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January 26, 2023

Proposal to Develop New System for Re-appraisal

Current Situation

The current system for reappraising properties is broken and currently, 137 municipal grand lists have fallen below 85 percent of fair market value and 123 new towns are in need of reappraisal work because they have fallen out of compliance with the Common Level of Appraisal (CLA). The 2022 Equalization Study indicates that 165 of 254 municipalities will be subject to reappraisal orders.

The number of towns in need of reappraisal because of non-compliance with the CLA, fluctuates from one year to another, thus making it difficult to predict with any certainty how many towns will need to reappraise in a given year.

Ordinarily approximately 16 reappraisals are completed in a year.

There are not appraisal firms who could do the work.

It seems that Vermont is already in a transition away from the CLA trigger for reappraisals whether we like it or not because of circumstances.

Proposal

We propose that a better and more effective way to proceed would be to establish a schedule for municipal reappraisals so that a predictable number of municipalities would be required to reappraise in each year.

PVR would establish the schedule so that to the extent feasible towns in geographic proximity to each other would be grouped together.

Clear recommendations –but not mandates - would be made to join with neighbors (particularly smaller towns) to issue Requests for Proposals (RFP) for reappraisal firm contracts. Vendors would likely choose to bid on larger contracts with multiple municipalities so towns would move in that direction with or without a requirement being put in place.

As is offered by the Department of Buildings and General Services for various products, PVR could bid a statewide contract for reappraisals and towns could join if their local legislative body decided to do so. PVR already has an appraisal assistance program that could form the framework for that option.

We also believe that the annual per parcel payment to towns needs to be increased so that reappraisals- which benefit the Education Fund significantly – would be affordable for towns.