

In response to Response to dr req 26-0758 – draft 3.2 Taxation; education property tax; property valuation; tax classifications.

We can't consider the third classification and applying it to a portion of the land without discussing the tie in and impact to the 2-acre Housesite and state payments. Chapter 154, Title 32. "Housesite" means that portion of a homestead, as defined under subdivision 5401(7) of this title but not under subdivision 5401(7)(G) of this title, that includes as much of the land owned by the claimant surrounding the dwelling as is reasonably necessary for use of the dwelling as a home, but in no event more than two acres per dwelling unit, and, in the case of multiple dwelling units, not more than two acres per dwelling unit up to a maximum of 10 acres per parcel.

Why Undefined Boundaries of a 2-Acre Housesite Is Costly and Confusing

An arbitrary, undefined 2-acre house site presents similar challenges. Without a clear, consistently applicable definition, assessors are left to interpret how and where those two acres should be delineated on each parcel. This invites inconsistency across properties, municipalities, and even within the same town over time. And now legislators want us to add another arbitrary land valuation to add more complexity.

From an administrative standpoint, determining and defending housesite boundaries requires additional mapping, judgment calls, documentation, and explanation. These tasks take time, increase the likelihood of appeals, and place assessors in the difficult position of defending subjective decisions rather than objective valuation standards.

Property Example: 10.10 Acres: Dwelling and Four Outbuildings

	Homestead:	Non-Homestead
Primary Dwelling	\$140,700	\$35,200 (20% Rental Use)
Outbuilding 1: Shop/Garage	\$223,900	
Outbuilding 2: Pavillion	\$ 16,200	
Outbuilding 3: Shed	\$1,300	
<u>+Outbuilding 4: Shed</u>	<u>\$1,600</u>	
Total Building Value	\$ 383,700	
<u>+2 Acre Housesite Land</u>	<u>\$ 67,500</u>	
Total House Site	\$ 451,200	
<u>+8.1 Acres Excess</u>	<u>\$ 28,200</u>	
Total Homestead	\$479,400	
<u>+Total Non-Homestead</u>	<u>\$35,200</u>	
Total Assessed Value	\$514, 600	



Notice that the pin alone towards the edge of the property by Davis Road, is that in or out of the 2 acre housesite?

Comparative Analysis: 2-Acre Site With vs. Without Some or All Outbuildings All scenarios include 20% Rental on Primary Dwelling

Scenario:	Housesite Value:	Housesite Tax:	Homestead Value:	Non-Homestead Value:	Homestead Tax	Non Homestead	Total Ed Taxes Due:
					Rate Applied: 1.2841	Tax Rate Applied: 1.195	
A – All Outbuildings	\$451,200	\$8,880.97	\$479,400	\$35,200	\$6,155.98	\$420.64	\$6,576.62
B – Two Outbuildings	\$211,100	\$4,155.08	\$239,300	\$275,300	\$3,072.85	\$3,289.84	\$6,362.69
C – Three Outbuildings	\$227,300	\$4,642.30	\$255,500	\$259,100	\$3,274.46	\$3,096.25	\$6,370.71
D – No Outbuildings	\$208,200	\$4,098.00	\$236,400	\$278,200	\$3,035.61	\$3,324.49	\$6,360.10

WHY THIS IS A PROBLEM

- Same parcel, same value, same owner
- Different tax results based solely on interpretation
- A lot of effort for negligible change on taxes due, except for state payment amount
- No clear statutory direction on which outcome is correct
- Who has burden of proof: the tax payer, the municipality, or the tax department
- High appeal risk and inconsistent treatment statewide

This variability is created entirely by the education tax structure and is administered at municipal expense.

If that shop/garage one day turns into a shop/ ADU this property owner would have all three tax rates. A real scenario: Grantees undergoing a separation or divorce can't afford housing so one grantee lives in main dwelling and the other in the ADU. The ADU changes yet again, how do they plan for taxes?

WHAT A TAXPAYER EXPECTS TO SEE

- One clearly defined homestead portion
- Straightforward application of exemptions

Current Tax Bill of 2 Acre Housesite Example.

Where would the third classification fit, be clearly defined, and still be legible on the education side?

Education portion is 65% of the total tax-bill, it would continue to remain the larger portion of the tax bill.

Description: 10.1 ACRES & DWL Location: [REDACTED]		HOUSESITE TAX INFORMATION									
OWNER: [REDACTED]		SPAN # [REDACTED] SCL CODE: 159									
		TOTAL PARCEL ACRES 10.10									
		HOUSESITE VALUE 451,200									
		HOUSESITE EDUCATION TAX 5,793.86									
		HOUSESITE MUNICIPAL TAX 3,087.11									
		HOUSESITE TOTAL TAX 8,880.97									
		FOR INCOME TAX PURPOSES									
ASSESSED VALUE		HOMESTEAD									
NONHOMESTEAD											
REAL	514,600	479,400	35,200								
TOTAL TAXABLE VALUE	514,600	479,400	35,200								
GRAND LIST VALUES	5,146.00	4,794.00	352.00								
MUNICIPAL TAXES		EDUCATION TAXES									
TAX RATE NAME	TAX RATE x GRAND LIST = TAXES	TAX RATE NAME	TAX RATE x GRAND LIST = TAXES								
Municipal	0.6812 x 5,146.00 = 3,505.44	HOMESTEAD EDUCATION	1.2841 x 4,794.00 = 6,155.98								
Local Agreement	0.0020 x 5,146.00 = 10.29	NON HOMESTEAD EDUCATION	1.1950 x 352.00 = 420.64								
		2.7050 (state rate) / 142.511 (CLA + SA) = 1.950									
		TOTAL EDUCATION TAX 6,576.62									
<u>Revised Bill</u>		<table border="1"> <tr> <td>1</td> <td>10/31/2025</td> <td>EDUCATION STATE PAYMENT</td> <td></td> </tr> <tr> <td>2</td> <td>02/31/2026</td> <td>EDUCATION NET TAX DUE</td> <td></td> </tr> </table>		1	10/31/2025	EDUCATION STATE PAYMENT		2	02/31/2026	EDUCATION NET TAX DUE	
1	10/31/2025	EDUCATION STATE PAYMENT									
2	02/31/2026	EDUCATION NET TAX DUE									
TOTAL MUNICIPAL TAX 3,520.88		TOTAL TAX 10,097.50									
MUNICIPAL STATE PAYMENT		TOTAL STATE PAYMENT									
MUNICIPAL NET TAX DUE		TOTAL NET TAX DUE									
DETACH THE STUBS BELOW AND RETURN WITH YOUR PAYMENT											

Grand List: How would the new classifications fit and still be legible?

07/15/2025 02:58 pm Town of Randolph Grand List Grand List Report (Detail) By Name For All Parcels In All Districts Page 257 of 421 Lister

PARCEL INFORMATION	TAXABLE VALUATIONS / EXEMPTIONS / CONTRACTS			
XXXXXXXXXX J	HMSTD FILED	MUNICIPAL	HOMESTEAD	NONHOMESTEAD
XXXXXXXXXX	LAND	95,700		
000 DANIEL ROAD	BUILDING	418,900		
	TOTAL REAL	514,600	479,400	35,200
RANDOLPH CENTER VT 05061	SPEC EXEMPTION		0	0
TAX MAP: 34-20-011				
PROP DESC: 10.1 ACRES & DWL				
911 ADDR: 1100 DANIEL ROAD				
PARCEL ID: XXXXXXXXXX RATES: 0289 SPAN: 507-159- XXXX				
HOUSESITE: 451,200 ACRES: 10.10 R2 T	GRAND LIST	5,146.00	4,794.00	352.00

What I am experiencing from the residents who contact me about their tax bills getting higher, even when their assessed value isn't changing, is that they are experiencing a shrinking state payment, or it is going away all together. This is partially related to the Housesite value which is calculated into the state property tax credit amount.

This third classification will not solve this issue for them, just make the tax bill more complicated and less reliable.

Randolph Total Property Tax Credits												
Year	Total Homesteads	Total Recipients	Average Housesite Value	Average Housesite Education Tax	Average Housesite Municipal Tax	Total Education Credit	Average Education Credit	Total Municipal Credit	Municipal Credit Recipient Count	Average Municipal Credit	Total Credit	Average Credit
2025-2026	1,232	651	261,518	2,923	1,964	839,687	1,290	157,866	179	882	997,553	1,532
2024-2025	1,211	748	177,660	2,934	1,762	1,086,631	1,453	145,655	191	763	1,232,286	1,647
2023-2024	1,210	769	179,576	2,785	1,696	956,861	1,244	159,964	229	699	1,116,825	1,452
2022-2023	1,216	777	179,777	2,820	1,630	968,951	1,247	140,479	229	613	1,109,430	1,428

Tax Year	Maximum Household Income
2025	\$115,400
2024	\$115,000
2023	\$128,000
2022	\$134,800
2021	\$136,900
2020	\$138,500
2019	\$138,250
2018	\$136,500
2017	\$147,500

Randolph underwent a town-wide reappraisal in 2024. Conventionally, we expect residents to receive larger credits the year after a reappraisal, assuming consistent income. However, the opposite occurred; education credits were smaller for most, or gone. Furthermore, the number of residents qualifying for education and municipal payments has decreased since 2023.

In light of the increasing cost of living and the persistent rise in property values exceeding assessed values, I strongly urge the legislature to prioritize the revision of the inflationary factors within the current credit formula. Addressing this issue would be a more effective measure than introducing an additional, complex tax classification to an already convoluted and confusing tax rate classification system. Clarity and efficiency should guide our efforts in reforming the tax structure to better support our communities.

Respectfully submitted by:

Mimi Burstein, Vermont Master Property Assessor, Level IV

Assessor/Lister: Town of Randolph; Town of Shrewsbury

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Vermont Assessment Services LLC

VALA Education and Membership Coordinator; VALA Legislative Committee