

Reaction to House Ways and Means Committee Meeting on 02/01/2023

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Please note that the following is the opinion of Lisa Wright alone. I am the president of the Vermont Association of Listers and Assessors; however, my initial comments are my own, and not those of VALA consensus. We did discuss this issue at our meeting on 2/8/2023 and I have provided an updated commentary based on the opinions and ideas discussed by our members at that meeting. I also encouraged our members to provide individual commentary as they see fit as well.

What follows is my attempt to synopsise my 20 pages of comments after watching this committee meeting.

1 – First my concern is the reactionary behavior and belief that we have a “reappraisal crisis”. I don’t believe we have a reappraisal crisis, nor do we have a “CLA crisis”. What we have is a real estate market of historically low inventory and historically high demand and that has created a market of price increases. As we are taught early in the assessment profession (and perhaps in life), the only constant is change. This is just another change in the market. By reacting too abruptly to this normal ebb and flow in the marketplace, the legislature may well create a crisis of its’ own making.

While I agree that it is problematic that there are many towns that haven’t reappraised in 10 years or longer, the high number under order this year is not only a result of this issue. There are many towns that are under order to reappraise or

very close to that 85% CLA that have completed a town wide reappraisal in the past 5 years. Also, other states are scrambling to get reappraisals done that are in fact on a regular schedule, and have been so for many years. While I am inclined to agree that completing town wide reappraisals on no less than a 10 year cycle is certainly good practice, it would not have avoided the changes in CLA we have seen in the past 2-3 years.

2 – To assume that the state can hire and recruit reappraisal firms that the towns cannot is also based on faulty data. I would think everyone is aware of the “silver tsunami” or “graying” of all municipal professional sectors. There simply aren’t enough new people coming into the profession to replace the ones that are retiring. Rushing to fill positions by the state, or by towns in securing the first firm available to complete a reappraisal, will likely result in unqualified or under-qualified staff doing this work.

3 – Technological innovations and economies of scale to be realized in towns working on combined bids, etc. are also good practice; however, they do come with limitations. For just one example, aerial imaging and pictometry is a very useful technology; however, it is much more practical and cost-effective in more densely populated urban and suburban areas than it is in remote and often heavily wooded rural areas.

Economies of scale could certainly be realized if towns worked together on combined bid for reappraisal contracts, and I am actually working on just this strategy for my towns in Rutland County. The idea expressed by one legislator that we could have a statewide land schedule is rather alarming and reflects a lack of knowledge of appraisal concepts. One land schedule doesn’t even work for many small towns, for example consider a rural town with lakefront lots as well as rural large acreage properties. The phrase “location, location, location” comes to mind as well as there are many variances throughout the state in locational appeal as well as other aspects of land values. A thorough understanding of highest and best use needs to be applied in any model for a land schedule, not just a basic statistical model.

4 – The concept of reappraisals being done by the state is problematic for a number of reasons; including:

- 1) the uniqueness of Vermont, for one the contiguous property rule in Vermont;

2) the concept of “geographic competence” which is very important.

3) the removal of competition (i.e. a state contract) would very likely result in higher, not lower, cost of reappraisals

5 – Please consult with appraisal and assessment professionals (yes including “Listers”) before making these decisions. When Montpelier acts in a vacuum without consulting professionals who have “boots on the ground” we see a failure to anticipate the fallout from making legislative changes. I caution against making the assumption that a hired assessor is automatically more qualified than an elected Lister. Individuals should be evaluated on their capabilities based on experience and education, not on title alone.

Speaking as VALA President:

Regarding VALA consensus, this topic was first brought to my attention last Friday, and to many of members as late as Tuesday 2/7 and even at our meeting on 2/8. While we had a productive meeting discussing this yesterday (recording of our meeting is available on our website at VALAVT.org), we have not had time to form a complete report of our VALA position on this matter. As of yesterday, we have formed a committee to draft statements on this act. Due to the fact that this has only come to our attention in the past week, we will need time to make conclusions and present them to the legislature.

That said, there was a general consensus of concern about the potential significant impacts of this bill if it is to proceed in the legislature. Here are the most important bullet points of VALA consensus as agreed upon yesterday:

* VALA agrees with IAAO standards on town wide reappraisal schedules, for Vermont we believe every 10 years is a reasonable minimum, with many details to be worked out as to specifics.

* We further agree that if we are going to move to a regular schedule for town wide reappraisals, we need to increase the per parcel payment to towns for this work.

* The CLA is working, and is doing its’ job, and we support this as a continued measure of our work.

* The "crisis" is one of the "silver tsunami" where we have far more assessors/Listers/Appraisal contractors at or near retirement age than we have new professions coming in to the business. Even if we were to recruit the numbers we

will need over the next 10 years, we would not be able to get those folks up to speed in sufficient time to do the work.

Again, we have formed a committee to draft statements on this act. Due to the fact that this has only come to our attention in the past week, we will need time to make conclusions and present them to the legislature. We hope to have the opportunity to present these statements to this committee in near future.