VALA Legislation Discussion Hybrid Meeting Minutes

 **Wednesday, February 8th, 2023 at 9:30 a.m.
 West Rutland Town Office and Zoom**

The meeting began at 9:30 AM with board members Lisa Wright, Cheryl Tudhope, and Lisa Truchon present. Jacob Dorman spent time leading up to the meeting establishing the quorum. It was verified with the following delegates or alternates present: **Addison:** Absent; **Bennington:** Absent; **Caledonia:** Larry Willey; **Chittenden:** Karen Lemnah; **Essex:** delegate vacancy, no rep; **Franklin:** Absent; **Grand Isle:** Absent; **Lamoille:** Absent; **Orange:** Mimi Burstein & **Alternate:** Phyllis Hayward; **Orleans:** Absent; **Rutland: Alternate:** Karen Folger; **Washington:** Absent; **Windham:** Absent; **Windsor:** Stacey Bradley **& Alternate:** Cristina Tardie

Present via Zoom – Elizabeth Curran, Russ Collins, Noel Walker, John Kerr, Bob Quaderer, Cheyenne Latimer, Joe Turner, Adan Garcia, Marty Lagerstedt, John Fike, Jen Myers, Christie Wright, Jill Remick, Pat Santoso, Karen Horn, Amanda Bosley, Chloe Wexler, Theresa Gile, Barb Schlesinger, Linda Sherman.
Also in-person present – Chris Miele, Jeremiah Sund, Becky Quesnel

**Minutes Approval:** The minutes from the January meeting were submitted for approval. Lisa Truchon moved a motion to approve the January minutes; Cheryl Tudhope seconded the motion. After no further discussion the motion carried.

**Treasures Report:** Lisa Truchon did not present a treasurers report for this meeting as it was called mainly for the legislative discussion.

**Committee Reviews*:*** Stacey Bradley made a motion to postpone committee review and discussion until the March meeting and move forward to the PVR and legislative discussion. Phyllis Hayward seconded the motion. After no further discussion the motion carried.

**Legislature/PVR:** Jill Remick will be providing updates on two pieces of legislation that are currently being discussed in Montpelier. Those being the Land Use Change Tax and a Moratorium on Required Reappraisals.

Land Use Change Tax – Meeting with house agriculture committee for first time today to discuss. Discussion to find ways to simplify the land use change tax on portion of a parcel and simplify the process and make it more predictable for tax payers. Remick insists that two main components will go into solving the LUCT issues.
Component 1 – Revert to practice prior to 2015 where if LUCT is a portion of parcel, the portion acreage is prorated and that value is taxed. Cost sharing would still be implemented. Penalty rates would be charted for better predictability and consistency. In theory this would standardize application statewide, increase transparency and improve predictability while also removing the work burden from listers and assessors. Lastly change the time of collection for the LUCT. (Note – Penalties are not paid upon withdrawal so towns entitled to their portion of the penalty sometimes don’t get paid for years or never.)

Currently the LUCT language has been drafted and a statutory change still needs to be written up. A presentation will be given this afternoon and we should know by next meeting if the proposal has gained any traction.

Lisa wright summarizes VALAS viewpoints on the matter touching on chiefly fairness but also the complexity of the issue and how diverse situations and the consideration of highest and best use greatly affect the values outcome in turn the penalty. Stacey Bradley notes that large parcels will not be penalized at the same rate as smaller parcels creating inequity and lacking a highest and best use analysis. Bradley states that the penalty percentage returned to the towns should potentially be increased. Lastly Bradley states the penalty should be collected upon withdrawal not after development. Cheryl Tudhope notes that changes like this would generate a need to open up a withdrawal for all enrolled property. Jeremiah Sund makes a compelling point about land conservation and the effectiveness of the current system and how the proposed system is focused on equitable penalizing by predicting intent. When highest and best use is applied intent should not be a consideration.

Moratorium on Required Reappraisals – Jill Remick notes that a draft bill for a regular reappraisal cycle is being discussed but it’s in very early stages of development. Committee wants to think big. Statewide reappraisal proposal with large staff. Committee meetings and discussions with listing and assessing professionals to occur on February 9th and can be viewed on YouTube. Karen Horn stresses contacting local representatives. She also notes that the current bill only mentions the education grand list so the bill would be splitting the municipal and educational portions legislatively. Karen ended by mentioning the interest in increasing the income sensitivity in the education tax system to recognize elevated residential property values.

Lisa Wright opens the discussion by presenting the question of how the moratorium will be implemented. Karen Horn responds by stating VT is essentially already in a moratorium with 126 towns needing a reappraisal and not having the capacity to do so while noting there is no incentive other than compliance reports to perform one. Lisa Wright responds that the CLA change affects your tax rate so that’s the incentive. John Fike states that the moratorium is a panicked reaction from the legislators and that the pandemic caused a glitch in the market. He also sent a letter to Jill Remick summarizing his thoughts and discussion on the matter. Stacey Bradley notes the similarities between Act 64 and the current Moratorium proposal and the lack of knowledge from the legislators and a number of problems with the proposal. Cristina Tardie makes a point about the CLA and Lisa Wright clarified hers. John Fike remembers the speculative market after the economic crash in 2008 and how it self-corrected itself in time while noting the relationship between cost to build or cost to purchase today. Jeremiah Sund states VALA needs a unified message and seconds John Fikes remarks about the glitch or black swan event. Jill Remick states the CLA is not a problem and it is doing what it is supposed to do. Mimi Burstein states that the lack of workforce and staff is the real issue here. Stacey Bradley is in agreement to some sort of reappraisal schedule. Comments in the chat about the CLA, State Districts are read by Lisa Truchon. Lisa Wright presented questions about staffing a statewide reappraisal, new workforce, Experience, geographic competency, local data, and unusual statues. John Fike mentions cost trending. Lisa Wright suggest VALA prepare a statement for the House Ways and Means Committee and reads more chat comments. Wright then presents the question, what do towns that have already contracted a reappraisal do? Remick responds that the intent of the bill would stop new reappraisal orders. Jeremiah Sund states that competition between contractors keeps costs down, and notes that indexing the states compensation on a per parcel basis would stop the need for an increase every 5 to 10 years.

Its determined that a statement from VALA will be drafted and a committee will be formed. Lisa Wright, Stacey Bradley, Cristina Tardie, John Fike, Jeremiah Sund, and Linda Sherman will make up the committee.

 **New Business:** No new business on the agenda. Pat Santoso gives a quick update on VT PIE. Chris Miele gives “VERY BRIEF” updates. Working CAMA systems will transition seamlessly to VT PIE.

**Adjourned:** Motion to adjourn the meeting from Lisa Wright, Linda Sherman Seconded the motion. Meeting was adjourned at promptly 11:04 AM.

Respectfully submitted, secretary, Jacob Dorman