



State of Vermont
 Department of Taxes
 133 State Street
 Montpelier, VT 05633-1401

Agency of Administration

December 21, 2018

Town Clerk, Selectboard, Lister
 Town of Marlboro
 PO Box E
 510 South Road
 Marlboro, VT 05344

Re: Reappraisal Evaluation – 2018

Enclosed are the results of the Vermont Department of Tax, Property Valuation and Review Division’s (PVR) evaluation of your 2018 reappraisal for the Town of Marlboro. The evaluation is performed as part of the Equalization Study of the 2018 grand list. The evaluation checks your town’s new listed values with three equity measures described in the document *Reappraisal Activity Evaluation for the Equalization Study* found at <http://tax.vermont.gov/municipal-officials/listers-and-assessors/reappraisals>. This is also known as the “three-pronged test”. Based on the evaluation of your reappraisal, PVR found **SATISFACTORY result with regard to all three measures.**

Equity Measure	Desired Result	Result
1. Percentage of parcels changed for a full reappraisal.	Nearly 100% of properties on the Grand List saw their listed values change due to the reappraisal.	SATISFACTORY
2. Equal treatment of (recently) sold properties copared to unsold properties.	Approximately equal percentage change in listed value for both sold and unsold.	SATISFACTORY
3. Equal treatment of homestead and nonresidential properties.	Approximately equal level of appraisal for both homestead and nonresidential properties based on the sales validated for the current year’s sales sample.	SATISFACTORY

The result of our evaluation of your reappraisal is detailed in the enclosed document entitled *Marlboro 2018 Reappraisal Evaluation Results*.

Sincerely,

Jill Remick, Director
 Property Valuation and Review
 Vermont Department of Taxes

Enclosure: Marlboro 2018 Reappraisal Evaluation Results



Marlboro 2018 Reappraisal Evaluation Results

The following are your municipality's results based on the three evaluation measures.

Test 1: Reappraisal coverage (percent of parcels with changed value).

Criterion for full reappraisals and statistical updates, at least 95 percent of all parcels show a change in listed value. No test of statistical significance is required for this measure.

Total taxable parcels	645
Taxable parcels changed	645
Percent parcels changed	100. %

Difference from 100 percent parcel change is: .0 %
Is the resulting measure satisfactory? **Yes**

Test 2: Equal treatment of sold and unsold properties.

Criterion is no more than a ten-percentage point difference between the average change in value of the two groups. This is based on the difference between the median values of the two groups. Measurement of the difference must also be statistically significant. *

Parcels Sold:		Parcels Unsold:	
Number sold	22	Number unsold	602
Median change	2.06%	Median change	- .97%

Absolute difference sold and unsold is: 3.02%
Is the difference statistically significant? * No
Is the resulting measure satisfactory? **Yes**

Test 3: Equal treatment of homestead and nonresidential property.

Criterion is no more than a ten-percentage point difference between the average level of assessment of the sold properties in the two groups. This is based on the difference between the median values of the two groups. Measurement of the difference must also be statistically significant. *

Homestead parcels:		Nonresidential parcels:	
Number homestead	3	Number nonresident	19
Median ratio	96.75%	Median ratio	101.25%

Absolute difference homestead and nonresidential: 4.5 %
Is the difference statistically significant? * No
Is the resulting measure satisfactory? **Yes**

OVERALL EVALUATION: SATISFACTORY result with regard to all three measures.

If the Overall Evaluation above states that your results are satisfactory, then the evaluation of your reappraisal is finished, the reappraisal appears to have met a reasonable standard in terms of the three equity measures subject to the evaluation, and the new listed values will be used in the 2018 equalization study. This does not mean that the results of the reappraisal are necessarily satisfactory with regard to other legal and statutory issues. For example, a satisfactory result on this evaluation does not mean that a reappraisal COD (as measured by PVR's equalization study) in excess of 20% will not result in a reappraisal order.

If the Overall Evaluation states that the results are unsatisfactory (i.e., Unsatisfactory to any of the three measures), PVR staff need to understand why there appears to be a lack of equity in your reappraisal.

The explanation should provide a reasoned and empirically supported basis for why the unsatisfactory equity measurement(s) is not a valid indication of the appraisal practices employed in the reappraisal. Possible reasons could include:

- Error by PVR in its evaluation (e.g., inappropriate SPAN matches);
- Inappropriate identification of appraisal activity by town (e.g., town indicated a full reappraisal but conducted a partial reappraisal);
- Limitations of the sales sample used in the evaluation (e.g., the sample is not representative of the grand list).

It is important to emphasize that to be persuasive the explanation should include actual sales and / or grand list information that supports the explanation. To help you in this process, PVR can provide you with an electronic file with all the data used by PVR in the evaluation for each of the measures.

Your District Advisor has been notified of the results of the evaluation. You are encouraged to talk with your District Advisor or other Tax Department staff while you are in the process of compiling your explanation. It would also be helpful to refer to the referenced document, *Reappraisal Activity Evaluation for the Equalization Study*.

In the case of an apparent inequity, PVR will determine how the reappraisal will be handled within the context of the equalization study. This determination is subject to appeal as part of the general appeals process for the equalization study under 32 V.S.A. §5408.

* Statistical significance is the probability that the measure is a true indication of your entire grand list. Because it is possible that the sample information from which the measure is calculated is not a reliable indication of your entire grand list, the test of significance is used to identify unreliable results. For example, in cases where the percent difference between sold and unsold properties exceeds 10 percentage points, if the results are not statistically significant then the difference may be the result of too small a sample. In this case, we will assume that the reappraisal is satisfactory in terms of treatment of sold and unsold properties. For more information on significance calculation, please refer to Appendix 3 (Statistical Notes) in *Reappraisal Activity Evaluation for the Equalization Study*.