

SELECTIVE REASSESSMENT MEETS CONSTITUTIONAL TEST

The Vermont Supreme Court has upheld the Town of Lyndon's use of a geographically limited reappraisal as a proper method of grand list maintenance. *Williams v. Town of Lyndon*, 2005 VT 27 (March, 11, 2005). In this case, based on data provided by the Vermont Tax Department's Division of Property Valuation and Review, coupled with a lack of sufficient funds, the Town decided to reassess one particular district where properties appeared to be heavily undervalued in relation to other properties within the Town.

In 2000, the Town's overall common level of appraisal was approximately 89%, and its coefficient of dispersion was 17, both within the statutory limits. However, data from the past several years revealed that properties located in the Broad Street district were selling well in excess of their grand list value. Based on this data, the Town determined to reassess the property to closer approximate the statutory goal of fair market value. As a result of this selective reassessment, the plaintiffs in this case appealed their 2000 listed values, and eventually sued the Town in superior court. The plaintiff - nineteen property owners in the Broad Street district - claimed that the selective reassessment of properties in their district violated Chapter I, Article 9 of the Vermont Constitution, the Proportional Contribution Clause. The Clause requires that each member of society "contribute the member's proportion towards the expense of" government. The plaintiffs' argument was that selectively reassessing property did not comply with the constitutional requirement of uniformity in taxation.

In another, similar case, the Court upheld the use of a "rolling reappraisal," where the Town of Barton every two years reassessed that class of property determined by the Tax Department to have the lowest ratio of listed value to fair market value. That case, *Alexander v. Town of Barton*, 152 Vt. 148 (1989), established that such reassessments have a rational basis and serve a legitimate purpose – keeping appraisals as current as possible, subject to the resources available, and focused discretely on those areas which are clearly underassessed. In this instance, the Town of Lyndon was similarly justified in reassessing a discrete area of property for the purpose of grand list maintenance. The lesson from this case is that municipalities can, where necessary, reassess only those districts whose valuation characteristics are changing dramatically in relation to other districts in town.

- *Brian Monaghan, Attorney, VLCT Municipal Assistance Center*

VLCT News, May 2005

