

# Common Level of Appraisal Overview



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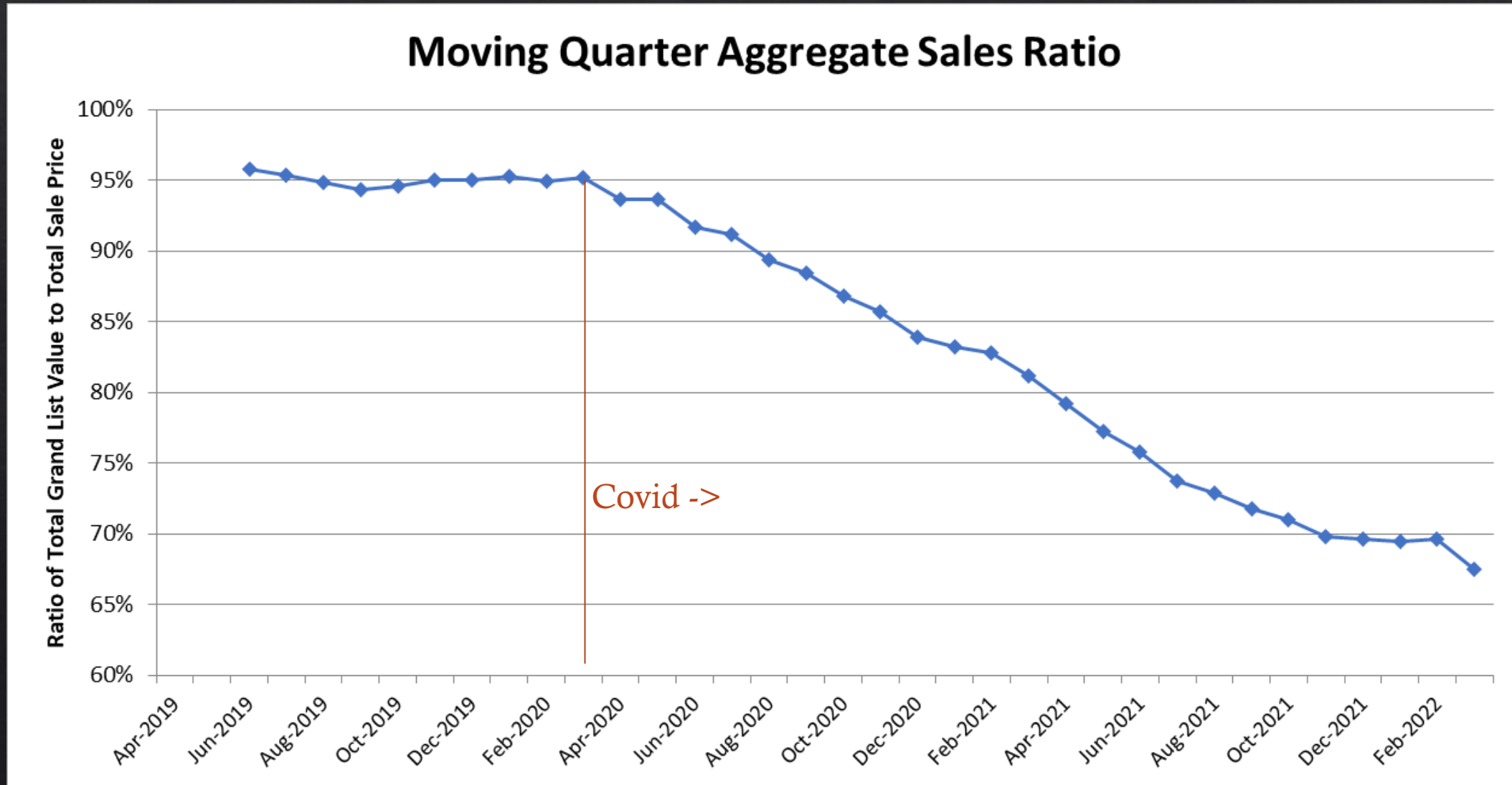
Vermont Department of Taxes

# What are CLAs?

CLAs (Common Level of Appraisals) are general correction factors applied to every *town's* education property tax rates to make sure the *town* is sending its fair share to the State's education fund

- ◆ CLAs are an example of “indirect equalization” because they are applied to the town's tax rate, not the property value of the owner
- ◆ CLAs for each town come from PVR's annual Equalization Study, which compares grand list values to sale prices over the prior three years
- ◆ A town where properties are generally selling for less than they're listed for in the Grand List will have a CLA over 100%. A town where properties are selling for more than they're listed for will have a CLA under 100%.

# What happened to VT's real estate market during Covid?



# How have CLAs changed over the past five years?

Equalization Study Results: Number of Towns by CLA Bracket by Year					
	2020 (FY22)	2021 (FY23)	2022 (FY24)	2023 (FY25)	2024 (FY26)
Less than 85%	5	24	140	209	196
85 to 100%	176	203	110	30	37
100 to 115%	79	33	13	24	22
115% or More	0	0	0	0	0

First year listed is the year of the equalization study, second year is the fiscal year impacted


CLAs for reappraising towns are calculated differently and supersede equalization study results

# Are CLAs going down the reason property taxes have gone up?

- ◆ No. Tax rates and yields forecast by tax and JFO always incorporate the CLAs that will be eventually be applied. This is because one of the primary inputs to the yield model is what is known as the “equalized education grand list” which is the fair market property value of each town (post CLA)
- ◆ A bigger base means lower rates (all else held equal).

	FY21	FY22	FY23	FY24	FY25
Statewide NHS Rate	1.612	1.612	1.466	1.391	1.391

- ◆ And lower CLAs mean the yield can be set higher

	FY21	FY22	FY23	FY24	FY25
Homestead Yield	10,998	11,317	13,314	15,443	8,553 

# How is the CLA Applied?

Example:  
Lyndon, FY25

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Homesteads: Per pupil spending divided by the property yield = “Equalized tax rate” or “school district tax rate”

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Per (weighted) pupil spending for the Kingdom East school district \$12,878; yield is \$9,893

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$$\$12,878 / \$9,893 = 1.3017$$

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Equalized tax rate divided by CLA = Actual tax rate

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$1.3017 / 75.91\% = 1.7148$  (per \$100 of property value) is the actual homestead rate taxpayers see on the bill

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The actual non-homestead rate in Lyndon is just the uniform statewide rate divided by the town CLA:  
 $1.391 / 75.91\% = 1.8324$

# What happens in a reappraisal year?

- ◆ Towns don't "win" or "lose" with respect to how much they pay into the Ed fund.
- ◆ The reappraisal year CLA is calculated differently: The town's new total listed value divided by PVR's most recent estimate of total equalized grand list value ([32 V.S.A. § 5406](#))
- ◆ Burlington example, FY22 (reappraised for April 1, 2021)
- ◆ FY21 CLA was 74.77% and the actual HS tax rate was 2.0576
- ◆ FY22 CLA (after reappraisal) was 105.32% and actual HS tax rate was 1.4553
- ◆ Listed property values went up a lot, but actual tax rates went down 42%
- ◆ Since property tax credits are based on the prior year taxes, if the property value went up by about 42%, the credit was consistent
- ◆ Individual property owners may experience tax impacts depending on how their own change in property value compares to the town average

# Where can I find out more?

◆ FY26 CLAs from PVR's 2024 equalization study are posted here:  
<https://tax.vermont.gov/municipalities/reports/equalization-study>

◆ Current year (FY25) education tax rates and very helpful FAQs about education taxes are posted here:

<https://tax.vermont.gov/property/education-property-tax-rates>