

February 2026

Vermont League of Cities and Towns

Support H.775 - Special Assessment Bonds

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What is a special assessment district?

Allows a municipality to assess fees to a portion of the community in order to provide enhanced public services. This authority is granted to all municipalities per [Chapter 87 of Title 24](#).

- **Created:** By a townwide vote with the majority of voters approving OR with written consent of all property owners to be assessed.
- **Common uses:**
 - Limited water, sewer, or stormwater service or other public improvement
 - Enhanced streetscaping, trash removal, lighting, free parking
 - Enhanced improvement or maintenance of pedestrian infrastructure
- Can include or exclude certain property classes.
- Can set fees at town meeting, by an action of the legislative body, or by ordinance - commonly ordinance would include a fee schedule with fees assessed by square footage.

So what's changing exactly?

H.775 creates the ability for the municipality to bond using revenues from the District only, not the full faith and credit of the municipality which *could* drive an increase in the municipal property tax rate.

Special Assessment Districts in the News:

- [Morristown voters opt against absorbing stormwater costs](#), News & Citizen
- [Londonderry announces plans to expand public water access nearly a decade after contamination discovery](#), Vermont Public
- [Select Board hears from Better Bennington Corporation, approves budget request](#), Bennington Banner

Montpelier Article 16, approved by voters at Town Meeting 2013: [Chapter-16---Article-II--Special-Benefit-Assessment-District-PDF](#)

H.775 Sec. 1: Special Assessment Bonds

Allows a municipality to finance debt using revenues from a special assessment district.

- Builds on existing municipal revenue authorities ([Special Assessment Districts](#) & Revenue Bonds) to create a new lever for local government to invest in public infrastructure, housing, and more.
- Special assessment bond can be leveraged for much more substantial investments; grant match, SRF, federal highway programs
- Can be used to address necessary regulatory compliance such as "3 Acre Rule", infrastructure improvement, or public improvements necessary for the creation of housing in a more expeditiously and in a more politically palatable way.

Small Town Minimum for Grand List Maintenance

VLCT recommends a statutory minimum payment of \$7,500 - \$10,000 per year. More than 70% of Vermont municipalities have a population of 2,500 or less. To raise the amount required for typical annual grand list expenses at a payment of \$8.50 per parcel, a town would require approximately 1,000 - 1,155 parcels.

Average expenses reported:

- Staff time:
 - 8 hours per week for 1,500 parcel grand list
 - 4 hours per week for 200 - 800 parcel grand list
 - Average Assessor salary is \$50,000 per year (FY24)
 - Average Lister compensation is \$6,000 per year (FY24)
- Software + Hardware range \$4,000 - \$8,000 per year (CAMA, computers, storage)

Hancock - Reappraisal Fund

FY24-FY25 Revenues:

- Interest: 473.70
- State of VT: 2,235
- Transfer: 200
- Total income: 2,909.20

Ending Balance: \$33,648.35

Proposed new \$3,000 transfer from municipal general fund FY27.

Last date of reappraisal 2008, new reappraisal planned for 2026-2027.

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Questions???



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