

***What can, or should, we do with the \$6.00 per parcel that is coming from the state under Act 60 for reappraisal of property?***

Title 32 V.S.A. § 4041a(a) provides that “A municipality shall be paid \$6.00 per grand list parcel per year ... to be used only for reappraisal costs related to reappraisal of its grand list properties and for maintenance of the grand list.” 32 V.S.A. § 4101a(a). Some towns have asked how to account for these funds in the budgeting process.

Since the law requires the money to be used only for reappraisal and grand list purposes, it must be separately accounted for to ensure that it is not “lost” in the town’s general funds and spent for another purpose. One option is for the money to be separately accounted for in the budget. In many cases, a better option is to ask the voters to authorize the creation of a reserve fund for the money. Reserve funds can be created under 24 V.S.A. § 2804, which provides that the voters may establish a reserve fund at an annual or special meeting. The fund will be under the control and direction of the selectboard. The money must be kept in a separate account and invested as other public funds are, and may be expended only for the purposes for which the fund was established or for “other purposes” when authorized by a majority of the voters. 24 V.S.A. § 2804.

If your town is planning to do a complete property reappraisal in the next few years, it would be good to ask the voters to authorize the creation of a reserve fund. That way, the state payments could go into it and earn interest during the time the money is being held for future use.

If you choose to create such a reserve fund, suggested wording for an article for your town meeting warning is as follows: “Shall the town authorize the selectboard to maintain a reserve fund for reappraisal and costs of reappraisal of the town’s grand list properties and maintenance of the grand list?”

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