

# Testimony Regarding H.546, the Miscellaneous Tax Bill

April 04, 2024



Testimony of the Vermont League of Cities and Towns  
Ted Brady, Executive Director  
to the Senate Finance Committee  
Regarding H. 546 (Miscellaneous Tax Bill)  
April 3, 2024

Thank you for seeking the input of VLCT on the miscellaneous tax bill, H. 546. My name is Ted Brady, and I serve as VLCT's Executive Director. VLCT represents all 257 cities and towns in Vermont – and exists to serve and strengthen municipal government. I'd like to share VLCT's perspective on several provisions.

Section 6 and Section 7 amend 32 V.S.A. § 6066a and 32 V.S.A. § 6068 to repeal a \$15 penalty for late property tax credit applications. This change will have a small financial impact on municipalities. We're not able to answer for sure if this financial impact is material enough

to oppose, so we'd encourage the committee to hear from municipal clerks and treasurers on this issue.

Section 8 amends 32 V.S.A. § 4452 requiring municipalities to accept the Department of Tax's valuation of public utilities. VLCT welcomes PVR's assistance in helping municipalities value these complex properties. However, there should be a way for municipalities to appeal the Division's determination in the event it is unacceptable to the municipalities. Municipalities share the responsibility for the grand list, and the existing language devalues that relationship significantly. We recognize some towns would value this assistance, while others would not. As such, VLCT isn't able to support this provision, but given our membership's diverging opinions, we are not ready to oppose it at this time. We also appreciate that the committee is looking for expertise from VALA on the issue.

It is our understanding that under the proposed new utility valuation provided by PVR in Sec 8, the state would then assume responsibility for defending those valuations for all Municipalities that use the PVR provided valuations. This will be an important change for our members as the state does not currently share in the expense of defending the property valuation process.

Perhaps VLCT's concerns about the municipal role in property valuation is best summed up in our November 20, 2023, letter to this committee and others about Act 68 of 2023. That bill directed the Department of Taxes to create a statewide property valuation system with inadequate consideration for the value local officials play in the process. I've attached that letter with my testimony in hopes it puts the changes in this bill in context.

Section 13 creates a Local Government Revenue Working Group. VLCT strongly supports this section – and appreciates the Senate's past support of expanding the authority of all municipalities to adopt local option taxes. We hope this study gives the legislature the needed policy recommendations that would enable them to help municipalities meet the ever increasing state mandates, public expectations, and necessities of municipal governance.

#### Attachments

[Testimony to Senate Finance Committee Regarding H.546, Miscellaneous Tax Bill](#)

[Letter from VLCT, VALA, and VMCTA to Rep. Kornheiser, 11/20/2023](#)