

From: Wendy Morgan, Vermont Legal Aid
Olivia Graffeo-Cohen, Vermont Legal Aid
George Demas, Vermont Housing Finance Agency
Karen Horn, Vermont League of Cities and Towns

Date: April 12, 2022

Re: Proposed Changes to H.625, Section 5 - An act relating to providing protections against eviction, foreclosure, and tax sales

Sec. 5. PROHIBITION OF TAX SALE WHILE VHAP APPLICATION PENDING

(a) Not less than 60 days prior to serving a notice of sale on a delinquent taxpayer pursuant to 32 V.S.A. § 5252(a)(3), a town or municipality shall mail to the delinquent taxpayer's last known address notice in the following, or substantially similar, form:

“[If this property is your primary residence](#), ~~Y~~you may be able to get help with delinquent property tax and utility payments through the Vermont Homeowner Assistance Program (VHAP). VHAP can help you avoid tax sale and transfer of your property by paying delinquent property taxes, water and sewer charges, interest, and penalties.

You can apply for VHAP online at vermonthap.vhfa.org. For advice about the program and help completing the application, call Vermont Legal Aid at 1-800-889-2047.

If you apply for VHAP, you must notify your town in writing, and your property will not be sold or transferred while your application is pending.”

(b) A notice of sale to a delinquent taxpayer pursuant to 32 V.S.A. § 5252(a)(3) shall include the notice in subsection (a) above.

(c) If a town or municipality has sold a delinquent taxpayer's property pursuant to 32 V.S.A. § 5254 prior to the effective date of this section, but the deed conveying title to the purchaser has not yet been executed pursuant to 32 V.S.A. § 5261, not later than 30 days

from the effective date of this section, the town or municipality shall mail to the delinquent taxpayer's last known address the notice in subsection (a) of this section.

(d) A homeowner who has applied for VHAP may request a stay of the tax sale process or extension of the redemption period while their application is pending by attesting to the town or municipality that they have made a good faith application for VHAP funds in connection with their primary residence. Upon notification that a ~~delinquent taxpayer has applied for~~ VHAP application is pending, a town or municipality shall not conduct a tax sale of the property until one of the following occurs: -the applicant is deemed ineligible for the program, the VHAP application is closed due to inaction by the applicant, or payment is issued to the town or municipality on a qualifying~~a final decision on the~~ VHAP application. If the payment issued satisfies the noticed delinquency, then the sale shall not proceed.

(e) If a tax sale occurred prior to the delinquent taxpayer's application for VHAP, the redemption period pursuant to 32 V.S.A. § 5260 shall be extended by operation of law until one of the following occurs: the applicant is deemed ineligible for the program, the VHAP application is closed due to inaction by the applicant, or payment is issued to the town or municipality on a qualifying~~a final decision is made on the~~ VHAP application. If payment is issued for the redemption amount, then the deed shall not be made to the purchaser, but the sums shall be paid to the purchaser pursuant to 32 V.S.A. § 5260.

(ef) This section is repealed on ~~the earlier of~~ September 30, 2025. The notice obligations in subsections (a)-(c), shall cease, ~~or~~ when the Vermont Housing Finance Agency stops accepting VHAP applications because funding is exhausted.

Sec. 6. EFFECTIVE DATE

This act shall take effect on passage.