



America's Small Town Capital

Reappraisal Information

By William Fraser, City Manager

May 17, 2023

What is the reappraisal?

A property appraisal is an estimate of full market value. Vermont law specifies that assessments be 100% of current market value per the state statute as of 2023. One of the most frequently asked questions about the reappraisal is how we will determine fair market value given all that has happened with the real estate market in the past few years. As always, the assessor will thoroughly analyze the past three years of real estate sales to determine the current fair market value. Vermont law specifies that assessments be 100% of current market value.

When will it happen?

The contractor conducting the appraisal will create a booklet with preliminary values in mid-May. These booklets are now up on the assessor's page on the city's website. Then, they will conduct formal review hearings of properties. Once that process is complete, the assessor will launch the grand list. The city will send out change of appraisal notices to every parcel, even if the value of the property drops. Then, the contractor will hold informal meetings toward the end of May. The final step is the grievance process, which happens two weeks after the appraisal notices are sent out. The city is using the same contractor as it did in 2010.

Why is it happening/important?

The 2023 reappraisal was triggered by the Common Level Appraisal (CLA) as determined by the Vermont Department of Taxes. Most towns in Vermont are overdue for an appraisal, so Montpelier is among many who are all undergoing this process together. The last reappraisal in Montpelier happened in 2010, and as we all know, a lot has changed since then. Now, it's time to review our property values to make sure they are an accurate assessment of fair market value.

Will the reappraisal make my taxes go up?

Your property taxes are driven by municipal and school spending, not property assessments. An increase in your assessment does not mean that your taxes will increase by that percentage. If all assessments double, the tax rate is reduced to half the current rate, and each property owner would pay the same amount of tax. Those who receive state payments will still pay taxes based on household income. As a general rule, if your property value increases by about 60%, your tax bill will be about the same as it is now. If your property value rose by more than 60%, you will

see a commensurate increase in your tax bill. Similarly, if your property value changed by less than a 60% increase, you should see a commensurate decrease in your tax bill. The values in most towns are going up due to inflation and other market conditions.

It's important to understand that even without a reappraisal, municipal taxes would go up anyway due to budget increases that Montpelier voters approved in March 2023. The reappraisal process does not affect this. The FY24 budget requires a 7.4% increase in the property tax rate. For the average residential property, this tax rate represents an increase of \$212.94 on the tax bill. This increase is not attached to the reappraisal.

What's my role in the reappraisal?

First, thank you for allowing full inspections of your property. Going forward, please review your new value when it's available. If you'd like to discuss it, we encourage you to attend an informal meeting. If you'd like to contest your new value, please reach out to the assessor's office and schedule a formal grievance meeting.

Where can I learn more?

All the information about the reappraisal is available at the assessor's office in city hall between 8 a.m. and 4:30 p.m. each business day and on the city's website, www.Montpelier-VT.org. You can also reach the assessor's office at 802-223-9504. The assessor's office can help you locate your property record card on the city's website. Anyone can look up record cards on the website. When you go to the assessor's page, you can get a sense of what the sale prices have been like recently — for instance, you can search property sale values all the way up to April 1, 2023. You can also compare your reappraised value to that of your neighbors and other properties in town. Call Assessor Marty Lagerstedt if you'd like help locating your record card.