



**Aggregate Common Level of Appraisal (CLA) Study Committee of Act 132 of 2016,
November 17, 2016, Room 410, 133 State Street, Montpelier, 3:00-4:30 p.m.**

Meeting Minutes

Present Members:

Douglas Farnham, Director, Property Valuation and Review, Vermont Department of Taxes
Tom Vickery, Vermont Assessors and Listers Association representative
Randy Viens, Vermont Assessors and Listers Association representative
Bill Shepeluk, Vermont League of Cities and Towns representative
Jon Mowry, Vermont School Boards Association representative (Via phone)

Tax Department Staff:

Jill Remick, Assistant Director, Property Valuation and Review
Jake Feldman, Research Statistician
Linda Henzel, Tax Education Specialist, Notetaker

Others:

Chris Miele, New England Municipal Resource Center (NEMRC)

Actions:

1. Received background on Vermont property tax bill layouts and possibility for adding CLA with Chris Miele from NEMRC
2. Reviewed Aggregate CLA Legislative Study Committee of Act 132 of 2016 draft report 1.2

Discussion included how the CLA was previously shown on the property tax bill (pre-2010) and how it could be shown now. The committee also expanded on ideas from the previous meeting that were included in this draft of the report: how towns could merge to form a common assessment district, a 5% buffer on year-to-year change in the CLA, and the possibility of rounding the CLA. Additionally, details of the proposed merger process (for equalization purposes) were discussed.

Factors to Consider – Adding the CLA to the property tax bill:

- CLA “bubbles” still exist in NEMRC software and would be easy to add in again.
- Degree to which the layout/template of tax bills can/should be standardized across the state, as a few towns have additional information on their bills and therefore will need to make manual adjustments.
- Financial implications of changing the current template. Chris (NEMRC) can provide a quote based on the re-programming time for making changes to the standard bills.

- Any pre-printed information must work around the tear-off, perforated stub area, avoiding the barcodes.
- Can current bill backer language be modified to reduce the amount of info re property tax adj. and include the explanation of the CLA and the state rate?
- Be sure we can meet the deadline for changes and that we haven't signed off on the bill backer for this year.

Factors to Consider – Assessment Districts

- When to reappraise and/or require towns to reappraise at the same time?
- What actions should involve the tax commissioner?
- What time interval of reappraisal is most fair? Any compromise intervals that could be used short term? Anything that could be standardized moving forward?
- Costs to small towns to reappraise and inability to get listers.
- New districts need to agree on consistent practices.
- Delay a merge until a district-wide reappraisal can be done by all towns at the same time? However, since reappraisals require funding, some districts may not be able to merge due to the cost.
- Allow sub-districts to merge, which can stabilize the situation and increase equitability, Harwood Union being a good example.
- Don't leave reappraisals to the discretion of the towns, and instead have the tax commissioner approve the schedules to be sure they're uniform. E.g., if a reappraisal has been done within the past two years, such a scenario could be OK'd at the discretion of the commissioner.
- How much information/assistance/data is provided by tax dept. to towns considering forming an assessment district.

Factors to Consider: Rounding the CLA

- How to minimize the possibility that towns use appeals to their advantage (so that they are rounded up)
- What unit to round to (if any)?
- No matter what unit is used, there will be decimals on that taxpayer's bill (because $105.48\% = 1.0548$). Keeping current CLA convention would mean 4 decimal places to deal with, so a CLA of 98.79 would show up as .9879

Factors to Consider: 5% CLA Buffer

- Some taxing jurisdictions cap the year to year change in equalized homestead rates, but if you cap it every year, inflationary markets will not yield as much to the education fund (such as Burlington and Stowe 2002 – 2008)
- May be a more appropriate measure for small towns with small sample sizes

Future Meetings:

Final version of Report will circulate electronically prior to December 9 meeting. Report due on December 15.