

Date: December 30, 2024

To: Windsor VT Legislative Group

From: John Fike, Reading, VT.

Subject: Act 68 Report and related Issues

Act 65 Report Items:

The report is built around a 6-year reappraisal cycle concept. After reading the 40 Page report several times, and a Team PVR meeting where the report sections were reviewed, my conclusion is the implementation of the sections in the report will not solve or resolve the insufficient property tax fully funding of the post pandemic increases in the operating and construction costs of public education,

My comments about reappraisals and Act 68:

The Reading Listers led town-wide reappraisals in 2004, 2008, 2024 and a partial 2015

The 2024 Reading reappraisal was far different because of the post pandemic property owner environment.

Motion detectors and onsite cameras are the norm today. These items give owners real-time information on who is on their property.

The Reading Listers completed their own equalization studies and correlation closely with our PVR studies. The Listers knew in 2 1/2 years Reading would need to

reappraise. Budget increases were given to the Select Board.

The Listers put articles in the Monthly Reading Informer describing the reassessment process. The Listers continued their correspondence during the reassessment. The Listers also provided time for pre-grievance meetings where most of the questions were resolved. There were very few grievances and No BCA!

I went into this detail because in the report it referenced large assessing firms (I assume not Vermont firms) wanting to conduct large regional reappraisals. It was noted as many as 10,000 units. Keeping personal owner contact would not happen. These large reappraisal numbers are fine when you have large tract housing. There is County prior approval for all phases of construction from streets, utilities and dwelling type and features. There are also the HOA contract restrictions for the dwelling owners.

During my corporate tenure in Denver, I was president of a large HOA with a contract management firm. The reassessment was change in value form stating the change in value for this style of dwelling and a new assessment and tax rate.

Vermont used the English "Shire" local town government concept since 1790. Using a large mass property base would necessitate an increase in the role of county government in the reassessing process with an increase in

county bureaucracy and costs with no added benefits. Another option could be to enlarge the PVR Dept to be directly involved in State-Wide appraisals. Again, there is an increase in the bureaucracy costs with no added benefits.

My hope is the above information will produce much more dialog and testimony from Vermont and New Hampshire appraisals firms, VALA, and VLCT before there is any further action on the Act 68 Report.

The last part of my presentation is the Pandemic and the Post Pandemic Impact on the above discussion.

Pandemics often occur as century events and it is still true.

The 1918 Flu Pandemic occurred about 1 year after the WWI armistice was signed. The war lasted 4+years and killed millions of soldiers, and people in the world were tired. Many families were nearly wiped out. Worldwide, the loss of life was over 40 million. There were no vaccines, Medical research was in its infancy and the machine age had just begun. Sanitary conditions were poor and people worked long hours in close contact. The pandemic waned but the Post Pandemic was still impacting the population up to US's WW II entry. Post Pandemic changes never return to pre pandemic eras.

NOW, move ahead to 2018 and viruses are attacking again, and we have a new pandemic right on the century mark. The world is vastly different than 1918. We are in

the 21st Century and the information age, computers, algorithms, and artificial Intelligence, but our lives were impacted: Just a few examples: working from home, no close contact, education of children at home, online meetings, using words like Zoom, Cohorts, and Teams, To Go meals and groceries to name just few changes. People also made life changes of where to live and work which had a big impact on the Vermont real estate market. The sharp rise in labor costs and the cost of raw materials and finished goods will not go back to pre-pandemic era.

One Great Plus of the information age was the development of successful vaccines to inoculate the public. This rapid medical research reduced loss of life word wide. We entered the post pandemic period of 2024, and it will continue for many years.

How does the above history relate to Vermont reappraisals?

Many families from different parts of the country made life living relocation discussions. They wanted to move from the cities to more rural areas and the “**Mystique of Vermont**” beckoned again. Vermonters, who were going to retire or were retired put their houses on the market and were astonished at the selling prices and Vermont real estate took off.

When the PVR produced their three- year equalization study over 150 towns met criteria for reappraisals. And there was panic in the House Chambers that the system

failed. First. If you look at prior years equalization studies, the number of towns that needed to reappraise was growing.

“The statistical system did not fail”, but illustrated there was a Pandemic that affected every part of our lives. It was followed by the current Pre Pandemic time that will impact our lives and there is no going back. Your plumber and electrician will still be charging \$60 to \$70 per hour. Your Grocery bill that was \$100.00 now is \$150.00+ and 2x4 wood studs will not return to \$1.25 each.

Let's get out of the panic mode of failure into the problem-solving mode of how we can improve the appraisal process, not destroy what the state PVR Dept. and the various Vermont property assessing professionals have developed. Everyone need to listen and respect one another, and not have a closed mind.