To CLA Study Committee

From Member Jon Mowry

September 21, 2016

From Jon Mowry: Through the VSBA, I sent a letter requesting feedback for the committee to all school board members in the state and I received exactly 4 written responses. Since there were so few responses, I pasted all of them [below]. While I am not sure we can put a lot of weight on 4 responses, some of what we did receive was thoughtful and raised some good points. One I found particularly compelling was the request to wait until Act 46 discussions and votes are completed in order to not further muddy the waters for voters.

Based on this feedback and my own thinking as we have progressed, I think that at this point I would most favor trying to implement some sort of statewide uniform tax bill that includes the voted school rate, the town CLA and the Grand List value as separate items. This would make it clear to taxpayers that the school budget they voted directly translates to the tax bill they receive while also making it apparent that there are other factors involved. The fourth respondent in the attached document suggested much the same thing.

Complete Responses:

"At times in the past there has been discussion of applying the CLA to the listed value of the house on the tax bill instead of to the tax rate. I know there were concerns about folks grieving the adjusted value but couldn't it be specified in law that only the listed value could be grieved. This would mean the tax rates could be the same in unified districts without trying to calculate a CLA over multiple towns which I think would be very confusing. Has this possibility been raised in your discussions?

Our board is going to discuss your question tomorrow evening although I don't know that we can express a board opinion without consulting with our listers."

"I for one Jon, would suggest that you wait a couple of years to consider a merged rate. It will frighten off and muddle most of the towns that are now considering merging. Just consider this, if you were a small town like Woodford would you want to merge your tax rate with Bennington?"

"It makes no sense to merge different towns' CLAs. The CLA exists to normalize for the vagaries of appraisals which are done independently on a town-by-town basis. Unless the listers across all towns are in perfect unison, then it is wrong to use a common CLA across different towns."

"Hi Jon, I am a founding board member of a new, consolidated district- MRUUSD, a lister in the town of Shrewsbury, and I was Shrewsbury's member on our Act 46 Consolidation Committee that brought the merger vote to our taxpayers. I believe I have a good understanding of the issue at hand.

-First as a school board member: There is no advantage to merging CLAs other than perceived ease in selling budgets. Towns already feel that they are losing their independence. This will be another layer of loss and one that they will not have been allowed to vote on. There is no doubt that smaller towns will feel the effects far more strongly than the larger towns. Shrewsbury is already in the unenviable position of being the only town that saw a rise in our education tax rate due to our merger. Our taxpayers

understood that this was necessary and they made that difficult choice in the voting booth. The proposed merging of CLAs will not help to pass budgets with an informed and educated electorate and may, in fact, cause their failure out of disgust at how far removed the tax rate is from town appraisal patterns. Our school district has both a board and administrative layer that has knowledge of all the schools and their needs. This allows for decisions to be made for the good of the whole district.

-As an elected lister: I work very hard to defend equity within my town. I take trainings and have faith in our values. Other towns may or may not have this same level of commitment. Unfortunately there would be no local, combined board with knowledge of the entire district nor would there be any oversight or advice other than what is available from the State tax folks, who are already overworked and without adequate staffing levels. Without meaning to sound trite, we would have taxation without full representation as to the value of our individual town's Grand List. My fellow listers and I have discussed this proposal and do not support it!!

-As an Act 46 Study Group member: If I had been aware that a merger of town CLAs was being discussed, I would have been far less supportive of our merger proposal. I would not have been able to tell my town's taxpayers that there would be a single tax rate in the future that would be adjusted by the actual sales in our town. I believe they would not have been in favor of having our tax rates so directly affected by the sales of properties in our surrounding towns. These towns are very different in housing stock and values.

I appreciate the opportunity to share my opinions of this proposal and hope they will be shared with your committee as forcefully as I have tried to make them to you."

"First, thanks for serving on the CLA study committee.

I would propose a simple and inexpensive solution to the confusion over the impact of the CLA on property tax bills. Rather than burying the CLA in the tax rate, give taxpayers a straightforward explanation on how their final bill is calculated:

School district tax rate (which would be the same for all towns in the merged district)

X Local CLA (which would vary by town)

= Property tax rate

Each line could be explained, including a brief explanation of how/why the CLA is set.

I suggested this when we met with legislators at FB last year. Apparently, there is fear that property owners would question their property values relative to the CLA which would raise a political stir. How would that be worse than the confusion over tax bills now? How would taxpayers in such diverse towns as those in our proposed merger understand and accept a common CLA, especially if that is still buried and obscured in the new common rate?

Even if the study committee eventually goes with a common CLA, please insist that the calculations be transparent and well-explained on tax bills."