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H.629

Representatives McCarthy of St. Albans City, Birong of Vergennes,  
Boyden of Cambridge, Chase of Colchester, Hango of Berkshire, Higley of  
Lowell, Hooper of Randolph, Hooper of Burlington, Morgan of Milton,  
Mrowicki of Putney, Nugent of South Burlington, and Waters Evans of  
Charlotte move that the report of the Committee on Ways and Means be  
amended by striking out all after the enacting clause and inserting in lieu  
thereof the following:

\* \* \* Municipal Tax Abatement \* \* \*

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

§ 1535. ABATEMENT

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

- (1) taxes or charges of persons who have died insolvent;
- (2) taxes or charges of persons who have moved from the State;
- (3) taxes or charges of persons who are unable to pay their taxes or  
charges, interest, and collection fees;
- (4) taxes in which there is manifest error or a mistake of the listers;

1           (5) taxes or charges upon real or personal property lost or destroyed  
2 during the tax year;

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

9           (7) [Repealed.]

10          (8) [Repealed.]

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

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 board has first met and established a class in accordance with  
20 this subsection (e);

21 (B) the requests shall arise from the same cause or event;

1           (C) the requests relate to the bases for abatement in subdivision  
2           (a)(4), (5), or (9) of this section;

3           (D) the board shall group requests based on property classification;

4           (E) the board shall provide notice to each taxpayer of the taxpayer’s  
5           status as a member of the class; and

6           (F) a taxpayer shall have the right to decline the taxpayer’s status as a  
7           member of the class and pursue the taxpayer’s request as a separate action  
8           before the board.

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

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

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





1 5401(7) of this title, without regard for whether the property was declared a  
2 homestead.

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

6 \* \* \* Tax Sale of Real Property \* \* \*

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

8 § 5252. LEVY AND NOTICE OF SALE; SECURING PROPERTY

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

1           (1) File in the office of the town clerk for record a true and attested copy  
2 of the warrant and so much of the tax bill committed to the collector for  
3 collection as relates to the tax against the delinquent taxpayer, a sufficient  
4 description of the land so levied upon, and a statement in writing that by virtue  
5 of the original tax warrant and tax bill committed to the collector for  
6 collection, the collector has levied upon the described land.

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

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

1 shall affix the notice to the exterior door of the property subject to tax sale if  
2 the property has a structure.

3 (4) Give to the mortgagee or lien holder of record written notice of such  
4 sale at least ~~40~~ 30 days prior thereto if a resident of the town and, if a  
5 nonresident, ~~20~~ 30 days' notice to the mortgagee or lien holder of record or ~~his~~  
6 ~~or her~~ the mortgagee's or lien holder's agent or attorney by certified mail  
7 requiring a return receipt directed to the last known address of such person. If  
8 the 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 (5) Post a notice of such sale in some public place in the town.

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

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

1 immediately at (office address), (mailing address), (e-mail address), or  
2 (telephone number).

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

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

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

17 (A) the income and income schedule of the taxpayer, if offered by the  
18 taxpayer;

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

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

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



1 \_\_\_\_\_ o'clock \_\_\_\_ (am/pm), as shall be requisite to discharge such taxes  
2 with costs and fees, unless previously paid.

3 Be advised that the owner or mortgagee, or the owner's or mortgagee's  
4 representatives or assigns, of lands sold for taxes shall have a right to  
5 redemption for a period of one year from the date of sale pursuant to 32 V.S.A.  
6 § 5260.

7 Dated at \_\_\_\_\_, Vermont, this \_\_\_\_\_ day of \_\_\_\_\_ (month), \_\_\_\_  
8 (year).

9 \_\_\_\_\_

10 Collector of Town Taxes

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

12 § 5260. REDEMPTION

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

1 mortgagee's representatives or assigns to the collector or town clerk shall be  
2 paid over to such purchaser on demand. In the event that a municipality  
3 purchases contaminated land pursuant to section 5259 of this title, the cost to  
4 redeem shall include all costs expended for assessment and remediation,  
5 including expenses incurred or authorized by any local, State, or federal  
6 government authority.

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

8 (1) Serve the delinquent taxpayer with the written notice required under  
9 subsection (c) of this section between 90 and 120 days prior to the end of the  
10 redemption period using certified mail requiring a return receipt, directed to  
11 the last known address of the delinquent taxpayer. If the notice by certified  
12 mail is returned unclaimed, notice shall be provided by resending the notice by  
13 first-class mail or by personal service pursuant to Rule 4 of the Vermont Rules  
14 of Civil Procedure.

15 (2) Post the notice in some public place in the municipality between 90  
16 and 120 days prior to the end of redemption period.

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

20 Warning: There are unpaid property taxes at (address of property), which  
21 you may own, have a legal interest in, or may be contiguous to your property.

1 The property was sold at public auction on (date). Unless the overdue taxes,  
2 fees, and interest are paid by (last day of redemption period), the deed to the  
3 property will transfer to purchaser. To redeem the property and avoid losing  
4 your legal interest, you must pay (dollar amount due for redemption). The  
5 amount you must pay to redeem the property increases every month due to  
6 interest, mailing costs, and other costs. To make payment or receive further  
7 information, contact (name of tax collector) immediately at (office address),  
8 (mailing address), (e-mail address), and (telephone number).

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

12 Sec. 7. WORKING GROUP ON VERMONT'S ABATEMENT AND TAX  
13 SALE PROCESSES

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

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

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

20 (2) a representative, appointed by the Vermont League of Cities and

21 Towns;

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

2           (4) a representative, appointed by the Vermont Housing Finance

3           Agency;

4           (5) a representative, appointed by the Vermont Municipal Clerk and

5           Treasurer Association;

6           (6) a representative, appointed by the Neighborworks Alliance of

7           Vermont;

8           (7) a representative, appointed by the Champlain Valley Office of

9           Economic Opportunity Mobile Home Project;

10          (8) a representative, appointed by the Vermont Assessors and Listers

11          Association; and

12          (9) a representative, appointed by the Vermont Bar Association, with

13          experience practicing real estate law.

14          (c) Powers and duties. The Working Group shall offer recommendations

15          relating to the following:

16           (1) establishing a process so that delinquent taxpayers whose properties

17           are transferred via tax collector’s deed, or a tax-lien foreclosure sale, can fairly

18           recoup equity in their property in excess of the tax debt, fees, and interest for

19           which their property is sold;

20           (2) standardizing and ensuring fairness in the abatement process across

21           Vermont municipalities;

1           (3) requiring a minimum amount of tax debt before a tax sale can be  
2           initiated;

3           (4) allowing a tax sale to be initiated for blighted or dilapidated real  
4           estate that has been abandoned when taxes are delinquent for less than one  
5           year; and

6           (5) whether a 0.5 percent rate of monthly interest paid by delinquent  
7           taxpayers for purchasers during the redemption period causes a reduction in  
8           municipalities' ability to receive bids on properties at tax sales.

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

13          (e) Meetings.

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

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

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

19           (4) The Working Group shall cease to exist on June 30, 2025.

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

