

Vermont Form <b>RA-308P</b>	Property Valuation and Review <b>PRELIMINARY</b> <b>DETAILED REAPPRAISAL COMPLIANCE PLAN</b>
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**(For use prior to assignment of field staff and/or in the absence of a finalized contract. Once staff is assigned, but no less than six months before starting field work, Form RA-308 must be submitted for final approval by the Director.)**

The Town/City of \_\_\_\_\_ hereby notifies the Director of Property Valuation and Review (PVR) that a reappraisal is planned. It will be completed for grand list year \_\_\_\_\_.

**General Information**

**A.** Number of active parcels of real property in municipality ..... \_\_\_\_\_

**B.** Year of last complete reappraisal ..... \_\_\_\_\_

**C.** Last Reappraisal done by:

- In-House (listers or assessor)
- Contractor Name \_\_\_\_\_
- Other (explain) \_\_\_\_\_

Are you currently under order to reappraise? .....  Yes  No

Please indicate what CAMA system was used in the last complete reappraisal (if none, write "none").

\_\_\_\_\_

**D.** Does your town have property maps (tax maps)? .....  Yes  No

If "Yes," are they updated annually? .....  Yes  No

If not updated annually, how often are they updated? ..... \_\_\_\_\_

Who maintains the maps? \_\_\_\_\_

**E.** Does your town send sales verification forms to: .....  Buyer  Seller  Both

**F.** Are building permits required in your town? .....  Yes  No

**G.** Since your last complete reappraisal, has your town had in place a method of systematic re-inspection of all properties? .....  Yes  No

- If "Yes," please briefly explain how it works: **1)** How do you decide what properties are inspected each year?  
**2)** Is a certain percentage of the town re-inspected yearly or are certain classes or neighborhoods chosen?  
**3)** Are properties subject to building permits? Use attachment if necessary.

Town of \_\_\_\_\_

Grand List Year \_\_\_\_\_

H. Which of the following describes the type of reappraisal activity proposed? Check one.

- Complete Reappraisal
- Statistical Update\*
- Partial Reappraisal\*
- Rolling Reappraisal or Cyclical Reappraisal

\*If completing a Statistical or Partial Reappraisal, please provide a copy of a Data Quality Study as soon as it is available. **NOTE:** If the study does not satisfactorily meet requirements, you will be required to submit a new Form RA-308 for a Complete Reappraisal.

Is your data quality study attached? .....  Yes  No

What CAMA Program will be used for this reappraisal? \_\_\_\_\_

I. Do you have a signed contract for your reappraisal? .....  Yes  No

Please **provide a copy** of the reappraisal contract, if one is in place.

Contract enclosed

If “Yes,” provide the following information:

**Firm Name** (if applicable): \_\_\_\_\_

**Project Supervisor:** \_\_\_\_\_

Is this person also a Lister?.....  Yes  No

If “No,” which Firms and/or Project Supervisors have you contacted or sent your RFP to?

\_\_\_\_\_  
\_\_\_\_\_

Date of RFP Mailing: \_\_\_\_\_ Date of Deadline: \_\_\_\_\_

Please **provide a copy** of the reappraisal RFP and/or letter requesting proposal(s).

J. Provide any other information you feel would be helpful in explaining your reappraisal activity. If more space is needed, attach additional pages.

- We acknowledge that we have read and understand the expectations and requirements for this reappraisal activity, including the qualifications of the individuals conducting the reappraisal.
- We understand that this reappraisal will be audited as part of the Reappraisal Activity Evaluation (Three-Prong Test), and the results may not be accepted if these requirements are not followed (see GB-1267, Reappraisal Activity Evaluation for the Equalization Study).
- We will provide further documentation upon request.

Board of Listers/Assessor:

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**Contact Information**

\_\_\_\_\_  
Contact Name

\_\_\_\_\_  
Phone

\_\_\_\_\_  
Email Address

**Submit this completed form by:**

**Email to:**

tax.pvr@vermont.gov and  
your District Advisor

**OR**

**Mail to:**

Property Valuation and Review Division  
Vermont Department of Taxes  
133 State Street  
Montpelier VT 05633-1401

If you have any questions, please contact your District Advisor or call (802) 828-5860.

Town of \_\_\_\_\_

Grand List Year \_\_\_\_\_

# REAPPRAISALS

## Division of Property Valuation and Review

Towns that are planning a reappraisal, whether under order or not, must report that activity to the Division of Property Valuation and Review (PVR). PVR will evaluate the planned activity to determine the following:

- 1) Whether the town's plan will meet the goal of coming into compliance for the coefficient of dispersion (COD) and 2) whether the town's plan, if not under order, will improve the common level of appraisal (CLA) and COD.

The necessary reporting forms and an explanation of the process are provided here.

### PROCESS FOR APPROVAL OF REAPPRAISALS

1. Within 150 days of receipt of an Order to Reappraise or prior to commencement of reappraisal activity, but in no case later than January 1 of the effective reappraisal year, the listers will complete and return Form RA-308, Detailed Reappraisal Compliance Plan. The reappraisal shall substantially conform to one of the definitions of reappraisal in the "Definitions of Reappraisal Types" appended to this document.

\*In the event that a contract is not executed within the 150 days prescribed in Rule 1.4041a or commencement of reappraisal activity is not scheduled to begin for more than 12 months, the listers may utilize Form RA-308P, Preliminary Detailed Compliance Plan. Should this option be utilized, the listers must submit a completed Form RA-308 within 6 months of commencement of any reappraisal activity.

2. PVR will acknowledge receipt of the plan by notifying the listers. If further information is needed for approval, PVR will request it at that time.
3. At the time of lodging of the grand list book with the town clerk (after the close of grievances), the listers will electronically file the reappraised grand list Form 411 and the town clerk will complete and submit Form RA-310, Report of Reappraised Grand List, to PVR. *\*Please note, these must be done in conjunction to ensure the taxable grand list values match.*
4. In the event that you have an approved Detailed Compliance Plan and WILL NOT be able to complete for the proposed year, you must immediately contact your District Advisor to reset adjustments made for Current Use and Utilities. A subsequent Form RA-308 may be required.
5. PVR will determine a temporary reappraisal CLA for tax rate setting purposes and set the fiscal year's education tax rates using that new CLA. The education tax rates will be set as soon as practicable after receipt of the current reappraised grand list information submitted.

Given municipalities' understandable desire to proceed with tax billing and collection, a comprehensive evaluation of the reappraised grand list is not possible as part of the PVR Director's certification of reappraisal for tax rate setting purposes. Certification of a reappraisal for tax setting purposes under 32 V.S.A. § 5406(c) **shall not be construed as acceptance of reappraisal activity for PVR's equalization study.**

If the Director of Property Valuation and Review certifies that a municipality has completed a town-wide reappraisal, the common level of appraisal for that municipality shall be equal to its new grand list value divided by its most recent equalized grand list value, for the purposes of determining education property tax rates, education property tax liabilities, and income sensitivity claims relating to the fiscal year designated by the director. 32 V.S.A. § 5406.

If further evaluation of a grand list as part of the equalization process suggests that unacceptable assessment practices such as selective reappraisal took place, PVR will adjust its equalization procedures to derive the best possible estimate of fair market value and COD.

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## WHAT IS A REAPPRAISAL?

There are four generally accepted reappraisal activities.

1. Complete reappraisal
2. Statistical update
3. Partial reappraisal as defined below that results in changes in grand list value to a substantial portion of the parcels in the municipality, and results in a significant change in total grand list value over the prior year's total.
4. Rolling reappraisal as defined below, **provided that the rolling reappraisal is completed within a three-year time-frame.**

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## DEFINITIONS OF REAPPRAISAL TYPES

### Complete Reappraisal

A reappraisal of all town properties including interior property inspections, development of new land and building pricing schedules, adjustments, and factors. The goal must be to implement new values for all properties that reflect 100% of fair market value.

1. Tax maps are desirable to assure a complete parcel inventory with detailed land area information for each parcel. Maps should be updated prior to the beginning of the project, and ideally, annually.
2. To the greatest degree feasible, all parcels and buildings (95% is desirable) should be fully inspected (interior and exterior) and measured with documentation on property record cards. The documentation should show date of inspection, person performing the inspection, and all factors and criteria employed to generate the new listed value. As new technologies are developed, alternate methods of data collection may be permissible with the consent of the Director on a case-by-case basis.
3. A sales analysis should be performed to establish land and building mass appraisal factors for property attributes (for example, land schedule(s), building and land grading factors, depreciation schedule(s), building value base rates, outbuilding values, etc.). The systematic estimation of value for every property should be performed based upon its attributes relative to these factors. Only through the uniform application of a systematic estimation process is it possible to properly calibrate a mass appraisal valuation model and then derive uniform and defensible grand list values. The non-systematic manipulation of the valuation model to reach the sales price of a recently sold property is a form of sales chasing and is not an acceptable appraisal practice

within this definition. The use of the arbitrary adjustment of depreciation and/or quality grades to reach a value that conforms to a sale price is an example of such manipulation.

4. There should be sufficient sales to support reliable estimation parameters for land schedules, depreciation etc. If sufficient sales are not available within the municipality, **sales from other municipalities with comparable real estate markets, appraisals or an expanded time period should be used to supplement the database.** Documentation to support each of these actions should be maintained and be available for review.

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## Statistical Update

A statistical update is a revaluation of all town properties, but unlike a complete reappraisal it does not require on-site property inspections except to confirm validity of data for a sample of properties. The goal must be to implement new values for all properties to reflect **100%** of fair market value. If building permits are not required in your municipality and there is no program of systematic re-inspection of all property, this **is likely not an acceptable method** of establishing equitable values as any inequities that currently exist within the grand list may be magnified using a statistical update. If a statistical update is being done, a copy of the data quality study, completed not more than 12 months prior to commencement, shall be submitted to the Director for approval.

1. Tax maps are desirable to assure a complete parcel inventory with detailed land area information for each parcel. Maps should be updated prior to the beginning of the project, and ideally, annually.
2. Completion and documentation of an initial data quality study is done to establish that the quality of the existing physical data currently on file is acceptable.
  - a. Select a random, representative sample of 2% to 5% of all properties. The size of the sample is dependent on: size of the community, location mix (that is, number of neighborhoods) in the community, age and style of the properties, number of years since the last date when all properties within the municipality were inspected, and the nature of data maintenance programs used. The sampling process should be sufficient to ensure that existing property data is accurate concerning each significant type of property and neighborhood within the municipality.
  - b. For each sample parcel subject to review, and after it has been inspected (including an interior inspection), the listers/assessor should correct any errors in the data and rerun the value for that property using the unmodified mass appraisal model from the last reappraisal. The original value is compared with the value that would have been in effect had more accurate data been available. The listers/assessor and/or contractor should then look at the level of discrepancy in values (old versus new). If the average level of discrepancy for any significant property type is large (in excess of 10%), then the listers/assessor and/or contractor needs to evaluate whether there is sufficient integrity in the existing data to support a reappraisal based on a statistical update. In other words, if after correcting for data errors, the new values are on average significantly different from existing grand list values, then it is time to consider doing a complete reappraisal including inspections of all properties.
3. Sales analysis and mass appraisal guidelines are the same as for a complete reappraisal (see #3 and #4 above under Complete Reappraisal).
4. Under most circumstances, a statistical update **shall only be done once** if within 5 years of the last complete reappraisal, and the COD is less than 15.

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## Partial Reappraisals

A partial reappraisal is a reappraisal activity that either targets some but not all properties in a town or adjusts a limited number of factors. Generally, this will result in a change in value, but a partial appraisal will not bring the entire municipality to 100% market value. The goal of a partial reappraisal is to improve the appraisal equity among specific categories, types, and/or neighborhoods of properties within a town by bringing them to approximately the same level of appraisal as the rest of the properties in that town, as measured by a statistical study of listed values to sale price.

1. Common types of partial reappraisals include land revaluation (which generally should only be done within five years of the last complete reappraisal). Other common types are time and location adjustments to improvements or selective revaluation of identified categories of properties based on types and/or geographic areas (that is, neighborhoods).
2. The extent of the revaluation activity is a characteristic that differentiates a partial reappraisal from routine grand list maintenance. Generally, to be considered a partial reappraisal, the revaluation activity should impact a significant percentage of grand list properties (20% or more), and/or all parcels in a property category (that is, R1, MHU, Other, etc.), geographic area, or property type.
3. The following guidelines should be considered when doing a partial reappraisal.
  - a. The grand list should undergo a sales analysis. The analysis should show that the level of appraisal of a portion of the grand list varies from other properties in the municipality so that adjustment is necessary to ensure that all properties are appraised at approximately the same level of appraisal. In making a determination that there is sufficient disparity in appraisal level to warrant reappraising a segment of the grand list, there should be sufficient sales to reliably identify the extent of disparity in level of appraisal. In the absence of statistical measurement, evidence from large samples – 20 or more sales – may be adequate to justify a partial reappraisal. The actual number of sales necessary is relative to the number of properties being evaluated and the variability in listed value to sale price ratios for the identified property type. For example, if you have 20 unlanded mobile home properties, a small number of sales may be sufficient assuming the sales analysis demonstrates a reasonably consistent level of appraisal.
  - b. Guidelines for a complete reappraisal relating to inspection and measurement, sales analysis and parameter estimation also apply to the property subset being adjusted through a partial reappraisal. At a minimum, all sale properties to be used in the sales analysis are inspected, measured, and verified.
  - c. Properties in the subset should be valued at fair market value **and then adjusted to the level of appraisal of the portion of the jurisdiction that has not been reappraised**. The level of appraisal for the non-reappraised portion of the grand list should be independently determined from a sufficiently large sales sample. The use of the town-wide CLA from PVR’s equalization study is **incorrect**, as it would include older sales, and it would reflect all sales including those in the subset of property subject to reappraisal.
  - d. The practice of annually adjusting some or all listed values of sale properties and only sale properties to a value at or near the sale prices is known as “**sales chasing**” and does not constitute a partial reappraisal. Furthermore, it is not an acceptable appraisal practice.

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## “Rolling” Reappraisal (Cyclical Reappraisal)

A “rolling” reappraisal is a type of complete reappraisal. What differentiates a rolling reappraisal from a complete reappraisal is that it is conducted and implemented over more than one year.

1. All of the elements of a complete reappraisal should be adhered to when conducting a rolling reappraisal including sales analysis and mass appraisal guidelines (see #3 and #4 above under Complete Reappraisal). The mass appraisal factors established for the first year of the reappraisal should be used consistently for each intermediate year of the reappraisal. As part of the preparation for conducting a rolling reappraisal, there should be a **pre-established** plan laying out the time period of the overall reappraisal and the properties subject to revaluation in each of the years.
2. The time period for conducting a rolling reappraisal **shall not exceed three years**. Plans for a rolling reappraisal over more than a three-year period are not accepted for updated CLAs for tax rate setting purposes. A longer time-frame becomes more difficult to maintain equity across appraisal values as the number of years in the cycle increases. This is particularly the case if market conditions at the time of the rolling reappraisal display significant appreciation or depreciation in values. This is due to the staggered schedule for inspections and a changing town-wide level of assessment over the period of reappraisal.
3. In any year of the reappraisal, the revalued properties should be valued at fair market value **and then adjusted to the level of appraisal of the portion of the jurisdiction that was not subject to the revaluation (see also under Partial Reappraisal #3c)**.
4. Under most circumstances, it is likely that a new sales analysis will be necessary in the last year of the rolling reappraisal. The analysis will indicate the need for adjustments to the mass appraisal factors used throughout the reappraisal in order to achieve a 100% fair market value standard. In the last year of the cycle and after the necessary adjustments to mass appraisal factors, all properties are then brought to full market value.

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## General Grand List Maintenance

Grand list maintenance is a limited revaluation activity on individual parcels intended to reflect changes not covered by the above definitions. This generally involves a relatively small number of value changes limited to properties with physical changes, revaluation of sub-division (and combination) of land, and name and address changes due to transfers. Grand list maintenance does not constitute a revaluation activity subject to 32 V.S.A. § 5406(c) certification.