

VALA REVIEW OF  
(Draft No. 2.2 – HWM Committee Language; RADs)

§ 3416 (a)(3)

Page 2 line 1 and 2

3) The Commissioner shall prioritize regional assessment districts that include a minimum of ~~10,000~~ 1000 parcels.

- Vermont currently does not have the capacity to implement 10,000 parcel minimum RAD districts.
  - “The RAD boundaries cannot truly function without qualified individuals, statewide data standards, and equal access to professional support.” *Report from Act 73 of 2025 Regional assessment Districts.*
  - VALA recommendation is to keep the size of RAD district to a manageable size until such time that Vermont has the capacity to undertake larger RAD districts.
- There are approximately 149 towns under 1000 parcels.
- The average town has 1394 parcels.
- RAD should be voluntary for municipalities that have the capacity to administrate, and maintain the annual Grand List, and the ability to contract with a reappraisal firm and oversee Municipal responsibility of a reappraisal.

§ 3416 (4)

Page 2

Statute should include:

“The Commissioner shall consider a district’s boundaries to ideally include contiguous towns, geographic limitations, and similar market conditions.”

§ 3416(c)

Page 2 Line 12-16

“A municipality may conduct a full appraisal jointly with one or more other member municipalities...”

- VALA opposes any language that would restrict municipalities from conducting their own reappraisal and contracting with reappraisal firms.
- Municipalities must maintain the right to hire appraisal firms that will best suit the unique characteristics of the individual towns
- Town may have complex properties that require contracting with specialized appraisers in that field such as hydro dams, marinas, waste storage, mines, or quarries.
- Towns must reserve the right to hire a third-party review of the reappraisal to ensure equity.

Page 2 line 17

“Municipalities within a regional assessment district shall maintain independent grand lists for municipal taxation.”

- Municipalities should have the right to share municipal contracts to maintain independent GL.

§ 3416 (c)

Page 2 lines 19-20

~~A municipality shall not have a right to appeal its inclusion in a regional assessment district.~~

- A municipality should have the right to challenge the Commissioner’s decision to force them into a RAD within a specified time frame, if the town can prove they have the capacity to conduct their own reappraisal or prove they are better situated in a different RAD.
- A municipality must have input in whom they contract and how they choose to use their resources.

§ 3418 (a)

Page 4 line 2-3

provide training and technical assistance to the board. ~~Other staffing, and funding for a board. shall be provided by its member municipalities.~~

- Without a mutual agreement between RAD member municipalities or detailed parameters that include distribution costs on staffing and funding the State should fund the RAD boards.

Page 4 line 5-9

“A board shall contain at least one representative appointed from each member municipality and representatives shall be appointed for a term of three years by the legislative body of such municipality. A municipality may appoint one board member per ~~1,000~~ 500 parcels in the municipality, rounded up to the nearest ~~1,000~~ 500 parcels.”

- 48 towns have even fewer than 500 parcels.
- The position is too resource intensive for individual board members to hear all appeal in a timely manner given a small number a board member vs the estimated number of appeals.
  - VALA recommends having a larger number of board members to relieve the high investment of their time served on the board.
  - A larger number of board members will also allow board members to hear appeals in shifts and broaden scheduling opportunities.

§ 3419 (a)

Page 4 line 20 – 21 and Page 5 Line 1

(a) Within 30 days following the date of notice, a person aggrieved by the final valuation decision of an assessing official may appeal in writing to the district’s regional assessment district appeals board ~~or appeal directly to the 1 Commissioner or Superior Court pursuant to section 3420 of this subchapter.~~

- There is no central office for RAD Boards.
- Without a central office, it is crucial that documents and all communications be kept in a central location. Correspondence must be made within reasonable timeframes. RAD Boards will not have a central location, or staff to perform these critical functions
- VALA recommends all appeals to the RAD board go to PVR and be administrated by PVR.
- VALA recommends not allowing property owners appealing directly to the Commissioner or Superior Court do to the potential number of appeals that the Commissioner or Court may face.
  - BCA level of appeal reduces the volume of appeals to the Commissioner and Superior Court.

§ 3419 (a)

Page 5 Line 1-2

“district’s regional assessment district appeals board ~~or appeal directly to the Commissioner or Superior Court pursuant to section 3420 of this subchapter.~~”

- VALA proposes removing Superior Court from the appeal process.
  - Appeals to Superior Court extend the time to resolve the appeal.
  - Adds to the already burdened Superior Court docket.
  - Superior Court judges are not real estate experts and should not have the final say on properties real estate value.
- VALA recommends that appeal to the Commissioner be heard by a State Appeal Board.
  - State Appeal Board should be appointed by the Commissioner
  - Made up of 2 real estate professionals and one real estate attorney.

§ 4041

Page 15 Line 9-18

(a)(1) A municipality shall be paid \$8.50 per grand list parcel per year from the General Fund to be used ~~only for reappraisal and costs related to reappraisal of its grand list properties and for administrating~~ added tax structures mandated by the State to maintenance of the grand list.

(2) ~~During the year in which a municipality is scheduled to fully reappraise pursuant to subsection 3417(b) of this title, a municipality may notify the Commissioner in writing that it is prepared to commence the full appraisal. Within 30 days,~~ the Commissioner shall estimate the cost of the municipality’s full reappraisal ~~based on the prior year median cost per parcel adjusted by the CPI~~ and transfer to the municipality the lesser of 2 two-thirds of the estimated cost ~~divided by 6 on a yearly basis into a designated reappraisal fund controlled by the municipality or \$66.00 per grand list parcel in the municipality.~~ The fund shall be restricted for use of reappraisal contracts and related reappraisal costs to be audited by the State.

- Related costs should include software conversion, office supplies, scheduling, postage, appeal costs, and personnel.
- The per parcel payment should be adjusted yearly for increased reappraisal costs.
- Payments should be deposited into a fund that is restricted to reappraisal costs only and can be audited by the State.

#### **Time and Cost of RAD Appeal Board**

Regarding funding for RAD appeals,

- reallocation of the existing \$8.50 per-parcel fee already authorized in statute
- Roughly 10% of parcels generate appeals to BOL, roughly 10% of those advance to BCA
- For a 10,000-parcel RAD, this model assumes 1000 appeals to local level and 100 appeals per year to RAD Board
  - 10 minutes to schedule
  - Each hearing takes 20 minutes of testimony
  - 30 minutes for site inspection
  - 10 minutes deliberation
  - 10 minutes for final report
  - 10 minutes taking and posting.
  - 1 hour 30 minutes total not including travel time
  - For 100 appeals that is 150 hours of hearing and administration work
  - Assuming 3-5 board members at \$25 per hour = \$11,250 to \$18,750
  - Vermont has 338,623 parcels statewide,
  - Estimated 56,437 parcels reappraised per year (1/6 of the total)
  - Applying the same 10% assumption would yield roughly 544 appeals statewide.
  - Estimated 816 total work hours
  - Assuming 3-5 board members at \$25 per hour = \$61,200 to \$102,000
  - This does not include appeals that happen over the years between reappraisals

#### **Properties Appealing Assessment – Recommended Change to 32 V.S.A. § 5412**

- Currently, when a property is under appeal, municipalities are still required to produce tax bills and collect revenues based on the original assessed value.
- If the assessment is reduced during the appeal process, the town must issue a refund for the overpayment.
- Under the current statute, the municipality may then seek partial reimbursement for the resulting shortfall through the mechanism outlined in 32 V.S.A. § 5412.

- VALA recommends eliminating the reimbursement process under 32 V.S.A. § 5412.
- VALA propose that any tax revenues collected from properties under appeal be held in an escrow account at the municipality until the appeal is fully resolved. Once finalized, the funds would be distributed proportionally to the Education Fund and the municipality based on the final, settled valuation.
- This approach would significantly reduce the financial risk to municipalities when weighing the cost–benefit considerations of participating in or defending an appeal.
- It would also help support more consistent and equitable assessment practices by removing the current disincentive created by potential reimbursement delays or losses.