

VALA NEWS- LETTER

February 1

2018

+ Tiny House
Movement
What's the Trend?

+ Upcoming
Education 2018

+ Newbury Dam Court
Case



The Teeny Tiny Houses Are Coming, Oh My?

As assessors, just when you get a handle on understanding your market, along comes a surprise just to keep things interesting. Consider tiny houses, the latest trend. Like most people I thought this trend would slow down or die out before I had to deal with it. It seems that this trend is finally knocking at the doorstep of many Vermont towns, so we might as well open the door and see what it's all about.



What is a Tiny House?? In general terms per Wikipedia : “The tiny house movement (also known as the "small house movement"^[1]) is a description for the architectural and social movement that advocates living simply in small homes. There is currently no set definition as to what constitutes as a tiny house; however, a residential structure under 500 square feet (46 m²) is generally accepted to be a tiny home.^[2] “ There is mounting evidence as to why the home trend could shift towards a smaller size. Besides smaller families, the millennials are trending towards simpler living, more efficient building practices “building green”, smaller footprint in lifestyle including smaller size homes.

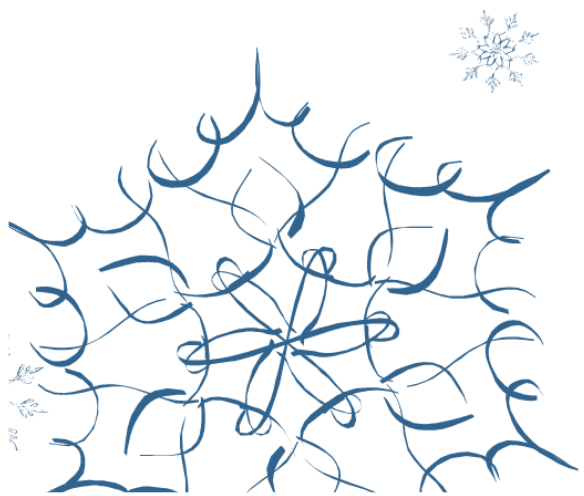
For simplicity let's focus on a size less than 500sf, in Vermont, smaller than 20 x 25. We should be clear that this market is not the same as condos in downtown New York City where small spaces can draw a premium. The challenge here in Vermont is understanding the small house size as compared with the typical house size. The hard part with any trend is to identify what the typical buyer in your market will pay for the property. In the 1940's the typical family size was 3.67 living in 1,100sf. Recently the trend of smaller families in larger homes may have peaked in 2015 with typical family size of 2.51 living in 2,467sf (numbers per U.S. census).

The tiny houses found in Vermont are diverse in construction. Most are built on trailers at a size that can be hauled down the road without any special permit (limit at 8 ½ feet'). But some are built on a poured concrete foundation, for example in Bellows Falls at 16' x16'. These houses are built one at a time, not mass manufactured. The efficiency of design for use of space is significantly important and unusual compared to traditionally larger space houses. Some are works of art, highly unique.

Do HUD building standards apply to trailer built tiny houses?

On June 15, 1976, HUD established construction and safety standards for mobile homes because they were becoming widely-used as permanent housing. The Federal Manufactured Home Construction and Safety Standards, also known as HUD Code, are the regulations that govern today's manufactured housing. Tiny houses are custom built, not manufactured.

Do these meet the definition of an RV, Recreational Vehicle? The tiny house movement has not gone unnoticed to the watchful eye of regulation and government oversight. In 2016 HUD proposed a change in the law **FR-5877-P-01 Manufactured Home Procedural and Enforcement Regulations; Revision of Exemption for Recreational Vehicles**. See link <https://www.regulations.gov/document?D=HUD-2016-0013-0001> for description of the law. Essentially the rule would re-define recreational vehicles as a “factory-build vehicular structure, not certified as a manufactured home, designed only for recreational use and not as a primary residence or for permanent occupancy” and requires RV manufacturers to “prominently display” that definition in the kitchen of all RVs for sale. The regulation also defines “recreational vehicle” as a **“self-propelled”** unit, apparently excluding tiny homes on wheels from the RV exemption.



Vermont statute regarding trailer type residence installed over 180 days:

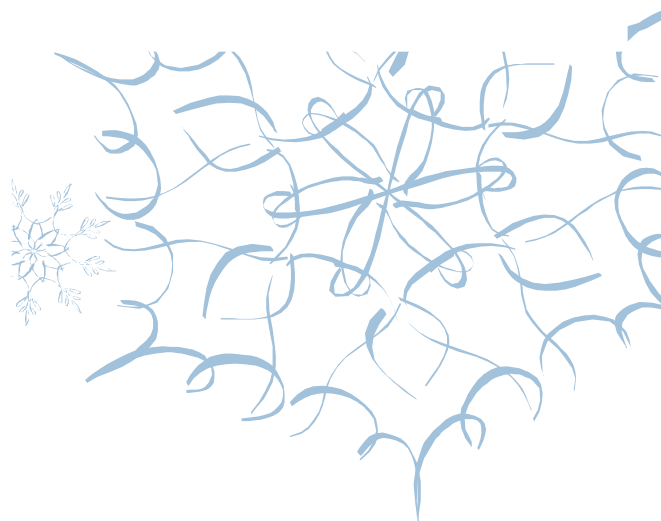
In Vermont we have a statute 32 V.S.A. § 3692(b) that reads as follows: 1 (b) A trailer coach shall be taxed as real property by the town in which it is located notwithstanding subsection (a) of this section [personal property tax applies to a travel coach in business inventory or used as a business asset] if it is situated in the town on the same trailer site or camp site for more than 180 days during the 365 days prior to April 1. A trailer coach shall not be taxed as real property if it is stored on property on which the owner resides in another dwelling as a permanent residence.

If you determine the tiny house in your town is a version of a travel trailer, then this statute is important to consider regarding when to assess the property. Just remember that if the owner of the tiny house trailer is living in a residence on the same property, then the travel trailer tiny house is only a travel trailer being stored. Refer to the link below for a good overview of discussion of “travel trailers”.

<http://www.leg.state.vt.us/jfo/reports/2006-01%20Trailer%20Coach%20Property%20Tax%20Report.pdf>

PLEASE STAY TUNED FOR VALUATION AND IMPLICATIONS FOR LISTERS AND GRAND LIST IN NEXT NEWS LETTER.

Written by Jeremiah Sund, Camilla Roberts with Contributions from Todd Leblanc & Lucille



Education Yeah, It's Important



Local Government Day

Thursday, February 15, 2018 8:00 am to 3:30 pm

CAPITOL PLAZA
100 STATE STREET
05602 MONTPELIER, VT

Local Government Day in the Legislature is an annual event at the Vermont State House during February where local officials can learn about the status of pending legislation that affects local government, attend legislative hearings, and speak with their representatives and senators.

Check out the 2017 agenda at
<https://www.vlct.org/event/local-government-day> to learn more about what happens at Local Government Day.

Event Coordinator
Lisa Goodell
(802) 229-9111
info@vlct.org

Registration Deadline: Thursday, February 08, 2018

MSOL Advanced CAMA Seminars

February 12th, 15th, & 21st

To register visit the NEMRC website at

WWW.NEMRC.COM

and click on the link MSOL Cama Seminars.

Please register on or before February 7th as space is limited. If you have any questions please call (800) 387 - 1110 or send an email to Chris@nemrc.com

MSOL CAMA Topics

- 1) Attached Garages and Finished Area
- 2) How to Print all PRCs and Cost Sheets at one time (Pros & Cons)
- 3) How to deal with Multiple Houses on 1 parcel. IE Large subdivision that none of the houses have been sold at this time.
- 4) Contributory value of Outbuildings
- 5) Linking your CAMA data to Tax Map – What are the options.
- 6) Review of Current Use Calculator tool
- 7) Cleaning up 911 Address fields and how that can help you
- 8) Apex Tips and Shortcuts
- 9) M & S Manuals – What are they and when to purchase them





Newbury VT., Wins Dam Lawsuit

Mike Polhamus, VTDigger as published in The Valley News

Montpelier — The town of Newbury, Vt., prevailed before the Vermont Supreme Court this week in a case that will bring thousands of dollars in tax revenue from impoundments by a dam located 41 miles downriver. The case hinged on the value of legal instruments the dam owner possesses, called flow easements or flowage rights, that permit the dam to flood land situated below its reservoir's high-water line.....

To read the complete article visit Valley News at

<http://www.vnews.com/Newbury-Vt-Wins-Court-Case-Related-to-Wilder-Dam-14319080>



Lawmakers draft school funding plan based on income tax

Tiffany Danitz Pache,
as published in
VTDigger

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House panel is drafting an education finance bill that would lower the property tax and implement a new income tax to support the state's schools. A school income tax would be based on adjusted gross income for all residents. The withholding would be applied to employee payroll for wage earners and would be an estimated tax for sole proprietors and people who earn other income. Residents would pay no school tax on the first \$47,000 of income. For example, a family with a household adjusted gross income of \$200,000 would pay tax on \$153,000. Households with incomes of \$47,000 or less would not pay any school income tax.....

To read the complete article visit VTDigger at

<https://vtdigger.org/2018/01/26/lawmakers-draft-school-funding-plan-based-income-tax/>

The 2018 VALA education schedule is now set and posted to the VALA website at <http://www.valavt.org/educational-opportunities/>

We are offering 2 courses and a 1-day forum this fall. The courses include the IAAO 102 Income Approach to Valuation, the IAAO 311 Residential Modeling Concepts and a New one-day forum, IAAO 991 Understanding and Using Comparable Transactions.

The 991 Forum is a new offering by IAAO and a comprehensive view of the comparison method of valuing and how it is utilized to support and defend an appraisal report. There will be a booklet with the class but is mostly lecture style.

We are introducing a **new** fee schedule in conjunction with our **New** relationship with Property Valuation and Review (PVR). PVR is contracting with VALA to subsidize IAAO course offerings for in state Assessors and Listers who are elected or directly employed by VT municipalities as assessing officials. This is a big movement in making assessment education more affordable for our communities!

The fee schedule was developed to offer reduced pricing to municipal officials while still allowing the courses to be available to all other persons who may need to participate. Since we are an IAAO affiliate, we are offering a discount to non-Vermont municipal officials that are members of IAAO.

Make sure you check out both the Course offerings and our new fee schedule when you register for classes.

	<u>One Day Forum</u>	<u>Workshop</u>	<u>Five Day Course</u>
<i>Vermont Municipal Assessing Officials (Elected Lister or Hired Municipal Employee)</i>			
VALA Member	\$50.00	\$75.00	\$100.00
VALA Non-Member	\$100.00	\$125.00	\$150.00
<i><u>Contract Assessor, Contracted Assessing Company Employees and/or Others</u></i>			
IAAO Member	\$175.00	\$225.00	\$525.00
IAAO Non-Member	\$225.00	\$275.00	\$625.00

LEGISLATIVE UPDATE

The Legislature has been in Montpelier since January 9th, already things are starting to heat up! Your Legislative Committee is keeping watch on a number of bills, and has already been successful (at this point!) in making changes in one bill that would have had a negative effect on Listers.

House Bill 181 (H-181) a bill relating to Affordable Housing, as introduced, would have, among other things, created a Board of Rental Housing with VALA as a statutory member! It would have also required that the Grand List have a notation for whether a property included residential rental housing! This bill came up for consideration early, VALA and VLCT jumped right on it and those provisions are not in the current version.

At the present a bill is being discussed and drafted by the House Ways and Means Committee that would partially shift funding for education from the property tax to the income tax. Elsewhere in this newsletter is a VTDigger article about this initiative. Obviously, this bears closely watching.

A number of bills that may affect Listers (or could morph into affecting) are currently being carefully followed. Below is a partial list of bills that we are watching, along with a brief explanatory note. All legislative bills can be found at the Legislature's bill tracking page. <https://legislature.vermont.gov/>

H181-Rental Housing See Above

H-601, S154 -This bill proposes to exempt camper trailers in storage from property tax.

S-181 –Would create a flat Homestead Tax exemption for Education Tax and eliminate income sensitivity.

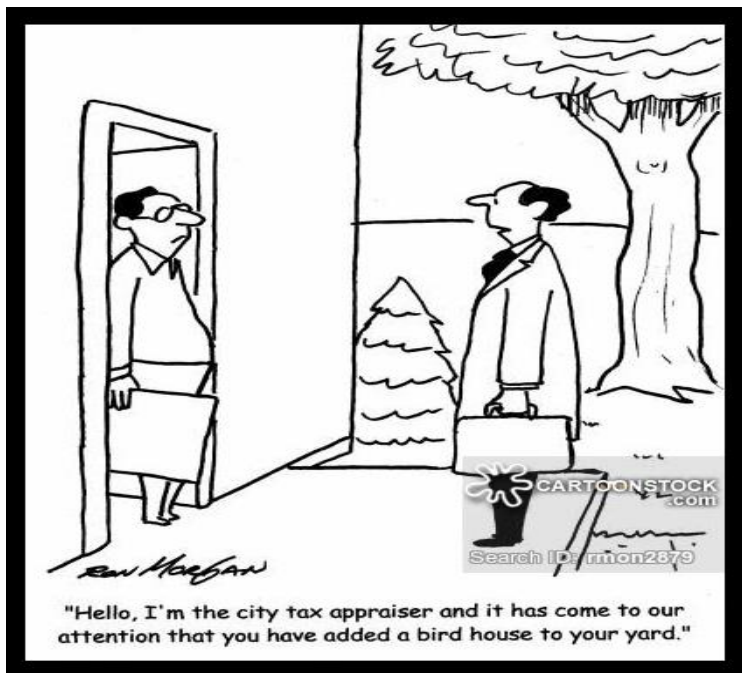
S-187 – Would remove Ag. land from use value program for water quality violations.

S-191 – Significantly alters use value appraisal program and shifts administration to Towns.

S-274 - Would allow Towns to tax offshore utility lines in Lake Champlain.

H-704 – Would return to the old way – pre-Act 57 way of valuing a part of a parcel not in current use.

S-260- Would impose a per parcel clean water fee, require towns to show on tax bill and collect.



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