

April 7, 2015

Re: Administrative Judgments Proposal

Dear Chairman Ashe and Senate Finance Committee Members:

Thank you for the opportunity to comment on the proposal from the Vermont Department of Taxes to allow them to levy a bank account and attach delinquent taxpayer's assets through an administrative judgment.

AARP policy states that "depository institutions should be prohibited from processing orders to garnish or place liens on customer's accounts without checking to see if the accounts contain Social Security, Supplemental Security Income, veteran's benefits or other exempt funds. When accounts consisting primarily or entirely of exempt funds are frozen and this causes consumers to overdraw their accounts, the institutions should be prohibited from assessing overdraft and other punitive measures."

AARP is concerned that consumer accounts, particularly in the case of older Vermonters, could be frozen and the individual will not know about this action until he/she is bouncing checks. Moreover, some banks continue to seize exempt funds even when it is specifically prohibited.

AARP also agrees with the concerns and suggested remedies made by Vermont Legal Aid in their April 3rd letter to the Finance Committee on this topic. If the Committee decides to permit the state to implement administrative judgments on taxpayers, then the protections for Vermont taxpayers should be at least as protective as what is provided under federal law and there needs to be adequate fairness and due process.

Sincerely,



Philene Taormina,
Director of Advocacy AARP-VT