

S.13: Fees and Costs Allowed at a Tax Sale, Background & Bill Summary

A. Background

- A tax sale is the most common method of collecting delinquent property taxes from taxpayers who will not or cannot voluntarily pay
- It generally takes about two months to bring a property to tax sale from the time the delinquent tax collector has exhausted all other efforts to collect the delinquent amounts
- As the first step in the tax sale process, the Delinquent Tax Collector typically records a warrant and levy with the town clerk
- Under 32 V.S.A. § 5258, recording the warrant and levy entitles towns and cities to collect certain fees and costs in addition to the delinquent taxes
- Towns and cities may collect fees and costs pursuant to § 5258 both at the tax sale and if the property owner redeems the property prior to the sale by paying the full amount due
- Currently, the law does not permit cities to recover costs associated with remediating abandoned properties prior to a tax sale

B. Bill Summary

- Sec. 1 – Allows towns to recover remediation expenses and makes changes to conform to V.S.A. style
- Sec. 2 – Sets effective date as July 1, 2017