

(b) No person shall conduct the work of an elected lister, board of listers, or assessor employed or contracted by a municipality pursuant to 17 V.S.A. § 2651c(b) unless the person meets the training requirements established by the Director of Property Valuation and Review under this section. An elected lister or board of listers who does not meet the training requirements of this section at the time of election shall have one year after entering into the duties of the office of lister to comply with this section.

* * *

~~(d) This section shall not apply to elected or appointed officials of any town but shall apply to an assessor employed or contracted by a municipality pursuant to 17 V.S.A. § 2651c(b). [Repealed.]~~

Sec. 9. 17 V.S.A. § 2651c is amended to read:

§ 2651c. LACK OF ELECTED LISTER; APPOINTMENT OF LISTER;

ELIMINATION OF OFFICE; HIRING ASSESSORS

(a)(1) Notwithstanding any other provisions of law to the contrary and except as provided in subsection (b) of this section, in the event the board of

listers of a town falls below a majority and the selectboard is unable to find a person or persons to appoint as a lister or listers under the provisions of 24 V.S.A. § 963, the selectboard may appoint an assessor to perform the duties of a lister as set forth in Title 32 until the next annual meeting.

(2) The appointed person need not be a resident of the town and shall have the same powers and be subject to the same duties and penalties as a duly elected lister for the town.

(b)(1) A town may vote by ballot at an annual meeting to eliminate the office of lister.

(2)(A) If a town votes to eliminate the office of lister, the selectboard shall ~~contract with or employ~~ notify the Director of Property Valuation and Review within 14 days and employ or contract a professionally qualified assessor, who, prior to conducting any work, shall meet the training requirements established by the Director under 32 V.S.A. § 4052 and need not be a resident of the town.

(B) The assessor shall have the same powers, discharge the same duties, proceed in the discharge thereof in the same manner, and be subject to the same liabilities as are prescribed for listers or the board of listers under the provisions of Title 32.

(3) A vote to eliminate the office of lister shall remain in effect until rescinded by majority vote of the registered voters present and voting at an

annual or special meeting warned for that purpose.

(c) The term of office of any lister in office on the date a town votes to eliminate that office shall expire on the 45th day after the vote or on the date upon which the selectboard ~~appoints~~ employs or contracts an assessor under this subsection, whichever occurs first.

(d) The authority to vote to eliminate the office of lister as provided in this section shall extend to all towns except those towns that have a charter that specifically provides for the election or appointment of the office of lister.

(e) If an assessor is employed or contracted to assist an elected board of listers, the board of listers shall retain the same powers and duties, discharge those powers and duties in the same manner, and be subject to the same liabilities as those imposed on listers or the board of listers under the provisions of Title 32.

** * * Effective Dates * * **

Sec. 10. EFFECTIVE DATES

This act shall take effect on July 1, 2023 except:

(1) notwithstanding 1 V.S.A. § 214, Sec. 1, 32 V.S.A. § 4041a, subsection (b), (reappraisal orders; CLA) shall take effect retroactively on April 1, 2022 and shall apply to grand lists lodged on and after April 1, 2022;

(2) Sec. 2 (32 V.S.A. § 4041a; reappraisal orders) shall take effect on January 1, 2025; and

*(3) Sec. 8 (32 V.S.A. § 4052; lister qualifications) shall take effect on
January 1, 2026.*