

S.13 An Act Relating to Fees and Costs Allowed at a Tax Sale
Vermont Bankers Association Recommendations

1. In the case presented by Senator Starr, it would appear the town wanted to secure the property in order to prevent the potential use for illegal activities, and/or potential fire hazard. Rather than saying:

(a)(4) expenses actually and reasonably incurred by the town in remediating an abandoned property, to be paid to the town clerk; (in the bill)

an alternative could be,

(a)(4) expenses actually and reasonably incurred by the town in securing an abandoned property, to be paid to the town clerk from proceeds of the tax sale

Such an approach would eliminate the need for defining remediate, but you would still have the issue of what do we mean by abandoned.

2. If you keep the language as presented in the bill, the VBA would ask for the following changes:
- a. Define abandoned property to include: **real property on which there is a vacant structure that for the last 60 days has been continuously unoccupied by a person with the legal right to occupy it and with respect to which the municipality has by first class mail to the owner's last known address provided the owner with notice and an opportunity to be heard.** Even though this language comes from the Vermont statute 13 VSA 3705, we recognize it could present a problem for camps and ski homes that are used on a seasonal basis and situations where the property owner is gone for an extended period of time, but has not abandoned the property.
 - b. Define remediate to include: **for the purposes of this chapter remediation shall include securing the site in order to prevent illegal activities from occurring or potential fire hazard. Remediation shall not include public health or safety improvements or aesthetic considerations.** (no definition in VT statute)
3. Regardless of whether approach 1 or 2 is chosen, we would like to see the following included in the bill:
- a. Cap the costs of securing the property at some percentage of the property taxes owed.
 - b. Notification to the lien holder, if one is present, prior to making the improvement. The timeframe could be similar to the notification process associated with the tax sale. Such a notification would give the lien holder the ability to step in and pick up the cost of securing the property.