

1 TO THE HONORABLE SENATE:

2 The Committee on Government Operations to which was referred House
3 Bill No. 480 entitled “An act relating to property valuation and reappraisals”
4 respectfully reports that it has considered the same and recommends that the
5 Senate propose to the House that the bill be amended by striking out all after
6 the enacting clause and inserting in lieu thereof the following:

7 * * * Reappraisals * * *

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

9 § 4041a. REAPPRAISAL

10 * * *

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; or 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.

21 * * *

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 [Repealed.]~~

* * *

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

15 § 4041a. REAPPRAISAL

16 * * *

17 (b) If the Director of Property Valuation and Review determines that a
18 municipality’s education grand list has a coefficient of dispersion greater than
19 20 or that a municipality has not timely reappraised pursuant to subsection (d)
20 of this section, the municipality shall reappraise its education grand list
21

1 properties. If the Director orders a reappraisal, the Director shall send the
2 municipality written notice of the decision. The municipality shall be given 30
3 days to contest the finding under procedural rules adopted by the Director or to
4 develop a compliance plan, or both. If the Director accepts a proposed
5 compliance plan submitted by the municipality, the Director shall not order
6 commencement of the reappraisal until the municipality has had one year to
7 carry out that plan.

8 * * *

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

12 * * *

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

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

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

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

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

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

14 (B) the geographic proximity of municipalities; and

15 (C) any other relevant municipal data metrics.

16 (2) With regard to the recommendations on obtaining detailed, accurate,
17 and consistent data on all properties throughout the State, a study of existing
18 municipal data metrics that could be used to identify and differentiate between
19 properties on the municipal and statewide education grand lists based on
20 property types and characteristics, including use, occupancy or vacancy, square
21 footage, and any other relevant factors.

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

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

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

13 (B) recommendations to distinguish between different types and uses
14 of property on the municipal and statewide education grand lists and a detailed
15 proposal for designating new or updated property types and integrating them
16 into the municipal and statewide education grand lists, as applicable, and the
17 overall property taxation system beginning on January 1, 2026.

18 (2) The written submission required under this subsection shall identify
19 and recommend the means to achieve consistency in property valuation and
20 taxation across the State in order to prioritize the elimination of racial,
21 socioeconomic, and other implicit biases. Pursuant to this subdivision, the

1 Department shall review and revise State training programs and guidance
2 provided to listers and assessors, including the Vermont Department of Taxes,
3 Division of Property Valuation and Review publication titled “Lister and
4 Assessor Handbook A Guide for Vermont Listers and Assessors,” for instances
5 of racial, socioeconomic, and other implicit biases and report on any revisions
6 made or planned to be made to those training programs and guidance.

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

12 (A) Adequate funding, including cost-saving measures and
13 potentially reallocating the revenues from the per-parcel fee under 32 V.S.A.
14 § 4041a(a) to operate a statewide reappraisal system. The implementation
15 proposal shall address staffing costs for hiring or contracting with trained
16 assessors, or both, to carry out reappraisals and hearing officers to hold appeals
17 at locations across the State.

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

20 (I) selection and prioritization criteria;

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

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

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

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

17 (C) Creation of a reappraisal appeal structure that:

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

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

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

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

11 (D) Streamlining, integrating, and updating State and municipal
12 software vendor agreements and information technology systems relating to
13 reappraisals and maintaining municipal and statewide education grand lists,
14 including the integration of any new or updated property types into municipal
15 and statewide education grand lists, as applicable, and the overall property
16 taxation system beginning on January 1, 2026. The implementation proposal
17 shall further estimate costs and analyze any other considerations regarding
18 software vendor agreements.

19 (E) Existing definitions and data metrics currently gathered by
20 municipal Computer Assisted Mass Appraisal (CAMA) systems and the
21 potential for using those definitions and data to collect information on the

1 number of residential units, land value distinct from the value of buildings or
2 other improvements on the land, the year of construction for buildings or other
3 improvements, and any other pertinent data relating to properties in this State.

4 (F) Distinguishing between contiguous parcels for purposes of
5 property valuation and the payment of the per-parcel fee under 32 V.S.A.
6 § 5405(f).

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

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

15 (4) The recommendations and detailed proposal required under
16 subdivision (1)(B) of this subsection regarding new or updated property types
17 that apply to municipal and statewide education grand lists and the overall
18 property taxation system shall include the following:

19 (A)(i) Legislative language, as applicable or needed to achieve the
20 Department’s recommendations, that differentiates between grand list
21 properties based on property type and characteristics, including use, occupancy

1 or vacancy, square footage, and any other relevant factors. The detailed
2 proposal shall recommend how certain property types and characteristics could
3 be identified and data could be collected, including:

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

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

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

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

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

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

18 (B) Updating existing information technology systems or creating a
19 new data collection and reporting system, or both, and creating a designation
20 process for integrating different property types into the municipal and
21 statewide education grand lists and the overall property taxation system in a

1 detailed, accurate, and consistent way that takes into consideration the
2 compliance and administrative burdens placed on both property owners and
3 municipal and State administrators. The detailed proposal shall provide clear
4 and actionable guidance on any new or updated property types and the
5 designation process for both property owners and municipal listers and
6 assessors.

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

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

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

13 (2) Sec. 3 (State appraisal and litigation assistance program) shall take
14 effect on July 1, 2023, ~~provided the General Assembly has, on or before July 1,~~
15 ~~2023, appropriated funding to cover the Department of Taxes' operating costs~~
16 ~~required to create, implement, and maintain a new State appraisal and litigation~~
17 ~~assistance program.~~

18 * * * Lister and Appraiser Education * * *

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

20 § 3436. ASSESSMENT EDUCATION

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

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

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

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

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

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

18 § 4052. CONTRACT APPRAISALS; ~~CERTIFICATION~~ ASSESSOR

19 QUALIFICATIONS

20 (a) No municipality shall employ or contract a person, firm, or corporation
21 shall be employed by a municipality to perform appraisals of real property for

1 the purpose of property taxation unless approved by the Director of Property
2 Valuation and Review as qualified under this section.

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

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

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

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

16 § 4052. CONTRACT APPRAISALS; ASSESSOR **AND LISTER**
17 QUALIFICATIONS

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

1 (b) No person shall conduct the work of an elected lister, board of listers, or
2 assessor employed or contracted by a municipality pursuant to 17 V.S.A.
3 § 2651c(b) unless the person meets the training requirements established by the
4 Director of Property Valuation and Review under this section. An elected
5 lister or board of listers who does not meet the training requirements of this
6 section at the time of election shall have one year after entering into the duties
7 of the office of lister to comply with this section.

8 * * *

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

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

13 § 2651c. LACK OF ELECTED LISTER; APPOINTMENT OF LISTER;
14 ELIMINATION OF OFFICE; HIRING ASSESSORS

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

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

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

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

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

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

19 (c) The term of office of any lister in office on the date a town votes to
20 eliminate that office shall expire on the 45th day after the vote or on the date

1 upon which the selectboard ~~appoints~~ employs or contracts an assessor under
2 this subsection, whichever occurs first.

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

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

11 * * * Effective Dates * * *

12 Sec. 10. EFFECTIVE DATES

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

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

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

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

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(Committee vote: _____)

Senator _____

FOR THE COMMITTEE