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March 28, 2025

Re: DR Reg 25-0153

To the Members of the Vermont House Ways and Means Committee,

My name is Robert Vickery, I have been an appraiser working in the mass appraisal field in Vermont for the last 25 years. I have worked in every aspect of reappraisals from a Data Collector to a Senior Project Supervisor throughout Vermont. I have also worked as a Residential and Commercial Review Appraiser for Vermont Appraisal Company and Tyler Technologies throughout Vermont and the United States. For the last 15 years, I have had the good fortune to be the Town Assessor for the Town of Colchester.

The Town of Colchester is the 3rd largest municipality in Vermont by population, with a dynamic Grand List that includes over 27 miles of lake frontage and one of the only Class A Office parks in Vermont. Colchester has some of the highest valued residential properties and commercial properties in the state, as well as one of the highest percentages of affordable housing in Chittenden County. The residents of Colchester take pride in our municipality and benefit from the quality of life the local government provides.

Colchester has many concerns with this bill that include: 1) funding and staffing for a county reappraisal; 2) a municipality's rights over the Municipal Grand List; 3) the utility assessment and the shifting tax burden onto Vermonters; 4) Legislative overreach of the equalization study; and, 5) the makeup, funding, and access of the Regional Property Valuation Board.

1. Funding and Staffing

- a. There needs to be a study on adequate staffing for the proposed assessment districts.
 - i. Reappraisals require a large amount of time and resources on government agencies that facilitate reappraisals, even when a reappraisal firm has been contracted, there is still significant oversight on the part of the government agency to ensure good public relations, quality data, and equitable assessment.
- b. Will Property Valuation and Review hire new District Advisors, adding to its current staff, or will the current District Advisors take on the added responsibilities in this bill?
- c. We are concerned that these new County Assessment Districts will not be adequately staffed to oversee county reappraisals and the Regional Property Valuation Boards.

2. Municipal rights and authority over the Municipal Grand List.

- a. The Municipal Property Tax is the primary revenue source for municipalities in Vermont. This draft bill does not give municipalities any ability for oversight of their Grand List except for basic maintenance.
- b. Municipalities must have the right to review and contest a reappraisal that is conducted in their name and is within its jurisdiction, that creates a Municipal Grand List for the purpose of the Municipal Property Tax.
- c. The proposed bill strips the Municipality's rights to determine its own Grand List and transfers that responsibility to one single District Advisor who does not have intimate knowledge of the town, the residents, and properties within the town.
- d. Municipalities that have competent Listers and Assessors should have the right to make decisions on their Grand List and reappraise their own communities, given the reappraisal is conducted on the same schedule and meets the criteria set forth by the State Tax Department.

3. Utility Assessment

- a. This bill does not correct the current inequities in the utility assessments statewide.
- b. Utilities are the some of the highest valued properties on the Grand List.
- c. Utilities value their real property using the Handy Whitman Index, this is a depreciated cost method that does not reflect the fair market value of the asset, this depreciated cost is a lower value than the fair market value, and as a result, the tax burden is shifted to residential properties.
- d. Municipalities can hire an appraiser that specializes in utility valuation to appraise the utility to fair market value as State Statutes require, but they run the risk of losing a costly appeal with no backing or relief from the State.
- e. When conducting countywide reappraisals, utilities should be assessed to fair market value by an expert appraiser contracted by the State, that specializes in utility appraisals. This will correct the current inequity and the inequities created by this bill that are allowing the utilities to value themselves.

4. Equalized Education Grand List (Sales Study)

- a. If all municipalities within a county are reappraised at the same time, that county should have a countywide equalization study. This would increase the number of sales and reliability of the study, and a municipality's CLA can be derived from the county ratios.
- b. The Median Sale Ratio should be used to calculate the CLA not the Weighted Mean.

- i. International Association of Assessing Officers recommends using the Median Sale Ratio as the most reliable measurement of central tendency because it is not influenced by outliers and high valued sales like the weighted mean and mean are.
 - ii. In 1999, Vermont commissioned Almy, Gloudemans, Jacobs & Denny Property Taxation and Assessment Consultants to study and make recommendations for Vermont's equalization study, the study determined the median sale ratio should be used over the weighted mean and mean in calculating the CLA. This has not been done, exacerbating the inconsistencies in the CLAs from town to town and year to year.
- c. Current law allows municipalities to appeal the Equalized Education Grand List, the CLA, and the Coefficient of Dispersion. This municipal right should remain in place.

5. Regional Property Valuation Boards

- a. Will these members of the regional board come from the municipal boards?
 - i. This bill does not specify who appoints the members and where they come from, Selectboard, the municipal BCA, or PVR.
- b. There needs to be a study on the time and support needed for the District Advisors to administrate the Regional Property Valuation Board.
- c. The bill states the member shall serve for three years.
 - i. Justices of the Peace, Town Clerks and some Selectboard members only serve for two years in their municipality.
- d. The Regional Board will be compensated by their respective municipalities. Spending time hearing appeals for communities outside of Colchester will add to the expense of the Town Clerk's Office.
- e. Appeals to the Regional Property Valuation Boards have extended the time to request an appeal of the BOL decision from 14 to 30 days. This extension will help the Regional Property Valuation Board to organize and notice hearings, but it will also extend the period of time to which the members will need to commit.
- f. During Reappraisals, it is common to have 15% of property owners appeal to the BOL, and 15% of those appeal to the BCA. For a county of 40,000 parcels, this would be 6000 appeals in the county to the local BOL and Assessor, and 900 to the Regional Property Valuation Board, a significant time commitment for a Regional Property Valuation Boards.

- i. One appeal to the BCA usually last 30 minute, plus 1 hour for a site inspection and the writing of the inspection report, an added 30 minutes for deliberation and writing of the decision totaling 2 hours per appeal. An estimate of 900 appeals for a county of 40,000 parcels equals 1800 hours. This does not include the time spent by the District Advisor administrating the hearings.
- g. The original purpose of this legislative change was to reduce bias in the tax assessments. In general, most community members with lessor means, transportation needs, and lower valued properties are less likely to appeal beyond a local appeal board. By moving away from a local BCA to a Regional Appeal Board you are suppressing certain community members rights to appeal creating more bias not reducing bias.

As an expert in the mass appraisal field in Vermont, and a representative for the government and residents of Colchester, I am concerned with the push to have the State take control of the reappraisals and Municipal Grand Lists in Vermont. This bill removes the rights a municipality has been granted to set values, categorize parcels, and determine exceptions for funding of the municipality as it sees fit, to best serve the residents of the municipality. We do recognize there are many towns in the State that do not have the resources and public participation that Colchester enjoys. However, we are opposed to the State seizing the right for municipalities to set their own Municipal Grand Lists. Instead of taking municipal rights away, we should be using this opportunity to set up rules and laws that would help struggling towns. This is an opportunity to resource and give authority to the Division of Property Valuation and Review to help municipalities facilitate reappraisals that need and request help. An opportunity to set up a program to credential State and Municipal Officers in the mass appraisal field. An opportunity to correct the inequity in the utility valuations. An opportunity to allow towns to come together and create assessment districts within their school districts. An opportunity to improve the Sales Study creating reliable CLAs, and an opportunity to better serve Vermonters by making the appeal process more efficient and accessible. This bill should not be focused on taking municipal rights away, but improving the reappraisal process by strengthening Property Valuation and Review and allowing them to partner with municipalities so they can help the towns that need the resources.

Sincerely

Robert Vickery
Town of Colchester Assessor