

1 H.813

2 Introduced by Representatives Head of South Burlington, Squirrell of

3 Underhill, and Sullivan of Burlington

4 Referred to Committee on

5 Date:

6 Subject: Municipal and county government; public lands and funds; public

7 lands; lease lands

8 Statement of purpose of bill as introduced: This bill proposes to:

9 (1) clarify the statute concerning the conveyance of lease lands and add a
10 new provision that allows municipal corporations to convey lease lands
11 without receiving funds in exchange;

12 (2) require municipal corporations to investigate their ownership of lease
13 lands and publish that information on or before January 31, 2020;

14 (3) require municipal corporations to publish a proposal for the retention or
15 release of the fee simple title to lease lands on or before January 31, 2020 and
16 to hold public hearings on the proposal;

17 (4) require the legislative body of a municipal corporation to vote to
18 approve or decline the plan; and

19 (5) provide that failure to comply with this act shall result in the municipal
20 corporation's bearing the costs of researching and resolving future title issues,

1 and shall restrict the amount of funds that a municipal corporation may receive
2 in exchange for the conveyance of lease lands.

3 An act relating to a procedure for municipal corporations to retain or release
4 title to certain lease lands

5 It is hereby enacted by the General Assembly of the State of Vermont:

6 Sec. 1. 24 V.S.A. § 2406 is amended to read:

7 § 2406. CONVEYANCE OF LEASEHOLDS; TRUST FUNDS

8 (a)(1) Educational, ecclesiastical, or municipal corporations may convey by
9 deed the fee simple in lands the title to or use of which is held by such
10 corporations under State or colonial grant for purposes defined in such grants.

11 ~~(2) Such conveyance may be made~~ Pursuant to subdivision (1) of this
12 subsection, a corporation may only convey fee simple title to the owner and
13 holder of leasehold rights in ~~such the~~ land if ~~such the~~ lands are then held under
14 lease, ~~but~~. ~~The corporation shall not be made~~ convey title to other than ~~such~~
15 ~~the~~ holders of leasehold interests except subject to such leasehold interest, if
16 any, or simultaneously with the extinguishment thereof.

17 (b) ~~Such~~ The lands described in subdivision (a)(1) of this section may be
18 condemned in accordance with and in the manner provided by law.

19 (c) ~~The~~ If funds are received in consideration of such conveyance or
20 awarded ~~such to the~~ corporations as damages in condemnation proceedings, ~~the~~

1 funds shall be kept intact, in trust, by ~~such~~ the corporations as endowment
2 funds, ~~and the~~. The endowment income only shall be used only for the
3 purposes for which ~~such~~ the lands were originally granted.

4 (d) ~~Such lands as may be~~ Lands sold, conveyed, or condemned ~~as provided~~
5 ~~in~~ pursuant to this section shall thereafter be subject to taxation as are other
6 lands.

7 (e) Notwithstanding subsection (c) of this section, educational,
8 ecclesiastical, or municipal corporations are not required to receive funds in
9 consideration of the conveyance described in subsection (a) of this section.

10 Sec. 2. 24 V.S.A. § 2409 is added to read:

11 § 2409. LEASE LANDS; MUNICIPAL RELEASE OR RETENTION

12 (a) As used in this section:

13 (1) “Annual town meeting” means the annual meeting date of a
14 municipal corporation set by the municipal corporation’s charter or by general
15 law. In the case of the University of Vermont or an unorganized town or gore,
16 “annual town meeting” shall mean the first Tuesday of March.

17 (2) “Legislative body” means the officer or officers of a municipal
18 corporation who are charged with the care of the municipal corporation’s lease
19 lands.

20 (3) “Municipal corporation” shall have the same meaning as
21 “municipality” in 1 V.S.A. § 126 and shall include every municipal

1 corporation identified in subdivision 1751(1) of this title, the University of
2 Vermont, any unorganized towns and gores in the State, and any of the unified
3 towns and gores of Essex County.

4 (b) On or before January 31, 2020, the legislative body of each municipal
5 corporation shall:

6 (1) compile a list of its lease lands subject to this subchapter, whether
7 owned or held in trust by the municipal corporation, in the same manner and
8 form as required by 32 V.S.A. § 3610(b);

9 (2) organize and preserve all title and land records used in compiling the
10 list, including any copies of original town plans and historical documents;

11 (3) post a notice containing the list in the locations used by the
12 municipal corporation pursuant to 17 V.S.A. § 2641; and

13 (4) with regard to lease lands owned by the municipal corporation:

14 (A) publish a proposal to retain or release the fee simple title to the
15 lease lands that shall be filed as a public record in the office of the clerk in the
16 town where the municipal corporation is located; or

17 (B) in the case of an unorganized town or gore, publish a proposal to
18 retain or release the fee simple title to the lease lands that shall be filed as a
19 public record in the office of the county clerk in the county where the
20 unorganized town or gore is located.

1 (c)(1) Not less than 20 days before the date of the first public hearing
2 required under subsection (d) of this section, the legislative body of each
3 municipal corporation shall provide notice to the current lessee of each land
4 listed pursuant to subsection (b) of this section. Notice shall be sent to the
5 lessee by registered mail or otherwise delivered to the lessee's residence or
6 place of business on the lease land.

7 (2) The notice shall contain:

8 (A) the current status of the lease land, including information
9 concerning the leasehold estate;

10 (B) the proposal to retain or release the lease land; and

11 (C) the procedure for adoption of the proposal and the dates of the
12 public hearings and vote required by subsection (d) of this section.

13 (d)(1) Prior to the annual town meeting of a municipal corporation in 2020,
14 the municipal corporation shall hold two public hearings concerning the
15 proposal filed pursuant to subdivision (b)(4) of this section. The first meeting
16 shall be held at least 30 days before the annual town meeting.

17 (2) Notice of the public hearings shall be given in accordance with
18 17 V.S.A. § 2641.

19 (3) If revisions are made to the proposal, the legislative body shall post a
20 notice of these revisions not less than 20 days before the date of the annual

1 town meeting, and shall file the new proposal as a public record in the office of
2 the town clerk.

3 (e) At the annual town meeting in 2020, the municipal corporation shall
4 hold a vote to approve the proposal.

5 (1) The legislative body may vote to approve the proposal in its entirety,
6 or as to individual lease lands named within the proposal. This subdivision
7 shall apply to the University of Vermont.

8 (2)(A) At the election of the legislative body, the proposal may be
9 submitted to the voters at the annual town meeting. If the legislative body
10 elects to submit the proposal to the voters, the vote shall be conducted by
11 Australian ballot.

12 (B) If the legislative body determines that the proposal is too long
13 and unwieldy to be presented as a vote on each individual lease land, the voters
14 shall be permitted to vote upon the proposal in its entirety in the form of a yes
15 or no proposition.

16 (f) After a legislative body votes to release the fee simple title to a lease
17 land, the municipal corporation that owns the land shall release the title in
18 accordance with section 2406 of this subchapter.

19 (g) Notwithstanding other provisions of this subchapter, any municipal
20 corporation that fails to comply with the provisions of this section:

1 (1) shall bear the costs associated with examining title records and
2 resolving claims to the fee simple title to the lands; and

3 (2) when conveying lease land pursuant to section 2406 of this title, may
4 only receive funds equal to the fees associated with notice and recording of the
5 conveyance.

6 Sec. 3. EFFECTIVE DATE

7 This act shall take effect on July 1, 2018.