



VERMONT DEPARTMENT OF TAXES

REPORT FROM ACT 73 OF 2025: REGIONAL ASSESSMENT DISTRICTS

January 15, 2026

Submitted to

House Committee on Ways and Means
Senate Committee on Finance

Prepared and Submitted by

Office of the Commissioner
and Division of Property Valuation and Review
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Legislative Charge

Act 73 of 2025, Sec. 64

On or before January 15, 2026, the Department of Taxes, in consultation with relevant stakeholders, shall submit recommendations to the House Committee on Ways and Means and the Senate Committee on Finance advising on the implementation of regional assessment districts and on the development of guidelines, procedures, and rules needed to effectuate a regionalized reappraisal system. The recommendations will include an analysis of the advantages and disadvantages of having the State take full responsibility for regionalized appraisals.

In making its recommendation, the Department of Taxes shall provide suggestions for legislative language that address:

1. the authority or authorities who will contract for and conduct reappraisals;
2. the authority or authorities who will hear and decide property valuation appeals;
3. amendments necessary to conform statute to the change from an April 1 to January 1 grand list assessment date; and
4. any other recommended revisions to achieve a regionalized reappraisal system.

Stakeholder Working Group

The charge for this report included the requirement that the Department of Taxes submit recommendations “in consultation with relevant stakeholders.” 2025 Acts and Resolves No. 73, Sec. 64.

To adhere with this requirement, the Department of Taxes convened a Regional Assessment District Stakeholder Working Group consisting of listers, assessors, reappraisal contractors, and a representative from the Vermont Assessors and Listers Association (VALA) and the Vermont League of Cities and Towns (VLCT). The Department sought representation from both small and large municipalities.

Stakeholder Working Group Membership

- Mimi Burstein, Randolph Lister/Assessor
- Jenepher Burnell, Brattleboro Assessor, Former Lister
- Edgar Clodfelter, Reappraisal Contractor, New England Municipal Resource Center
- Ryan Silvestri, Reappraisal Contractor, New England Municipal Consultants
- Samantha Sheehan, Municipal Policy and Advocacy Specialist, Vermont League of Cities and Towns
- Linda Sherman, Vermont Assessors and Listers Association, President, Dover Assessor
- Jeremiah Sund, Londonderry Assessor
- Aileen Tulloch, Putney Selectboard Member, Brattleboro Assessor
- Joe Turner, Burlington Assessor
- Robert Vickery, Colchester Assessor

Stakeholder Working Group Meetings

The Stakeholder Working Group held four 2-hour meetings in 2025. The meetings were livestreamed on YouTube.

- August 29, 2025, in Montpelier, VT (Hybrid)
- Sept. 8, 2025, in Londonderry, VT (Hybrid)
- Sept. 23, 2025 (Remote)
- Nov. 4, 2025 (Remote)

The meetings canvased topic areas of concern related to regionalized reappraisals, many of which are detailed in this report. Members completed an online form to submit feedback on specific policy proposals drafted by the Department.

The conversations with the Working Group were especially helpful in clarifying and prioritizing some foundational steps that the Department can take to improve assessment practices

and create a stable baseline for reappraisals ahead of any significant reform and independent of any legislative action. Many of these steps are detailed in later sections of this report.

The Department of Taxes is deeply grateful to the Working Group for their time and expertise, and, where appropriate, we have noted in this report areas of particular consensus among the group. However, opinions on the Working Group varied around policy nuances, sometime significantly. Therefore, while the conversations with the Working Group heavily influenced this report and related recommendations, it is important to note that the report is written from the Department's perspective alone and does not necessarily reflect the opinions or recommendations of any member or members of the Working Group. We encourage the General Assembly to solicit testimony from the members of the Working Group to further inform discussions of regionalized reappraisal policy.

Executive Summary

In response to its Act 73 legislative charge to consult with relevant stakeholders on implementing regional assessment districts, the Department of Taxes held in-person and remote Working Group meetings in the summer and fall of 2025 with representation from a variety of reappraisal and local expertise. The Working Group was especially helpful for the Department to prioritize the foundational steps needed to improve assessment practices and create a baseline for reappraisals ahead of any reform and independent of any legislative action. The Department encourages the General Assembly to solicit testimony from the members of the Working Group to further inform discussions of regionalized reappraisal policy.

Part I of this report, Towards a Regionalized Reappraisal System, reviews the legislative context that led to this report, summarizes the Department's work and findings over the past year, and explores the evolving reappraisal landscape following the phased-in passage of Act 68 in 2023, especially the enactment of a six-year reappraisal cycle effective January 1, 2025.

In Part II of the report, the Department recommends adjustments to the RAD structure contemplated in Act 73. The structure of a **RAD as a geographically contiguous group of municipalities that align with the forthcoming consolidated school districts** emerged as an area of clear and consistent consensus among all stakeholders.

- Municipalities within a RAD should be required to **reappraise on the same schedule**.
- Municipalities will be considered a single entity for the equalization study.
 - This will result in **one common level of appraisal (CLA) for each RAD** and all of its member municipalities.
- Municipal members of a RAD would also collectively appoint panelists for **one RAD Appeal Board to hear all valuation appeals in each RAD**.

Parts III and IV of the report identify several key modifications to current practice and policy that would enable immediate progress toward improved quality, equity, and even future centralization of Vermont's reappraisal system. These key improvements should be addressed before any meaningful regionalization can occur.

In Part III, Career Pipeline, the limited supply of human resources and expertise in Vermont's reappraisal system, i.e., **workforce capacity**, is identified as single largest hurdle to success at any level. The landscape has fundamentally changed with the establishment of a six-year reappraisal cycle, which went into effect in January 2025. This accelerated cycle substantially increases demand for an already scarce set of professional resources. The surge in demand will require both trained professionals and a pipeline of eager trainees. Accordingly, the top priority for Vermont's reappraisal system should be career pipeline development and workforce training.

Part III, External Audit and Part IV(B), Standardized Contract Terms and Outcome Expectations, highlights the imperative to ensure the fidelity, completeness, and accuracy of future reappraisals. To achieve this goal, the Department proposes to issue a request for proposals for an independent entity to analyze and **audit Vermont's reappraisal system**. Based on the audit results and findings, PVR would update standards of practice to guide reappraisal work and evaluate quality as it happens, as well as establish standardized contract terms and outcome expectations for all reappraisal contracts through rulemaking.

In Part III, Process Review, the Department shares how stakeholder discussions and the implementation of a new statewide grand list software has made it clear that various **administrative processes for the statewide grand list** that listers and assessors spend substantial time working on **are ripe for improvement**. The Department plans to do a process improvement review of existing processes and identify ways to shift the workload to the Department of Taxes where possible, including several points of data that travel multiple times between Computer Assisted Mass Appraisal (CAMA), grand list software, and billing software at both the local level and the state level.

Part IV(C) of the report reviews the current annual per parcel payment from the State to municipalities. This funding is intended to support two essential assessment functions: periodic reappraisals and ongoing grand list maintenance. As Vermont transitions to a six-year reappraisal cycle, this combined payment structure merits reconsideration. The **per parcel payment should be restructured** to distinguish between grand list maintenance and reappraisal work.

In Part IV(D) of the report, the Department, with near-universal working group support, recommends **changing the annual assessment date from April 1 to January 1**. The period of time available to municipalities and reappraisal firms to complete and finalize reappraisals and related grievances would be extended, resulting in workload and process improvements to the current system. More reappraisals would be able to be completed in a given year.

Part IV(E) of the report examines the Department's proposal to require municipalities within a RAD that are unable to timely enter into a qualifying reappraisal contract to **forgo receipt of State reappraisal payments and instead receive State assistance to reappraise jointly** with other municipalities on the same reappraisal schedule, and within the same RAD where possible.

In Part V of the report, the Department reviews the advantages and disadvantages of the State assuming full responsibility for scheduling, procuring, and managing reappraisal contracts on a six-year cycle. State-level contracting would result in administrative simplification and efficiency gains, but would also introduce meaningful risks, especially at the onset. Moreover, many municipalities view State control of reappraisal contracts as inconsistent with local responsibility for maintaining the grand list and responding to taxpayers, raising concerns about loss of accountability and local control. These cultural and governance

considerations represent a real cost of centralization and warrant careful attention in any transition.

I. Towards a Regionalized Reappraisal System

Recent Legislative Context

Last year, the Department brought the General Assembly a “big idea” grounded in two years of research and International Association of Assessing Officers (IAAO) guidance: full regionalization of all aspects of grand list responsibility—both ongoing grand list maintenance and periodic reappraisals—at the level of a regional assessment district. The details of this proposal are laid out in the [Act 68 Final Report](#).

Ultimately, there was not significant appetite at the Statehouse for creating a new formal layer of governance for this purpose. Legislators are grappling with the broader challenge created by the absence of county government in Vermont across nearly every policy domain—transportation, EMS, emergency management, and others. Against that backdrop, creating what felt like a county-level solution for one particularly sticky issue, among many, was viewed as inefficient.¹

There are existing tools under current law for municipalities to share resources, enter into contracts, and collaborate on providing governmental services, but they are historically undersubscribed, in part due to the lengthy and formal procedures involved. For an overview of current law, see Current Intermunicipal Cooperation and Shared Services Structures in Appendix 1.

What ultimately “survived” from the Act 68 report was the concept of a working group. The Department of Taxes was charged with convening a working group of stakeholders to consider a broader legislative charge that quickly focused on two specific questions: (1) mechanisms for joint contracting among municipalities, and (2) the feasibility of having the State itself hold reappraisal contracts that cover multiple towns.

This charge reflected an important distinction in institutional expertise. PVR is deeply experienced in supporting listers and assessors on legislative and technical requirements of their work, but not in the day-to-day operational realities of municipal administration or the cross-border coordination challenges towns face. Accordingly, the Department was tasked with convening stakeholders and subject matter experts to provide the expertise needed to develop informed recommendations to the Legislature on how best to regionalize Vermont’s reappraisal system while successfully implementing a six-year reappraisal cycle.

¹ It is also important to note that the County and Regional Governance Study Committee—created by Act 118 of 2024 to address local government capacity challenges, regional collaboration and planning, and effective regional public services for municipalities—was on hiatus for much of this period. The Committee has recently proposed extending its timeline to report back to the General Assembly until December 2026.

This Year's Work and Findings

The Working Group sessions in 2025 were characterized by a high degree of creativity, mutual learning, and generative thinking. The working group process is described in detail on page 5 of this report, and a wide range of ideas that emerged through our discussions are integrated throughout this report's recommendations. In parallel, the Vermont Assessors and Listers Association (VALA), developed their own proposals for reimagining the system. In fundamental ways, VALA's recommendations resemble those put forward in the Act 68 report; Appendix 3 of this report includes VALA's report and discussion of these parallels.

Despite the many ideas generated, the Department ultimately identified significantly more challenges than opportunities in response to what became the two core questions of its charge: whether the State could hold reappraisal contracts on behalf of municipalities, and how municipalities might realistically reappraise jointly.

Beyond the discrete logistical and legal challenges, there remains a deeply held ethos among many stakeholders that reappraisals must remain municipal work if towns are ultimately accountable for their grand lists. That accountability, in turn, is closely tied to the grand list's role as a town's primary—and in many cases only—tool for raising revenue.

Amid these philosophical objections to State responsibility for reappraisals, the Department continued to rigorously examine the opportunities and risks associated with moving responsibility for the six-year reappraisal cycle to the State level. While the details are many and complex, one central reality surfaced repeatedly throughout these discussions: the limited supply of human resources and expertise.

There are, of course, potential economies of scale associated with centralization. However, the number of parcels in Vermont would remain unchanged, the pool of available expertise within and near our borders would remain the same, and the complexity of Vermont's property tax system continues to increase. The risk is substantial. If the system were centralized without adequate resources and subsequently failed, the consequences would be systemic and significant: the statewide education grand list, along with municipal grand lists, would be jeopardized.

There is no question that centralizing reappraisal work is a worthwhile idea in a state like Vermont, and it merits continued exploration and analysis as an end goal. However, given strong prevailing headwinds at the municipal level and significant reservations at the State level, the Department concludes that the timing is not right to take this step. What *is* timely—and urgent—is addressing the single largest hurdle to success at both the local and State levels: workforce capacity. The mass appraisal skills required for both periodic reappraisal and ongoing grand list maintenance are limited and dwindling in Vermont.

A New Landscape: Spiking Demand

Regardless of the specific actions taken from here, all parties recognize that the landscape has fundamentally changed with the establishment of a six-year reappraisal cycle, which went into effect in January 2025. This accelerated cycle substantially increases demand for an already scarce set of professional resources. Towns will necessarily need to operate in new ways to meet these expectations, and for many, working together may be the only viable path forward.

With demand spiking under the new cycle, Vermont's reappraisal firms will require additional staff to meet statewide needs. Compounding this challenge is the varied condition of municipal property data maintenance between reappraisals—one of the largest impediments to efficient and high-quality reappraisal work. Municipalities need greater access to trained professionals, whether through hiring or contracting, to support ongoing property value administration. This need becomes even more pronounced when considering the forthcoming administrative lift associated with implementing a new nonhomestead residential classification.²

The surge in demand will require both trained professionals and a pipeline of eager trainees. Accordingly, PVR's top priority is career pipeline development and workforce training. These needs, along with other immediate needs to shore up today's system and create a foundation conducive to regionalize reappraisals, are discussed in detail in the Baseline Conditions for Success section of this report.

Meanwhile, informed and reinforced by the working group process, the Department has identified several key modifications to current practice and policy that would enable immediate progress toward improved quality, equity, and even future centralization. Collectively, they establish a stronger foundation for Vermont's valuation and reappraisal system—one that will be essential to the quality and equity of Vermont's grand lists regardless of whether responsibility ultimately remains with municipalities or transitions to a regional or state authority in the future. Importantly, these key improvements need to be addressed before any meaningful centralization or regionalization can occur. These recommendations are discussed in the Policy Framework to Implement Regional Appraisal Districts section of the report.

² See, 2025 Acts and Resolves No. 73, Secs. 60-60d.

II. What is a Regional Appraisal District (RAD)?

Following our multi-year exploration of this topic, the Department recommends adjustments to the RAD structure contemplated in Act 73.

- A RAD should be a geographically contiguous group of municipalities that align with school district boundaries.
- Municipalities within a RAD should be required to reappraise on the same schedule and will be considered a single entity for the equalization study.
 - This will result in one common level of appraisal (CLA) for each RAD and all of its member municipalities.
- Municipal members of a RAD would also collectively appoint panelists for RAD Appeals Boards. (See Policy Framework Recommendation A). Municipalities in the same RAD would be authorized to contract individually or jointly for reappraisal.

In combination with the additional policy recommendations outlined in this report, synchronizing these formal activities within a RAD is expected to facilitate greater cooperation and operational efficiencies among municipalities. In fact, for many towns facing the constraints of the new six-year cycle, intermunicipal collaboration may be the only feasible path forward.

To support this structure, the Department recommends several complementary policy changes. First, PVR would establish common, standardized contract terms and outcome expectations for all reappraisal contracts through rulemaking. These standards would be heavily informed by an external audit of current reappraisal practices and outcomes. (See Policy Framework Recommendation B.)

Second, the per parcel payment for reappraisal and grand list maintenance would be restructured to more clearly distinguish and target support for ongoing grand list maintenance as distinct from reappraisal work. The portion of per parcel funding dedicated to reappraisal would be held at the State level until municipalities are prepared to enter into a reappraisal contract that meets PVR requirements. (See Policy Framework Recommendation C.)

Third, the time available to municipalities and reappraisal firms to complete and finalize reappraisals and related grievances would be extended by moving the grand list assessment date from April 1 to January 1. This transition was initiated in Act 68 of 2023 and revisited in Act 73, which directed the Department to identify the statutory amendments necessary to conform existing law to this change. Those proposed amendments are included in Appendix 4. The underlying rationale for the recommendation is discussed in Policy Framework Recommendation D of this report and in more detail in the [Act 68 Final Report](#).

Finally, municipalities within a RAD that are unable to timely enter into a qualifying reappraisal contract would forgo receipt of State reappraisal payments and instead receive State assistance to reappraise jointly with other municipalities on the same reappraisal schedule, and within the RAD where possible. (See Policy Framework Recommendation E.)

RADs Align with School Districts

The alignment of RADs with Vermont's forthcoming consolidated school districts emerged as an area of clear and consistent consensus among all stakeholders. Building on that consensus, the Department further recommends that RADs be treated as a single entity for purposes of the equalization study, meaning that all municipalities within a RAD would share the same common level of appraisal (CLA). This recommendation reflects careful consideration of both municipal- and state-level tradeoffs, with the Department concluding that the benefits outweigh the downsides—particularly in the broader context of Act 73.

Historically, towns have raised concerns about participating in combined equalization studies due to the influence of neighboring municipalities' real estate markets on local property values and tax outcomes. In many cases, it appears predictable which towns might experience relative benefit or detriment from combining, and these concerns have served as a barrier to the assessment districts already permitted under current law. See, 32 V.S.A. § 5403 and Appendix 1 on Current Intermunicipal Cooperation and Shared Services Structures

However, especially for smaller towns, larger groupings dramatically reduce year-to-year volatility and minimize the outsized impact of one or two high-value sales. Today, it is common for a small number of valid but atypical sales to skew a small town's CLA. On balance, the Department contends that municipalities would benefit from larger, more stable groupings of sales within the equalization study.

Within Vermont's new education funding structure under Act 73, the implications of a single CLA for an entire school district are particularly compelling. All municipalities within a school district would share the same post-CLA education tax rate, significantly simplifying communication from school boards regarding the local impacts of school district spending votes. In addition, residents within the same school district would be subject to consistent income sensitivity rules under the homestead exemption, including uniform housesite value limits. This consistency would enable school districts to produce a single, clear table showing anticipated taxes for all homesteads within the district.

Even if newly consolidated school districts prove large enough to warrant more than one RAD, as long as those RADs do not cross school district boundaries there would still be substantial benefits to having only a handful of regional rate and exemption variations within a district, rather than potentially dozens of town-specific differences. In that scenario, multiple RADs

within a single school district could also create additional flexibility for reappraisal firms by allowing municipalities to be grouped based on similar CAMA systems and/or comparable market characteristics, supporting more efficient and higher-quality reappraisal work.³

As new consolidated school districts are finalized in the coming months, the Department looks forward to exploring the possible RAD configurations that leverage the opportunities outlined above for adding clarity and consistency to valuation and taxation of properties within a school district.

³ The consensus recommendation to use school district boundaries as the organizing geography for reappraisal coordination is an adjustment to the county-based model laid out in Act 73. For reference, we have included a table in Appendix 5 that reports parcel counts and average years since last reappraisal for the 12 county-based RADs established in Act 73.

III. Baseline Conditions for Success

This section identifies near-term improvements and baseline conditions that must be addressed to strengthen Vermont's reappraisal system, regardless of whether reappraisal responsibilities remain municipal or evolve toward regional or state administration. The Department has identified several modifications to current practice and policy that can deliver immediate gains in quality, equity, and system stability, while also preparing the system for future regional or centralized approaches.

Career Pipeline

Despite the existing and growing need for assessment professionals in Vermont, no entity currently exists that recruits and prepares candidates for this field. The Working Group universally expressed concern over this issue and its impact on the feasibility of regionalized reappraisals or even maintaining quality assessment in Vermont. Any policy options for regionalized reappraisals will require a large cohort of skilled assessors in varied career stages ready to take on an expanded portfolio of work outside their individual communities.

The Department proposes three policy options to explore, including two that can be pursued without any legislative action.

Apprenticeship Program

The Department of Taxes will pursue creation of an apprenticeship program for assessors through the Vermont Department of Labor's Registered Apprenticeship Program. Per the Department of Labor:

Registered Apprenticeship is a training program designed to provide individuals with hands-on experience and on-the-job training in the specific industry of their choosing. It affords business and industry the chance to develop and train employees. A Registered Apprenticeship program is an effective recruiting and retention strategy, especially in a tight labor market.⁴

The Department of Labor manages a comprehensive framework for the approval, operation, and regulation of Registered Apprenticeship programs. Creating a Registered Apprenticeship program would not only create a straightforward pipeline for the field, it would also effectively raise awareness of the field as a career option in the first place.

The Departments conferred about partnering to design and deliver property assessor-specific training through apprenticeships. The Department of Labor expressed its willingness to support the Department of Taxes in the future, while highlighting the need for significant planning and preparation to create and implement such a program. Conducting outreach and targeted

⁴ <https://labor.vermont.gov/workforce-development/apprenticeship>; accessed Dec.30, 2025.

information campaigns will be necessary, both to inform the public about tax assessment as a career path and about an eventual apprenticeship program as a means to gain the skills and training needed for an assessment career.

Licensure

The Department of Taxes will initiate an Application for Preliminary Sunrise Review Assessment with the Vermont Secretary of State Office of Professional Regulation to create a licensure program for Assessors in Vermont.

The existence of a licensure program will assist municipalities and any regionalized entity in hiring qualified assessment professionals to conduct reappraisals and grand list maintenance according to best practices within the field.

Lister Certification Funding

Act 68 of 2023 modified 32 V.S.A. § 3436 (a) with the following requirements for the Director of Property Valuation and Review at the Department of Taxes:

The Director shall certify assessment education programs for municipal listers and assessors at convenient times and places during the year and is authorized to contract with one or more persons to provide part or all of the assessment instruction. Certified programs shall include education on racial disparities in property valuation outcomes in the United States, with a focus on Vermont in particular, and on-going bias reduction training. Certified programs may include instruction in lister duties, property inspection, data collection, valuation methods, mass appraisal techniques, property tax administration, or such other subjects as the Director deems beneficial to listers...

This requirement for certification did not have an associated appropriation. In order to provide a high-quality certification program that can encourage growth and professionalism in the field without discouraging current practitioners, the Department of Taxes encourages consideration of appropriate funding for the lister certification program ahead of any possible licensure program developed with through the Secretary of State.

External Reappraisal Audit

To ensure the fidelity, completeness, and accuracy of future reappraisals, PVR proposes to issue a request for proposals (RFP) for an independent entity to analyze and audit Vermont's reappraisal system. This audit will (1) establish clear benchmarks for the quality of reappraisals today, and (2) provide specific recommendations for statistical standards, norms of practice, and mechanisms to ensure accuracy and equity moving forward.

The first goal of the external audit is to provide a status baseline: a clear, objective assessment of how reappraisals are being performed today. This benchmarking is particularly valuable as Vermont takes incremental steps towards a more regional reappraisal system, where

municipalities and stakeholders understandably seek assurance that changes will improve outcomes. As changes are implemented, future audits would allow the Department, municipalities, and other stakeholders to assess whether reappraisal quality is improving over time, grounding those discussions in objective measures rather than informal or inconsistent points of comparison.

Another goal of the external audit would be to establish clear, measurable standards so that PVR, municipalities, and contractors have a shared understanding of what constitutes an accurate and complete reappraisal. Benchmarks would be established throughout the reappraisal process, allowing for review and adjustment in a timely and proactive way, prior to the first grand list filing in June.

Currently, PVR conducts limited data analyses on reappraisals and only after reappraisals are complete. Because these analyses occur post hoc, municipalities and contractors have no shared standards for what constitutes a complete, high-quality reappraisal. Without sufficient standards and timely feedback during the process, a municipality may experience poor outcomes or face a disproportionate number of appeals before PVR has completed its review.

Building on the audit's findings, PVR would update standards of practice and outcomes through rulemaking to guide reappraisal work and evaluate quality as it happens, allowing for more accountability in real time.

The Department would also use the audit results to inform standardized contract terms and outcome expectations for reappraisals. Discussion of contract templates and output requirements continues in Policy Framework Recommendation B.

Process Review of Shared State/Municipal Grand List Functions

Listers and assessors spend substantial time working on functions that are integral to the statewide education grand list, but which do not directly intersect with the municipal grand list. These state requirements limit the time and resources available for maintaining the grand list, the key prerequisite for reappraisal quality and efficiency.

Annual homestead declarations, for example, are essential to ensuring that taxpayers are assessed the correct statewide education property tax rate. Similarly, the Current Use program, which allows certain agricultural and conservation properties to be assessed based on the value of their 'current use' rather than their fair market value, is a State program that relies on listers and assessors to carry a substantial administrative burden to implement. Many towns argue this work does not benefit their municipal grand list in any way, but is simply municipal employees doing administrative work on the State's behalf.

Following stakeholder discussions and the final implementation of a new statewide grand list software, it is clear that the various administrative complexities of these processes were ripe for improvement. The Department of Taxes plans to conduct an evaluation to identify and

effectuate efficiencies in existing processes and shift the streamlined workload to the Division of Property Valuation and Review where possible.

The Department also intends to do a process improvement review of several points of data that travel between CAMA, grand list software, and billing software. These data points do not “travel in a straight line” but rather require frequent back and forth between two or three of these systems, with multiple review and administrative steps done at both the local level and the state level, all of which interact with and impact the other.

For instance, homestead declarations, Current Use enrollments, exemptions, and Tax Increment Financing all require multiple trips through all three systems, and multiple review by municipal officials. These processes require a significant investment of municipal staff time, with limited corresponding benefit, and create regular challenges in property tax billing and grand list maintenance. This is neither taxpayer friendly nor a good use of the continually squeezed municipal and state employee time. There are clear opportunities for improvement to reduce the number of times a data point gets “touched” without losing quality.

This would also stem some of the staffing shortages at the municipal level by freeing up the very limited time of municipal staff to focus on the work of maintaining property data and grand list maintenance. Improved municipal grand lists would in turn increase the quality and efficiency of reappraisals and make contracting with smaller municipalities more attractive to reappraisal contractors.

Some legislative technical corrections may be required to achieve the recommendations generated in the evaluation process.

Contiguous Parcels

Act 73 of 2025 made prospective changes to the statute that sets out the required contents of the grand list. These amendments changed the definition of parcel to mean a “separate and sellable lot or piece of real estate”, which “*may* be combined to represent all contiguous land in the same ownership, together with all improvements thereon.”⁵ These changes were made contingent on future actions by the Legislature, so they have not yet taken effect.

The Department, with the support of the Vermont Center for Geographic Information (VCGI), recommends updating this statute before the Act 73 changes take effect, so that contiguously owned parcels must be separately reported for mapping purposes only, as VCGI originally recommended in its 2024 report.⁶ This new legislative language would continue the status quo that requires contiguously owned parcels to be combined for property taxation and valuation

⁵ 32 V.S.A. § 4152(a)(3) as amended by Act 73 of 2025, Sec. 60 (emphasis added).

⁶ VCGI, “Act 68 (H.480) 2023: Report” (December 15, 2024), https://github.com/VCGI/publications/blob/main/Act68_2024/Act68-2024-Parcels-VCGI_As_Submitted_20241212.mdv.

purposes, which is critical for statewide equity and predictability. The Department recommends repealing Act 73 of 2025, Sec. 60 and enacting language such as the following:

Sec. [#]. 32 V.S.A. § 4152(a)(3) is amended to read:

(3) A brief description of each parcel of taxable real estate in the town. “Parcel” means all contiguous land in the same ownership, together with all improvements thereon, except for purposes of mapping and per parcel payments under subsections 4041a(a) and 5405(f) of this title, for which “parcel” means a separate and sellable lot or piece of real estate.

Sec. [#]. EFFECTIVE DATE

Sec. [#] (parcel definition) shall take effect on April 1, 2027, and shall apply to grand lists lodged on and after that date.

Before 1996, Vermont statute required towns to describe and value each “each separate piece or parcel of taxable real estate in the town owned by each taxpayer” on the grand list. This applied even when the same person held title to several adjoining (or contiguous) parcels, because the person had acquired title to different parcels through different means (like subdivision or purchase).

Since 1996, the definition of “parcel” as used for the grand list has been “all contiguous land in the same ownership, together with all improvements thereon”.⁷ This means that all contiguous parcels of land owned by the same person have to be described, valued, and taxed as one parcel on the grand list. This continues to be an important distinction and policy to ensure equity in property valuation. Valuing contiguously owned parcels separately can be tricky for towns. If valuation is allocated across separate but contiguous parcels, the more acreage owned, the lower the value will be per acre. This is especially impactful for large tracts of land, where contiguous and combined parcels will effectively get a discount from fair market value. This definition is also used to determine acreage eligible for enrollment in the Current Use program.

Changing the definition of “parcel” as used for the grand list was recommended by VCGI in tandem with the Department’s final Act 68 report submitted to the Legislature at the end of 2024.⁸ VCGI recommended continuing the status quo of requiring contiguously owned lots to

⁷ 1996 Acts and Resolves No. 169, Sec. 9.

⁸ See, Vermont Department of Taxes, “Final Report Pursuant to Act 68 of 2023: Statewide Reappraisals and Property Data” (December 16, 2024), <https://tax.vermont.gov/sites/tax/files/documents/RP-1348.pdf>; and VCGI, “Act 68 (H.480) 2023: Report” (December 15, 2024), https://github.com/VCGI/publications/blob/main/Act68_2024/Act68-2024-Parcels-VCGI_As_Submitted_20241212.mdv.

be combined for taxation and valuation purposes, while newly requiring contiguously owned and separate and sellable lots to be treated as individual parcels and reported separately on the grand list for mapping purposes. This was intended to provide VCGI with more complete and uniform data across towns on the “inactive” parcels in the State. Inactive parcels are lots that can be sold separately from other adjacent lots, but that are owned by the same person. This typically happens after a subdivision or if a property owner buys a lot next door. Inactive parcels are not currently assigned their own identifying number (SPAN or School Property Account Number) nor their own value on the grand list.

There are over 40,000 inactive parcels submitted to VCGI currently by mapping vendors for more than 70% of Vermont towns. There are an estimated 5,000 to 10,000 inactive parcels for which VCGI does not receive information, so upwards of 50,000 total inactives in the state, with more coming online as parcels are subdivided but continue to be owned by the same titleholder.

While the majority of towns submit data on their inactive parcels to VCGI, not all do, and they are not currently required to do so. Even those towns that do track and report on inactives do not all submit the same level of detail. This in turn impacts the quality and accuracy of VCGI’s statewide maps. Having more accurate parcel counts benefits municipalities, too, because the more parcels they have, the more State assistance they will receive.⁹ Currently, the State makes annual per parcel payments to municipalities in February for several property tax related purposes (reappraisal and grand list maintenance, and for aiding PVR with the equalization study).

Act 73 made the combination of contiguously owned parcels optional, for both mapping and valuation purposes. If this takes effect, the result will be less, rather than more uniformity in reporting, and more confusion for towns about their responsibilities. Significantly, this could create greater inequity in property valuation, because some contiguous properties will be combined while others will be separated, resulting in higher values in some cases and in only some towns. As a result, the Department, with the support of VCGI, recommends legislative action before the Act 73 changes take effect.

The Department recommends the following action plan.

Step 1. Add a new required CAMA field, indicating active versus inactive status of parcels. Create new SPANs for inactive parcels. Do not attribute any value to inactive parcels on the grand list.

⁹ State payments are based on grand list data from two years prior because that is the most complete and reliable data. For example, the per parcel payment made in February 2026 will be based on 2024 grand list data. Accordingly, updating the number of parcels (and the per parcel payment to towns) will take two years to manifest, thus delaying the fiscal impact to the State and the benefit to towns.

- Specify which parcel is the parent parcel, with its own SPAN, and which parcel is the inactive, also with its own SPAN to ensure data completeness and usability. PVR and VCGI will collaborate on specifications for CAMA vendors, ensuring technical feasibility for uniform statewide practice. This will enable the State to build on and improve existing processes for creating and assigning SPANs to inactive parcels.
- No separate value should be indicated for the child parcel, as contiguous parcels should continue to be combined for valuation and taxation purposes. This will continue current law and practice.

Step 2. PVR and VCGI will work with stakeholders to develop guidance for listers and assessors clarifying what constitutes a separately sellable lot, referencing practices and instruments such as deeds and surveys.

Step 3. PVR and VCGI will plan a phased rollout of parcel data changes to implement the new inactive parcel tracking and mapping practices, including timing. For example new inactives coming online only once a year, staging, and effective dates, in collaboration with relevant stakeholders.

Data Quality and Standardization

Statewide Digitized Land Records

Access to land records is a necessary component of high-quality assessment work. Land records include historical sales and property use information that are critical to fair and accurate valuation and classification. Currently, some listers and assessors do not have any access to digital records for their town. Some only have access to paper records a few hours a week due to municipal office hours. The Working Group confirmed that the challenges of navigating land records access is time-intensive and obstructive to their daily work, and can also be a barrier for reappraisal firms seeking comparables and other relevant valuation information.

Lack of access to digital land records is an important factor in difficulties securing a reappraisal contract, as reappraisal firms avoid working with towns that have poor access to land records. In a regionalized system where an assessor would be serving several towns that may have geographically distant municipal offices, paper records and inconsistent windows to access them would be a barrier to success.

The Vermont State Archives and Records Administration (VSARA) is currently conducting a proof-of-concept study for statewide digitized land records focused on 48 municipalities using the same digital land records vendor. If the study is successful, it would demonstrate the feasibility of VSARA overseeing digitization of land records statewide.

True statewide adoption would require the legislature to require municipalities to participate. Pending the results of VSARA's study, the Department of Taxes would support the legislature doing so in order to facilitate high-quality assessments and a regionalized approach to reappraisal.

CAMA Standards

The Department of Taxes hosts a Grand List software program, which acts as a collection, adjustment, and repository for all data related to administering statewide education property tax. It must interface with local Computer Assisted Mass Appraisal (CAMA) software to collect valuation and ownership information and then must send data to billing software systems.

As noted in our Act 68 final report, each municipality in Vermont independently selects and funds their own software systems related to the administration of the statewide education property tax system. These systems may include:

- CAMA: Used by to determine the grand list value of properties based on local data collection.
- Mapping and Parcel Data Maintenance Systems (GIS Software): Used to manage parcel geometry, feeding into the statewide parcel mapping program.
- Tax Billing and Accounting Software: Handles tax billing and collection.
- Sketching Software: Translates physical property measurements into square footage and other attributes, often integrated with CAMA or GIS systems.
- Imaging Resources (Orthophotography, Oblique Imagery, LIDAR, etc.): Provide aerial and 3D images to support measurements and the identification of changes to properties, such as boundary lines or building additions.

These systems are maintained at varying levels of consistency, with some municipalities managing them locally, while others rely on contractors, such as assessment firms or mapping vendors. The quality of training, system support, price, and data consistency varies significantly depending on local funding priorities set by selectboards and city councils and on what type of staffing situation the municipality has (i.e., hired vs volunteer). This inconsistency makes it difficult for policymakers and other stakeholders to have reliable data to make informed decisions.

In recent years the Department of Taxes has established CAMA requirements to ensure consistent data exchanges between systems. More recently those have been expanded to include fields as required for maintaining GIS and housing unit data for other state policy purposes across state government. Therefore, the Department will be requiring all CAMA vendors review and attest to the requirements that will be provided in January 2026, including the assurance they will test the connection between CAMA systems and Grand List software,

and provide an API for sending data directly to VCGI. It is also imperative that consistent field conventions are followed by all vendors, including units of measurement within fields, to ensure consistent, statewide property data in all municipalities.

Currently, there is enough variation in data, and inconsistent sharing of this data, to make a true statewide picture of property challenging. Several recent innovative policies related to land records and parcel maintenance have been voluntary and therefore did not achieve statewide adoption, including a municipal grant program for digitizing land records hosted by the Department with federal COVID relief funds

In addition to the value of having a complete picture of Vermont property, values and mapping, CAMA standards will also facilitate better reappraisals. Because the data will be consistent and transparent in all towns, all Vermont towns will be more attractive for reappraisal vendors to contract with.

Policy Framework to Implement Regional Appraisal Districts

The Department has identified several key modifications to current practice and policy that would enable immediate progress toward improved quality, equity, and even future centralization. Collectively, they establish a stronger foundation for Vermont's valuation and reappraisal system—one that will be essential to the quality and equity of Vermont's grand lists regardless of whether responsibility ultimately remains with municipalities or transitions to a regional or state authority in the future.

A. Regionalized Appeal System

The multi-year exploration of a regionalized reappraisal system by the Legislature, the Department, and interested stakeholders has put a spotlight on Vermont's valuation appeal structure.

The primary focus has been on remedying inequities that may arise from the small and hyper-local boards of civil authority (BCAs) that hear valuation appeals from lister grievances. The lack of professionalized staff and training requirements for the individuals who decide appeals has come under scrutiny. Creating larger, multi-town RAD appeal boards composed of more diverse and professionalized appeal panelists would directly contribute to achieving greater equity in property valuation across the state.

The Department recommends that RAD-level boards hear all valuation appeals instead of municipal boards of civil authority. Each RAD should be assigned one appeals board to hear all second level appeals from the first level lister grievances. The rest of the existing appeal structure should stay fundamentally the same as today, so that appeals from a RAD may be made to either the Director of PVR or to Superior Court, and appeals from that third level would continue to be brought to the Vermont Supreme Court. See below and the appeals section of the Act 68 final report for more detail on the current law relating to property valuation appeals. The Department recommends further professionalization of the PVR hearing officer role, as described below.

Municipal members of a RAD would collectively appoint appeal panelists. The number of panelists on RAD Appeals Boards should be proportional to the number of parcels in the RAD, ensuring that larger RADs have more panelists to handle the larger appeal volume. The individual panelists who hear appeals would rotate regularly based on volume of appeals and the town in which the property under appeal is located. This way, no single panelist would decide more or fewer appeals.

To further ensure impartiality, the number of panelists hearing each appeal should be more heavily weighted to RAD towns other than where the property is located. For example, in a three-panelist hearing, one panelist should be from the town where the property is located, and the other two panelists should be from different towns within the RAD. Alternatively, the role

could allow for panelists who are not residents of any RAD town to be appointed, resulting in even fewer potential biases from the hyper-local nature of deciding appeals for ones' neighbors.

Vermont municipalities have, on average, the smallest average parcel count of any assessing district in the country. No other state groups assessment appeals from so few parcels and from such small population groups. Increasing the number of parcels subject to the same appeals authority will increase the available data, which will in turn improve the reliability of property valuation and lead to more equitable outcomes for appeals.¹⁰

The Department further recommends creating a more professionalized hearing structure for the administrative level of valuation appeals from the new RAD appeals board to the State. This would require revamping the statutory property valuation hearing officer role to require more training and professional qualifications.¹¹ This would be akin to the Commissioner's hearing officer for all other types of administrative tax appeals heard at the Department. Additionally, PVR would need at least one position for an appeals docket clerk to manage the caseload of appeals from the RAD appeals boards.

Parcels and Volume of Appeals

The volume of appeals in a RAD-level appeals board will largely be dictated by the number of parcels in the RAD subject to appeal. In other words, the more parcels in the RAD, the more appeals the board will have to hear. Based on the states surveyed by IAAO, appeal volume generally depends on the level of appeals:

- 1-5% on all parcels at first level of appeals
- Up to 1% on all parcels for second level of appeals
- 0.1% on all parcels for third level of appeals

IAAO has noted the greater likelihood of increased appeal volume following a reappraisal, especially in jurisdictions that have gone as long without reappraising as many Vermont towns have. Any change in system will also cause a spike in appeals, at least temporarily. Additionally, according to IAAO, "property value appeals have been higher than normal nationwide recently due to the fluctuations in market value seen over the past four years."¹²

PVR has no data on first level appeals to listers or second level appeals to the boards of civil authority in Vermont, because PVR is not involved in those processes. Based on recent legislative testimony on the experience of the Burlington Board of Tax Appeals after the 2021

¹⁰ See, IAAO Report, p. 28.

¹¹ See current law relating to PVR property valuation hearing officers, 32 V.S.A. §§ 4461, 4465, and 4466.

¹² AAO Report, p. 30

reappraisal, over 650 appeals on 10,400 parcels were heard, which is an appeal rate of over 6%.¹³

Pending new school district boundaries, the Working Group did not formalize a consensus recommendation for the ideal size of a RAD appeals board, but members acknowledged there should be a minimum and maximum size for RADs based on parcel counts, population or both.

In conclusion, rightsizing a regional appeals board should be a factor in determining whether each new school district is large enough to warrant more than one RAD within its boundaries. Depending on how RAD boundaries are delineated and how many parcels are in each RAD, appeals volume will be impacted. The policy for structuring appeals boards needs to be adapted to handle this volume of appeals. The Department recommends determining the number board panelists in proportion to the number of parcels and perhaps allowing for discretion to add more panelists in temporary situations of need, such as following a reappraisal.

Current Vermont Valuation and Appeals Process

Current Vermont law vests most property valuation administrative functions, including valuation appeals, with municipalities. Appeals from property valuation decisions therefore start with municipal assessing officials. First, a taxpayer may contest an appraisal with the town board of listers (or assessors) within 14 days after notice of appraisal.¹⁴ On or before May 20 each year, listers must give notice and meet at a place where taxpayers can come to grieve their appraisals.¹⁵ Second, within 14 days after notice of a decision by listers, any person aggrieved by the listers' decision can appeal to the municipal board of civil authority by filing in writing with the town clerk.¹⁶

Third, within 30 days of the date the decision is mailed by the board of civil authority, both the property owner and the town selectboard have the right to appeal a board of civil authority's decision.¹⁷ The appellant may choose whether to file the appeal with either the Director of Property Valuation and Review (PVR) at the Department of Taxes and be heard by a hearing officer, or the Superior Court of the county where the property is located. *Id.* If the appellant chooses to appeal to the Director of PVR, then the Director may nonetheless determine that the appeal involves a complex or unique property or valuation that would be best adjudicated by the Superior Court, and so the Director may decline to assign a hearing officer, and instead forward the appeal to the Superior Court.¹⁸ Whether a valuation appeal from a board of civil

¹³ Alan Bjerke, testimony to Vermont General Assembly, House Committee on Ways and Means (March 9, 2025), <https://legislature.vermont.gov/Documents/2026/Workgroups/House%20Ways%20and%20Means/Bills/H.454/Submitted%20Written%20Testimony/W~Alan%20Bjerke~Submitted%20Written%20Testimony~3-10-2025.pdf>.

¹⁴ 32 V.S.A. § 4403.

¹⁵ 32 V.S.A. § 4221.

¹⁶ 32 V.S.A. §§ 4404 and 4407; see also 24 V.S.A. § 801.

¹⁷ 32 V.S.A. § 4461.

¹⁸ 32 V.S.A. § 4461(a).

authority decision is heard and decided by a PVR hearing officer or the Superior Court, the fourth and final level of appeal is to the Supreme Court of Vermont.

B. Standardized Contract Terms and Outcome Expectations

As introduced above in the proposal for an external audit in Baseline Conditions for Success, the Department intends to enhance standards for a high-quality, equitable reappraisal in Vermont. The takeaway from conversations with our Working Group is that these standards would be welcome and protective, rather than burdensome.

As noted above, while PVR reviews contracts and provides suggestions, the expectations and language have evolved over time and are not consistent, and the contract currently is an arrangement between a vendor and the municipality. Tools for appraisals have evolved, expectations and human behavior for interior inspections have changed, and contracts vary on expectations for data collection, field review, and support during grievance hearings.

A key deliverable from an RFP to audit current reappraisals would be recommendations for statewide standards and measures, template contract language, and required data outputs. Standardized expectations would help contractors target their work appropriately and allow municipalities and/or the state to hold contractors accountable when the standards are not met. This project could be completed in a matter of months, allowing PVR to incorporate these recommendations into enhanced statewide standards as early as January 2027. This foundational work ensures that future reappraisals are consistent, measurable, and aligned with the objective benchmarks established by the audit.

In the context of RADs, PVR's standard contract language would have minimum requirements, which would provide a uniform starting point for joint contracts among municipalities. During our working group process, stakeholders often cited the uniqueness of municipal contract arrangements as a significant barrier to multi-town reappraisal contracts. The Department believes that standardizing the key components of these contracts would overcome this barrier. Special circumstances in individual towns could then be addressed above and beyond the standard language. The Department now hosts legal and financial support for towns for valuing high-value and unique properties, as well as utility properties, both of which used to significantly increase costs to municipalities during a reappraisal.

C. Restructure Per Parcel Payments for Reappraisal and Grand List Maintenance

The annual per-parcel payment from the State to municipalities is intended to support two essential assessment functions: periodic reappraisals and ongoing grand list maintenance. As Vermont transitions to a six-year reappraisal cycle under Act 68 of 2023 (effective January 1, 2025), this combined payment structure merits reconsideration to ensure it reflects new

requirements, supports timely reappraisal at scale, and provides greater clarity about the respective responsibilities of the State and municipalities.

Under current law, municipalities receive \$8.50 per parcel per year “for reappraisal and costs related to reappraisal of its grand list properties and for maintenance of the grand list.”¹⁹ See Appendix C on the history of the per parcel payment.

When these two purposes are supported through a single payment, the result is often a sense of constraint: the amount is not quite sufficient to meaningfully support both functions, especially for smaller towns with fewer parcels. Towns that rely on the payment to support assessor staffing and routine maintenance may have limited resources available when it is time to contract for a reappraisal, for example. Especially vexing in the Department’s work to understand the cost of our reappraisal system, this combined structure makes it extremely difficult to clearly assess how much support the State is actually providing to towns for reappraisal.

Working Group members supported separating the current per-parcel payment into two distinct components: a dedicated reappraisal support payment and a separate payment for grand list maintenance. Segregating these purposes would improve transparency and allow policymakers and municipalities to have a more coherent, system-wide discussion about appropriate funding levels for each function.

The transition to a six-year reappraisal cycle further underscores the need to revisit how reappraisal support is structured. Historically, many towns reappraised at much longer intervals – often ten to fifteen years – allowing annual per-parcel payments to accumulate over extended periods. Under a mandated six-year cycle, that dynamic changes, and effectively increases the share of the reappraisal cost for which towns are responsible.

Recent Tax Department data indicate that a typical reappraisal costs approximately \$100 per parcel. If the current \$8.50 per parcel payment were reserved *entirely* for reappraisal, it would generate just over \$50 per parcel over six years. Working Group members raised the key question of how much of a reappraisal the State and municipality each should reasonably be expected to support, particularly given that roughly three-quarters of Vermont’s aggregate property tax revenue is State education tax and about one-quarter is municipal tax. This question highlights the need for legislative review of whether the current per-parcel structure remains aligned with today’s policies, priorities, and economic realities.

Once reappraisal funding is separated, the remaining question is how best to structure ongoing support for grand list maintenance. Stakeholders emphasized the importance of stable funding for this function, particularly for smaller municipalities that lack economies of scale and draw down fewer funds with their parcel counts. Policymakers should engage municipalities and

¹⁹ 32 V.S.A. § 4041a(a).

other stakeholders to determine an appropriate approach, including whether a small-town minimum payment is warranted to account for fixed administrative costs.

As the per-parcel payment system is clarified and restructured, policymakers should consider mechanisms that better align reappraisal support with the new cycle. For example, a rescaled per parcel payment dedicated to reappraisal could justifiably be paused after six years if a reappraisal contract had not been initiated because the town will have been credited with the “State’s share” of the reappraisal cost at that point. Pausing payments to towns who do not reappraise timely would also help offset the fiscal impact of other modifications to State payments.

Another option is to hold reappraisal funds at the State level on behalf of each municipality and release those funds once the municipality is prepared to enter into a reappraisal contract. Together these approaches would reinforce adherence to the six-year cycle and create a clear point at which PVR can confirm that essential contract elements are in place. It could also provide a natural opportunity to tie financial incentives with regionalization goals, such as encouraging regional contracting that meets multi-town or parcel-based thresholds with an enhanced payment of some sort.

Collectively, these changes would not only clarify how per parcel payments are intended to function but also strengthen their role as one of the State’s most flexible tools for supporting high-quality, timely, and consistent assessment practices statewide.

D. April 1 Grand List Assessment Date

Act 73 required the Department of Taxes, in making its recommendation on the implementation of regional assessment districts, to provide suggestions for legislative language that address “amendments necessary to conform statute to the change from an April 1 to January 1 grand list assessment date.”²⁰

Currently, April 1 is central to the grand list process because the value of a property is based on its condition “as of” this date. The Department’s Act 68 final report recommended changing this date and requested additional time to complete an in-depth legal and programmatic review with stakeholder input. This review was necessary to ensure comprehensive and consistent legislative changes are made.

The stakeholder working group universally supported changing the assessment date from April 1 to January 1, primarily as a workload and process improvement to the current system. Reappraisal firms in particular would benefit from extended timelines to help defend valuations during appeals. Currently, all appeals in the State begin after values are determined as of April 1. The highest volume is at the first level of appeal to listers, called lister grievances. These

²⁰ Act 73 of 2025, Sec. 64(3).

hearings generally cannot be held later than June 2.²¹ This condensed timeline limits how many reappraisal contracts firms can enter into with municipalities, which exacerbates the scarcity of reappraisal expertise.

Table 1: Grand List Calendar

Date	Small Towns	Large Towns
Assessment (“As Of”) Date	April 1	April 1
Homestead Declarations Filed	April 15	April 15
Latest Abstract can be Lodged	June 4	June 24
Grievances Must be Filed by	June 19	July 9
Result of Grievance Mailed	July 9	July 29
Latest Grand List can be Lodged	July 25	August 14
Appeals to BCA and BCA Hearings + Errors and Omissions	Through Dec. 30	Through Dec. 30

By extending the time between when properties are assessed and the time before when grievances must be heard, more reappraisals will be able to be completed by the same firms. Although the general sentiment in the Working Group was that the sooner this change was made the better, given the current contracts in place now, the earliest recommended date to implement this change is 2031.

The Department, in collaboration with other stakeholders, completed a legal review of the April 1 assessment dates in statute and recommends the legislative amendments shown in the draft language provided in Appendix 4.

E. State Support for Reappraisal Contracts and Grand List Assistance

Municipalities within a RAD are strongly encouraged to jointly contract to conduct their reappraisals. As noted above, towns will necessarily need to operate in new ways to meet the new six-year cycle, and for many, working together may be the only viable path forward.

In the event a municipality is unable to contract with a reappraiser, the Department proposes that PVR will assign reappraisers under a state contract to ensure timely completion of

²¹ 32 V.S.A. § 4221.

reappraisals. PVR is responsible for maintaining a list of Approved Appraisers and Appraisal Firms. After efforts by a town to fail to secure a contractor, PVR could assign a contractor to add one of those towns to their nearest appropriate contract for an additional financial incentive. Ideally, this would be the last resort after attempts by municipalities, firms and PVR to get the town a contract within a RAD. As outlined above, the coordination of reappraisal timing, contract language, and appeals within RAD groupings should create more opportunity for small towns to be absorbed into a joint contract, but there must be a mechanism to reappraise timely if a town is unable to do so on its own.

Through an expanded municipal support staff located at PVR as contemplated, PVR could also assist towns with grand list maintenance tasks when the town is unable to complete tasks due to a lister vacancy. If a municipality uses PVR's services for grand list maintenance, they would not receive the portion of their annual per parcel payment dedicated to grand list maintenance.

Considerations for State-Run Regionalized Appraisal Contracts

The Department's previous Act 68 reports addressed the advantages and disadvantages of larger reappraisal groupings. Distinct from the question of reappraisal scale, this section considers the advantages and disadvantages of the State assuming full responsibility for scheduling, procuring, and managing reappraisal contracts on a six-year cycle.

Assigning responsibility for reappraisal contracting and scheduling to the State offers clear administrative advantages. State-level contracting would simplify procurement, enable predictable reappraisal cycles, and achieve coordinated regional contracts without reliance on intermunicipal agreements that can be difficult to form and sustain over time.

- **Administrative simplicity.** A State-managed contracting process would eliminate the need for municipalities to negotiate intermunicipal agreements and jointly procure appraisal services, which currently requires multiple governing bodies to coordinate decisions and resolve disputes.
- **Reappraisal cycle enforcement.** Centralized scheduling would allow the State to directly ensure that reappraisals occur on time, regardless of local capacity, political will, or staff turnover.
- **Support for under-resourced towns.** Municipalities – particularly small towns – often lack procurement expertise for highly technical appraisal contracts. State-level contracting could reduce the risk of poorly scoped contracts or inconsistent standards, while still allowing municipalities to participate in data review and valuation discussions.

At the same time, centralizing contracting authority introduces meaningful risks, especially at the onset. Successful implementation would hinge on sufficient State staffing and project management capacity. Moreover, many municipalities view State control of reappraisal contracts as inconsistent with local responsibility for maintaining the grand list and responding to taxpayers, raising concerns about accountability and loss of local control. These cultural and governance considerations represent a real cost of centralization and warrant careful attention in any transition.

- **Transition and execution risk.** Centralizing long-held municipal responsibilities at the State will succeed or fail based on execution. If the State assumes contracting responsibility without sufficient staffing, project management expertise, or technical oversight capacity, delays and quality problems can worsen rather than improve. At this point in the exploration of this topic, we have all become familiar with anecdotes about numerous failures across our system – failures that must be addressed through system improvements. But centralizing this responsibility at the State wholesale shifts the risk from many small failures to fewer, much higher-stakes failures. This risk is especially

acute during an initial implementation period.

- **Loss of local control.** “Local control” objections are not merely political resistance but reflect deeply held governance norms. If the State oversaw contracting, municipalities would remain responsible for maintaining the grand list, responding to taxpayers, and defending property values — even if they did not select or manage the appraisal firm. For many local officials and some members of our Working Group, this creates an untenable mismatch between authority, responsibility, and accountability.
- **Disruption of existing relationships.** State-managed reappraisal contracting would disrupt established relationships between towns and appraisal firms, including situations where the same firm supports ongoing grand list maintenance in a town that they also reappraise. This could reduce continuity and create coordination challenges for municipalities.

The recommendations in this report are designed to balance these opportunities and risks in the near term, while laying the groundwork for greater centralization in the future once key prerequisites such as staffing and operational capacity are in place. Rather than shifting contracting responsibility wholesale to the State, the Department’s recommended approach aims to achieve many of the same benefits outlined above through incremental, lower-risk mechanisms.

For example, recommended statewide contract standards can promote consistency and standardization in reappraisal expectations, methods, and outcomes without requiring the State to hold contracts directly. Changes to per parcel payment structures create new tools to reinforce adherence to the six-year cycle. In addition, PVR’s proposed safety-net role for struggling towns allows the Department to pilot increased State involvement in reappraisal contracting without mandating a riskier wholesale governance shift that would run counter to local control norms.

State Contracting vs. State-Performed Reappraisals

This analysis focuses on the potential for the State taking on responsibility for contracting for reappraisal services, not on the State performing reappraisals using its own staff. A fully State-run appraisal workforce would likely exacerbate the risks identified above.

Even when reappraisal authority is centralized, professional standards and best practices support contracting with qualified appraisal firms rather than maintaining a permanent in-house appraisal workforce. IAAO recognizes contracting as an appropriate and often necessary approach for jurisdictions that lack the full range of specialized expertise required for mass appraisal work.

These considerations are especially relevant for State government. Recruiting and retaining experienced appraisal professionals presents structural challenges, since states generally

cannot compete with private-sector compensation. Maryland, one of the only states to reappraise with a state workforce, reported costly cycles of training and turnover when attempting to maintain in-house appraisal staff. Contracting allows the State to access specialized expertise as needed, avoid long-term staffing and benefit costs, and scale resources to the timing and complexity of reappraisal cycles.

Conclusion

Currently, Vermont's reappraisal system exists in an inequitable manner, with the smallest towns often both unequipped and undesirable for a reappraisal firm to contract with. Towns in the majority of the state are unable to fill vacant municipal and contracting positions, which grow each year as individuals retire and fewer individuals are available to step in. Every year more municipalities are voting to eliminate the board of listers, due largely to a lack of candidates. A lack of awareness of this work, combined with low pay and complex and sometimes contentious interactions with fellow residents and businesses, make this a generally undesirable and low-visibility role.

The goals of Act 68 of 2023 and Act 73 of 2025 relating to reappraisals were to improve outcomes for reappraisals, to find qualified individuals to do the work, and to do so in an equitable, fair and sustainable manner. While Act 73 established RAD boundaries based on counties, our stakeholder engagement and continued research have led us to recommend focusing on immediate actionable items to create a solid foundation for a successful transition and stable future for Vermont's reappraisal system.

The RAD boundaries cannot truly function without qualified individuals, statewide data standards, and equal access to professional support. Accordingly, the Department recommends developing and supporting a qualified appraisal workforce in Vermont, restructuring the per parcel payments, creating standardized guidance and outcome expectations based on an independent external audit, changing the annual assessment date from April 1 to January 1, and implementing small-town supports at PVR.

Appendix 1: Current Intermunicipal Cooperation and Shared Services Structures

This appendix gives a broad, non-exhaustive summary of existing tools under current law for municipalities to share resources, enter into contracts, and collaborate on providing governmental services. Some of these options include assessment districts, interlocal contracts, and union municipal districts. Each has their own purpose, scope, and conditions. For a deeper dive into the law relating to these tools, as well as the broader, more complex issues of county governance in a state like Vermont that has virtually none, refer to the Vermont General Assembly's County and Regional Governance Study Committee.²²

Assessment Districts

Assessment districts made up of municipalities in the same unified union school district were authorized in statute for the very specific purpose of standardizing the common level of appraisal (CLA) across member towns. 32 V.S.A. § 5403 was enacted in 2019 but has never been used.²³ In order to create an assessment district, municipalities have to vote at a regular or special meeting to merge with one or more other municipalities in the same unified union school district. The district would be binding on a municipality for five years. After five years, a municipality can vote at any regular or special meeting to leave the assessment district, unless the assessment district has consolidated all administrative functions. All municipalities merged into an assessment district have to agree to implement standardized assessment procedures approved by the Commissioner of Taxes. All municipalities within an assessment district will be treated as a single municipality for purposes of the equalization process and the CLA.

Statute clarifies that municipalities within an assessment district must maintain independent grand lists for municipal taxation as well as independent processes for grievances, property valuation appeals, abatements, grand list filing, use value appraisal parcel management, reappraisal, and financial interaction with the Agency of Education, unless the Commissioner of Taxes, in writing, authorizes the municipalities of an assessment district to consolidate all property valuation administrative functions.

²² County and Regional Governance Study Committee webpage: <https://legislature.vermont.gov/committee/detail/2026/391>. In particular, see, Legislative Counsel memos on interlocal cooperation: <https://legislature.vermont.gov/Documents/2024/WorkGroups/CountyGov/Documents%20and%20Testimony/W~Tim%20Devlin~Memo%20intermunicipal%20agreements%20RPCs~10-21-2024.pdf> and on county governance: <https://legislature.vermont.gov/Documents/2024/WorkGroups/CountyGov/Documents%20and%20Testimony/W~Tim%20Devlin~Memo%20re-%20Intro%20to%20County%20Governance%20v3~9-27-2024.pdf>.

²³ 2019 Acts and Resolves No. 51, § 26.

Interlocal Contracts and Union Municipal Districts

Vermont statutes provide a formal process for municipalities to formalize working together by entering into interlocal contracts and creating union municipal districts, which are new government jurisdictions.²⁴ Creating a union municipal district is a lengthy process that is not well subscribed. These tend to be for recreational purposes and mosquito control. It requires a joint survey committee created by the municipal legislative bodies to determine if the municipalities want to work together, to prepare an agreement for the formation of the district, and to file a copy with the legislative body, planning commission, and clerk of each participating municipality. The joint survey committee must also submit the agreement to the Attorney General and to any officer or agency of the State who has constitutional or statutory powers over services or facilities affected by the agreement. The Attorney General shall determine whether the agreement is in proper form and compatible with the laws. Only once the Attorney General has made its determination can the agreement be presented to the voters for acceptance or rejection.

²⁴ 24 V.S.A. Chapter 121, originally enacted in 1969 Acts and Resolves No. 197, and 24 V.S.A. Chapter 122, enacted in 1983 Acts and Resolves No. 21.

Appendix 2: Legislative History of State Payments to Municipalities

The State currently provides municipalities with the following payments for municipal work relating to the statewide education grand list:

- \$8.50 per grand list parcel to be used for reappraisal and reappraisal-related costs and for maintenance of the grand list. 32 V.S.A. § 4041a(a).
 - This fee was first enacted in Act 60 of 1997, Sec. 46. The fee became effective in 1998 at \$6.00 per parcel. It was amended several times over the next decade and has been set at \$8.50 since 2016. See, Act 134 of 2016, Sec. 6.
- \$1.00 per grand list parcel for assistance with the annual equalization study. 32 V.S.A. § 5405(f).
 - This fee was first enacted in Act 60 of 1997, Sec. 45 and the amount has never been amended since. The fee became effective in 1998.
- Towns are eligible to retain 0.225% of education tax revenue collected. 32 V.S.A. § 5402(c)(2).
 - This allowance was first enacted in Act 60 of 1997, Sec. 45. The allowance first became effective in 1998 at 0.5%. It was amended several times over the next decade and has been set at 0.225% since fiscal year 2009 (starting July 1, 2008). See, Act 65 of 2007, Sec. 289.

Appendix 3: Vermont Assessors and Listers Association RAD Proposal

The following is the Department of Taxes' review of the reappraisal system proposal from the Vermont Assessors and Listers Association (VALA), a member of the Stakeholder Working Group. This includes a comparison of VALA's proposal with the Department's recommendations both in the Act 68 final report and in this report.

The VALA recommendations are aligned with the Department's Act 68 final report recommendation to create RADs as a new type of local government that has authority over its member municipalities in terms of conducting reappraisals and hearing appeals. The VALA construct differs from the Department's in one critical way, however, by making RAD membership optional.

VALA, like the Department, proposes using school district boundaries for the purpose of the reappraisal schedule. VALA proposes giving school districts the authority to set that schedule. In contrast, in the Department's final Act 68 recommendations and this report's revision, the Department recommends keeping PVR's authority to set a consistent, standardized schedule statewide.

VALA proposes allowing multiple RADs and individual towns to reappraise separately (at the same time) within one school district boundary. Joint contracting would effectively create a RAD. In the Department's proposed structure in this report, all towns would have to jointly or individually reappraise within one RAD. The RAD's passive function is to act as a boundary for setting the reappraisal schedule. The RAD's proactive function as a new entity under the Department's proposal is to hear appeals; not to administer reappraisals.

Finally, VALA proposes making reappraisals entirely funded by the State.

REGIONAL ASSESSMENT DISTRICTS (RAD)s

GOVERNANCE.

RAD STRUCTURE AND PURPOSE

1. RAD's mission should be to oversee the reappraisal process and appraise all taxable and tax-exempt properties within a district to 100% fair market value with the same appraisal date as other RADs and municipalities in the same school district.
 - a. A RAD should be within the borders of a school district.
 - b. All appraisals of parcels in the school district should have the same appraisal date and reappraisal cycle.
 - c. RAD's mission should be to oversee all aspects of a reappraisal in the school district.
 - i. Contract with Appraisal Firm to reappraise all municipalities within the district's borders.
 - ii. Ensuring reappraisals are conducted in a timely manner and meet State and industry standards.
 - iii. Act as a liaison between the property owner, State, municipality, and appraisal firm.
 - iv. Conducting appeal hearing at a RAD level.
 - d. All municipalities within a RAD should use the same CAMA software so assessment modeling is uniform.
 - e. RAD should be governed by an elected board consisting of one member per town: a RAD Board.
 - i. RAD Board should be a "Public Body" as described in 1 V.S.A. § 310(6)
 - ii. RAD Board should have powers to create a budget, monitor spending, and hire staff as necessary to perform their duties.
 - iii. It is each municipality's obligation to have a representative on the RAD board.
 - iv. Board members should be elected at same time as school board members.
 1. Board members should be elected to a multiple year term
 2. When no person runs for the board the governing body of the municipality shall appoint a member.
 3. When a board member can not complete their term the governing body of the municipality shall appoint a new member.
 - v. RAD Board should comprise of at least 3 members.
 1. Must have a quorum to vote and make decisions.

- vi. RAD Board should hear and make decisions on all assessment appeals and Municipal appeals as a Quadi-judicial Proceedings.
- 2. Funding for the RAD should come from the State Education Fund.
 - a. 70% +/- of the taxes raised from property taxes goes to the Education Fund.
 - b. RAD is a State mandated board, to facilitate fair education taxes.
 - c. 100% of the property taxes raised for the Education Fund will be governed by the RAD boards.
 - d. Municipalities have little say in the governance of the RAD and subsequently the distribution of taxes within their borders.
 - e. All reappraisal funding should be funded through the State Education Fund.

RAD GROUPING, SIZE AND MAKEUP

- 1. Grouping of a RAD should consider geographic restraints and market similarities.
- 2. RAD should be made up of abutting municipalities.
- 3. Multiple RADs should be allowed to exist within a single school district.
 - i. The School District should set the reappraisal cycle all RADs and municipalities within one school district should have the same appraisal date.
 - 1. Having the same appraisal date will ensure that all parcels within a school district will be on the same level of market.
 - 2. This allows one CLA per school district to calculate one Education Tax Rate per school district.
- 3. RADs should have a minimum and maximum size based on parcels and/or population.
 - a. A minimum size would help create a structure for smaller municipalities to join other small municipalities within the greater school district to conduct reappraisals.
 - i. A minimum size would allow more sales data for reappraisals and equalizations studies to be used, creating equitable assessments and stable tax rates.
 - b. A maximum size would allow more reappraisals companies to work in the State promoting competition and reducing costs.
 - c. A maximum would create more manageable reappraisals.
 - i. Help facilitate better communication between property owners, municipalities, RAD, and appraisal firms.
 - ii. This would facilitate customized modeling in regional specific markets.
 - iii. It would reduce the volume of appeals to a single RAD Board allowing the Board to hear all appeals in a timely manner.

- d. Having defined sizes for a RAD would allow municipalities who meet the minimum size and have the resources to conduct reappraisals to opt out of joining a RAD.
- e. There should be exemptions for municipalities where the school district boundaries do not exceed the municipal boundaries.
- f. There should be exemptions for size when there are physical and geographic barriers.
- g. Having a minimum and maximum size is a good compromise between the forces that wish to maintain local control verses the need to consolidate the fractured property taxation of our rural communities.

REAPPRAISAL, TIMELINE,

LEVELS OF APPEAL

AND GRAND LIST MAINTAINANCE

REAPPRAISALS

1. RAD is the governing body that should conduct, contract with, and assume all responsibilities of a reappraisal.
2. Reappraisals and Statistical Revaluations should be conducted on a 5 or 6 year cycle.
 - a. Full reappraisals should be conducted every 10 or 12 years.
 - i. Creating a new valuation model.
 - ii. Changing all values to 100% market value.
 - iii. A full reappraisal is defined as conducting site inspections on ___% of all parcels,
 - iv. Completing full interior and exterior inspections on a minimum of improved parcels.
 - b. Statistical Revaluation can be done as an alternative to a full reappraisal 5 or 6 years after the completion of a full reappraisal.
 - i. Updating or creating a new valuation model.
 - ii. Changing all values to 100% market value.
 - iii. Statistical Revaluations can be defined as having 25% site visits and changing all assessments to 100% fair market value.

- iv. Statistical Revaluation should only be considered when the Coefficient of Dispersion (COD) is less than 15% RAD wide, town wide, and per category.
- 3. Partial Reappraisals should be allowed under specific situations.
 - a. Municipalities should have the right to conduct partial reappraisals between reappraisal years.
 - b. Partial reappraisal should only be conducted in specific neighborhoods, class, categories when statistically necessary by industrial standards.

COMPLETION OF REAPPRAISAL, STATE CERTIFICATION, AND MUNICIPAL APPEAL

- 1. January 1 appraisal date.
- 2. January 15 Proposed Grand List (PGL) must be submitted to State PVR, RAD, and Municipal Assessing Office (AO) or Board of Listers (BOL) for review.
 - a. Municipality must have the right to appeal PGL when errors are present in the listings.
 - i. Towns should have 30 days to review and appeal PGL to RAD (latest possible date Feb 14)
 - ii. Appeals should be heard by the RAD Board or RAD Assessor not the Appraisal Firm
 - iii. Appeals must be in writing and submitted to the RAD on or before February 14
 - iv. The Municipality must also notify PVR and the Appraisal Firm no later than February 14th of the appeal.
 - v. Appeals should be limited to valuations, data, and statistical measurements to avoid appeals based on politics, personal, or negative public perceptions.
 - vi. The RAD must set up a hearing withing 14 days of notice of appeal at Municipality's Offices (latest possible date Feb 28) and notify PVR, Municipality, and Appraisal Firm of the time and date of the hearing.
 - vii. The appointed Project Supervisor from the reappraisal firm shall be present and act as defendant.
 - viii. The AO and/or a Member(s) of the BOL shall be present to submit evidence of errors to the PGL.
 - ix. RAD must submit a decision with to PVR, Municipality and Appraisal Firm within 14 days of the hearing (no later than March 14).
 - x. Appraisal firm has 30 days to correct PGL no later than April 14.
 - xi. Decisions by RAD are final, Municipalities may change assessment the following year as GL maintenance.
- 3. PGL must be certified by PVR.

- a. Appraisal firms must submit PGL to PVR for certification to ensure reappraisal values meet standards no later than January 15.
- b. PVR has 14 days to certify reappraisals and notify Appraisal Firm, RAD, and Municipalities of the result.
- c. Certification of GL must meet industry standards.
 - i. Coefficient of Dispersion (COD) Town wide COD and per category must be less than 20%
 - ii. Common level of Appraisal (CLA), town wide CLA and per category must be between 95% and 100% overall per category
 - iii. Change of assessment ratios with sale properties must be within a specified range to non-sale ratios.
 - iv. Price Related Differential (PRD) between 0.98 and 1.03.
 - v. Price Related Bias (PRB) between -0.05 and 0.05.
 - vi. All assessment values must change, unless assessments are fixed by State Statutes.
 - vii. Minimum of 10% site inspections during a statistical reassessment
 - viii. 90% site visits with a minimum of 30% full inspections on town-wide reappraisals.
 - 1. Use of Rad approved alternative inspection techniques can be submitted instead of on-site inspections when documented.
- d. When a PGL does not meet the standard the Appraisal Firm has 30 days to comply with PVR standards for certification or justify any statistics that do not meet the minimum standards.
- e. If a Municipality appeals the PGL, the Appraisal Firm must resubmit PGL to PVR for certification, unless the changes to the PGL are under a __%.
- 4. Prior to lodging the GL, Appraisal Firms should mail out Initial Assessment Change Notices and hold Informal Informational Meeting in the Municipal Office of the Town notices were mailed.
 - a. Notices and Informational Meetings are not official appeal hearings and should not be Governed by Statute but should be considered best practice.
 - b. Held by appraisal firm with members of the municipal assessing office, and RAD assessing office in attendance.
 - c. Meetings are to inform the public of the new assessment and allow property owners to review their property data.
 - i. Explain how assessments were calculated.
 - ii. Show market data.
 - iii. Allow property owners to review data and have corrections to objective data when needed.

LODGING OF ABSTRACT GL AND GREIVANCE HEARINGS

1. On or before May 15 the Appraisal Firm shall transfer the PGL to the RAD
 - a. RAD shall Transfer the PGL to the Municipalities and file the PGL with the State
 - b. RAD may apply for extension
2. Municipality shall Lodging of the Abstract GL with the Town Clerk no later than May 17.
 - a. Lodging of the Abstract GL should have same rules as now.
 - i. Signed by RAD Assessing Officer and Municipal Assessor or BOL.
 - ii. Change of Assessment Notices must be mailed with a Certificate of Bulk Mailing on the same day as the GL is lodged.
 - iii. Warning posted in 5 placed in town
 1. Must include time and place of Grievance Hearings.

GRIEVANCE HEARINGS

3. Grievances should have 4 levels of appeal.
 - d. Level 1 Grievances to Municipal officers.
 - i. Grievance date shall be held on 14 days after GL is Lodged no later than May 31.
 - ii. Listers, Assessor, or Municipal Property Appeal Board.
 - iii. Owners grieving their assessment have 14 days from the day the COA notices were mailed to submit their grievance in writing to the town BOL or Assessor.
 - iv. Results of Grievance Notices must be mailed to property owners within 14 days of the close of grievance hearings.
 - v. If property owner refuses enter on a Town-wide Reappraisal year the owner waives their right to appeal their assessment.
 - e. Level 2 Appeal of Municipal decision to RAD Appeal Board
 - i. Owners wishing to appeal the Decision of the BOL/Assessor have 14 days to appeal in writing from the date of the Result of Grievance was mailed.
 - ii. RAD must hear appeal within 30 days of the end of Municipal Grievances.
 - iii. The RAD Appeal Board is made up of one member of each town in a RAD.
 - iv. Must have one member from the town parcel is located present.
 - v. Must have a quorum defined by 3 members.
 - f. Level 3 Appeal of RAD Board decision to a State Appeal Board.
 - i. Minimum of 3 Members serving on the board consisting of industry professionals.
 1. Licensed Realtor or Certified Appraiser in good standing with the Secretary of States Office.
 2. Real Estate Attorney

3. Certified Assessor/Mass Appraiser in good standing with the Department of Taxes.
- g. Level 4 Supreme Court.

STATE TAX DEPARTMENT AND PROPERTY VALUATION AND REVIEW (PVR)

PVR MISSION AND DUTIES

1. The mission of PVR is to help RADs and Municipalities; create assessing guidelines, educate RAD, Municipalities, elected officials and employees, certify appraisal firms, appraisers and assessors, conduct annual equalization study, test and certify reappraisals, enforce laws surrounding assessments, and maintain State GL software.
 - a. Current Statutes are clear as to what the duties of the Director of PVR and PVR are, including issuing printed advisory statement, providing education, and assistance when requested.
 - i. This should be extended to RADs
 - b. Certification
 - i. Current Statutes and clear on Lister/Assessor certification.
 1. Certification should only be required for hired or appointed data collectors, assessors, appraisers, and appraisal firms.
 2. It should not include any elected officials including Listers, RAD Board members, and local Appeal Boards members.
 - a. Forcing elected officials to get certifications limits the ability for citizens participation in government, it discourages citizens from running for office and further decreases an already struggling institution.
 - c. Conduct annual Equalization Study.
 - i. Equalization Studies should be conducted at the school district level.
 1. RADs and Municipalities in one school district with the same appraisal date will all be at the same level of market level allowing one Equalization Study per school district.
 - a. This would create one Common Level of Assessment (CLA) for all municipalities within that school district, simplifying the education tax.

- b. Reduce the number of equalization studies PVR is conducting, freeing up resources for education and support that is mandated by statute.
 - c. Expanding the Equalization Study to school districts would increase the number of valid sales that would be used in the study.
 - i. More sales would increase the reliability of the study.
 - ii. It would also stabilize the CLA.
 - iii. A greater number of sales would allow the study to use one year of sales, this would to reflect a more current market level.
 - d. Having more sales would allow the use of the median instead of a weighted mean.
 - i. Using the median, remove the influence of outliers and is a more stable measurement for the CLA.
- d. Certification of GL after reappraisal values are submitted.
 - i. Certifications must meet industry standards.
 - 1. Coefficient of Dispersion (COD) Town wide COD and per category must be less than 20%
 - 2. Common level of Appraisal (CLA), town wide CLA and per category must be between 95% and 100% overall per category
 - 3. Change of assessment ratios with sale properties must be within a specified range to non-sale ratios.
 - 4. Price Related Differential (PRD) between 0.98 and 1.03.
 - 5. Price Related Bias (PRB) between -0.05 and 0.05.
 - 6. All assessment values must change, unless assessments are fixed by State Statutes.
 - 7. Minimum of 10% site inspections during a statistical reassessment
 - 8. 90% site visits with a minimum of 30% full inspections on town-wide reappraisals.
 - a. Use of Rad approved alternative inspection technics can be submitted instead of on-site inspections when documented.
- e. Maintain State GL and GL software.

MUNICIPAL DUTIES

YEARLY GRAND LIST MAINTENANCE

1. Determining exemption
2. Processing transfers
3. Updating parcel data
4. Partial reappraisals
5. Verifying sale data for equalization study

MISC. CHANGES

CURRENT USE

HOMESTEAD

CONTIG PARCELS

Appendix 4: Draft Language Changing April 1 Assessment Date

* * * Grand List Assessment Date * * *

Sec. 1. 24 V.S.A. § 1892(b) is amended to read:

(b) When adopted by the act of the legislative body of that municipality, the plan shall be recorded with the municipal clerk and lister or assessor, and the creation of the district shall occur at 12:01 a.m. on ~~April~~ January 1 of the calendar year so voted by the municipal legislative body.

Sec. 2. 24 V.S.A. § 1904(b)(2) is amended to read:

(2) When adopted by the act of the legislative body of that municipality, the plan shall be recorded with the municipal clerk and lister or assessor, and the creation of the district shall occur at 12:01 a.m. on ~~April~~ January 1 of the calendar year so voted by the municipal legislative body.

Sec. 3. 32 V.S.A. § 3481(1)(B)(iv) is amended to read:

(iv) a capitalization rate that is typical for the geographic area determined and published annually prior to ~~April~~ January 1 by the Division of Property Valuation and Review after consultation with the Vermont Housing Finance Agency.

Sec. 4. 32 V.S.A. § 3482 is amended to read:

§ 3482. PROPERTY LISTED AT ONE PERCENT

Except as otherwise provided, all real and personal estate shall be set in the list at one percent of its listed value on ~~April~~ January 1, of the year of its appraisal.

Sec. 5. 32 V.S.A. § 3485 is amended to read:

§ 3485. RECORDS TO BE KEPT RELATING TO DEEDS AND MORTGAGES

(a) Annually on ~~April~~ January 1, ~~town~~ municipal clerks shall furnish the listers with copies of the property tax returns filed by the clerk under section 9610 of this title relating to deeds that were filed for record during the year ending on the first day of such month. However, upon request in writing by the

listers, on or before the 15th day of each month, ~~town~~ municipal clerks shall furnish the listers with copies of the property transfer tax returns to deeds that were filed for record during the next preceding calendar month.

(b) Failure on the part of the ~~town~~ municipal clerk to furnish the copies required under subsection (a) of this section shall not render the town liable in damages to any person. A ~~town~~ municipal clerk who willfully fails to furnish the copies required under subsection (a) of this section shall be fined \$10.00 for each offense.

Sec. 6. 32 V.S.A. § 3603(a) is amended to read:

(a) Construction equipment and other personal estate used in the construction or repair of highways, dams, reservoirs, public utilities, or buildings shall be listed and taxed on the same basis as other personal estate in the town in which it is located on ~~April~~ January 1. Such equipment brought into the State after ~~April~~ January 1 and prior to December 15 of any year shall be taxed as other personal estate for that year in the town in which it is first used for a normal full work shift. The owner or person in charge of any equipment enumerated in this section shall, upon request of the Treasurer or tax collector of any municipality, present evidence that it has been listed for tax purposes in a municipality in this State. The Transportation Board and other State agencies shall insert in all contracts for construction a term by which the contractor agrees to pay taxes assessed under this section and section 4151 of this title.

Sec. 7. 32 V.S.A. § 3610(b) is amended to read:

(b) The listers of each town and the appraisers of each unorganized town and gore shall list every perpetual lease in a separate record in which shall be shown as to each lease a brief description of the leased land, the fair market value of the land as appraised by them, the name of the lessor, the annual rental payable under the lease, and as of ~~April~~ January 1 of each year the name and address of the lessee.

If for any reason the lease is exempt under subsection (d) of this section, the reason for the exemption shall be noted.

Sec. 8. 32 V.S.A. § 3618(c)(2) is amended to read:

(2) “Net book value” of property means the cost less depreciation of the property as shown on the federal income tax return required to be filed with the federal authorities on or nearest in advance of ~~April~~ January 1 in any year.

Sec. 9. 32 V.S.A. § 3651 is amended to read:

§ 3651. GENERAL RULE

Taxable real estate shall be set in the list to the last owner or possessor thereof on ~~April~~ January 1 in each year in the town, village, school, and fire district where it is situated.

Sec. 10. 32 V.S.A. § 3691 is amended to read:

§ 3691. GENERAL RULE

Taxable tangible personal estate shall be set in the list to the last owner thereof on ~~April~~ January 1 in each year, in the town, village, school, and fire district where such property is situated, with the exception that such personal estate situated within this State owned by persons residing outside the State or by persons unknown to the listers shall be set in the list to the person having the same in charge, in the town, village, school, and fire district where the same is situated and shall be holden for all taxes assessed on such list. However, tangible personal estate owned by nonresident persons or corporation, and used in this State by the State or a department or institution thereof, under lease, contract or other agreement, written or oral, may be set in the list in the town where so used, to such nonresident owner.

Sec. 11. 32 V.S.A. § 3692(b) is amended to read:

(b) A trailer coach shall be taxed as real property by the town in which it is located notwithstanding subsection (a) of this section if it is situated in the town on the same trailer site or camp site for more

than 180 days during the 365 days prior to ~~April~~ January 1. A trailer coach shall not be taxed as real property if it is stored on property on which the owner resides in another dwelling as a permanent residence.

Sec. 12. 32 V.S.A. § 3708 is amended to read:

§ 3708. PAYMENTS IN LIEU OF TAXES FOR LANDS HELD BY THE
AGENCY OF NATURAL RESOURCES

* * *

(b) The State shall annually pay on or before October 31 to each municipality a payment in lieu of taxes (PILOT) that shall be the base payment as set forth under this section, for all ANR land, excluding buildings or other improvements thereon, as of ~~April~~ January 1 of the current year.

(c) The State shall establish the base payment for all ANR land, excluding buildings or other improvements thereon, as follows;

(1) On parcels acquired before April 1, 2016, 0.60 percent of the fair market value as appraised by the Director of Property Valuation and Review as of April 1 of fiscal year 2015;

(2) On parcels acquired on or after April 1, 2016, the municipal tax rate of the fair market value as assessed on ~~April~~ January 1 in the year of acquisition by the municipality in which it is located.

* * *

Sec. 13. 32 V.S.A. § 3755(b) is amended to read:

(b) Managed forestland shall be eligible for use value appraisal under this chapter only if:

(1) The land is subject to a forest management plan, subject to a conservation management plan in the case of lands certified under 10 V.S.A. § 6306(b), that is filed in the manner and form required by the Department of Forests, Parks and Recreation and that:

* * *

(D) Provides for continued conservation management, reserve forestland management, or forest crop production on the parcel for 10 years. An initial forest management plan or conservation management plan must be filed with the Department of Forests, Parks and Recreation on or before October 1 and shall be effective for a 10-year period beginning the following ~~April~~ January 1. Prior to expiration of a 10-year plan and on or before ~~April~~ January 1 of the year in which the plan expires, the owner shall file a new conservation or forest management plan for the next succeeding 10 years to remain in the program.

* * *

(2) A management report of whatever activity has occurred, signed by the owner, has been filed with the Department of Taxes' Director of Property Valuation and Review on or before February 1 of the year following the year when the management activity occurred.

(3) There has not been filed with the Director an adverse inspection report by the Department stating that the management of the tract is contrary to the forest management plan, conservation management plan, or contrary to the minimum acceptable standards for forest or conservation management. The management activity report shall be on a form prescribed by the Commissioner of Forests, Parks and Recreation in consultation with the Commissioner of Taxes and shall be signed by all the owners and shall contain the tax identification numbers of all the owners. All information contained within the management activity report shall be forwarded to the Department of Forests, Parks and Recreation, except for any tax identification number included in the report. If any owner satisfies the Department that ~~he or she~~ the owner was prevented by accident, mistake, or misfortune from filing an initial or revised management plan that is required to be filed on or before October 1, or a management plan update that is required to be filed on or before ~~April~~ January 1 of the year in which the plan expires, or a management activity report that is required to be filed on or before February 1 of the year following

the year when the management activity occurred, the owner may submit that management plan or management activity report at a later date; provided, however, no initial or revised management plan shall be received later than December 31, and no management plan update shall be received later than one year after ~~April~~ January 1 of the year the plan expires, and no management activity report shall be received later than March 1.

Sec. 14. 32 V.S.A. § 3802a is amended to read:

§ 3802a. REQUIREMENT TO PROVIDE INSURANCE INFORMATION

Before ~~April~~ January 1 of each year, owners of property exempt from taxation under subdivisions 3802(4), (6), (9), (12), and (15) and under subdivisions 5401(10)(D), (F), (G), and (J) of this title shall provide their local assessing officials with information regarding the insurance replacement cost of the exempt property or with a written explanation of why the property is not insured.

Sec. 15. 32 V.S.A. § 3850(d) is amended to read:

(d) If a dwelling unit is certified as blighted under subsection (b) of this section, the exemption shall take effect on the ~~April~~ January 1 following the certification of the dwelling unit.

Sec. 16. 32 V.S.A. § 4001(a) is amended to read:

(a) Annually on ~~April~~ January 1, at the expense of the State, the Director shall furnish to the several ~~town~~ municipal clerks and boards of appraisers for unorganized towns and gores inventory forms sufficient in number to meet the requirements of this chapter. Such forms shall be formulated by the Director and, among other things, shall contain suitable interrogatories requiring each taxpayer to furnish therein a brief statement of all of each taxpayer's taxable property, real and personal, and such other information, including income and expense information with respect to any income-producing properties, as will enable the listers or appraisers to appraise such part thereof as is required by law to be

by them appraised, and to make up the abstract of individual lists and grand list in the manner prescribed by law.

Sec. 17. 32 V.S.A. § 4004 is amended to read:

§ 4004. RETURN OF INVENTORIES BY INDIVIDUALS

On or before ~~April~~ January 20, unless otherwise required, every taxable person shall procure such inventory form, make full answers to all interrogatories therein, subscribe the same, make oath thereto, and deliver or forward the same to one of the listers in the town wherein such person owns or possesses property required by law to be set to ~~him or her~~ the person in the grand list. When notice in writing to file, deliver, or forward such inventory on or before a given date is delivered by one of the listers to a person, or mailed postage prepaid to ~~him or her~~ the person at ~~his or her~~ the person's last known post office address, such person, within the time therein specified, shall properly fill out such inventory and deliver or forward the same to one of the listers, notwithstanding ~~he or she~~ the person may not own or possess property subject to taxation. Persons taxable only for real estate shall not be required to file such inventory unless notified so to do as herein provided.

Sec. 18. 32 V.S.A. § 4041 is amended to read:

§ 4041. EXAMINATION OF PROPERTY; APPRAISAL

On ~~April~~ January 1, the listers and assessors shall proceed to take up such inventories and make such personal examination of the property that they are required to appraise as will enable them to appraise it at its fair market value. When a board of listers is of the opinion that expert advice or assistance is needed in making any appraisal required by law, it may, with approval of ~~selectboard~~ the legislative body of the municipality or by vote of the ~~town~~ municipality, employ such assistance.

Sec. 19. 32 V.S.A. § 4044 is amended to read:

§ 4044. APPRAISAL OF PERSONALTY ON ~~APRIL~~ JANUARY 1

Unless otherwise provided, the taxable personal estate contained in the inventory shall be appraised by the listers at its fair market value on ~~April~~ January 1.

Sec. 20. 32 V.S.A. § 4045 is amended to read:

§ 4045. APPRAISAL ON OTHER THAN ~~APRIL~~ JANUARY 1

If any business is normally operated for a period less than 12 consecutive months and is not in operation on ~~April~~ January 1, an inventory shall be filed with the listers at least 15 days prior to the anticipated annual suspension of such business and the stock in trade shall be appraised for the period of operation so as to represent an average of values of such property during that period in which the business has been carried on.

Sec. 21. 32 V.S.A. § 4605 is amended to read:

§ 4605. ASSESSMENT WHEN APPRAISAL ON OTHER THAN ~~APRIL~~ JANUARY 1

* * *

Sec. 22. 32 V.S.A. § 5401(7) is amended to read:

(7) “Homestead”:

(A) “Homestead” means the principal dwelling and parcel of land surrounding the dwelling, owned and occupied by a resident individual as the individual’s domicile or owned and fully leased on ~~April~~ January 1, provided the property is not leased for more than 182 days out of the calendar year or, for purposes of the renter credit under subsection 6066(b) of this title, is rented and occupied by a resident individual as the individual’s domicile.

* * *

(G) For purposes of homestead declaration and application of the homestead property tax rate, “homestead” also means a residence that was the homestead of the decedent at the date of death and,

from the date of death through the next ~~April~~ January 1, is held by the estate of the decedent and not rented.

* * *

Sec. 23. 32 V.S.A. § 5404a(a)(6) is amended to read:

(6) An exemption of a portion of the value of a qualified rental unit parcel. An owner of a qualified rental unit parcel shall be entitled to an exemption on the education property tax grand list of 10 percent of the grand list value of the parcel, multiplied by the ratio of square footage of improvements used for or related to residential rental purposes to total square footage of all improvements, multiplied by the ratio of qualified rental units to total residential rental units on the parcel. “Qualified rental units” means residential rental units that are subject to rent restriction under provisions of State or federal law but excluding units subject to rent restrictions under only one of the following programs: Section 8 moderate rehabilitation, Section 8 housing choice vouchers, or Section 236 or Section 515 rural development rental housing. A municipality shall allow the percentage exemption under this subsection upon presentation by the taxpayer to the municipality, by ~~April~~ January 1, of a certificate of education grand list value exemption obtained from the Vermont Housing Finance Agency (VHFA). VHFA shall issue a certificate of exemption upon presentation by the taxpayer of information that VHFA and the Commissioner shall require. A certificate of exemption issued by VHFA under this subsection shall expire upon transfer of the building, upon expiration of the rent restriction, or after 10 years, whichever first occurs; provided, however, that the certificate of exemption may be renewed after 10 years and every 10 years thereafter if VHFA finds that the property continues to meet the requirements of this subsection.

Sec. 24. 32 V.S.A. § 5405 is amended to read:

§ 5405. DETERMINATION OF EQUALIZED EDUCATION PROPERTY

TAX GRAND LIST AND COEFFICIENT OF DISPERSION

(a) Annually, on or before April 1, the Commissioner shall determine the equalized education property tax grand list and coefficient of dispersion for each municipality in the State; provided, however, that for purposes of equalizing grand lists pursuant to this section, the equalized education property tax grand list of a municipality that establishes a tax increment financing district shall include the fair market value of the property in the district and not the original taxable value of the property, and further provided that the unified towns and gores of Essex County may be treated as one municipality for the purpose of determining an equalized education property grand list and a coefficient of dispersion, if the Director determines that all such entities have a uniform appraisal schedule and uniform appraisal practices.

* * *

(c) In determining the fair market value of property that is required to be listed at fair market value, the Commissioner shall take into consideration those factors required by section 3481 of this title. The Commissioner shall value property as of ~~April~~ January 1 preceding the determination and shall take account of all homestead declaration information available before October 1 each year.

* * *

Sec. 25. 32 V.S.A. § 5410 is amended to read:

§ 5410. DECLARATION OF HOMESTEAD

(a) A homestead owner shall declare ownership of a homestead for purposes of education property tax.

(b) Annually, on or before the due date for filing the Vermont income tax return, without extension, each homestead owner shall, on a form prescribed by the Commissioner, which shall be verified under

the pains and penalties of perjury, declare the owner's homestead, if any, as of, ~~or expected to be as of,~~
~~April~~ January 1 of the year in which the declaration is made.

* * *

(d) The Commissioner shall provide a list of homesteads in each town to the ~~town~~ municipal listers and assessors by May 15. The listers and assessors shall notify the Commissioner by June 1 of any residences on the Commissioner's list that do not qualify as homesteads. The listers and assessors shall separately identify homesteads in the grand list.

* * *

Sec. 26. EFFECTIVE DATE

This section and Secs. 1-25 (grand list assessment date) shall take effect on July 1, 2031 and shall apply to grand lists lodged after that date.

Appendix 5: Parcel Counts and Average Years Since Last Reappraisal for County-based RADs

Act 73 County-based RAD	RAD Parcel Count	Average Years Since Last Reappraisal
Addison	17,872	6
Bennington	21,319	10
Caledonia	17,138	6
Chittenden	58,750	7
Essex/Orleans	24,230	8
Franklin/Grand Isle	29,563	12
Lamoille	14,532	6
Orange	16,592	9
Rutland	33,281	11
Washington	29,740	9
Windham	30,252	7
Windsor	23,734	6
Grand Total	317,003	8