# Vermont Municipal Clerks & Treasurers Association (VMCTA) Legislative Committee

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Thank you for offering us the opportunity to provide our comments on H.541, which proposes to reimburse municipalities for portions of education taxes abated in response to damage caused by this past summer's flooding.

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VMCTA encourages the legislature to approve this bill, and implement it as soon as possible to allow towns to know what the flood-related abatement impacts will be on their budgets. In Barre City, we have over 350 properties that sustained varying degrees of damage up to and including complete destruction. To date we have received 55 abatement requests totaling up to \$337,000, of which \$145,000 is education taxes. This represents less than 20% of the damaged properties that could request abatements, and as there is no statutory deadline to file a request, we expect there will be many more in the future.

Municipalities are required to pay education taxes to the schools, regardless of whether the money is collected or not, so abated education taxes can represent a significant loss to a town. We're already losing the revenue from the municipal portion of the abatement; paying the education taxes to the schools without having collected the funds adds an additional burden.

With regards to the details in the bill, we have a few comments:

- 1. The criteria laid out on pages 2-3 will not capture all damaged properties. There were many properties where people were out of their homes for several weeks while they made repairs, but they don't rise to the 60 day threshold. However, they are entitled to an abatement under the statutory guidelines, and if they don't qualify to have the education taxes covered by the state, the towns will take the hit. It feels like towns will be penalized for those property owners who were pro-active in making their repairs.
- 2. Page 4 sets the abatement window from April 1, 2023 through date of passage of this act. It's unclear to us what the relevance of the April 1<sup>st</sup> date is, and we're concerned the window will close too soon. Abatement statutes do not set a time limit for when people can request an abatement, and in Barre City as an example we've received requests to date from less than 20% of the impacted properties. Even though it's been six months since the flooding, people are still in shock, and still dealing with the aftermath. It is our recommendation that the closing date be pushed out, perhaps at least to the end of the fiscal year (June 30).

VMCTA is grateful for your consideration of H.541, along with the other flood recovery actions the legislature is considering. We're all in this together, and it will take all levels of government to bring us through.

Thank you for your time. Please feel free to reach out with any questions or for further discussion.