



Town Manager
Office of the Selectboard
PO Box 730
67 Main Street
Stowe, VT 05672

February 14, 2023

Senator Cummings
Senate Committee on Finance
State House
Montpelier, VT

RE: Pre-filed Testimony

Dear Senator Cummings,

Thank you for the opportunity to testify on the impacts of inflation and property taxes on Stowe property taxpayers. According to the US Census, the Town of Stowe saw a 21% increase in population from 2010 to 2020. We are also experiencing a larger-than-average inflationary pressure (CPI-U for October was 7%). The resulting increase in demand for services along with inflationary pressures has resulted in a proposed General Fund budget increase of 11.67% and a projected increase in the tax rate of 9.48%.

In combination with this, property owners in Stowe are experiencing a substantial increase in property values, over and above the rate of inflation. According to the Vermont Property Tax Department, the average Housesite Value in Stowe is \$323,182. A Recent Sales Study done by the Listers Office indicates that the Level of Assessment of Sales from April 2022 to January 2023 is averaging 45.70 townwide. If you took the average Housesite value in Stowe of \$323,182 and applied the Level of Assessment 45.70, the average Housesite Value when the townwide Reappraisal is completed would be above \$700,000.

While many homeowners appreciate the increase in their home equity when it comes time to sell, the carry cost due to higher property values and corresponding property taxes creates a financial strain on many homeowners. This is why the State created Housesite Value Caps to help Vermonters be able to afford to stay in Vermont.

The Stowe Selectboard requests the Vermont Legislature increase the Housesite Value Caps to recognize this financial strain and to help keep Vermonters in their homes. The caps are currently \$225,000 and \$400,000 depending on a property owner's Household Income. By way of background, in 2018 these caps were lowered from \$500,000 to \$400,000. The maximum State Credit was also lowered from \$9,000 to \$8,000. There are currently 531 Stowe Taxpayers who receive a Property Tax Credit.



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Billy Adams (Chair of the Stowe Selectboard), Tim Morrissey (Stowe Town Appraiser), and I will be available to answer any questions the Senate Finance Committee might have.

Respectfully,

Charles Safford
Stowe Town Manager

P.S. In FY'22 the Town of Stowe collected \$51,280,229 in property taxes, of which \$26,838,317 went to the State Education Fund, \$12,968,680 to local schools, and \$9,938,888 to support municipal government.

Cc: Karen Horn, VLCT

Enclosures: Stowe Selectboard Letter to Governor Scott dated 8/22/22



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August 22, 2022

Governor Phil Scott
109 State Street, Pavilion
Montpelier, VT 05609

Dear Governor Scott,

The Town of Stowe, like many other communities across Vermont, is going to be required to do reappraisals due to appreciating property values. While many homeowners appreciate the equity appreciation in their home, the carrying cost due to higher property values and associated property taxes provides a financial strain when their income is not keeping pace. In some cases, it causes gentrification forcing desperately needed workers to leave Vermont. This is a primary reason why Vermont has the income sensitivity program for residents to help keep people in their homes. However, the qualifying income cap of \$136,900, maximum adjustment of \$8,000, and house site values of \$225,000 and \$400,000 need to be raised or it will reduce the number of eligible homeowners at a time of rapidly increasing property values. It is worth remembering that the vast majority of property taxes in Vermont goes towards the State Education Fund.

On behalf of the Stowe Selectboard, I request that it be made a legislative priority to lift the qualifying income cap, maximum adjustment of \$8,000, and the house site values of \$225,000 and \$400,000 to help provide much needed tax relief, so that Vermonters can afford to live in Vermont. If you have any question, please contact Tim Morrissey, Stowe Town Appraiser, at 802-253-6144 or tmorrissev@stowevt.gov.

Respectfully,

William Adams,

Chair of the Stowe Selectboard