

## **AD-HOC REAPPRAISAL COMMITTEE**

**Tuesday, February 28, 2023**

**Champlain Conference Room and via Zoom**

### **DRAFT MINUTES**

**Members Present:** James Unsworth, Chris Haessly, Alan Bjerke, Kevin Stapleton, Jonathan Chapple-Sokol, David Edwards, Dan Kirk, Joan Shannon

**Staff Present:** John Vickery (City Assessor), Joseph Dempsey (City Attorney's Office Staff)

**Others in Attendance:** (None)

Meeting called to order at 5:35 PM.

#### **1.0 Agenda**

##### **1.01 Motion to Adopt Draft Agenda**

Motion by Chris Haessly, Seconded by Alan Bjerke.

Final Resolution: Motion Passes.

Yes: Unanimous.

#### **2.0 Adopt Minutes from 12/01/2022**

##### **2.01 Motion to Adopt Minutes from 12/01/2022**

*Motion to Adopt Minutes from 12/01/2022.*

Motion by Chris Haessly, Seconded by Kevin Stapleton.

Final Resolution: Motion Passes.

Yes: Unanimous.

#### **3.01 Public Comment**

No members of the public present.

#### **4.0 Committee Discussion**

##### **4.01 Legislature's Proposal for the State to Cover Appraisals**

James Unsworth: The Ways and Means Committee has been taking testimony and having hearings regarding this. Half the municipalities in the state are going to need a reappraisal.

Alan Bjerke: is there a bill number?

David Edwards: So is the issue that all the municipalities are having these issues and it isn't Burlington in particular?

John Vickery: It is a lagging study so we will be in this position in a few years, not immediately. Chittenden County is appreciating at a higher rate than much of the state.

David Edwards: Chittenden County has a lot of the state's parcels.

James Unsworth: To get Joan up to speed, the legislature is working on this issue and seeing if the state will take over this burden.

Joan Shannon: Will this not be handled by the CLA?

John Vickery: I don't know about that. There are so many towns that need to do reappraisals that there are simply not enough professionals to do it.

David Edwards: I don't know if the CLA is state-wide.

John Vickery: They equalize every town when they do education funding.

David Edwards: When they equalized education, they must have started comparing towns.

Joan Shannon: They weren't saying that Stowe is worth more than Stannard, but rather the property taxes are higher so they have more revenue for education versus a less valued town. It is a complicated equation, but there is a method to it. Some towns are in different phases of reappraisal too which feeds into how towns are equalized.

Jonathan Chapple-Sokol: CLA helps to balance between towns for education, but at 85% the town has to reappraise.

John Vickery: I think towns should be making efforts to reappraise. I hope they improve this system.

James Unsworth: I think the state will take a few years to figure out this issue.

Alan Bjerke: does it make sense to reference this in our report?

James Unsworth: Yes, there are large implications from this. What I propose is that a cover letter to this report states that the testimony and discussion was done before this proposal.

Joan Shannon: We can identify problems and pass along our recommendations.

James Unsworth: The City Council could send the recommendations to the Ways and Means Committee as they are working on this same issue.

Alan Bjerke: It would be appropriate for the City's lobbyist to get on the Ways and Means Committee to let them know our recommendations.

Jonathan Chapple-Sokol: Would it be too forward for us to make a public comment about local control? It seems like it would be harder to do reappraisals if Montpelier were part of the discussion.

James Unsworth: Right now, local folks do the appeals, etc. so do we want Montpelier to be in charge?

Alan Bjerke: The legislation will likely change and does not even have a bill number.

James Unsworth: Yes, this should be in the cover letter to the report that we are apprehensive about letting reappraisals leave local control.

Joan Shannon: We are apprehensive about giving up local control? We are?

David Edwards: We would not have to abandon local assessors, and could we have a less local appraisal but keep control through our own assessor?

Kevin Stapleton: We should mention how these issues are being discussed in Montpelier. We are making assumption about how this legislation could end up.

Alan Bjerke: The second level of appeal is already at the state level.

Joan Shannon: The appeals process was such a burden and Alan Bjerke did a great job by stepping up to take on that task. Many of the people were volunteers and put in the time. Locals know the appellants and might be sympathetic or not because it is a small town. The appeals process wasn't bad because it was in Montpelier, it was bad because it was poorly done.

John Vickery: The major model around the entire US is county-wide or market district. Vermont is quite unique. Most assessors in VT don't want total state control or even county-wide. The process could be better and more professional if done at a larger area.

Kevin Stapleton: Local control issues seem to be on the forefront.

James Unsworth: Do we agree that there are too many moving pieces to make accurate predictions on the legislature at this time, but hopefully our recommendations can go to Montpelier and see how they could be incorporated.

#### **4.02 Finalizing the Committee's Report to the City Council**

James Unsworth: Any issues with the final draft that we've prepared beyond grammar?

Alan Bjerke: The report should have an appendix with the educational materials we put out previously.

Shannon: People might feel unheard if we quote too many people but not them. We should probably generalize more so it is less personal, including our own thoughts on the issues.

Bjerke: I think we could just cut it out, but I do think the direct quotes are helpful.

Jonathan Chapple-Sokol: I agree, I think the direct quotes are helpful. We could say that these are the kind of the things that we heard.

Kevin Stapleton: De-individualizing the quotes would be great, but keep the general quote. Not to take anything away from your report, James.

James Unsworth: So we'll de-individualize it, do we agree?

Alan Bjerke: There are some baseless accusations.

Joan Shannon: I don't think we should include baseless accusations or things that are just totally non-fact based. It might be helpful to consolidate all of the recommendations at the end. The structure might need to be made consistent since we have multiple authors.

James Unsworth: Anyone else can adjust anything in the report if they care to. Do we want to agree on a format now?

Alan Bjerke: My two sections are consistent and the third is not. I don't see a fourth section here.

James Unsworth: Alan, should the two of us work on this one last time to create a solid final draft for everyone to review.

Jonathan Chapple-Sokol: I have a few comments. Including a full, comprehensive timeline of the appraisal process and appeal process before everything begins would be a good idea. The informal appeal is done without a timeline.

Alan Bjerke: I think it was because of COVID and we did not have the ability to have informals.

Jonathan Chapple-Sokol: I think informals should be a required portion of this appeals timeline.

John Vickery: We had to forego it with the time crunch in this last appraisal.

Jonathan Chapple-Sokol: With that step, I think our process would have been much better.

James Unsworth: Yes, it has been there in the past. Do you want to put together a paragraph to include?

Alan Bjerke: We followed the statute guidelines.

Jonathan Chapple-Sokol: Yes, but I think the timeline was flawed, unfortunately.

James Unsworth: The informals would allow owners to get the numbers explained before the formal appeal process.

Joan Shannon: The assessor's office can handle the day to day, so who is doing the informals?

John Vickery: Tyler did in the past. In a good year, the process works pretty well and most people are left satisfied. We used our deputy assessor and assistant assessor in the informals too.

Joan Shannon: So much time and money went to Tyler and they made large errors and were not satisfactory. So much seemed to be ignored by the contractor. The hearing officers were unprepared and had not read anything in advance. Then the superior of the hearing officer would reject the appeal despite not hearing the appeal in the first place.

Jonathan Chapple-Sokol: The contractor did the Board of Assessors appeals and it was a failure. Informals would have remedied many of them.

Joan Shannon: We put lots of effort and money into the process and the contractor was unprepared and insufficient.

Jonathan Chapple-Sokol: The informals didn't really happen and the BOA appeals didn't really happen. The state is not prepared to hear such a volume of appeals from the local level and everything got tied up.

Joan Shannon: The informals should be with the contractor and not volunteers.

John Vickery: I gave Tyler warnings about the volume and they said they were prepared, but evidently were not. The contract has all the details in it and perhaps the next contract should be even more detailed in what we want.

James Unsworth: Part of our recommendation is to keep assessment in-house and not rely on contractors. There should be an informal process with locals before we get to the appeals.

Kevin Stapleton: For John, do you agree that Tyler was derelict in their duties?

John Vickery: I think they have competent people but were not ready for what we needed. They did not have enough people in the call center, everything was virtual because of COVID.

Kevin Stapleton: So should we change or improve the RFP process to try to improve things?

John Vickery: The RFP could be better and require more on-site staffing, that kind of thing. The pandemic really messed things up for Tyler.

Joan Shannon: Some hearing officers were better than others, but they did listen to people's complaints. Those officers then have their recommendations overruled by a supervisor. I think the hearing officer should have the final say and the City could be the 'supervisor.'

Chris Haessly: Should we set a time so we know we want to get together?

Joan Shannon: Maybe we should talk more about the informals and the hearing process overall.

James Unsworth: We will continue to work on this draft.

Jonathan Chapple-Sokol: This may sound odd, but if there is another pandemic or emergency I think we ask the state for a delay so we're not doing a reappraisal in an emergency.

David Edwards: We would also need proper language in our contract to make sure that we aren't on the hook for the cost if there is an emergency.

John Vickery: There were some site visits during a normal reappraisal, but obviously none during the pandemic.

Alan Bjerke: We need to be planning way ahead to get the RFP and contract done way ahead of time with a lot of foresight.

Joan Shannon: Another complaint was about the frequency and this past year was actually the largest increase in property values.

James Unsworth: So I think we would have to look into how we could ask the state for a delay in an emergency. Who would be in charge of allowing that?

Alan Bjerke: Don't you get penalized for having a particularly out-of-whack CLA?

John Vickery: I've never heard of that before myself.

## **5.0 Other Committee Business**

Chris Haessly: I would suggest we meet 2 weeks from tonight to get back together to review the final draft.

James Unsworth: If people know their calendars, could we set a time in 3 weeks? 5:30 on the 23rd? Let's plan for then.

## **6.0 Adjournment**

Motion to Adjourn by Chris Haessly, Seconded by Jonathan Chapple-Sokol.

Yes: Unanimous.

Committee Adjourned at 6:33 PM.

# Ad Hoc Committee on Reappraisal

## Review of Burlington's 2021 city-wide property assessment reappraisal.

03/\_\_\_\_/2023

Burlington City Council  
City Hall  
Burlington, VT  
Attn: President Karen Paul

Re: Burlington Ad Hoc Reassessment Committee Final Report

Good day,

Enclosed with this cover letter is the final report compiled by the Ad Hoc Committee on Reappraisal under the charge of resolution 6.05 "The Fairness of the Reappraisal Process and the Property Tax System" signed by the Mayor 11/15/2021.

Through our process we took testimony from Burlington residents, the Tax Assessors office and others from the community.

We respectfully submit our findings and those recommendations we believe will help in subsequent reappraisals.

There is a very large caveat that accompanies this report. In early 2023, the Vermont Legislature's House Ways and Means Committee has taken up the task of analyzing the State system of reappraisals and investigating whether a major overhaul is necessary.

Approximately 2/3 of municipalities in Vermont will be in need of reassessment in the coming year.

It will be of great interest, what direction the State decides to go in regards to reassessments. There is far too much unknown at this time to comment one way or the other.

With regards,

James Unsworth, Chair

# Ad Hoc Committee on Reappraisal

## Review of Burlington's 2021 city-wide property assessment reappraisal.

March \_\_\_\_ 2023

### Committee Members

James Unsworth, Chair and Commercial Property Owner

David Edwards, South Homeowner

Jonathan Chapple-Sokol, East Homeowner and Board of Assessors

Dan Kirk, Central Homeowner

Joan Shannon, City Councilor and South Homeowner

Alan Bjerke, Board of Tax Appeals, Rental Property Owner and Homeowner

Christopher Haessly, Renter

Kevin Stapleton, North Homeowner

**Resolution lines 86-88 “Identification of timelines and practices during the assessment process that are impediments to citizen participation and fair valuations; and recommendation around those” and “Review of the appeals process and recommendations”**

The Resolution forming this Ad Hoc committee includes the statement that the committee: “Identification of time lines and practices during the assessment process that are impediments to citizen participation and fair valuations, and recommendations around those,” and “Review the appeals process and recommendations.”

The Committee scheduled two days of public hearing times at which we accepted both written comments and in-person testimony.

We received comments related to this topic which included:

- Several members of the public stated that conducting the re-appraisal during the COVID-19 pandemic was bad timing for a number of reasons and that the City should have postponed the re-appraisal until the pandemic had passed.
- Detailed information about the methods and standards used by the Assessor in the re-appraisal were not publicly available until after the deadline to file an appeal of the assessment for that year.
- One taxpayer described going through the appeal process and was satisfied by the process and the result, although re-appraisals should be conducted more frequently to avoid “sticker shock.”

One common theme that the committee has heard repeatedly in the community, though not so much during the public hearings is that most people did not feel the need to appeal their property valuation assessment until they received their tax bill, and that by then, it was too late. Because the determination of assessed value happens before the tax bills get mailed out, the appeal deadline typically expires before the tax bill is finalized.

The Vermont Statutes govern when the grand list is to be complete and when tax bills are sent out. The overall statutory scheme makes sense - - First the Grand List of all taxable property is determined for the year and only after that is set, can the tax bills be prepared, using the final Grand List. This is because some aspects of the property tax rate are fixed tax rates (ie. Penny for the Parks) while some are based on a budget amount that must be divided by the final Grand List in order to determine a tax rate (i.e. General Fund and School Budgets). Until the final Grand List is determined, the tax rates and therefor bills cannot be determined.

It is true that much more information about the methods and standards used by the Assessor in setting the re-appraisal valuations was not made available prior to or even early in the appeal

process for taxpayers. While making the information widely available earlier in the process would have improved the transparency of the process, it should not have had any significant effect on a taxpayer's ability to successfully challenge the assessment valuation of their property. How the Assessor determines a valuation for a property under the market adjusted cost approach to value is just the manner for conducting a mass appraisal of Burlington's ~10,500 parcels. The proper check on that methodology is to conduct a sales comparison analysis to see if the current marketplace supports the cost approach result for a particular property. That sales comparison analysis does not require any information about the cost approach methods or standards used by the Assessor.

There was one item about the appeal process which the representative from the Board of Tax Appeals brought to the attention of the committee. The Vermont Secretary of State and the Division of Property Valuation and Review jointly publish a Handbook for conducting appeals from Grand List assessments. There is a passage in the Handbook on Page 28 that states that for site inspections conducted by the [Board of Tax Appeals] in assessment appeals, the Lister/Assessor does not have the right to attend the site visit unless given permission by the property owner. This section was referenced and used by several property owners to refuse to allow the Assessor to join site visits conducted by the Board of Tax Appeals ("BOTA") in 2021. As a practical matter, the BOTA found the exclusion of the Assessor unfair and even a bit uncomfortable, as the appellant/property owner typically took full advantage of the exclusive opportunity to direct the Board's attention to and comment on evidence, without any opportunity for the Assessor to rebut or comment on what the Board as factfinders, were seeing.

There was another item brought to the attention of the committee by a member of the board of Tax Appeals: There is a statute at 32 V.S.A. 3481(C) which provides that properties subject to a perpetual housing subsidy covenant (aka Land Trust Houses and Condos) shall be assessed for property tax purposes at 60-70% of fair market value. That is not an unreasonable manner in which to support the creation/maintenance of affordable housing ownership. However, as the land trust model has grown and aged, some properties where the person who purchased the home 20 years ago are now maintained as a second home and not a primary residence. So for example, in the City of Burlington there is a woman who owns a waterfront condo, which gets the "land trust assessment discount", even though she is now a successful attorney who owns her own home where she lives and works in New Hampshire. The waterfront condo is a secondary/vacation property for her. The statute encouraging and supporting affordable home ownership probably never envisioned that it could have this result.

The solution is really quite easy: Make the land trust assessment discount of 32 V.S.A. 3481(C) dependent on the taxpayer filing the Form HS-122 Homestead Declaration for the property. That would allow the land trust houses that are primary residences to get the support, but not the ones which have become second homes.

A critical, though non-statutory, milestone on the reappraisal timeline is the 'Informals' step, which was omitted during the reappraisal. It takes place 2-3 months before formal reappraisal

letters are sent, but after draft valuations are complete. This draft reappraisal is made available to residents, who then have the opportunity to sit with the appraisers who made the valuations (in-house or contract) and correct errors. Those appraisers can make adjustments and corrections prior to setting final values and sending formal valuation letters. Including an Informal step will dramatically reduce appeals to the Board of Assessors (BoA).

Informals were not held in 2021 because of the compressed timeline caused by the Pandemic, and the consequences were significant. The Committee heard consistent testimony from residents that the contractors who heard Board of Assessors appeals were unprepared, sometimes unprofessional, and rarely resulted in a change of assessment. The City Assessor has acknowledged that there were many cases where the hearing officer did recommend a change of assessment and that decision was overruled by a supervisor who was not present at the hearing.

While the contractors were overwhelmed by the number of appeals, that cannot excuse what happened. The committee recommends 3 systemic changes to address these valid issues raised by taxpayers:

- a. Assure that “informals” are built into both the front end of the timeline and any contract for reassessment
- b. Set expectations for hearing preparedness in the contract.
- c. Define the powers and duties of the “Board of Assessors” to assure that no person, who was not at the hearing can overrule the decision of the Assessor attending the hearing.

Finally, as noted by one of the public comments, as well as a brief guide mailed to the taxpayer when an appeal of their assessment is submitted, it is true that the BOTA may increase a assessment valuation as the result of a closer examination of the appropriate fair market value of their particular property. Indeed, in 2021, it increased the valuations of several properties and in 2022, fully half of all appeals to the BOTA resulted in a higher assessment. However, the increases are not motivated by politics or favoritism, but following a closer review of the property at issue to determine a fair value. In fact, in one notable incident, a taxpayer who had the assessment of their property increase through the appeal process in 2021 and who then commented in the media that the decision was retaliatory, shortly thereafter sold the property for approximately 10% more than the newly assessed higher valuation.

**Based upon the forgoing, the Committee makes the following recommendations:**

1. To the extent possible, the Assessor’s office should seek to provide more materials about the standards and methods being employed in the cost approach to valuation methodology to the public as early as reasonably practical. This need not include every table and formula, as of course, some of these factors change during the testing of the model in order to confirm that the cost approach result is within acceptable margins of actual bone fide sales comparisons.

2. The City should reexamine the propriety of a taxpayer having the ability to bar the Assessor (or a representative from the office) from attendance at a site visit conducted by the Board of Tax Appeals. If the source of that information could be located and changed, that is what we recommend.

3. The City should advocate that the Legislature make the land trust assessment discount of 32 V.S.A. 3481(C) dependent on the taxpayer filing the Form HS-122 Homestead Declaration for the property. As described above, the change would continue support for owners of perpetually affordable housing to own a primary residence, but if the property has become a secondary/vacation property, it should be assessed consistent with other secondary/vacation properties.

With respect to some of the other issues raised, the Committee finds that there is no reason to recommend changes. The issue of the ability to appeal a property valuation after the tax bill is published may seem desirable, but as described above, until the Grand List value is set, (And the State determines the education tax rates) the tax bills could not be published without speculation as to the amount of the final Grand List. There are communities (in other states, applying different state laws) that send out the new assessments along with the tax bills, but that is because they are holding the assessment amounts before releasing them, instead of making the information available to taxpayers as early as possible. We also find no credibility in the claim that the appeal process is subject to political, personal bias or favoritism. The fact that a closer reexamination of one particular property may result in a determination that the valuation should be higher is evidence that the process is in fact working to assure that all property owners are paying their fair share and not more or less than their fair share of the tax burden to maintain the community as voted by residents.

**Resolution lines 89-90 “Develop a best practice around education and participation of citizens in the assessment process and how their properties are valued. Provide recommendations on how that support will be offered.”**

The Resolution forming this Ad Hoc committee includes the statement that the committee: “Develop a best practice around education and participation of citizens in the assessment process and how their properties are valued,” and to “Provide recommendations on how that support will be offered.”

Through the public hearing process the committee heard a number of comments relating to this issue:

- Residents said that the Property Record Card, a printout of the basic data elements of each property parcel that is contained in the City’s property assessment software program was opaque and confusing to many.

- Commentors disputed the Assessor’s calculated impacts of land size and property location on market value.
- Residents had difficulty understanding and a general distrust of the qualitative assessments of properties used by the Assessor such as building quality and condition.
- The property valuation “Calc Ladder” on the Property Record Card did not contain all the elements of the property assessment algorithm. As a result, a lay person could not identify all the elements that affect the property valuation when applying the cost approach and the degree to which each element impacted on the final valuation.
- There was significant confusion over the valuation methodology - between the “cost approach” most typically used in making mass appraisals and the “sales comparison approach” more typically used in making individual property valuations. As an example, while many Property Record Cards listed some information in a section of the card labeled “Comparable Sales,” that data was not used to determine the valuation of the parcel using the cost approach. There was also confusion over the differences between residential and commercial appraisals, and over discrepancies observed between professional real estate appraisals and, for example, Zillow and Redfin calculators/advertisements.

All in all, the public perception was that the Citywide reappraisal process was not understood by them, and they felt there were few if any resources to help them gain a better understanding of how the valuation of their property was determined. Without a doubt, this perception was heightened by the COVID-19 pandemic which significantly limited public interaction between the property owners seeking information or corrections and the contracted assessors making the valuations of the properties. In addition, in the absence of information about the data and algorithm used to determine a property’s valuation, property owners found it hard to understand what many of the elements of the valuation of their property actually were. As neighbors met with each other to discuss their valuations, these misperceptions and narratives were persuasive and gained undesirable credibility.

In reality, educational resources and opportunities concerning the property valuations determined in the property tax appraisal process are plentiful in Vermont. One could get a complete and comprehensive education in Vermont property valuation from a number of providers at no cost - if you knew where to look and were willing to invest the time. Materials are available from the Vermont Property Valuation and Review Division of the Vermont Department of Taxes (“PVR”) and the Vermont League of Cities and Towns. Burlington also keeps minutes of grievances and appeals that come to the Board of Assessors and Board of Tax Appeals that can help guide residents through the process.

It is understandable that the general public finds the available resources to be complex and overwhelming. The city has to play a significant role in helping residents understand the process.

People learn in different ways, and so a community needs a variety of pathways to information at their disposal for important issues like reappraisal.

**Based upon the forgoing, the Committee makes the following recommendations:**

1. Create and make available a one page flyer directing a property owner to a comprehensive set of resources they can avail themselves of to learn about the valuation process and the process for challenging their assessment. The City's Zoning Division produces similar flyers that address commonly asked questions about various projects (decks, fences, window replacement, etc.) that we have in mind as a model for the Assessor's flyer. Make the flyers available at the Assessor's office, the City Clerk's office and on the City's website.

2. Create online, pre-recorded seminars specifically focused on the Burlington valuation and appeals processes. We recommend that the City create and distribute at least two such seminars:

One that is an overview of the valuation and appeal process. The City Assessor John Vickery and the Chair of the Board of Tax Appeals Alan Bjerke presented and recorded such a seminar in the Spring of 2022. We recommend that this seminar be re-presented and recorded again as Alan had COVID at the time and appeared remotely. It would be a better presentation if both presenters were in the same room at the same time. The PowerPoint slides of that presentation can be found in the appendix.

The second would be a seminar more specifically directed to understanding and interpreting the Property Record Card(s) used in Burlington. While the first presentation includes an overview of the current Property Record Card, we also recommend an additional Cost Approach Report as we detail below. A more in-depth seminar on the Property Record Card and the Cost Approach Report would help property owners be much better informed about what information the City has about their property and how it is used in determining their property's valuation.

For those who do not have the technological capabilities to stream the seminars on a computer, the recorded presentations can be replayed at public locations at key times when residents might be most interested in considering the property appraisal appeal process. Perhaps replays could be held with someone knowledgeable about the process available to respond to questions. Also, the Fletcher Free Library has resources for folks who are less tech savvy and could support various information pathways.

3. Create a Cost Approach Report that would also be available for each property, similar to the existing Property Record Card. In mass real estate property appraisals, the cost approach to valuation applies an algorithm to each property's data to determine an assessed value. The existing Property Record Card contains a section labeled the "Calc Ladder" listing some of the elements of that algorithm, but because it does not identify each of the elements of the formula, the public finds it to be confusing and not understandable. Because the existing

Property Record Card provides a lot of other data which realtors, attorneys, contractors and others are familiar with and use each day, we don't recommend replacing the existing Property Record Card, but rather creating an additional Cost Approach Report that lists each of the steps in the algorithm with the data values used and calculations resulting. To be clear, it may still be confusing to many. The calculations often involve non-linear formulas and data tables which will still be complex, but will at least, be much more transparent than the current information available to the public.

4. The City may want to consider publishing a digest of opinions from the Board of Assessors (BoA), Board of Tax Appeals ("BOTA") and/or PVR (for appeals from Burlington only). By statute, the BoA, BOTA as well as the PVR hearing officers must publish a detailed written opinion on each appeal heard. At present there are approximately 300-350 of these opinions on file. These written opinions are stored in the City Clerk's Office along with the property assessment records, such as the Grand List. Even if one knew to look for them to read them they are not organized in a research friendly way. Many of the issues addressed by the BoA, BOTA and PVR decisions arise around common themes. So for example, if you want to know more about how the BOTA interprets the diminishing cost curve in land/building size calculations, or using another property's assessed value for comparison purposes you could be directed to a list of the specific opinions that addressed and discussed those topics in order to be better informed. This resource would also be helpful to future BoA and BOTA members when evaluating cases and drafting written decisions.

5. The City may want to consider designing a front end, online tool for property owners to compare the actual sales data for properties in Burlington with their own. Using such a tool, a property owner could put in a small set of values (lot size, building size, location, number of bedrooms and baths, etc.) and see a listing of the most similar actual sales that have recently occurred in Burlington. We believe that the City already has the data in its public data portal, but it is raw data and is not user friendly. While building a new tool may be relatively inexpensive, the City should also evaluate whether existing online resources such as Zillow or real estate brokerage's MLS listings may be more attractive substitutes.

6. The evaluation of Quality and Condition were particularly difficult for people to understand. A set of explanatory guidelines would help clarify these inputs to valuation and help to quantify them.

7. The City should consider bringing on a Public Information Specialist for the Assessor's office during the time of any reappraisal. This position would be responsible for explaining the process and answering questions about property valuations and the reappraisal process. The Public Information Specialist would also be available for one-on-one conversations with residents to help individuals understand their situation. During a reappraisal, the staff in the Assessor's office is very busy and property owners were frustrated with trying to get staff time to understand the elements of their particular property. With the additional tools and resources outlined above and someone who can promote and publicize them, taxpayers may be better educated and less frustrated with the reappraisal process. The person in this role

would be responsible to communicate prior to, during, and after a reappraisal to provide a continuous flow of information on status and progress of the process. We envision this as a temporary position, perhaps even a reassignment from another city department.

8. Consider inviting members of the public (including those who spoke at our forums) to ‘vet’ materials that are created before finalizing them. There is no point in creating an education program that doesn’t work for its target audience.

These recommendations would cost money to implement. We have not undertaken any research to estimate the cost to have a programmer create and test the Cost Approach Report using data in the Assessor’s software or create and publish the flyer or digest we suggest.

None of the recommendations made here are required to comply with any law or other legal requirements. While helping the public learn about and understand the property assessment and valuation appeal processes are desirable goals, the cost of doing so will need to be evaluated against the City’s other resource needs and availability.

We have made a rough estimate of the time involved with these recommendations:

**Estimate of Time Required**

Tool	Assessor time	Programming analyst time
Flyer with links to relevant resources	8	0
Overview seminar (per Bjerke/Vickery presentation)	40	0
Seminar on Property Record Card	16	0
Simplified Cost Approach Card/Report for each property	24	
Access to and digest of historical appeals	16	
Interactive tool to help residents understand impact of neighborhood, lot size,...	8	
Neighborhood sales data	8	
Clarification of Quality and Condition	16	
Public Information Specialist	1000	0
'Beta test' education tools with residents	16	
Provide property owners with a measure 'their share of the Grand List' along with their assessment	40	
	1192	Estimated total programming hours: 200 +/-

**Resolution lines 91-92 “Develop recommendations for the frequency of citywide reappraisals including funding, criteria for selection of consultants, and consideration of a rolling appraisal process”**

Part of the charge of this ad hoc committee was to investigate the above. In speaking with John Vickery, City Assessor and discussing amongst a sub committee and the ad hoc committee as a whole we believe the following recommendations will make sense for the City in future reassessments.

By state statute, a municipality is required to perform a reassessment of all properties on the grand list when a Common Level of Appraisal (CLA) reaches an 85% (or 115%) threshold. What this means is that based on sales of real property, the assessed value of the grand list is only 85% (or 115%) of true market value. At this point, it is required of a municipality to bring the grand list to 100% of market value. These CLA studies are lagging and use 3-years of sales data to compute.

The frequency of municipal wide reassessments depends on the market. In a “hot” market as we have experienced over the past few years, the time between reassessments will be shorter. On the contrary, in a “cold” market, the reassessments may take many years to be required as the time it takes to reach the critical CLA.

Recently, the state changed this threshold from 80% (or 120%) to the current 85% (and 115%). This will make the time between reassessments shorter as it will take a shorter period to reach the critical CLA threshold.

This committee spoke with the City Assessor about projections for the timing of the next required city wide reassessment. From the City Assessors estimate, the next reassessment could be triggered as early as April 2024.

DOA	Fiscal year	Est. CLA	1 <sup>st</sup> year	2 <sup>nd</sup> year	3 <sup>rd</sup> year
4/1/21	2022	96	89	100	100
4/1/22	2023	90	81	89	100
4/1/23	2024	84	81*	81	89
4/1/24	2025	Reappraisal			
4/1/25	2026	Reappraisal complete			

**The above is an estimation only based on current market trends. \*The city is likely to receive the Reappraisal Order letter on 1/2024 even if the market stabilizes in 2023. The indicated CLA is likely to be below 85%.**

If this projection is accurate, the next reassessment will occur in half the amount of time of the last. This is a trend we believe will continue.

**Based upon the forgoing, the Committee makes the following recommendations**

That the City Council explore the hiring of 2 additional City Assessors and begin the work of tooling the department to handle reassessments in house.

**Reasons for In House Reassessments**

- The most recent reassessment cost the City of Burlington appropriately \$1,000,000. Fortunately, the State of Vermont funds approximately \$100,000 per year(\$8.50/grand list parcel) to help Burlington with the cost of reassessments. The unfortunate thing is that while this worked great for a 10-year cycle, the trend of more frequent assessments will require the City to pay the difference between the State contribution and the actual cost of hiring a consultant. We believe there is potential for a cost savings having 2 full time employees added to the office who will specialize in reassessments.
- The Assessor believes around 70% of Vermont municipalities will be required to perform a grand list wide reassessment within the next 2 years. There is going to be tremendous demand for the consultants who perform the service of city wide reassessments. Best

case scenario is it will be difficult to secure the services and worst case scenario is that the cost will be dramatically higher than this past cycle.

- One of the main concerns that tax payers had with the process (specifically in regards to the appeal and grieving process) was that the individuals they were speaking with had little to no local knowledge of the various neighborhoods in the City. Having in house specialists will allow tax payers appealing or grieving their tax assessment to speak with someone who actually knows the area and the nuances of the various neighborhoods.

Additionally, **this committee recommends** the City explore a “rolling reassessment”. This is common in other areas of the country. For example, by reassessing groups of properties on a rolling basis such as Commercial, Multi Family and Single Family on a 3-5 basis the 85% CLA threshold that triggers the entire grand list be reassessed will be extended, if not wholly eliminated.

By rolling the reassessment of properties it will allow for more routine reassessment values as opposed to the “sticker shock” for many after a decade with relatively no change.

Additionally, having in house staff completing the work and utilizing an in house system will eliminate the laborious process of selecting a consultant, tooling the data to that consultants system and the fine tuning of that information that will be necessary for consistent and accurate results.

### **Resolution line 93 “Review capacity of the Assessors Office including staffing and IT needs.**

A theme within this report is the need for additional resources directed towards the Assessors Office. We have tried to include reasonable recommendations to adjust the resources utilized by the Office of the Assessor to tackle the issue of both educating the public and streamlining a process for subsequent reassessments.

### **Conclusion**

The Burlington Citywide Reappraisal in 2020-2021 presented a wide array of challenges: The City had not reappraised in 15 years; the COVID-19 pandemic; a very recent spike in residential home prices; a drop in the values for many commercial property sectors, particularly hospitality, retail and restaurants; and, a significant shortage of labor, including in the real estate appraisal professional field.

In Conducting our study, including several public hearings, we encountered frustration and dissatisfaction, but no clear or obvious solutions. There is some mystery to real estate appraisal which can be unveiled with greater education and transparency. There are timelines which sometimes cause confusion, but are generally well honed over the course of Vermont’s history. There are potential staffing changes which can help smooth the process from driving off a cliff to several, more frequent bumps in the road.

# Challenging your Property Tax Assessment in Burlington, Vermont

John Vickery  
Burlington City Assessor  
&  
Alan Bjerke, Esq., Chair  
Burlington Board of Tax Appeals

May, 2022



1

## Overview

Scope of this Presentation

Property Valuation / Assessment Techniques

Cost Approach, Sales Comparison Approach, Income Approach, Special Statutory Approaches

Appeal Timeframe / Deadlines

Understanding the Lister Card

Diminishing Cost Curve

Making your case

- Cost Approach
- Sales Comparison

Equalization

Appeal Process Steps

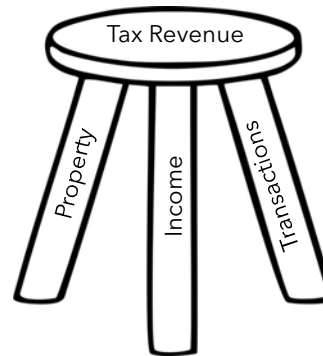
2

# Taxation: the 3 leg stool

## 1. Property/Assets

## 2. Income

## 3. Transactions



3

# Scope of this Presentation

### Homeowner Orientation

1. Single Family Residences
2. Duplexes, Triplexes
3. Condominiums

### Not for Commercial Appeals

1. Four or more residential units
2. Commercial, Industrial, Farms

**Mobile Homes not addressed here**



4

# Property Assessment

## The 4 basic approaches

- Cost Approach**
- Sales Comparison Approach**
- Income Approach**
- Special Statutory Approaches**

5

# Assessment Methods - Statute

## 32 V.S.A. § 3481. Definitions

The following definitions shall apply in this Part and chapter 101 of this title, pertaining to the listing of property for taxation:

(1)(A) "Appraisal value" shall mean, with respect to property enrolled in a use value appraisal program, the use value appraisal as defined in subdivision 3752(12) of this title, multiplied by the common level of appraisal, and with respect to all other property, except for owner-occupied housing identified in subdivision (C) of this subdivision (1), the estimated fair market value.

The estimated fair market value of a property is the price that the property will bring in the market when offered for sale and purchased by another, taking into consideration all the elements of the availability of the property, its use both potential and prospective, any functional deficiencies, and all other elements such as age and condition that combine to give property a market value. Those elements shall include the effect of any State or local law or regulation affecting the use of land, including 10 V.S.A. chapter 151 or any land capability plan established in furtherance or implementation thereof, rules adopted by the State Board of Health, and any local or regional zoning ordinances or development plans. In determining estimated fair market value, the sale price of the property in question is one element to consider, but is not solely determinative.

6

# Assessment Methods - Cost

## The Cost Approach to Value

- Most Common Approach in Mass Appraisals
- Collects Multiple Data Points for Land and Buildings
- Includes Property Location, Size and Characteristics
- Applies an algorithm tested against actual sales to the data to determine a valuation

7

## Cost Approach Algorithm

$$\begin{aligned}
\text{Total Value} = & \left( \sum_{i=1}^{\text{LandLines}} \left( \sum_{j=1}^3 \left( \frac{\text{StandardSize}}{\text{ActualSize}} \times \frac{\text{CurvePercent}}{100} + \left(1 - \frac{\text{CurvePercent}}{100}\right) \right) \times \text{PricePerUnit} \times \text{UnitsInInterval} \right) \right. \\
& + \text{LandBaseValue} \times \text{NeighborhoodFactor} \times \text{LandUseCodeFactor} \times \text{NeighborhoodModifier} \times \text{LandTypeFactor} \\
& \times \left(1 + \frac{\text{InfluenceCode1}}{100}\right) \times \left(1 + \frac{\text{InfluenceCode2}}{100}\right) \times \left(1 + \frac{\text{InfluenceCode3}}{100}\right) \left. \right) + \text{LandLumpSum} \\
& + \left( \sum_{k=1}^{\text{TotalNumberOfSubAreas}} \left( \text{BuildingRate} \times \left( \text{StoryHeightFactor} \times \text{FoundationTypeFactor} \times \text{FrameTypeFactor} \right. \right. \right. \\
& \times \left( \text{PrimeExteriorWallTypeFactor} \times \left(1 - \frac{\text{SecondaryExteriorWallTypePercent}}{100}\right) + \text{SecondaryWallTypeFactor} \right. \\
& \times \text{SecondaryWallTypePercent} \times \text{RoofStructureFactor} \times \text{RoofMaterialFactor} \times \text{ViewCodeFactor} \\
& \times \left( \text{PrimeInteriorWallTypeFactor} \times \left(1 - \frac{\text{SecondaryInteriorWallTypePercent}}{100}\right) + \text{SecondaryInteriorWallTypeFactor} \right. \\
& \times \text{SecondaryInteriorWallTypePercent} \times \text{PartitionIndexFactor} \times \left( \text{PrimeFloorTypeFactor} \times \left(1 - \frac{\text{SecondaryFloorTypePercent}}{100}\right) \right. \\
& + \text{SecondaryFloorTypeFactor} \times \text{SecondaryFloorTypePercent} \times \text{BasementFloorTypeFactor} \\
& \times \text{ElectricTypeFactor} \times \text{InsulationTypeFactor} \times \text{PlumbingTypeFactor} \times \text{HeatingFuelTypeFactor} \\
& \times \left( \text{PrimeHeatingSystemTypeFactor} \times \left(1 - \frac{\text{SecondaryHeatingSystemTypePercent}}{100}\right) + \text{SecondaryHeatingSystemTypeFactor} \right. \\
& \times \text{SecondaryHeatingSystemTypePercent} \times \left(1 - \frac{\text{PercentCommonWall}}{100} \times \frac{\text{PercentOfJ}}{100}\right) \left. \right) \times \left(1 + \frac{\text{AverageHeightPerFloor}}{\text{HeightPerFloor}} \times \frac{\text{PercentUnit}}{100} \right) \times \left( \frac{\text{StandardSize}}{\text{ActualSize}} \times \frac{\text{CurvePercent}}{100} + \left(1 - \frac{\text{CurvePercent}}{100}\right) \right) \times \text{SubAreaPriceFactor} \\
& \times \text{AlternateTypeFactor} \times \left( \text{SubAreaSquareFootage} \times \text{AdjustedSketchAreaFactor} \times \text{PercentAlternateType} \right) \\
& + \left( \text{FirstFullBathValue} + \left( \text{MainFullBathUnits} - 1 \right) \times \text{FullBathValue} \right) \times \text{FullBathRating} + \left( \text{AdditionalFullBathUnits} \right. \\
& \times \text{AdditionalFullBathValue} \times \text{AdditionalFullBathRating} + \left. \text{FullBathLumpSum} \times \text{TotalFullBathUnits} \right) \\
& + \left( \text{FirstThreeQuarterBathValue} + \left( \text{MainThreeQuarterBathUnits} - 1 \right) \times \text{ThreeQuarterBathValue} \right) \\
& \times \text{ThreeQuarterBathRating} + \left( \text{AdditionalThreeQuarterBathUnits} \times \text{AdditionalThreeQuarterBathValue} \right) \\
& \times \text{AdditionalThreeQuarterBathRating} + \left( \text{ThreeQuarterBathLumpSum} + \text{TotalThreeQuarterBathUnits} \right) \\
& + \left( \text{FirstHalfBathValue} + \left( \text{MainHalfBathUnits} - 1 \right) \times \text{HalfBathValue} \right) \times \text{HalfBathRating} \\
& + \left( \text{AdditionalHalfBathUnits} \times \text{AdditionalHalfBathValue} \right) + \text{AdditionalHalfBathRating} + \left( \text{HalfBathLumpSum} \right. \\
& \times \text{TotalHalfBathUnits} \left. \right) + \left( \text{FirstOtherFixtureValue} + \left( \text{OtherFixtureUnits} - 1 \right) \times \text{OtherFixtureValue} \right) \\
& \times \text{OtherFixtureRating} + \left( \text{OtherFixtureLumpSum} \times \text{OtherFixtureUnits} \right) + \left( \text{FirstKitchenValue} + \left( \text{MainKitchenUnits} \right. \right. \\
& \left. \left. - 1 \right) \times \text{KitchenValue} \right) \times \text{KitchenRating} + \left( \text{AdditionalKitchenUnits} \times \text{AdditionalKitchenValue} \right) + \text{AdditionalKitchenRating} \\
& + \left( \text{KitchenLumpSum} + \text{TotalKitchenUnits} \right) + \left( \text{FirstFireplaceValue} + \left( \text{FireplaceUnits} - 1 \right) \times \text{FireplaceValue} \right) \\
& \times \text{FireplaceRating} + \left( \text{FireplaceLumpSum} \times \text{TotalFireplaceUnits} \right) + \left( \text{FirstWoodStoveFluesValue} \right. \\
& \left. + \left( \text{WoodStoveFluesUnits} - 1 \right) \times \text{WoodStoveFluesValue} \right) \times \text{WoodStoveFluesRating} + \left( \text{WoodStoveFluesLumpSum} \right. \\
& \left. + \text{TotalWoodStoveFluesUnits} \right) + \left( \text{FirstBasementGarageValue} + \left( \text{BasementGarageUnits} - 1 \right) \times \text{BasementGarageValue} \right) \\
& + \left( \text{FirstHeatSystemValue} + \left( \text{HeatSystemUnits} - 1 \right) \times \text{HeatSystemValue} \right) - \left( \left(100 - \text{HeatPercent}\right) \times \text{BaseHeatedValue} \right. \\
& + \left. \left( \text{HeatUnitPrice} \times \text{FinishedArea} \times \left(100 - \text{HeatPercent}\right) \right) + \left( \text{ACPercent} \times \text{BaseACValue} + \left( \text{ACUnitPrice} \right. \right. \right. \\
& \times \left. \left. \text{FinishedArea} \times \text{ACPercent} \right) \right) + \left( \text{SolarHotWaterFlag} \times \text{BaseSolarHotWaterValue} + \left( \text{SolarHotWaterUnitPrice} \right. \right. \\
& \times \left. \left. \text{FinishedArea} \times \text{SolarHotWaterFlag} \right) \right) + \left( \text{SprinklerPercent} \times \text{BaseSprinklerValue} + \left( \text{SprinklerUnitPrice} \times \text{FinishedArea} \right. \right. \\
& \times \left. \left. \text{SprinklerPercent} \right) \right) + \left( \text{CentralVacuumFlag} \times \text{BaseCentralVacuumValue} + \left( \text{CentralVacuumUnitPrice} \times \text{FinishedArea} \right. \right. \\
& \left. \left. \times \text{CentralVacuumFlag} \right) \right) + \text{GradeFactor} \times \text{NeighborhoodInfluence} \times \left(1 - \frac{\text{Condition} \times \text{Functional} \times \text{Economic} \times \text{Special}}{100}\right) \\
& + \sum_{l=1}^{\text{NumberOfSpecialFeatures}} \left( \left( \text{Quantity} \times \text{Units} \right) \times \left( \text{UnitPrice} \times \left( \frac{\text{StandardSize}}{\text{ActualSize}} \times \frac{\text{CurvePercent}}{100} + \left(1 - \frac{\text{CurvePercent}}{100}\right) \right) \right) \right) \\
& \times \text{Quality} \times \text{LandUseCodeFactor} \times \text{NeighborhoodFactor} \times \text{NeighborhoodModifier} \times \left( \left(1 - \text{Depreciation}\right) \times \text{PercentComplete} \right) \\
& + \sum_{m=1}^{\text{NumberOfBuildings}} \left( \left( \text{Quantity} \times \text{Units} \right) \times \left( \text{UnitPrice} \times \left( \frac{\text{StandardSize}}{\text{ActualSize}} \times \frac{\text{CurvePercent}}{100} + \left(1 - \frac{\text{CurvePercent}}{100}\right) \right) \right) \times \text{Quality} \right. \\
& \left. \times \text{LandUseCodeFactor} \times \text{NeighborhoodFactor} \times \text{NeighborhoodModifier} \times \left( \left(1 - \text{Depreciation}\right) \times \text{PercentComplete} \right) \right) \\
& \times \text{JurisdictionalFactor}
\end{aligned}$$

8

# Assessment Methods - Sales

## Sales Comparison Approach to Value

- Identify recent, comparable sales that were bona-fide arms length transactions
- Identify the critical components of each property
- Evaluate the values of components that are different
- Estimate the sales price of the subject property by adjusting the sales of other properties by the difference in value of the components that are different

9

Typical Fee Appraisal Sales Comparison Report

801146192  
File No. 405200020

**Uniform Residential Appraisal Report**

Address: 13 Fern Street, Burlington, VT 05401  
 18 Mansfield Drive, Burlington, VT 05408  
 77 Lorinda Drive, Burlington, VT 05408  
 2-72 Maple Hill, Burlington, VT 05408

Property	Address	City	State	Zip	Year Built	Area	Value
Subject	13 Fern Street	Burlington	VT	05401	1980	1,300 sq ft	225,000
Comparable 1	18 Mansfield Drive	Burlington	VT	05408	1980	1,300 sq ft	225,000
Comparable 2	77 Lorinda Drive	Burlington	VT	05408	1980	1,300 sq ft	225,000
Comparable 3	2-72 Maple Hill	Burlington	VT	05408	1980	1,300 sq ft	225,000

**Appraiser:** [Name], [License No.]  
**Client:** [Name]  
**Date:** [Date]

**Value:** \$225,000

**Remarks:** [Detailed appraisal notes regarding property condition, market trends, and adjustments for each comparable sale.]

10

# Assessment Methods - Income

## Income Approach

Used only for Multi-Family Residential units of 4 or more units

Commercial and Industrial properties

Estimates the price a property would sell for based upon the amount of income it would produce for an investor and then applies a capitalization rate typical for that investment.

**Caution - While the Assessor's Record Card, may show a building and land value breakout, they are not accurate for comparison purposes**

11

# Assessment Methods - Income

## Example: Decision in Appeal of ■ Elm Terrace, Parcel ID 049-4-166-000, 2021

6. [The taxpayers] presented several tables and charts comparing the assessed value of their property to several properties using Lister Card data. As described above, we are not permitted to use Lister Card data to determine the fair market value of the subject property. To illustrate this point, we note that the [Taxpayers] point out that 27 Adams Street is a property with a lot size of ~26,000 sq. ft where the land value is assessed at \$143,200 while their lot is only ~4,200 sq.ft. but assessed at \$231,900. While this disparity suggests that the valuation methodology is incongruous, the reason is because 27 Adams Street is an 11 unit apartment building and is therefore assessed using the income approach to valuation wherein the value is not determined by the value of the land and the building separately, but by the income production of the property in total. While there may be a land valuation shown on the Lister Card, it bears no relation to the valuation of the property. This is a telling and affirming example of why Lister Card data is not a reliable indicator of fair market value of a property.

12

# Assessment Methods Statutory Approaches

## Statutory

Perpetual Lease Lands 32 V.S.A. §§3609 , 3610

Subsidized Housing 32 V.S.A. §3481(1)(B)

Housing Subsidy Covenant (Land Trust) 32 V.S.A. §3481(C)

Solar Panels and Projects 32 V.S.A. § 3802(17), 32 V.S.A. §3481(D)

Current Use 32 V.S.A. §3750 *et seq.*

Veterans 32 V.S.A. §3802(11)

13

# Assessment Methods – Statutory Most Common in Burlington

## Statutory Prescriptions

Subsidized Housing

Similar to income approach but with rules dictated by HUD

May be less than 4 units and still qualify

Housing Subsidy Covenant Property (Land Trust)

Market Value less leasehold, reduced by 30%

**Caution - Don't compare an assessment of either of these types of housing to a property type that is not the same**

14

# Identifying Special Statutory Assessments Methods

How can you identify properties that are assessed by the income approach or a special statutory method?

Look on the Lister Card

Land Trust Property

Income Approach Property

Subsidized Housing Property

- Everhome, Cathedral Sq., CHT

The top screenshot is a 'Lister Card' for parcel 049-1-000-002. It shows the following information:

- Sheet: 049, Lot: 1, Unit#: 000, Bldg#: 002
- PROPERTY LOCATION: 1511 S.J. ST. UNIT 2, SUITE, WASHINGTON, VT 05403
- OWNER: LAWRENCE J. HANNAN, LAWRENCE EMILY, 320 Washington Road, Ryer, NH 03870-2480
- Dep: 1, Type: LAND TRUST HOMES
- PREVIOUS OWNER: LAWRENCE J. HANNAN, 0000

The bottom screenshot is a 'PROPERTY FACTORS' table. The 'INCOME APPROACH' is circled in blue. The table includes columns for Area, Code, Area Bldg, Revenue, Gross Inc, % Stock, % Exp, % Twp, % Smp, FCE, AB, C, R, C, AS, CH, and MS.

15

# Practical Considerations

~10,500 property parcels in Burlington

Nearly Every Property is Different

500-1,500 properties transfer each year

~1,000 Zoning and ~1,800 Building permits issued each year

-Approximately 30% are for projects over \$25,000

Market Prices constantly changing

Desirability of different housing types constantly evolve

16

# The Appeal Timeframe

Grand List Lodged      May 5th

Deadline to appeal assessment to Board of Assessors    May 19, 2022

Deadline to Appeal to Board of Tax Appeals - 14 days after decision by Board of Assessors

Deadline to Appeal to State - 30 days after Board of Tax Appeals decision

Deadline to meet with Assessor to discuss your property assessment - Anytime

17

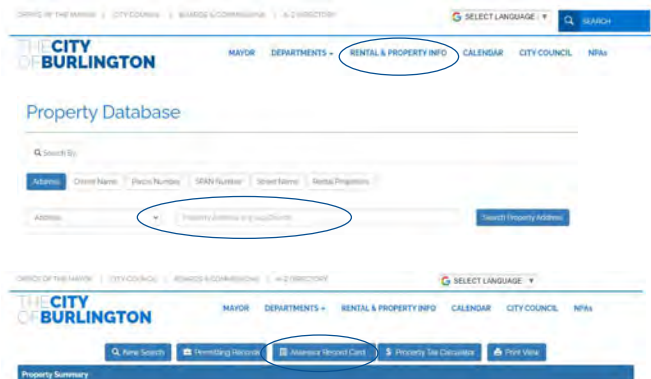
# Understanding the Assessor's Record Card a.k.a., the Lister Card

## Finding your Lister Card

[www.Burlingtonvt.gov](http://www.Burlingtonvt.gov)

Search for the Property

Select the Assessor Record Card Tab



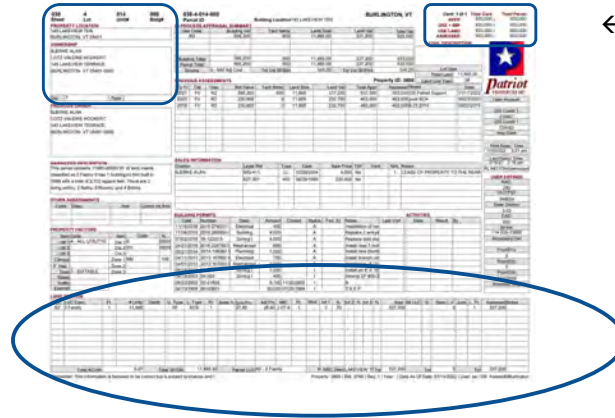
18

# Understanding the Assessor's Record Card a.k.a., the Lister Card

Property Address →

← Assessed Value

Land Section →



19

# Understanding the Assessor's Record Card a.k.a., the Lister Card

Building Information

Ignore this section, It's not used to determine value



20

# Lister Card – Land Assessment Districts



21

# Lister Card – Land Assessment Subdistricts

Lakeview Terrace - West Side

LAND SECTION																	
LUC	LUC Desc	Ft.	# Units	Depth	U. Type	L. Type	Ft.	Base V.	Unit Prc	Adj Prc	NBC	Ft.	Mod	Inf 1 %	Inf 2 %	Inf 3 %	Appr
R2	2 Family	1	11,865		SF	SITE	1	27.65		28.42	LVT-9	1		70			337,200

Lakeview Terrace - East Side

LAND SECTION																	
LUC	LUC Desc	Ft.	# Units	Depth	U. Type	L. Type	Ft.	Base V.	Unit Prc	Adj Prc	NBC	Ft.	Mod	Inf 1 %	Inf 2 %	Inf 3 %	Appr
R1	Single Fam	1	5,000		SF	SITE	1	27.65		32.08	LVT-9	1					160,400

5 Sisters Neighborhood

LAND SECTION																	
LUC	LUC Desc	Ft.	# Units	Depth	U. Type	L. Type	Ft.	Base V.	Unit Prc	Adj Prc	NBC	Ft.	Mod	Inf 1 %	Inf 2 %	Inf 3 %	Appr
R1	Single Fam	1	6,195		SF	SITE	1	022.5		42.28	SE-5	1		70			261,600

Hayward Street

LAND SECTION																	
LUC	LUC Desc	Ft.	# Units	Depth	U. Type	L. Type	Ft.	Base V.	Unit Prc	Adj Prc	NBC	Ft.	Mod	Inf 1 %	Inf 2 %	Inf 3 %	Appr
R2	2 Family	1	4,901		SF	SITE	1	022.5		30.22	SE-5	1					148,100

22

# Lister Card – Land Property Characteristics

## East Side Convent Square

- Slopes
- Ravines
- Wetlands
- Flood Plains
- Proximity to Economic Detriments, Hazards, etc.

LAND SECTION																			
LUC	LUC Desc	Ft.	# Units	Depth	U. Type	L. Type	Ft.	Base V. Unit Prc	Adj Prc.	NBC	Ft.	Mod	Inf 1	%	Inf 2	%	Inf 3	%	Acqr. A
R2	2 Family	1	6,480		SF	SITE	1	024.5	17.45	ONE-3	1		T	-5					113,100

## Elbow Street

LAND SECTION																			
LUC	LUC Desc	Ft.	# Units	Depth	U. Type	L. Type	Ft.	Base V. Unit Prc	Adj Prc.	NBC	Ft.	Mod	Inf 1	%	Inf 2	%	Inf 3	%	Acqr. A
RL	Res Vac Land	1	3,600		SF	SITE	1	0	2.08	NNE-1	1		F	-90					7,900

23

# Lister Card – Building Building Characteristics

- Building Style →
- Building Components →
- Building Quality →
- Building Condition →

The screenshot displays a detailed Lister Card for a property. Key sections include:

- Property Information:** Parcel ID 008-044-006, 2 FAMILY HOUSE.
- Building Breakdown:** A table listing various building components such as 'Garage', 'Deck', 'Porch', and 'Stairs' with their respective areas and values.
- Floor Area Calculations:** A table at the bottom right showing 'Sub Areas' and 'All Areas' with columns for 'Area', 'Type', and 'Value'.
- Building Sketch:** A diagram on the right side of the card showing the layout of the building and its various components.

← Building Sketch

← Floor Area Calculations

24



# Lister Card Cost Calc Ladder

The Calc Ladder Contains **SOME** of the critical elements of the Cost Approach to Value calculation, but not all of them.

You **cannot** calculate all of the elements of your cost approach calculation based only on the Calc Ladder printed on the Lister Card.

Calc Ladder		General	
Base Rate	\$4.05	Depr	167,872
Size Adj	0.97094	Depr'd Total	995,184
Cost Adj	1.02480	Juris Ft	1,0000
Adj Pct	\$63.67	Spec. Features	\$0
Grade Ft.	1.23000	Lump Sum	
Other Feat	\$17,835	Final Total	\$595,200
NBH Mod	1.0000	Override Val	
NBC Infl	2.5286	Assmnt Ft.	1,0000
LUC Ft.	1.1530	Assessed Val	\$595,200
Adj Tot (incl)	763,056	Total \$/SF	\$220.25
Depr %	22%	Undepr \$/SF	78,314.10

27

# Size Matters - The Diminishing Cost Curve

In real estate, as well as many other commodity values, once a critical size has been reached, the overall value increases for additional units of size added, but the incremental value added by each additional unit decreases - resulting in a lower average value per total units. This is known as the diminishing cost curve.

For example, a single acre of rural land may cost \$25,000.

But 50 acres of similar rural land may cost \$100,000 or only \$2,000 per acre.

The cost curve applied by the Assessor's office is statistically derived from property sales for both land and building sizes.

You can do your own analysis, apply the statistical principles and argue your merits, or simply confine your comparables to very closely matched building/land sizes.

28

## Making a Persuasive Case on Appeal: Challenging the Cost Basis Formula

### Challenges to Uniformity

Prices per sq.ft. of land, finished, unfinished space

Standard valuations of amenities / components

My neighbor's house is nicer, but valued less

Challenging your assessment by comparison to the assessments of other properties is the least successful path - Why?

Comparing only a small number of the components used in the cost approach formula. If all components were included, the resulting value would be the same.

Vermont Law prohibits the use of other property assessments as the basis for determining a property's fair market value. City of Barre v. Town of Orange, 138 Vt. 484 (1980)

29

## Making a Persuasive Case on Appeal: Correcting the Lister Card

This is the easiest and typically most effective route

Identify incorrect data and document property components on your Lister Card

Document steep, unbuildable or hazardous conditions on your land

Identify building/zoning permits that have been pulled but not performed

Identify elements that have been removed - pools, sheds, etc.

Re-evaluate Building Grade / Condition / Depreciation

Don't be surprised if someone wants to visit your property to confirm your claims.

30

# Correcting the Lister Card Grade / Condition / Depreciation

**Grade** - the **Quality** of Building Construction - this helps determine the undepreciated cost approach value of the structure.

**Very Good Grade** buildings exhibit use of superior materials and workmanship. They have special architectural highlights and are typically custom designed. They generally are built with at least three full three to five fixture bathrooms and generally exceed 3,000 square feet in size.

**Average Grade** is considered Standard quality construction. Buildings in this classification are typical of today's construction and materials and methods. This class will meet current building code standards. A developer typically builds this class of building on a mass production basis. Most buildings in this class will be plumbed for at least one full bathroom, and a full functioning kitchen.

**Fair Grade** is considered below average in quality. Buildings in this classification will generally be found to have adequate electricity, heat, and plumbing, but the fixtures are commonly of below average quality. This class is considered to have the essential conveniences. Dwellings in this class are typically between 600 and 1,500 square feet in total size, though, again, there may be exceptions to this guideline.

**Poor Grade** is the lowest class of construction providing minimal shelter. Most homes in this classification are not habitable year-round and are considered "camps" or "cabins". They lack basic insulation and may lack minimal plumbing fixtures and central heat. They are generally considered only for seasonal occupancy and will not have been constructed, in most instances by a modern builder, nor will they meet current building codes for year-round occupancy.

31

# Correcting the Lister Card Grade / Condition / Depreciation

**Condition** - the extent of **deterioration** of the building and its principal components (Furnace, plumbing, electrical, etc.)

- **E = EXCELLENT** to indicate that the dwelling exhibits an outstanding standard of maintenance and upkeep in relation to its age.
- **G = GOOD** to indicate that the dwelling exhibits an above ordinary standard of maintenance and upkeep in relation to its age.
- **A = AVERAGE** to indicate that the dwelling shows only minor signs of deterioration caused by normal "wear and tear". The dwelling exhibits an ordinary standard of maintenance and upkeep in relation to its age.
- **F = FAIR** to indicate that the dwelling is in structurally sound condition, but has greater than normal deterioration relative to its age. Dwellings in "fair" physical condition may be characterized as having a noticeable degree of deferred maintenance.
- **P = POOR** to indicate that the dwelling shows signs of observable structural deterioration (like sagging roof, foundation cracks, uneven floors, etc.) usually caused by significant and chronic deferred maintenance
- **VERY POOR** to indicate that the structure is barely livable and close to condemnation.
- **DELAPITATED** to indicate that the dwelling is structurally unsound, not suitable for habitation possibly condemned. It is unfortunately possible that some dwellings may be occupied, but still suitable for coding as unsound.

32

# Correcting the Lister Card Grade / Condition / Depreciation

**Depreciation** - The reduction from new construction values to account for the age and deterioration of the structure - driven by **Age** and **Condition**

04/03/2021 9:01:14AM BURLINGTON, VT Page 10 of 11  
 Calculation Table : Depreciation Creation

Table: R Description: RESIDENTIAL  
 Max Age: 50 Create Table: Add  
 Min Dep for AV: 0 Max Dep for AV: 40  
 Min Dep for EX: 0 Max Dep for DL: 95  
 Average Created: Linear %Per Year for L.S.G: 0.60

Factor Name	AV	VS	GV	GD	AV	FA	FS	PR	SP	DL
0.70	0.38	1.42	0.75	0.91	1.00	1.10	1.20	1.30	1.40	1.50

This is the Single Family Residential Table  
 There are separate Tables for Multi-Family, Condominiums & Mobile Homes

33

# Correcting the Lister Card Grade / Condition / Depreciation

Building **Grade** and **Age**

Building **Condition** and **Depreciation**

<b>General Information</b>	Other Fix	0	Rtng	Bld Total	2	4	2	Electric
Grade	G - GOOD			Prcl Total	2	4	2	Heating
Year Bilt	1899	Eff Yr		General				
All LUC				<b>Calc Ladder</b>				
Juris				Base Rate	64.05	Depr	167.872	
Con Mod				Size Adj	0.97004	Depr'd Total	595.184	
				Con Adj	1.02480	Juris Ft.	1.0000	
				Adj Prc	\$63.67	Spec. Features	\$0	
<b>Interior Information</b>	<b>Other Features</b>			Grade Ft.	1.25000	Lump Sum		
Avg HI / Ft.	Kitchens	1	Rtng G - GOOD	Other Feat	\$17.835	Final Total	\$595.200	
P. Int Wall	Add Klt	1	Rtng A - AVERAG	NBH Mod	1.0000	Override Val		
Sec Int Wall	Fireplaces	0	Rtng	NBC Infr	2.5286	Assmnt Ft.	1.0000	
Partition	WS Flues	0	Rtng	LUC Ft.	1.1530	Assessed Val	\$595.200	
P. Floor				Adj Tot	763.056	Total \$/SF	\$220.25	
Sec Floor				Total	22%	Depr %	22%	
Bmt Floors				Undepr \$/SF			78.31410	
Ck. Floor								

Application of Depreciation to Structure to determine Depreciation amount and Depreciated value

34

# Making a Persuasive Case on Appeal: Sales Comparison Approach

Hire a Professional Expert

- Fee Appraiser Report

- Realtor's Opinion of Value

Do it yourself

- Identify Comparable Sales, 3-5 minimum

- Identify Components of each property

- Adjust for differences between Subject and Comparables

35

# Making a Persuasive Case on Appeal: Sales Comparison Approach - DIY

Identify Relevant Comparable Sales

- The More Recent the Better

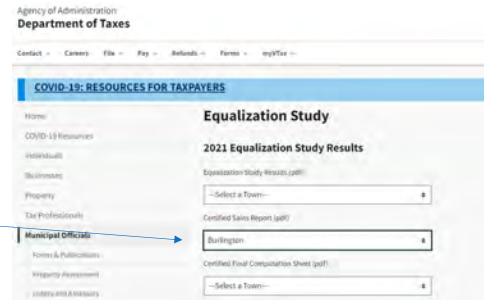
- Sales over 2 years old rarely relevant

Where to find them

[tax.vermont.gov/municipalities/reports/equalization-study](http://tax.vermont.gov/municipalities/reports/equalization-study)

Recent Property Transfer Tax Returns

- On file at City Hall



36



# Equalization

An appeal to the Board is a de novo proceeding, and the Board must determine whether the listed value of the property corresponds to the listed value of comparable properties within the town. 32 V.S.A. § 4467. This is essentially a two-step procedure. First, the fair market value of the property must be determined. *Bailey v. Town of Craftsbury*, 144 Vt. 260, ---, 475 A.2d 1390, 1391 (1984) (citing *Town of Walden v. Bucknam*, 135 Vt. 326, 328, 376 A.2d 761, 763 (1977)). Next, the fair market value must be "equalized" to insure that the property is listed comparably to corresponding properties in town. 32 V.S.A. §§ 4467, 4601. See *City of Barre v. Town of Orange*, 138 Vt. 484, 487, 417 A.2d 939, 941 (1980); *New England Power Co. v. Town of Barnet*, 134 Vt. [144 Vt. 351] 498, 509, 367 A.2d 1363, 1370 (1976). When comparable properties exist, their current market value must be compared with their current listed value to arrive at an equalization rate. This rate must then be applied to the subject property's fair market value to produce the proper listed value. *Village of Morrisville Water & Light Department v. Town of Hyde Park*, 134 Vt. 325, 330, 360 A.2d 882, 885 (1976) (constitutional principles contained within § 4467 can be complied with by establishing fair market value and assessing a listed valuation on the same percentage basis as that applied to comparable properties).

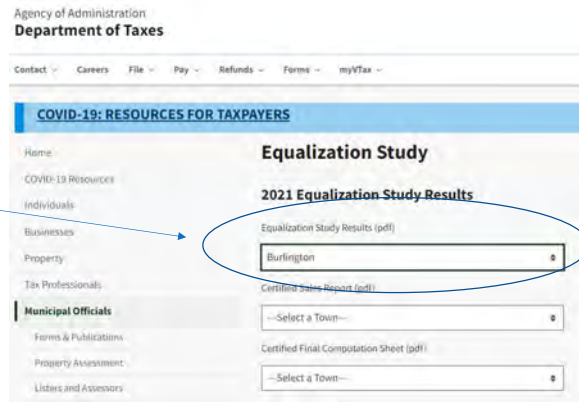
*Kachadorian v. Town of Woodstock*, 144 Vt. 348 (1984).

39

# Equalization

Where to find the current Equalization Ratio

[tax.vermont.gov/municipalities/reports/equalization-study](http://tax.vermont.gov/municipalities/reports/equalization-study)



40

# The Appeal Process - Step 1

Gather your information, Review your Lister Card

Identify the Basis for your Appeal

Cost Approach - Identify incorrect data on the Lister Card

Sales Comparison - Identify and document comparable sales

Document your Case

File a Notice of Grievance with the Board of Assessors

41

# The Appeal Process - Step 2

Appeal to the Board of Assessors (BOA)

Who is on the Board

Initial Submission

Review of the Response

Meeting with the Board

Site Visit

Decision

42

## The Appeal Process – Step 3

Appeal to the Board of Tax Appeals (BOTA)

Who is on the Board

Initial Submission

Review of the Response

Meeting with the Board

Failure to attend hearing

Site Visit

Decision

43

## The Appeal Process – Step 4A

Appeal to State of Vermont, Dept of Taxes, Division of Property Valuation and Review (PVR)

Notice of Appeal must be filed with the City Clerk

- Within 30 days of BOTA Decision

- Accompanied by payment of \$70

Status Conference with Hearing Officer / Appraiser

Site Visit

Final Hearing

Decision

44

## The Appeal Process – Step 4B

Appeal to Vermont Superior Court, Civil Division

Notice of Appeal must be filed with the City Clerk

- Within 30 days of BOTA Decision
- Accompanied by payment of \$295

Status Conference(s)

Discovery

Trial

Decision

45

## Impact of Final Determination

Final Decision may be higher, lower or the same as current Assessment

Tax bill will be retroactively revised for affected year

Future appeals limited by City Charter

(e) The decision of the Board of Tax Appeals, if not further appealed, shall become the basis for the grand list of the taxpayer for the year in question plus the next two years unless new information of a material nature about the property is discovered, the property is materially changed, or the City undertakes a rolling or complete reevaluation of real estate that includes the property in question.

Burlington City Charter Section 92(e)

46

# Additional Resources

This presentation and slide deck will be posted on the City's website:

[www.Burlingtonvt.gov](http://www.Burlingtonvt.gov)

Vermont Secretary of State website:

[www.sos.vermont.gov/municipal-division/laws-resources/](http://www.sos.vermont.gov/municipal-division/laws-resources/)

Vermont Department of Taxes

[www.tax.vermont.gov/municipal-officials/certification-education-programs/materials](http://www.tax.vermont.gov/municipal-officials/certification-education-programs/materials)

