

ARE YOU APPEALING?

AN INTRODUCTORY GUIDE TO PROPERTY TAX ASSESSMENT APPEALS

How to Tell Whether You Ought to Appeal

So you don't like the size of your property tax bill. The budget went up and so did your tax bill, and now you're wondering if there's anything you can do about it. Maybe there is. Maybe your appraisal is higher than it should be.

Have you ever looked at your property appraisal? It's a public document, and it contains a good deal of information about your property. It's used by the listers to set the value on your property. Ask to see it. Check it over for errors. See if you agree that your property is worth as much as the town claims it is.

Maybe you don't know what your property is worth. In that case, you need a benchmark. Perhaps you had your property appraised as part of refinancing recently. If so, you might compare the bank appraisal with the listing and see how the two compare. Perhaps there is another property in town that is similar to yours that recently sold. If so, you could compare the property transfer return on that sale that is on file at the town clerk's office to see how it compares with your listed value. While neither of these sources alone is reliable in reflecting the fair market value of your property, they are good evidence on which to base a decision to appeal your assessment.

Another reason to appeal your assessment (or "grieve" them to the board of listers) is the discovery that the listers are relying on incomplete or incorrect information about your property. Does the appraisal card show that you have two bathrooms and you don't? Does it say that your roof is in good condition, although you know it isn't because you get wet when it rains? Is the acreage correct? Everybody makes mistakes. The key is what you do after you discover they have been made.

The time might be right for you to consider an appeal.

An Overview of the Process

Most people call the process by the name, "tax appeal," but you really won't be appealing your taxes. You will be appealing your tax assessment or grand list, which is the value the board of listers of your town has placed on your property, a value which forms the basis of your tax bill. If you look in the current town grand list, you will find your property listed next to your name with a value assigned to it. This value, divided by one hundred, results in your personal grand list, which is then multiplied by the tax rate to calculate the taxes you owe during the current fiscal year.

The tax appeal process (forgive us, but we're going to use the common name for it) actually begins with a grievance before the town board of listers. This is a mandatory first step. If you don't grieve, you can't appeal. It's as simple as that. To grieve, you need to know the date of grievance day, which is usually held in May or June in most towns. Call the listers or town clerk to learn this important date, and make sure you make an appearance before the board of listers on that date, either in person or by letter, to ensure that your grievance is heard.

If your town has been reappraised this year, you will receive a notice if your appraisal has changed. Even without a reappraisal, if your appraisal is changed by the listers, they will send you a change of appraisal notice. You may grieve your assessment, however, even without a change of appraisal. Just because you did nothing about your appraisal in previous years does not foreclose your ability to grieve and appeal this year, as long as you meet the deadlines.

The listers may answer your every concern, and if so the process ends at

that stage. On the other hand, except for obvious errors in listing, the listers are more likely to conclude that they know more about appraising than you do or that your own opinion is not as impartial as their own. Don't expect to succeed at the grievance stage, but use it to your own best advantage--to gather evidence and information, to hone your arguments, to organize your thinking about the case you will make to the board of civil authority.

You will receive a written notice after the grievance. Within fourteen days after receiving the notice, if you want to follow through to the next stage of the process, you need to write a letter to the town clerk, outlining your arguments and asking to be placed on the agenda of the board of civil authority to appeal the decision of the listers. Local deadlines may vary, but if you're late you lose your standing and will have to wait until next year.

The board of civil authority will hold a hearing, giving you notice of the time and place. It will then appoint a three-person inspection committee to view the property. The inspection committee must report back to the whole board within thirty days of the end of the hearing, and the board must make its decision within fifteen days of the day the committee made its report.

If you are still unsatisfied with the result of the process, you then have thirty days to appeal the decision of the board of civil authority to the state appraiser or the superior court of your county.

Dates and deadlines are a critical part of this process. If you're going to appeal, do it right.

The Appeal Hearing:

The hearing is your best and only opportunity to make your case before the board of civil authority. You need to be ready with your exhibits and other evidence. You need to have your arguments organized for presentation in the clearest possible form. A little practice in explaining your case to friends and associates is time well spent in preparation for the hearing.

What will Work: Expect to have about ten to fifteen minutes to make your case. Expect to be sworn in before you begin testifying. Expect that a tape recorder will be running, catching your every word. Expect tough questions from board members.

Make enough copies of all exhibits (listers' cards, other documentation) so that the listers and each member of the board can have their own copies. A cover letter outlining and underscoring the points you'll make orally is a good idea.

Expect the listers to go first, at least to present the listed value of your property and a report of what happened at the grievance. You'll come next. Then, once you're finished, the listers will have an opportunity to rebut your evidence. You may have an opportunity to come back one more time to answer their objections. Then the board will ask its questions. Not all boards follow this schedule, so be ready for any thing.

Following your case, thank the board for the time it spent on your case.

There are three sound approaches to winning your appeal before the board of civil authority.

1. My property is appraised at fair market value while other, comparable properties are appraised for less than fair market value. First you need to find comparable properties. Start with what you know. Think of other examples of properties that were built about the same time as yours, or are similar in type, number of rooms, acreage, and the like. Read and get copies of the listers' cards on those properties and compare them with your own. Using property transfer returns or some other method, figure out the fair market value of your property and that of the comparables. Then assert the listed value (the value the listers have listed in the grand list), and demand that your property be appraised at the same percent of fair market value as your comparables.

2. The cost of replacing the buildings on my property would be less than its appraised value. In the preceding paragraph, we illustrated the market value method of appraisal. Here we concentrate on the cost approach. Most listers use this system, often relying on the Marshall-Swift program or reference book to assess how much it would cost to rebuild. You need to produce cost estimates from contractors, bills from people you know who have recently built new homes, or anything else you can think of to show that these cost figures are too high, and then compare these figures to your listed value.

A mistake has been made on my card. The card says you have three bedrooms and two full baths, but you have only two bedrooms and one and a half bath. The card says your roof is in excellent condition, but you can show the board that it leaks like a sieve. The card doesn't mention your cracked foundation, the structural flaws in your garage, the moisture problem in your walls. The one advantage you have over the listers is your intimate knowledge of your house. You need to show, by photographs, repair estimates and the like that the appraisal is inflated.

Beyond the board of civil authority:

If the board does not give you the relief you feel you deserve (and can prove), you may want to consider an appeal to the state appraiser or superior court. If you choose the superior court, you will probably want to consider hiring an attorney. If you choose the state board, you can try to do the appeal yourself. The appeal to the state appraiser is likely to be heard and decided sooner than the court.

The decision you receive from the superior court or state board of appraisers will set your appraisal at a value that will remain in place for this and the two succeeding years. The only exceptions are if the town undergoes a complete reappraisal or you undertake substantial changes in your property during those years.

Remember that the appeal period runs out on the thirtieth day following the date of the decision of the board of civil authority. Don't wait until the last day to put your appeal together. The appeal to the state appraiser is filed with the Director of Property Valuation and Review, 109 State Street, Montpelier, VT 05609. The board has adopted rules you should read and understand before the hearing.

The state appraiser will come to your town for the hearing. It may not happen right away, so you need to keep your arguments fresh. The appraiser will inspect and assess your property on its own.

Decisions of the superior court or state appraiser can be appealed to the Vermont Supreme Court within thirty days of the decision.

Deciding whether to pursue an appeal beyond the board of civil authority ought to begin with an assessment of how much you will gain on your appraisal compared to the costs of further appeal. Sometimes, even though you're-right, it may not be worth your time or money to keep fighting.

If all else fails:

If you are over the age of 62 and having trouble paying your property taxes, you ought to consider the property tax- rebate program. This program provides rebates to homeowners or renters based on a sliding scale. It is explained on the Vermont income tax form. You may also want to contact the Vermont Department of Taxes at 828-2865.

The Vermont Institute for Government

The Vermont Institute for Government (VIG) is a nonprofit corporation dedicated to improving educational opportunities for local officials and the public on how government works. It consists of representatives from each of the major groups in Vermont that offer such

training. For more information contact:

Vermont Institute for Government

617 Comstock road, Suite 5
Berlin, VT 05602-9194
223-2389

12/99

Property Value Grievance Application for the Town of Warren

Tax Year _____

Please complete this application by legible print or type.

Owner's Name: _____

Owner's Mailing Address: _____

City, State, Zip _____

Phone (Home): _____ (Work) _____

Property Location: _____ Parcel ID # _____

Lister's appraised value _____ Owner's proposed value _____

	Your property	Comp #1	Comp #2	Comp #3
Date of Sale				
Sale Price:				
Lot Size:				
Building Size:				
Style :(Cape, Ranch, etc.)				
# Baths:				
Finished Basement:				
Garage(# cars,):				
Other:				

Owner's Signature: _____

Co-Owner's Signature: _____

Representative's Signature: _____

Mailing Address: _____

City, State, Zip _____

Phone number: () _____

Print name: _____