

VERMONT DEPARTMENT OF TAXES

Current Use Audits of 2022, Pursuant to 32 V.S.A. § 3760a

Audit Findings for Braintree, Brookline, Fair Haven, Groton, Shrewsbury, South Burlington, Waterville, and Westford

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Statutory Charge

32 V.S.A. § 3760a. VALUATION AUDITS

- (a) Annually, the Director shall conduct an audit of three towns with enrolled land to ensure that parcels with a use value appraisal are appraised by the local assessing officials consistent with the appraisals for non-enrolled parcels.
- (b) In determining which towns to select for an audit, the Director shall consider factors that demonstrate a deviation from consistent valuations, including the following:
 - (1) the fair market value per acre of enrolled land in each town;
 - (2) the fair market value of enrolled land versus unenrolled land in the same town;
 - (3) the fair market value of enrolled farm buildings in each town; and
 - (4) the fair market value of enrolled farm buildings in relation to the fair market value of the associated land.
- (c) For each town selected for an audit, the Director shall:
 - (1) conduct an independent appraisal of enrolled parcels and enrolled farm buildings in that town;
 - (2) compare the appraisals reached by the Director for each enrolled parcel with the appraisal reached by the local assessing officials; and
 - (3) review the land schedule and appraisal model applied by the town.
- (d) If, as a result of an audit, the Director determines that an appraisal reached by the Director differs from the appraisal reached by the local assessing officials by more than 10 percent, then the Director shall substitute his or her appraisal of fair market value for the appraisal reached by the local assessing officials. A substitution of a fair market appraisal under this subsection shall be treated as a substitution by the Director under subsection 3760(b) of this title.

Introduction

The Director of Property Valuation and Review (PVR) must annually conduct an audit of three towns with lands enrolled in the Use Value Appraisal Program, referred to as Current Use (CU), to ensure that parcels with a use value appraisal are appraised by the local assessing officials consistent with the appraisals for non-enrolled parcels (32 V.S.A. § 3760a). The statute also provides advice on criteria for selecting towns to audit, direction on the methodology, and what actions to take.

For the 2022 Audit a different selection method was employed: eight towns, rather than the standard three, were selected in order to provide each District Advisor training and/or review in the audit process. The Towns of Braintree, Brookline, Fair Haven, Groton, Shrewsbury, South Burlington, Waterville, and Westford were selected by the Director for audit, the selection(s) were comprised of one town from each district advisor's territory. In the following sections, the procedure, findings, and actions for each audited town are discussed.

Procedure

The process begins with collecting all audit materials: including the town's Grand List, land schedule, cost tables, and Current Use enrollee's property records, CU maps and original CU applications. Cost sheets for the comparable parcels and the CAMA database were also used. Fieldwork consisted of review inspections of land and enrolled outbuilding values of audited properties and their comps.

PVR staff members then examined each enrolled parcel record for accuracy, completion, and adherence to the Current Use assessment process. This included looking closely at the land grading and the factors that went into those figures, as well as recalculating the values using the NEMRC MicroSolve CAMA program. Values and any changes to value for both the enrolled and excluded acreage were recorded and analyzed.

Methodology

The information in this report was gathered to help inform the selection of eight towns by the Director of Property Valuation and Review as prescribed above. The criteria examined were those listed as factors 1-4 in the legislative language and several other criteria that were strongly related to these four. The additional criteria emerged from numerous conversations within the department and with others familiar with the Use Value Appraisal (Current Use) program.

A few important things must be kept in mind by anyone looking at this report:

1. There may be legitimate reasons why a town is an outlier for some criterion
2. Some towns don't have any parcels that fit the parameters of the criterion, so they do not appear on that particular list
3. The Current Use list and Grand List can both contain errors and inconsistencies.

Criteria (from statute):

- (1) the fair market value per acre of enrolled land in each town; For every town in Vermont, divide the total amount of fair market value of enrolled land in the Current Use database by the total number of enrolled acres.
- (2) the fair market value of enrolled land versus unenrolled land in the same town;
- (a) For every town, select current use properties over 25 acres where the entire property is enrolled and find mean fair market value per acre as was done in #1. From the grand list, select properties that are over 25 acres or more and there is no value from improvements, house-site, inventory or equipment and are not in Current Use. Assume each property's total value is from land only. Compute mean per acre value by dividing total value by number of acres. Divide the CU mean per acre by Grand List per acre value to get a ratio.
- (2a Cleaning Process for GL properties):
 1. Reject any properties that have something besides land in the description field.
 2. Reject any property that is described as being a swamp
 3. Reject properties with unusually high per acre values

(b) Similar to part a, but only looking at land that is attached to a house-site. For every town, select current use properties over 27 total acres where there appears to be a house-site (there are two acres or more of excluded land and a listed dwelling value). Only use properties with 25 or more acres enrolled in the program. Find the mean value of the enrolled acreage in each town by dividing the total value of the enrolled land in the town by the total acres in the program. From the grand list, only use properties greater than 27 acres, are not in current use, and have filed a homestead declaration (because those house-site values are accurate). Assume total value minus house-site value and any other listed non-land value is the value of the attached land. Find per acre value of that land for each town. Divide mean Current Use per acre value by grand list per acre value to get a ratio.

(3) the fair market value of enrolled farm buildings in each town; and

For every town, divide the total value of enrolled farm buildings in the town by the total number of enrolled farm buildings to get a mean value per building.

(4) the fair market value of enrolled farm buildings in relation to the fair market value of the associated land.

Divide the mean enrolled farm building value (from #3) by the mean fair market value of an enrolled acre in the town (from #1) to get a ratio.

Related Criteria (from discussion with stakeholders):

(5) Look at parcels entering Current Use and see if their total listed value increased from what it was on the grand list in the year before entry.

Only use parcels where the total size is the same from both years. Examine parcels that entered in (a) reappraisal years and (b) non-reappraisal years.

(6) Look at parcels that are already in Current Use and see if their land value increased from what it was the year before.

Only use parcels where the enrolled acreage amount is the same from both years. Examine parcels in (a) reappraisal years and (b) non-reappraisal years.

(7) Look at parcels that are already in Current Use and see if their farm building value increases from what it was the year before.

Only use parcels where number of farm buildings is the same from both years. Examine parcels in (a) reappraisal years and (b) non-reappraisal years

(8) Compare the percent of current use parcels that increase in value in an appraisal year to the percent of non-enrolled parcels that increase.

Only use parcels that have not increased in size. Compare Current Use List value in appraisal year to that of previous year. Find percent of CU parcels in town that increased. Do same for non-CU parcels. Calculate difference.

Town Audit Summary

Braintree

Type	Town Data
Total Parcel Count:	694
Enrolled Current Use Parcels (2022 Grand List):	126
Current Use Adjustment:	\$15,378,900
Year of last Reappraisal:	2020
District Advisor:	Jen Myers
Number of parcels requiring adjustment:	None

Results

In May of 2022, the Department's PVR District Advisor team began an audit of the Town of Braintree Current Use parcels. The audit team consisted of Jennifer Myers, District Advisor for Braintree, and Cy Bailey, Senior Property Assessor for PVR. The Town was represented by Jackson Evans, Chairman of the Board of Listers for the Town of Braintree. The process began with a review of the Braintree Grand List, land schedules, cost tables, and Current Use enrollee's property records. All original Current Use maps and applications were made available to the CU Auditors. Field work, including on-site exterior inspections of the audited enrolled properties and the comparables, was conducted.

PVR staff members then examined each enrolled parcel record for accuracy, completion, and adherence to the Current Use assessment process. This included looking closely at the land grading and the factors that went into those figures, as well as recalculating the values using the MicroSolve CAMA program if necessary.

The review indicated that the Current Use program in Braintree is administered efficiently and correctly. No corrections or changes are required. All excluded land is correctly calculated, land values are consistent when comparing the Enrolled Current Use Land to Non-Enrolled Current Use Land, and outbuildings are reasonably valued.

Brookline

Type	Town Data
Total Parcel Count:	323
Enrolled Current Use Parcels (2022 Grand List):	32
Current Use Adjustment:	\$2,142,000
Year of last Reappraisal:	2007
District Advisor:	Cy Bailey
Number of parcels requiring adjustment:	16

Results

Brookline is a small rural community with 323 parcels located in Windham County, bounded Townshend, Athens, Westminster, Putney, Newfane and Dummerston. The long-time Lister in Brookline retired in 2020 and the Lister duties were assumed by (2) of the Townshend Listers.

The Current Use Audit in Brookline was conducted at the Brookline Town Offices on April 19, 2022, with field

reviews taking place on May 5th and May 10th. The Audit was conducted by Cy Bailey, PVR District Advisor/ Senior Property Assessor.

The audit revealed that the former Listers incorrectly valued the Current Use Excluded Land, requiring sixteen accounts to be corrected for the 2022-2023 Grand List. The audit indicated that Enrolled Current Use Land has been assessed equitably and that the enrolled farm buildings are correctly assessed.

Fair Haven

Type	Town Data
Total Parcel Count:	1146
Enrolled Current Use Parcels (2022 Grand List):	12
Current Use Adjustment:	\$1,016,700
Year of last Reappraisal:	2009
District Advisor:	Christie Wright
Number of parcels requiring adjustment:	None

Results

On April 27, 2022, PVR District Advisor Supervisor Christie Wright conducted an audit of the Town of Fair Haven's Current Use parcels. The Town was represented by Dani Roberts, Town Clerk and Lister for the Town of Fair Haven. The process began with a review of the town of Fair Haven's Grand List, land schedules, cost tables, and Current Use enrollee's property records. All original Current Use maps and applications were made available to the CU Auditor. Field work, including on-site exterior inspections of the audited enrolled properties and the comparables, was conducted.

The PVR District Advisor Supervisor then examined each enrolled parcel record for accuracy, completion, and adherence to the Current Use assessment process. This included looking closely at the land grading and the factors that went into those figures, as well as recalculating the values using the MicroSolve CAMA program if necessary.

The review indicated Current Use program in Fair Haven is administered efficiently and correctly. However, the land schedule and neighborhood delineations are incorrect. A reappraisal is recommended.

Groton

Type	Town Data
Total Parcel Count:	743
Enrolled Current Use Parcels (2022 Grand List):	59
Current Use Adjustment:	\$8,373,500
Year of last Reappraisal:	2019
District Advisor:	Barb Schlesinger
Number of parcels requiring adjustment:	2 (all land values will be changed for 2023)

Results

Groton is a smaller rural community with 743 parcels located in Caledonia County, bounded by Marshfield, Peacham, Ryegate, Topsham, Orange, and Plainfield.

The Current Use Preliminary review indicated inconsistent land valuation. The town recently voted to eliminate listers and now has a part-time assessor (retired District Advisor John Westinghouse) along with an assessor assistant who fell ill during the audit and was unable to provide help. We brought to John's attention the discrepancy with land grading, and upon his review of the land schedule, John's intent is to establish new land values townwide, which will affect the 2023-2024 grand list.

PVR Auditor will work with the town to ensure accurate changes are implemented for the 2023-2024 grand list.

Shrewsbury

Type	Town Data
Total Parcel Count:	701
Enrolled Current Use Parcels (2022 Grand List):	98
Current Use Adjustment:	\$11,330,400
Year of last Reappraisal:	2010
District Advisor:	Teri Gildersleeve
Number of parcels requiring adjustment:	21

Results

Shrewsbury is a rural community in Rutland County that abuts Clarendon to the west and Mendon to the north.

In June 2022, an audit of the Town of Shrewsbury's Current Use parcels began. PVR Operations Chief Teri Gildersleeve, and Shrewsbury Lister Sharon Winnicki started the process. PVR staff members then examined each enrolled parcel record for accuracy, completion, and adherence to the current use assessment practice. Of the enrolled parcels reviewed, seven have more than two acres excluded, and three reflect different values than what is recommended.

The Shrewsbury Lister, with the assistance of a PVR staff member, reviewed and corrected all excluded land calculations. There were a total of fifty-three (53) that were reviewed. Enrolled farm buildings are all valued appropriately.

Current Use enrolled values were found to be consistent with comparable properties.

South Burlington

Type	Town Data
Total Parcel Count:	7,729
Enrolled Current Use Parcels (2022 Grand List):	10
Current Use Adjustment:	\$ 4,318,300 (2021 = 3,783,107)
Year of last Reappraisal:	2021
District Advisor:	Theresa Gile
Number of parcels requiring adjustment:	10

Results

In May of 2022, the PVR District Advisor team was charged with completing a Current Use audit of several

towns, including the City of South Burlington. The audit team consisted of Theresa Gile, District Advisor, and Cy Bailey, Senior Property Assessor for PVR. The City of South Burlington was represented by the assessor, Martha Lyons. A review was completed of all original current use maps, original applications, cost sheets for each parcel, acreage breakdown including excluded acres to confirm the town and current use reconciled, the calculation method for excluded land and enrolled land values, and of non-enrolled and enrolled farm buildings. This review confirmed that the land grade adjustments were consistent with other properties in the same vicinity, and if not, there was an explanation for the difference. Field review consisted of an exterior site inspection for all audit properties, topography, land characteristics and confirming outbuilding count when applicable.

The City of South Burlington completed a full reappraisal for the 2021 Grand List. The long-time assessor left in April 2021 and a new assessor was hired who had limited experience with the current use program. All new values from the reappraisal were updated in the 2021 grand list; however, current use values were not updated. This caused the total grand list value, reduction value, excluded land value, enrolled land value, and building value to be incorrect when the final grand list was filed in January 2022. All Current Use property owners overpaid property tax.

The District Advisor met with the current assessor, and all 2022 values, including enrolled and non-enrolled buildings, excluded land, and enrolled land, have been updated accordingly. The assessor has a better understanding of the overall current use process and has been provided with material/tools for future reference. The City of South Burlington has issued abatements to all current use parcel owners for overpayment.

Waterville

Type	Town Data
Total Parcel Count:	388
Enrolled Current Use Parcels (2022 Grand List):	55
Current Use Adjustment:	\$4,726,500
Year of last Reappraisal:	2010
District Advisor:	Deanna Robitaille
Number of parcels requiring adjustment:	1

Results

Waterville is a rural community in Lamoille County.

In May of 2022, the Department’s PVR District Advisor team began an audit of the Town of Waterville’s Current Use parcels. The audit team consisted of Deanna Robitaille, District Advisor for Waterville, and Cy Bailey, Senior Property Assessor for PVR. The Town was represented by Linda Ward, Chairman of the Board of Listers for the Town of Waterville, as well as the remaining listers, William Baker and Kathy Day. The process began with a discussion on their process for reviewing, valuing and allocating values for enrolled parcels as well as for valuation of parcels in general. We reviewed the Waterville Grand List, land schedules, cost tables, and Current

Use enrollee’s property records. All original Current Use maps, and applications were made available to the CU Auditors. We compared the data in the enrollee’s application, maps and the PVR database to the Grand List.

PVR District Advisors then examined each enrolled parcel record for accuracy, completion, and adherence to the Current Use assessment process. This included looking closely at the land grading and the factors that went into those figures, as well as recalculating the values using the MicroSolve CAMA program if necessary.

The review indicated that the Current Use program in Waterville is administered efficiently and equitably when compared to their overall parcel maintenance. A recommendation for correction to a single barn value was made. All excluded land is correctly calculated when compared to their listing practices, land values are consistent when comparing the Enrolled Current Use Land to Non-Enrolled Current Use Land, and outbuildings are reasonably valued, except as noted in the single instance. A complete reappraisal will be completed for the 2023 Grand List.

Westford

Type	Town Data
Total Parcel Count:	944
Enrolled Current Use Parcels (2022 Grand List):	120
Current Use Adjustment:	\$12,375,900
Year of last Reappraisal:	2009
District Advisor:	Benton Mitchell
Number of parcels requiring adjustment:	None

Results

Westford is a rural community in Chittenden County. PVR District Advisor Benton Mitchell and Westford Lister Caroline Brown met in May of 2022 to review a representative sample of parcels enrolled in the Current Use Program.

A review of each individual parcel’s application and enrollment map proved an intimate local knowledge by the lister, who was able to describe the topography of parcels under review. This was further demonstrated when discussing the variations in land grading of subject properties to nearby comparable parcels. Grading of land was deemed consistent when comparing enrolled parcels to those not enrolled within a neighborhood area. A review of aerial imagery and a physical drive-by visual inspection of specific parcels and neighborhoods confirmed the land grading scheme employed by the town to be appropriate.

A comparison of building data and the valuation for enrolled and non-enrolled parcels demonstrated a consistent methodology was being employed, and no special consideration was given to those parcels enrolled in the program.