

**H.480 Property Valuation and Reappraisals - As Passed By House**  
Section-by-Section Summary - April 18, 2023  
**Vermont Assessors & Listers Association Response as Requested**

Sec.	Topic	Notes
1	<b>FINDINGS</b> Provides statistics and sources relating to the status of reappraisals in Vermont municipalities and to national appraisal practices for housing, lending, and property tax purposes that show systemic discrimination against people of color.	
<b>VALA</b>	VALA members are concerned with the possibility of Systemic Discrimination existing within the property valuation profession. VALA cannot speak to the existence of Systemic Discrimination within the “Property Valuation for Mortgage” profession where the issue suggests lower property assessments when seeking a mortgage. VALA is however concerned with the implication that Systemic Discrimination may exist within the “Property Valuation for Taxation” profession here in Vermont where the issue suggests higher property assessments for taxation. While sympathetic to the cause VALA is finding it difficult to identify examples within our field here in Vermont. The implications within H.480 are that Listers and Assessors invent property values where in reality we simply ascertain and record the actions of others. Willing buyers and willing sellers are what determines the fair market value of property during the sale process.  VALA would also request that should there be data to support the existence of Systemic Discrimination here in Vermont the data be made available to VALA so we may address this issue as an organization.	
<b>Statewide Reappraisals</b>		
2	32 V.S.A. § 4041a – REQUIRED REAPPRAISALS <ul style="list-style-type: none"> <li>· Strikes common level of appraisal (CLA) trigger for PVR to order reappraisals (85% below or 115% above fair market value) but retains trigger for reappraisals if COD is greater than 20.</li> <li>· Strikes \$100,000 annual appropriation from Education Fund to PVR for lister education (moved to another section of statute, 32 V.S.A. § 3436)</li> </ul> Effective on passage	
<b>VALA</b>	While International Association of Assessing Officers (IAAO) recommends using the CLA as a trigger for reappraisals (.85 to 1.15), removing it as a trigger for reappraisal here in Vermont could minimize the current reappraisal backlog. The number of Towns currently under CLA reappraisal orders would be eliminated which in turn would reduce the impact of the crisis surrounding the availability of reappraisal firms.  VALA would caution that solely utilizing the Coefficient Of Dispersion (COD) as a reappraisal trigger could negatively impact smaller towns.	
3	32 V.S.A. § 4041a – REQUIRED REAPPRAISALS <ul style="list-style-type: none"> <li>· Repeals \$8.50 State per parcel fee paid to towns for reappraisals Effective on January 1, 2026</li> </ul>	
<b>VALA</b>	VALA is concerned with removing the \$8.50 State per parcel fee paid to towns for reappraisals due to the possibility of it being removed and not reinstated should the entire reappraisal process and associated costs not be transferred to the State of VT.	
4	<b>ONE-TIME GENERAL FUND APPROPRIATIONS; DEPT. OF TAXES</b> FY2024: \$50,000.00 to Dept. of Taxes to contract with one or more consultants with expertise in statewide reappraisal systems to assist Dept. in preparing implementation plan. Fiscal year 2026: a sufficient sum to the Dept. of Taxes to fund implementation costs of a statewide reappraisals program; appropriation amount based on Dept.’s recommendation December 15, 2024.	
<b>VALA</b>	VALA has no opposition to a one-time appropriation and would support an alternate use. VALA would recommend the appropriation be used for a study of what the impact of H.480 would be – before passage or implementation.  VALA has concerns with the term “a sufficient sum”.	

5	<p>32 V.S.A. § 4041a – REQUIRED REAPPRAISALS</p> <ul style="list-style-type: none"> <li>· Repeals: <ul style="list-style-type: none"> <li>o Requirement that municipalities reappraise following an order by PVR</li> <li>o Penalty associated with municipal failure to reappraise (withholding of State funds)</li> </ul> </li> <li>· Makes the consequence of a municipality’s COD being greater than 20 the commencement of a State reappraisal.</li> </ul> <p>Effective on July 1, 2026</p>	
VALA	<p>VALA has no opposition to the Repeals mentioned.</p> <p>VALA has no opposition with consequence of a municipality’s COD being greater than 20 triggering a reappraisal excepting our opinion that the COD limit may negatively impact smaller towns.</p>	
6	<p>32 V.S.A. § 5413 – STATEWIDE REAPPRAISAL PROGRAM</p> <p>Expands State appraisal and litigation assistance program at PVR, Dept. of Taxes to include statewide statistical and full reappraisals.</p>	
6	<p>For purposes of both municipal and statewide education grand lists, Commissioner of Taxes is required to:</p> <ul style="list-style-type: none"> <li>· Determine a reappraisal schedule for each municipality’s grand list, to be published annually;</li> <li>· Conduct or contract with one or more appraisers to conduct: <ul style="list-style-type: none"> <li>o Statistical reappraisals (not required in same year as a full reappraisal); and</li> <li>o Full reappraisals every 6 years.</li> </ul> </li> </ul> <p>Property values set by a State reappraisal are binding on municipality</p> <p>Appropriates \$2,540,000 annually, on January 1 from General Fund to PVR to fund statewide reappraisals program.</p> <p>Effective on July 1, 2026</p>	
VALA	<p>VALA is unified in the position of disagreeing with the State of Vermont Tax Department – Property Valuation and Review Division (PVR) taking control of any portion of the property assessment process currently charged to the Municipalities of the State where property valuation is required.</p> <p>H.480 implies that the current reappraisal “crisis” was a failing by the Listers and Assessors of Vermont and that somehow transferring the responsibility of reappraisals to PVR will correct the situation. There is no reason why any portion of this bill cannot be implemented without the responsibility of reappraisal being transferred to PVR.</p> <p>The current “reappraisal crisis” is the result of the fair market values of property escalating at an unprecedented rate – it is not the fault of the Listers and Assessors nor will transferring the responsibility of reappraisals to the State remedy the situation. As a point of interest – a few years ago it was the Legislature (with the assistance and recommendation of VALA) that passed legislation to adjust the CLA limits for reappraisal from .80 to 1.20 to the current limits recommended by IAAO of .85 to 1.15.</p> <p>VALA is concerned with PVR managing reappraisals and setting values - that the Towns have no control over and yet will be binding on Municipal Grand Lists in addition to the Education Grand Lists. The Grand List of every town must be endorsed by the Listers/Assessor of each Municipality certifying its accuracy when presented to the Clerk for lodging. It is doubtful that any Lister/Assessor is going to certify a Grand List as being accurate while being completely removed from the valuation process during reappraisal. This issue will continue every year post reappraisal as most Grand List values, developed by PVR during a reappraisal, will not change year to year.</p>	
VALA	<p>VALA is concerned with the effects of the appeal process in cases where appeals may extend beyond the timeline defined within State Statutes for adjusting the Grand List. Currently when an appeal of a property (typically high valued properties with the resources to exploit the process) extends past the date of the final Grand List values being certified by the State the</p>	

	<p>burden of the financial implications of an extended appeal falls solely upon the Municipality. Any refund in Education tax dollars, Municipal tax dollars, and the entire cost of litigation is the responsibility of the Municipality. This is a major issue with H.480. The Municipalities would be responsible for the financial liability created by inaccuracies within reappraisals performed at the State level and for which there is no local control. Typically, there are many more appeals during reappraisal years than in typical Grand List years.</p> <p>VALA has concerns with the possibility of H.480 creating the appearance of a conflict of interest within the property taxation process here in Vermont - the taxing entity will also be setting the values which are utilized for taxation. The shift of local control of the reappraisal process to State control will further support the appearance of malfeasance within State Government.</p> <p>VALA is concerned with the appropriation of \$2,540,000 annually to fund all the reappraisals necessary every year. The current cost of reappraisals is roughly ~\$100/parcel for a contracted reappraisal. This suggested appropriation does not consider the incredible amount of work (read dollars) and local knowledge currently supplied by the Municipalities during the reappraisal process. This work (read dollars) will be passed on to PVR and local knowledge will be nullified should reappraisals be removed from the Municipalities.</p> <p>VALA supports a mandatory set schedule for reappraisals as per IAAO standards and would request to be involved in the implementation process.</p> <p>VALA is concerned with the aggressive timeline suggested for implementation of parts of H.480 considering the historical track record of meeting deadlines such is currently impacting the roll out of VtPie.</p>	
7	<p>32 V.S.A. § 5405(f) – PER PARCEL FEE  Doubles from \$1 to \$2 the State per parcel fee paid to municipalities for assistance with the equalization study and expands uses of fee revenue to include maintaining the grand list.  Effective July 1, 2026</p>	
VALA	<p>VALA has concerns with the responsibility of the equalization study remaining at the Municipal level while the reappraisal process is relocated to PVR. This process should remain tied to the entity developing the values which are to be compared to fair market values during the equalization process each year.</p> <p>VALA agrees with increasing the per parcel fee paid to municipalities for assistance with the equalization study.</p> <p>VALA does not agree with expanding this fee to also include maintaining the Grand List.</p> <p>VALA is concerned with Grand List maintenance being funded at \$1/parcel.</p>	
8	<p>IMPLEMENTATION PLAN AND PROGRESS REPORT; DEPT. OF TAXES  On or before December 15, 2023, requires Dept. of Taxes to submit a progress report to Legislature on the first six months of:</p> <ul style="list-style-type: none"> <li>· implementation of office of statewide reappraisals</li> <li>· defining new categories of homestead and nonhomestead property that apply to both municipal and statewide education grand lists and property taxes</li> </ul> <p>On or before December 15, 2024, requires Dept. of Taxes to submit a report to Legislature on:</p> <ul style="list-style-type: none"> <li>· detailed implementation plan and progress report on the first 18 months of implementation of the statewide system to conduct reappraisals</li> <li>· recommended legislative language to define new categories of homestead and nonhomestead property</li> </ul>	
VALA	<p>VALA has concerns with the implementation of the entire scope of H.480 regarding transferring valuation responsibilities to PVR.</p> <p>VALA agrees with the need to expand categories when related solely to the purpose of</p>	

	<p>increasing the accuracy of property valuation.</p> <p>VALA does not support expanding categories beyond the bounds of property valuation. Expanding categories beyond those used solely for property valuation will create distractions that negatively impact the primary responsibility of developing fair market values currently borne by Listers and Assessors.</p> <p>VALA agrees with progress reports based on the effectiveness of every State program.</p>	
<b>9</b>	<p>REPEAL CONTINGENT EFFECTIVE DATE; STATE APPRAISAL, AND LITIGATION ASSISTANCE PROGRAM</p> <p>2022 Acts and Resolves No. 163, Sec. 8(2) is amended to strike last session's effective date for the new PVR program, which was made contingent on the Legislature appropriating funding to cover the Dept.'s costs to create, implement, and maintain the new program.</p> <p>Effective July 1, 2023</p>	
<b>VALA</b>	<p>VALA has no opinion of contingent effective date.</p> <p>VALA requests that: should the responsibility of reappraisal shift to PVR all litigation costs, Education tax refunds, and Municipal tax refunds also shift to PVR. Municipalities having to defend binding values developed by PVR, reimburse tax refund costs, and shoulder the cost of litigation is irrational.</p>	

#### Lister and Appraiser Education

<b>10</b>	<p>32 V.S.A. § 3436 – ASSESSMENT EDUCATION</p> <p>\$100,000 is annually appropriated from Education Fund to PVR for lister education (appropriation repealed from 32 V.S.A. § 4041a)</p>	
<b>VALA</b>	<p>VALA agrees with an appropriation for assessment education.</p> <p>VALA also requests that along with the heightened education requirements mentioned in Section 11 the annual appropriation for assessment education also increase accordingly.</p>	
<b>11</b>	<p>32 V.S.A. § 4052 – CONTRACT APPRAISALS; ASSESSOR AND LISTER QUALIFICATIONS</p> <p>Clarifies and expands requirements for municipalities to employ or contract with only qualified and trained assessors, and to impose on elected listers the same qualification and training requirements approved by PVR imposed on assessors.</p>	
<b>VALA</b>	<p>VALA agrees with education requirements with the caveat that heightened education requirements will adversely impact the availability of qualified Listers and Assessors.</p> <p>VALA requests that should the current voluntary education requirements become mandatory VALA be included as an equal partner in the development of such requirements and a method of grandfathering be put in place.</p>	
<b>12</b>	<p>17 V.S.A. § 2651c – LACK OF ELECTED LISTER; HIRING ASSESSORS</p> <p>Requires selectboards to notify PVR within 14 days of a vote to eliminate the office of lister and employ or contract a professionally qualified assessor, who is required to meet qualification and training requirements approved by PVR.</p> <p>Expands authority for municipalities to hold a vote to eliminate the office of lister from only annual meetings to also special meetings.</p> <p>Clarifies that even if an assessor is employed or contracted to assist an elected board of listers, the board of listers retains its statutory powers, duties, and liabilities.</p>	
<b>VALA</b>	<p>VALA acknowledges the current lack of elected Listers.</p> <p>VALA recognizes the current lack of elected Listers is one result of historically low compensation provided to Elected Listers. One significant reason for the depressed Lister compensation is the misconception that Listers are not professionals as Assessors are referred to. This delusion is based on ignorance and is false representation of and a disservice to the Listers of the State of Vermont. Listers typically are elected and Assessors are typically hired – this being the only difference.</p>	

<b>Conforming Revisions; Repeal of Town Reappraisals</b>		
<b>13</b>	Authorizes Office of Legislative Counsel to make non-substantive technical corrections to title 32 during statutory revision to conform to this act's repeal of municipal requirement to reappraise.	
<b>VALA</b>	VALA concurs.	
<b>1</b>		
<b>14</b>	Act takes effect on July 1, 2023, except: <ul style="list-style-type: none"> <li>· (1) Sec. 2, 32 V.S.A. § 4041a(b), (reappraisal orders) applies retroactively to grand lists lodged on and after April 1, 2022</li> <li>· (2) Sec. 3, 32 V.S.A. § 4041a(a), (repeal of per parcel fee) takes effect on January 1, 2026</li> <li>· (3) Secs. 5, 32 V.S.A. § 4041a, (repeal of municipal requirement to conduct reappraisals), 6, 32 V.S.A. § 5413 (State appraisal, reappraisal, and litigation assistance program), and 7, 32 V.S.A. § 5405(f), (per parcel fee) take effect on July 1, 2026</li> </ul>	
<b>VALA</b>	VALA agrees with the alteration of effective dates aligned with our positions included in this document.	
<b>VALA requests to continue to be included in any discussion as well as to have representation on any study groups formed regarding H.480 and any matters addressed in this bill.</b>		