

VERMONT BANKERS ASSOCIATION, INC.

VBA

MEMORANDUM

TO: House Government Operations Committee

FROM: Christopher D'Elia, VBA

DATE: April 25, 2014

SUBJECT: S.168

Senate bill S.168 proposes to make miscellaneous amendments to laws governing municipalities. Section 11 of the bill modifies Title 24 section 2291 (26) by giving a municipal building inspector, health officer, fire marshal, or zoning administrator the ability to declare condemned to be destroyed a property that has been damaged in a disaster or emergency as declared by the Governor. While the paragraph also speaks to an appeal process as outlined in Title 24 Chapter 83, it does not speak to, or reference anywhere else in statute, notification of the property owner or others.

Upon reviewing Title 24 chapter 83, I found section 3113 which speaks to the following: "a building inspector being informed that a structure or anything appurtenant thereto is unsafe shall inspect the same. If it appears to be unsafe, he shall forthwith notify, in writing, the owner, agent or person having an interest therein to remove it or make it safe and secure. If it appears that such structure would be especially unsafe in case of fire, it shall be deemed dangerous and the inspector may affix in a conspicuous place upon its exterior walls a notice of its dangerous condition, which shall not be removed or defaced without authority from him".

The VBA understands what the League of Cities and Towns and the Agency of Commerce are trying to accomplish and supports those efforts. We remember the deep emotions and frustration many Vermonters felt and experienced post Tropical Storm Irene. We also agree with many of the comments offered by Committee members this past Wednesday regarding the expertise of individuals making the declaration to condemn.

However, we are concerned about notification. Chapter 83 section 3113 as mentioned above states "or person having an interested therein". Clearly a bank has an interest if it has a lien on the property. One could read the "or" in this section to mean, once I notify the property owner I do not have to notify anyone else.

In researching other sections of Vermont statute, especially those related to condemned property, I could not find a section where notification is discussed or the definition of an

interested party. Given the collateral for the loan maybe declared condemned, we respectfully ask the Committee to consider either referencing existing statute that deals with notification in a situation like this or include in S.168 the following language to amend Title 24 section 3113: “owner, agent, person having an interest therein and any lien holder”.

I have spoken with the League about this possible amendment, but have not heard back from them. I would also be happy to meet with the Committee to discuss the matter and share with you a real life example of how this could work.

Thank you for your time and consideration.

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