

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Ways and Means to which was referred House Bill No.
3 629 entitled “An act relating to changes to property tax abatement and tax
4 sales” respectfully reports that it has considered the same and recommends that
5 the bill be amended by striking out all after the enacting clause and inserting in
6 lieu thereof the following:

7 * * * Municipal Tax Abatement * * *

8 Sec. 1. 24 V.S.A. § 1535 is amended to read:

9 § 1535. ABATEMENT

10 (a) The board may abate in whole or part taxes, water charges, sewer
11 charges, interest, or collection fees, or any combination of those, other than
12 those arising out of a corrected classification of homestead or nonhomestead
13 property, accruing to the town in the following cases:

14 (1) taxes or charges of persons who have died insolvent;

15 (2) taxes or charges of persons who have moved from the State;

16 (3) taxes or charges of persons who are unable to pay their taxes or
17 charges, interest, and collection fees;

18 (4) taxes in which there is manifest error or a mistake of the listers;

19 (5) taxes or charges upon real or personal property lost or destroyed

20 during the tax year;

1 (6) the exemption amount available under 32 V.S.A. § 3802(11) to
2 persons otherwise eligible for exemption who file a claim on or after May 1
3 but before October 1 due to the claimant’s sickness or disability or other good
4 cause as determined by the board of abatement; but that exemption amount
5 shall be reduced by 20 percent of the total exemption for each month or portion
6 of a month the claim is late filed;

7 (7) [Repealed.]

8 (8) [Repealed.]

9 (9) taxes or charges upon a mobile home moved from the town during
10 the tax year as a result of a change in use of the mobile home park land or parts
11 thereof or closure of the mobile home park in which the mobile home was
12 sited, pursuant to 10 V.S.A. § 6237; or

13 (10) de minimis amounts of taxes for purposes of reconciling municipal
14 accounts according to generally accepted accounting practices.

15 (b) The board’s abatement of an amount of tax or charge shall
16 automatically abate any uncollected interest and fees relating to that amount.

17 (c) The board shall, in any case in which it abates taxes or charges, interest,
18 or collection fees accruing to the town or denies an application for abatement,
19 state in detail in writing the reasons for its decision. The written decision shall
20 provide sufficient explanation to indicate to the parties what was considered

1 and what was decided. The decision shall address the arguments raised by the
2 applicant.

3 (d)(1) The board may order that any abatement as to an amount or amounts
4 already paid be in the form of a refund or in the form of a credit against the tax
5 or charge for the next ensuing tax year or charge billing cycle and for
6 succeeding tax years or billing cycles if required to use up the amount of the
7 credit.

8 (2) Whenever a municipality votes to collect interest on overdue taxes
9 pursuant to 32 V.S.A. § 5136, interest in a like amount shall be paid by the
10 municipality to any person for whom an abatement has been ordered.

11 (3) Interest on taxes or charges paid and subsequently abated shall
12 accrue from the date payment was due or made, whichever is later. However,
13 abatements issued pursuant to subdivision (a)(5) of this section need not
14 include the payment of interest.

15 (4) When a refund has been ordered, the board shall draw an order on
16 the town treasurer for payment of the refund.

17 (e)(1) The board may hear a group of similar requests for abatement as a
18 class, provided that:

19 (A) the requests shall arise from the same cause or event;

20 (B) the requests relate to the bases for abatement in subdivision

21 (a)(4), (5), or (9) of this section;

1 (C) the board shall group requests based on property classification;

2 (D) the board shall provide notice to each taxpayer of the taxpayer's
3 status as a member of the class; and

4 (E) a taxpayer shall have the right to decline the taxpayer's status as a
5 member of the class and pursue the taxpayer's request as a separate action
6 before the board.

7 (2) The board shall provide notice to each taxpayer at minimum 21 days
8 before the scheduled hearing for the class. The notice shall include a
9 description of the class and the board's reasons for grouping the requests, an
10 explanation of the taxpayer's status as a member of the class, the procedure for
11 appealing a board decision, the taxpayer's right to decline class membership
12 and pursue a separate action, and any deadlines that the taxpayer must meet in
13 order to participate as a member of the class or pursue a separate action.

14 (3) A taxpayer shall notify the board of the taxpayer's intent to pursue a
15 separate action, pursuant to subdivision (1)(E) of this subsection, a minimum
16 of seven days before the board's hearing to consider a class request.

17 (4) A board may preserve and take notice of any evidence supporting
18 the basis for abatement for a class and use that evidence for purposes of a later,
19 separate action pursued by an individual taxpayer.

1 (5) In instances where a board abates in part taxes, charges, interest, or
2 collection fees for a class, the board shall not render a decision that results in
3 disproportionate rates of abatement for taxpayers within the class.

4 (f) A municipality shall provide clear notice to a taxpayer of the ability to
5 request tax abatement at the same time as a municipality attempts to collect
6 municipal fee or interest for delinquent taxes, water charges, sewer charges, or
7 tax collection.

8 Sec. 2. 24 V.S.A. § 5144 is amended to read:

9 § 5144. UNIFORM NOTICE FORM

10 The notice form required under section 5143 of this chapter, and defined in
11 section 5142 of this chapter, shall be clearly printed on a pink colored sheet of
12 paper; and shall be according to the following form:

13 * * *

14 ABATEMENT AND POSSIBLE REDUCTION IN CHARGES—You may be
15 able to receive an abatement of charges, penalties, or interest through
16 municipal abatement. To seek this relief from the Board of Abatement, contact
17 the municipal clerk by mail or phone:

18 (Name of Clerk of Board of Abatement)

19 (Name of Town, City, or Village)

20 (Address of Office)

21 (Mailing Address)

1 or by calling:

2 (Telephone Number)

3 * * * Property Tax Credit * * *

4 Sec. 3. 32 V.S.A. § 6065 shall be amended to read:

5 § 6065. FORMS; TABLES; NOTICES

6 (a) In administering this chapter, the Commissioner shall provide suitable
7 claim forms with tables of allowable claims, instructions, and worksheets for
8 claiming a homestead property tax credit.

9 (b) Prior to June 1, the Commissioner shall also prepare and supply to each
10 town in the State notices describing the homestead property tax credit, for
11 inclusion in property tax bills. The notice shall be in simple, plain language
12 and shall explain how to file for a property tax credit, where to find assistance
13 filing for a credit, and any other related information as determined by the
14 Commissioner. The notice shall direct taxpayers to a resource where they can
15 find versions of the notice translated into the five most common non-English
16 languages in the State. A town shall include such notice in each tax bill and
17 notice of delinquent taxes that it mails to taxpayers who own in that town a
18 residential property that could be a homestead as defined in subdivision
19 5401(7) of this title, without regard for whether the property was declared a
20 homestead.

1 (c) Notwithstanding the provisions of subsection (b) of this section, towns
2 that use envelopes or mailers not able to accommodate notices describing the
3 homestead tax credit may distribute such notices in an alternative manner.

4 * * * Tax Sale of Real Property * * *

5 Sec. 4. 32 V.S.A. § 5252 is amended to read:

6 § 5252. LEVY AND NOTICE OF SALE; SECURING PROPERTY

7 (a) When the collector of taxes of a town or of a municipality within it has
8 for collection a tax assessed against real estate in the town and the taxpayer is
9 delinquent for a period longer than one year, the collector may extend a
10 warrant on such land. However, no warrant shall be extended until a
11 delinquent taxpayer is given an opportunity to enter a written reasonable
12 repayment plan pursuant to subsection (c) of this section. If a collector
13 receives notice from a mobile home park owner pursuant to 10 V.S.A. §
14 6248(b), the collector shall, within 15 days after the notice, commence tax sale
15 proceedings to hold a tax sale within 60 days after the notice. If the collector
16 fails to initiate such proceedings, the town may initiate tax sale proceedings
17 only after complying with 10 V.S.A. § 6249(f). If the tax collector extends the
18 warrant, the collector shall:

19 (1) File in the office of the town clerk for record a true and attested copy
20 of the warrant and so much of the tax bill committed to the collector for
21 collection as relates to the tax against the delinquent taxpayer, a sufficient

1 description of the land so levied upon, and a statement in writing that by virtue
2 of the original tax warrant and tax bill committed to the collector for
3 collection, the collector has levied upon the described land.

4 (2) Advertise forthwith such land for sale at public auction in the town
5 where it lies three weeks successively in a newspaper circulating in the
6 vicinity, the last publication to be at least 10 days before such sale.

7 (3) Give the delinquent taxpayer written notice by certified mail
8 requiring a return receipt directed to the last known address of the delinquent
9 of the date and place of such sale at least ~~10~~ 30 days prior thereto if the
10 delinquent is a resident of the town and ~~20~~ 30 days prior thereto if the
11 delinquent is a nonresident of the town. If the notice by certified mail is
12 returned unclaimed, notice shall be provided to the taxpayer by resending the
13 notice by first-class mail or by personal service pursuant to Rule 4 of the
14 Vermont Rules of Civil Procedure, except that if the last known address of the
15 delinquent taxpayer is in Vermont, the collector shall resend the notice by first-
16 class mail and make one attempt at personal service pursuant to Rule 4 of the
17 Vermont Rules of Civil Procedure. If the last known address of the delinquent
18 taxpayer is in Vermont, and an attempt at personal service fails, the collector
19 shall affix the notice to the exterior door of the property subject to tax sale.

20 (4) Give to the mortgagee or lien holder of record written notice of such
21 sale at least ~~10~~ 30 days prior thereto if a resident of the town and, if a

1 nonresident, ~~20~~ 30 days' notice to the mortgagee or lien holder of record or ~~his~~
2 ~~or her~~ the mortgagee's or lien holder's agent or attorney by certified mail
3 requiring a return receipt directed to the last known address of such person. If
4 the notice by certified mail is returned unclaimed, notice shall be provided by
5 resending the notice by first-class mail or by personal service pursuant to Rule
6 4 of the Vermont Rules of Civil Procedure.

7 (5) Post a notice of such sale in some public place in the town.

8 (6) Enclose the following statement, with directions to a resource
9 translating the notice into the five most common non-English languages used
10 in this State, with the notices required under subdivisions (3) and (4) of this
11 subsection (a) and with every delinquent tax notice:

12 Warning: There are unpaid property taxes at (address of property), which you
13 may own, have a legal interest, or may be contiguous to your property. The
14 property will be sold at public auction on (date set for sale) unless the overdue
15 taxes, fees, and interest in the amount of (dollar amount due) is paid. To make
16 payment or receive further information, contact (name of tax collector)
17 immediately at (office address), (mailing address), (e-mail address), or
18 (telephone number).

19 (7) The resource for translation of the notice required under subdivision
20 (6) of this subsection shall be made available to all municipalities by the
21 Vermont Department of Taxes.

1 (b) If the warrant and levy for delinquent taxes has been recorded pursuant
2 to subsection (a) of this section, the municipality in which the real estate lies
3 may secure the property against illegal activity and potential fire hazards after
4 giving the mortgagee or lien holder of record written notice at least 10 days
5 prior to such action.

6 (c)(1) A municipality shall not initiate a tax sale proceeding until it has
7 offered a delinquent taxpayer a written reasonable repayment plan and the
8 taxpayer has either denied the offer, failed to respond within 30 days, or has
9 failed to make a payment under the plan within the time frame established by
10 the collector. When establishing a plan under this subsection, the municipality
11 shall consider the following:

12 (A) the income and income schedule of the taxpayer, if offered by the
13 taxpayer;

14 (B) the taxpayer's tax payment history with the municipality;

15 (C) the amount of tax debt owed to the municipality;

16 (D) the amount of time tax has been delinquent; and

17 (E) the taxpayer's reason for the delinquency.

18 (2) A collector is only required to offer one payment plan per
19 delinquency, without regard for whether it is agreed to by the delinquent
20 taxpayer.

1 (3) A collector may void a payment plan and proceed to tax sale if a
2 delinquent taxpayer agrees to a payment plan under this subsection and fails to
3 make a timely payment.

4 Sec. 5. 32 V.S.A. § 5253 is amended to read:

5 § 5253. FORM OF ADVERTISEMENT AND NOTICE OF SALE

6 The form of advertisement and notice of sale provided for in section 5252
7 of this title shall be substantially in the following form:

8 The resident and nonresident owners, lien holders, and mortgagees of lands in
9 the town of _____ in the county of _____ are hereby notified that
10 the taxes assessed by such town for the years _____ (insert years the taxes are
11 unpaid) _____ remain, either in whole or in part, unpaid on the following
12 described lands in such town, to wit,

13 _____
14 _____

15 (insert description of lands)

16 and so much of such lands will be sold at public auction at _____ a public
17 place in such town, on the _____ day of _____ (month), _____ (year) at
18 _____ o'clock _____ (am/pm), as shall be requisite to discharge such taxes
19 with costs and fees, unless previously paid.

20 Be advised that the owner or mortgagee, or the owner's or mortgagee's
21 representatives or assigns, of lands sold for taxes shall have a right to

1 redemption for a period of one year from the date of sale pursuant to 32 V.S.A.
2 § 5260.

3 Dated at _____, Vermont, this _____ day of _____ (month), _____
4 (year).

5 _____
6 Collector of Town Taxes

7 Sec. 6. 32 V.S.A. § 5260 is amended to read:

8 § 5260. REDEMPTION

9 (a) When the owner or mortgagee of lands sold for taxes, ~~his or her~~ the
10 owner’s or mortgagee’s representatives or assigns, within one year from the
11 day of sale, pays or tenders to the collector who made the sale or in the case of
12 ~~his or her~~ the collector’s death or removal from the town where the land lies, to
13 the town clerk of such town, the sum for which the land was sold with interest
14 thereon calculated at a rate of ~~one~~ 0.5 percent per month ~~or fraction thereof~~
15 from the day of sale to the day of payment, a deed of the land shall not be
16 made to the purchaser, but the money paid or tendered by the owner or
17 mortgagee or ~~his or her~~ the owner’s or mortgagee’s representatives or assigns
18 to the collector or town clerk shall be paid over to such purchaser on demand.

19 In the event that a municipality purchases contaminated land pursuant to
20 section 5259 of this title, the cost to redeem shall include all costs expended for

1 assessment and remediation, including expenses incurred or authorized by any
2 local, State, or federal government authority.

3 (b) During the redemption period, the tax collector shall:

4 (1) Serve the delinquent taxpayer with the written notice required under
5 subsection (c) of this section at least 90 days, but no sooner than 120 days,
6 prior to the end of the redemption period using certified mail requiring a return
7 receipt, directed to the last known address of the delinquent taxpayer. If the
8 notice by certified mail is returned unclaimed, notice shall be provided by
9 resending the notice by first-class mail or by personal service pursuant to Rule
10 4 of the Vermont Rules of Civil Procedure.

11 (2) At least 90 days prior to the end of redemption period, post a notice
12 in some public place in the municipality.

13 (c) The tax collector shall enclose the following statement, with directions
14 to a resource translating the notice into the five most common non-English
15 languages used in this State, with every notice required under this section:

16 Warning: There are unpaid property taxes at (address of property), which
17 you may own, have a legal interest in, or may be contiguous to your property.
18 The property was sold at public auction on (date). Unless the overdue taxes,
19 fees, and interest are paid by (last day of redemption period), the deed to the
20 property will transfer to purchaser. To redeem the property and avoid losing
21 your legal interest, you must pay (dollar amount due for redemption). The

1 amount you must pay to redeem the property increases every month due to
2 interest, mailing costs, and other costs. To make payment or receive further
3 information, contact (name of tax collector) immediately at (office address),
4 (mailing address), (e-mail address), and (telephone number).

5 (d) The resource for translation of the notice required under subsection (c)
6 of this section shall be made available to all municipalities by the Vermont
7 Department of Taxes.

8 Sec. 7. WORKING GROUP ON VERMONT’S ABATEMENT AND TAX
9 SALE PROCESSES

10 (a) Creation. There is created the Working Group on Vermont’s
11 Abatement and Tax Sale Processes to assess how Vermont may balance
12 fairness for delinquent taxpayers with the needs of municipalities.

13 (b) Membership. The Working Group shall be composed of the following
14 members:

15 (1) a representative, appointed by Vermont Legal Aid;

16 (2) a representative, appointed by the Vermont League of Cities and
17 Towns;

18 (3) a representative, appointed by the Vermont Banker’s Association;

19 (4) a representative, appointed by the Vermont Housing Finance
20 Agency;

1 (5) a representative, appointed by the Vermont Municipal Clerk and
2 Treasurer Association;

3 (6) a representative, appointed by the Neighborworks Alliance of
4 Vermont;

5 (7) a representative, appointed by the Champlain Valley Office of
6 Economic Opportunity Mobile Home Project; and

7 (8) a representative, appointed by the Vermont Assessors and Listers
8 Association.

9 (c) Powers and duties. The Working Group shall offer recommendations
10 relating to the following:

11 (1) establishing a process so that delinquent taxpayers whose properties
12 are transferred via tax collector’s deed, or a tax-lien foreclosure sale, can fairly
13 recoup equity in their property in excess of the tax debt, fees, and interest for
14 which their property is sold;

15 (2) standardizing and ensuring fairness in the abatement process across
16 Vermont municipalities;

17 (3) requiring a minimum amount of tax debt before a tax sale can be
18 initiated; and

19 (4) allowing a tax sale to be initiated for blighted or dilapidated real
20 estate when taxes are delinquent for less than one year.

1 (d) Report. On or before December 15, 2024, the Working Group shall
2 submit a written report to the House Committee on Ways and Means with its
3 findings and any recommendations for legislative action, including proposed
4 legislative language.

5 (e) Meetings.

6 (1) The representative appointed by Vermont Legal Aid shall call the
7 first meeting of the Working Group to occur on or before August 1, 2024.

8 (2) The Working Group shall elect a chair from among its members at
9 the first meeting.

10 (3) A majority of the membership shall constitute a quorum.

11 Sec. 8. APPLICATION OF CHANGES MADE BY THIS ACT

12 (a) The amendments to 32 V.S.A. § 5252 made by Sec. 4 of this act (notice
13 of sale) shall not apply to a property that was subject to a notice of sale prior to
14 effective date of this act.

15 (b) The amendments to 32 V.S.A. § 5260 made by Sec. 6 of this act
16 (redemption) shall not apply to a property that has been sold at tax sale prior to
17 the effective date of this act, except that, notwithstanding any provision of
18 1 V.S.A. § 214 to the contrary, the provisions of 32 V.S.A. § 5260(b) and (c)
19 shall apply if, on the effective date of this act, 90 days or more remain until the
20 end of the redemption period.

21 * * * Effective Date * * *

1 Sec. 9. EFFECTIVE DATE

2 This act shall take effect on passage.

3

4

5

6 (Committee vote: _____)

7

8

Representative _____

9

FOR THE COMMITTEE