

Testimony to Senate Government Operations Committee 04/11/2023

Regarding H-480

Presented by:

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Please note that the bulk of my testimony is the opinion of Lisa Wright alone. I am the president of the Vermont Association of Listers and Assessors and I will present the position of VALA on this Bill, and then provide my commentary after that.

VALA formed a committee to research and prepare our members to understand and speak about this Bill. We discussed the bill at our March meeting in some detail. We will vote on a proposed statement at our meeting on April 12th. I am attaching the proposed VALA position statement to this letter, and it is posted on our website at valavt.org as well. We posted a survey to obtain an informal consensus on this statement and have received 54 responses thus far, with 49 or those agreeing with the statement, 4 in disagreement with the statement, and 1 with no opinion.

To sum up this statement, VALA agrees with some points of this Bill, most fundamentally the need for a regular schedule for townwide reappraisals. We have questions on many of the other points of the Bill but are willing to consider study of those points.

VALA consensus is that we do NOT support PVR taking responsibility of contracting or conducting property reappraisals before the Department has undertaken its study and implementation plan deliverables and reported back to the legislature. Further we do NOT support removing ownership of the grand list from the municipalities to the state.

Many of our members have taken this issue to their Senators and Representatives and have heard back that those legislators agree with them that they do not support the over-reach by the State that is in this Bill. Further, many of our members have taken this issue to their town Select Boards, and many of those Boards have also voted to make statements that they do not support this Bill. You will likely be receiving, and will continue to receive letters from our Select Boards.

To quote Ted Brady of VLCT when asked about this bill, this is what he stated in an e-mail to me:

I think there is a much more unified and clear line of opposition to H 480 – so getting our ducks in a row may not be necessary. The statement you folks are voting on next week sums up the position of every municipal official I've talked to quite well. And we're yelling it from the rooftops!

So I question, as do many of our VALA members, with such strong and likely majority opinion in opposition to this Bill as it currently written, why is the Bill still moving through the Legislature with such ease? Why is this bill supported by our legislature when their constituents do not support it?

We will have more to follow after our VALA meeting tomorrow April 12th, but I will segue now to comments now from Lisa Wright, comments based on 20 years of experience in the tax assessment as well as the independent appraisal business.

As a licensed appraiser, and I would argue as a qualified tax assessor as well, we have guiding principles to which we are bound by ethics to adhere. I think the following have direct analogies to the process which should be involved in considering this bill:

1. Before accepting an assignment, disclose bias or any financial interest in the subject.
2. Before accepting an assignment, determine geographic competence and subject area competence.
3. In starting an assignment, first Define the Problem.

The first is to disclose any bias or prior work on an issue and then state whether or not if you can accept an assignment and complete it without conflict of interest or bias. This bill and the power grab it represents reeks of special interest and financial bias. Why would the state Department of Taxes want more authority and responsibility? Why would the Legislature agree to this?

If this bill is enacted into law, the conflict of interest will be magnified even further. The same state agency that conducts the Three Pronged Test after town-wide reappraisals, conducts the equalization study, and holds tax appeals at the third level of tax appeal in Vermont will also be contracting and hiring reappraisal firms? How is this NOT a conflict of interest? This is the proverbial fox guarding the hen house! And this is the primary reason why so many Listers/Assessors and other town officials are so vehemently opposed to this bill.

The second of subject area knowledge and geographic competence is also relevant. As we have all discussed, we are a “graying” profession and we have a very real staff shortage of experienced assessment professionals. PVR and VALA have done a tremendous job of increasing the professionalism of our state Listers and Assessors. For the state to conduct reappraisals at a faster rate than we are able to do within our towns will undoubtedly mean bringing in appraisers who do not have that local knowledge, i.e. geographic competency. Or it

will require bringing in less experienced staff who do not have sufficient breadth of knowledge, i.e. subject area competence.

If the stress and complications and delays of the new state Grand List software haven't done it, enactment of this law will likely force the retirement of many of our experienced Listers and Assessors as a "last straw" of government over-reach into our work. This will further exacerbate the problem of a shortage of experienced Listers and Assessors.

Finally, defining the problem: H-480 does not adequately define the problem it seeks to solve. Because the problem has not been adequately defined, there are no solutions in this Bill!

The sponsor of this bill stated in the first read that her committee decided against going to a study and instead to implement the bill immediately because, in her words, "the studies had already been done". To what studies does she refer? VALA is not aware of any such studies, nor are they cited in the bill. Vague references are made to IAAO standards and sometimes those standards are upheld and other times they are disregarded (notably the COD as the new standard and the CLA to be disregarded). On other occasions IAAO standards are mis-quoted in testimony and there are no such IAAO standards (notably the standards mentioned about how state/municipal government should be structured).

The definition of the "problem" has shifted several times since this bill was enacted, which leads back to my initial question of what or who is actually driving this bill forward?

Thank you for listening and please vote to oppose this bill and not move it forward in the legislature. I think I can speak for VALA to state that we would be more than happy to talk about reforms we think may be necessary to our current system; however, this bill just goes way too far and represents nothing more than a power grab by the state.

VALA Proposed Statement

H.480 An act relating to property valuation and reappraisals

Parts of the H.480 to Not Support:

PVR taking responsibility of contracting or conducting property reappraisals before the Department has undertaken its study and implementation plan deliverables and reported back to the legislature.

Removing ownership of the grand list from the municipality to the state.

Parts of H.480 to Support:

Reappraisals conducted on a regular schedule.

Acknowledging the system has flaws and needs improvement.

Questions and Concerns:

- 1) How will the appeals process be handled starting with the Listers Grievance level? How will the Listers defend values, and sign off in the Grand List that they had no role in developing?
- 2) How do Listers and Assessors support and maintain a Grand List that they had no part in creating?
- 3) Once the reappraisal company is gone, what support will the towns have to support and maintain the Grand List until the next reappraisal?
- 4) What recourse does the town (Listers/Assessing office) have if they disagree with the values that are binding from the language of this bill?
- 5) How will towns be part of the process making sure the reappraisal company chosen by the state is the right fit for their towns?
- 6) What about choosing the right CAMA system for the town, how will that be done? Usually done at reappraisal.
- 7) Will the \$8.50 to be adjusted for inflation and for specialty or complex properties, commercial/industrial, condos, etc. How will the State fund the inactive and tax exempt parcels, that will also have to be assessed, that are not included in the per parcel payment?
- 8) How will the inequity of assessed values for people of color or low-income households be changed when it is the exact same appraisal companies and exact same tax system that is essentially in place now?
- 9) How will the vulnerable populations gain more support and better access to the similar resources that those with deeper pockets have? Higher income property owners have the ability to put pressure on the municipalities by taking their appeals to higher levels including to court, with most towns compromising or settling as towns often do not have the extra funds to properly defend their values at these higher levels.
- 10) Would repealing the CLA trigger, and retaining the COD trigger have the same effect on smaller towns with lower volume of sales vs larger municipalities with more sales?