

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Ways and Means to which was referred House Bill No.  
3 629 entitled “An act relating to changes to property tax abatement and tax  
4 sales” respectfully reports that it has considered the same and recommends that  
5 the bill be amended by striking out all after the enacting clause and inserting in  
6 lieu thereof the following:

7 \* \* \* Municipal Tax Abatement \* \* \*

8 Sec. 1. 24 V.S.A. § 1535 is amended to read:

9 § 1535. ABATEMENT

10 (a) The board may abate in whole or part taxes, water charges, sewer  
11 charges, interest, or collection fees, or any combination of those, other than  
12 those arising out of a corrected classification of homestead or nonhomestead  
13 property, accruing to the town in the following cases:

14 (1) taxes or charges of persons who have died insolvent;

15 (2) taxes or charges of persons who have moved from the State;

16 (3) taxes or charges of persons who are unable to pay their taxes or  
17 charges, interest, and collection fees;

18 (4) taxes in which there is manifest error or a mistake of the listers;

19 (5) taxes or charges upon real or personal property lost or destroyed

20 during the tax year;

1           (6) the exemption amount available under 32 V.S.A. § 3802(11) to  
2 persons otherwise eligible for exemption who file a claim on or after May 1  
3 but before October 1 due to the claimant’s sickness or disability or other good  
4 cause as determined by the board of abatement; but that exemption amount  
5 shall be reduced by 20 percent of the total exemption for each month or portion  
6 of a month the claim is late filed;

7           (7) [Repealed.]

8           (8) [Repealed.]

9           (9) taxes or charges upon a mobile home moved from the town during  
10 the tax year as a result of a change in use of the mobile home park land or parts  
11 thereof or closure of the mobile home park in which the mobile home was  
12 sited, pursuant to 10 V.S.A. § 6237; or

13           (10) de minimis amounts of taxes for purposes of reconciling municipal  
14 accounts according to generally accepted accounting practices.

15           (b) The board’s abatement of an amount of tax or charge shall  
16 automatically abate any uncollected interest and fees relating to that amount.

17           (c) The board shall, in any case in which it abates taxes or charges, interest,  
18 or collection fees accruing to the town or denies an application for abatement,  
19 state in detail in writing the reasons for its decision. The written decision shall  
20 provide sufficient explanation to indicate to the parties what was considered

1 and what was decided. The decision shall address the arguments raised by the  
2 applicant.

3 (d)(1) The board may order that any abatement as to an amount or amounts  
4 already paid be in the form of a refund or in the form of a credit against the tax  
5 or charge for the next ensuing tax year or charge billing cycle and for  
6 succeeding tax years or billing cycles if required to use up the amount of the  
7 credit.

8 (2) Whenever a municipality votes to collect interest on overdue taxes  
9 pursuant to 32 V.S.A. § 5136, interest in a like amount shall be paid by the  
10 municipality to any person for whom an abatement has been ordered.

11 (3) Interest on taxes or charges paid and subsequently abated shall  
12 accrue from the date payment was due or made, whichever is later. However,  
13 abatements issued pursuant to subdivision (a)(5) of this section need not  
14 include the payment of interest.

15 (4) When a refund has been ordered, the board shall draw an order on  
16 the town treasurer for payment of the refund.

17 (e)(1) The board may hear a group of similar requests for abatement as a  
18 class, provided that:

19 (A) the requests shall arise from the same cause or event;

20 (B) the requests relate to the bases for abatement in subdivision

21 (a)(4), (5), or (9) of this section;

1           (C) the board shall group requests based on property classification;

2           (D) the board shall provide notice to each taxpayer of the taxpayer's  
3 status as a member of the class; and

4           (E) a taxpayer shall have the right to decline the taxpayer's status as a  
5 member of the class and pursue the taxpayer's request as a separate action  
6 before the board.

7           (2) The board shall provide notice to each taxpayer at minimum 21 days  
8 before the scheduled hearing for the class. The notice shall include a  
9 description of the class and the board's reasons for grouping the requests, an  
10 explanation of the taxpayer's status as a member of the class, the procedure for  
11 appealing a board decision, the taxpayer's right to decline class membership  
12 and pursue a separate action, and any deadlines that the taxpayer must meet in  
13 order to participate as a member of the class or pursue a separate action.

14           (3) A taxpayer shall notify the board of the taxpayer's intent to pursue a  
15 separate action, pursuant to subdivision (1)(E) of this subsection, a minimum  
16 of seven days before the board's hearing to consider a class request.

17           (4) A board may preserve and take notice of any evidence supporting  
18 the basis for abatement for a class and use that evidence for purposes of a later,  
19 separate action pursued by an individual taxpayer.

1           (5) In instances where a board abates in part taxes, charges, interest, or  
2           collection fees for a class, the board shall not render a decision that results in  
3           disproportionate rates of abatement for taxpayers within the class.

4           (f) A municipality shall provide clear notice to a taxpayer of the ability to  
5           request tax abatement at the same time as a municipality attempts to collect  
6           municipal fee or interest for delinquent taxes, water charges, sewer charges, or  
7           tax collection.

8           Sec. 2. 24 V.S.A. § 5144 is amended to read:

9           § 5144. UNIFORM NOTICE FORM

10           The notice form required under section 5143 of this chapter, and defined in  
11           section 5142 of this chapter, shall be clearly printed on a pink colored sheet of  
12           paper; and shall be according to the following form:

13   \* \* \*

14           ABATEMENT AND POSSIBLE REDUCTION IN CHARGES—You may be  
15           able to receive an abatement of charges, penalties, or interest through  
16           municipal abatement. To seek this relief from the Board of Abatement, contact  
17           the municipal clerk by mail or phone:

18           (Name of Clerk of Board of Abatement)

19           (Name of Town, City, or Village)

20           (Address of Office)

21           (Mailing Address)

1 or by calling:

2 (Telephone Number)

3 \* \* \* Property Tax Credit \* \* \*

4 Sec. 3. 32 V.S.A. § 6065 shall be amended to read:

5 § 6065. FORMS; TABLES; NOTICES

6 (a) In administering this chapter, the Commissioner shall provide suitable  
7 claim forms with tables of allowable claims, instructions, and worksheets for  
8 claiming a homestead property tax credit.

9 (b) Prior to June 1, the Commissioner shall also prepare and supply to each  
10 town in the State notices describing the homestead property tax credit, for  
11 inclusion in property tax bills. The notice shall be in simple, plain language  
12 and shall explain how to file for a property tax credit, where to find assistance  
13 filing for a credit, and any other related information as determined by the  
14 Commissioner. The notice shall direct taxpayers to a resource where they can  
15 find versions of the notice translated into the five most common non-English  
16 languages in the State. A town shall include such notice in each tax bill and  
17 notice of delinquent taxes that it mails to taxpayers who own in that town a  
18 residential property that could be a homestead as defined in subdivision  
19 5401(7) of this title, without regard for whether the property was declared a  
20 homestead.

1 (c) Notwithstanding the provisions of subsection (b) of this section, towns  
2 that use envelopes or mailers not able to accommodate notices describing the  
3 homestead tax credit may distribute such notices in an alternative manner.

4 \* \* \* Tax Sale of Real Property \* \* \*

5 Sec. 4. 32 V.S.A. § 5252 is amended to read:

6 § 5252. LEVY AND NOTICE OF SALE; SECURING PROPERTY

7 (a) When the collector of taxes of a town or of a municipality within it has  
8 for collection a tax assessed against real estate in the town and the taxpayer is  
9 delinquent for a period longer than one year, the collector may extend a  
10 warrant on such land. However, no warrant shall be extended until a  
11 delinquent taxpayer is given an opportunity to enter a written reasonable  
12 repayment plan pursuant to subsection (c) of this section. If a collector  
13 receives notice from a mobile home park owner pursuant to 10 V.S.A. §  
14 6248(b), the collector shall, within 15 days after the notice, commence tax sale  
15 proceedings to hold a tax sale within 60 days after the notice. If the collector  
16 fails to initiate such proceedings, the town may initiate tax sale proceedings  
17 only after complying with 10 V.S.A. § 6249(f). If the tax collector extends the  
18 warrant, the collector shall:

19 (1) File in the office of the town clerk for record a true and attested copy  
20 of the warrant and so much of the tax bill committed to the collector for  
21 collection as relates to the tax against the delinquent taxpayer, a sufficient

1 description of the land so levied upon, and a statement in writing that by virtue  
2 of the original tax warrant and tax bill committed to the collector for  
3 collection, the collector has levied upon the described land.

4 (2) Advertise forthwith such land for sale at public auction in the town  
5 where it lies three weeks successively in a newspaper circulating in the  
6 vicinity, the last publication to be at least 10 days before such sale.

7 (3) Give the delinquent taxpayer written notice by certified mail  
8 requiring a return receipt directed to the last known address of the delinquent  
9 of the date and place of such sale at least ~~10~~ 30 days prior thereto if the  
10 delinquent is a resident of the town and ~~20~~ 30 days prior thereto if the  
11 delinquent is a nonresident of the town. If the notice by certified mail is  
12 returned unclaimed, notice shall be provided to the taxpayer by resending the  
13 notice by first-class mail or by personal service pursuant to Rule 4 of the  
14 Vermont Rules of Civil Procedure, except that if the last known address of the  
15 delinquent taxpayer is in Vermont, the collector shall resend the notice by first-  
16 class mail and make one attempt at personal service. If the last known address  
17 of the delinquent taxpayer is in Vermont, and an attempt at personal service  
18 fails, the collector shall affix the notice to the exterior door of the delinquent  
19 taxpayer's last known address.

20 (4) Give to the mortgagee or lien holder of record written notice of such  
21 sale at least ~~10~~ 30 days prior thereto if a resident of the town and, if a



1 nonresident, ~~20~~ 30 days' notice to the mortgagee or lien holder of record or ~~his~~  
2 ~~or her~~ the mortgagee's or lien holder's agent or attorney by certified mail  
3 requiring a return receipt directed to the last known address of such person. If  
4 the notice by certified mail is returned unclaimed, notice shall be provided by  
5 resending the notice by first-class mail or by personal service pursuant to Rule  
6 4 of the Vermont Rules of Civil Procedure.

7 (5) Post a notice of such sale in some public place in the town.

8 (6) Enclose the following statement, with directions to a resource  
9 translating the notice into the five most common non-English languages used  
10 in this State, with the notices required under subdivisions (3) and (4) of this  
11 subsection (a) and with every delinquent tax notice:

12 Warning: There are unpaid property taxes at (address of property), which you  
13 may own, have a legal interest, or may be contiguous to your property. The  
14 property will be sold at public auction on (date set for sale) unless the overdue  
15 taxes, fees, and interest in the amount of (dollar amount due) is paid. To make  
16 payment or receive further information, contact (name of tax collector)  
17 immediately at (office address), (mailing address), (e-mail address), or  
18 (telephone number).

19 (7) The resource for translation of the notice required under subdivision  
20 (6) of this subsection shall be made available to all municipalities by the  
21 Vermont Department of Taxes.

1 (b) If the warrant and levy for delinquent taxes has been recorded pursuant  
2 to subsection (a) of this section, the municipality in which the real estate lies  
3 may secure the property against illegal activity and potential fire hazards after  
4 giving the mortgagee or lien holder of record written notice at least 10 days  
5 prior to such action.

6 (c)(1) A municipality shall not initiate a tax sale proceeding until it has  
7 offered a delinquent taxpayer a written reasonable repayment plan and the  
8 taxpayer has either denied the offer, failed to respond within 30 days, or has  
9 failed to make a payment under the plan within the time frame established by  
10 the collector. When establishing a plan under this subsection, the municipality  
11 shall consider the following:

12 (A) the income and income schedule of the taxpayer, if offered by the  
13 taxpayer;

14 (B) the taxpayer's tax payment history with the municipality;

15 (C) the amount of tax debt owed to the municipality;

16 (D) the amount of time tax has been delinquent; and

17 (E) the taxpayer's reason for the delinquency.

18 (2) A collector is only required to offer one payment plan per  
19 delinquency, without regard for whether it is agreed to by the delinquent  
20 taxpayer.

1           (3) A collector may void a payment plan and proceed to tax sale if a  
2           delinquent taxpayer agrees to a payment plan under this subsection and fails to  
3           make a timely payment or otherwise comply with the terms of the plan.

4           Sec. 5. 32 V.S.A. § 5253 is amended to read:

5           § 5253. FORM OF ADVERTISEMENT AND NOTICE OF SALE

6           The form of advertisement and notice of sale provided for in section 5252  
7           of this title shall be substantially in the following form:

8           The resident and nonresident owners, lien holders, and mortgagees of lands in  
9           the town of \_\_\_\_\_ in the county of \_\_\_\_\_ are hereby notified that  
10          the taxes assessed by such town for the years \_\_\_\_\_ (insert years the taxes are  
11          unpaid) \_\_\_\_\_ remain, either in whole or in part, unpaid on the following  
12          described lands in such town, to wit,

13           \_\_\_\_\_  
14           \_\_\_\_\_

15    (insert description of lands)

16          and so much of such lands will be sold at public auction at \_\_\_\_\_ a public  
17          place in such town, on the \_\_\_\_\_ day of \_\_\_\_\_ (month), \_\_\_\_\_ (year) at  
18          \_\_\_\_\_ o'clock \_\_\_\_ (am/pm), as shall be requisite to discharge such taxes  
19          with costs and fees, unless previously paid.

20          Be advised that the owner or mortgagee, or the owner's or mortgagee's  
21          representatives or assigns, of lands sold for taxes shall have a right to

1 redemption for a period of one year from the date of sale pursuant to 32 V.S.A.  
2 § 5260.

3 Dated at \_\_\_\_\_, Vermont, this \_\_\_\_\_ day of \_\_\_\_\_ (month), \_\_\_\_\_  
4 (year).

5 \_\_\_\_\_  
6 Collector of Town Taxes

7 Sec. 6. 32 V.S.A. § 5260 is amended to read:

8 § 5260. REDEMPTION

9 (a) When the owner or mortgagee of lands sold for taxes, ~~his or her~~ the  
10 owner's or mortgagee's representatives or assigns, within one year from the  
11 day of sale, pays or tenders to the collector who made the sale or in the case of  
12 ~~his or her~~ the collector's death or removal from the town where the land lies, to  
13 the town clerk of such town, the sum for which the land was sold with interest  
14 thereon calculated at a rate of ~~one~~ 0.5 percent per month ~~or fraction thereof~~  
15 from the day of sale to the day of payment, a deed of the land shall not be  
16 made to the purchaser, but the money paid or tendered by the owner or  
17 mortgagee or ~~his or her~~ the owner's or mortgagee's representatives or assigns  
18 to the collector or town clerk shall be paid over to such purchaser on demand.

19 In the event that a municipality purchases contaminated land pursuant to  
20 section 5259 of this title, the cost to redeem shall include all costs expended for

1 assessment and remediation, including expenses incurred or authorized by any  
2 local, State, or federal government authority.

3 (b) During the redemption period, the tax collector shall:

4 (1) Serve the delinquent taxpayer with the written notice required under  
5 subsection (c) of this section at least 90 days, but no sooner than 120 days,  
6 prior to the end of the redemption period using certified mail requiring a return  
7 receipt, directed to the last known address of the delinquent taxpayer. If the  
8 notice by certified mail is returned unclaimed, notice shall be provided by  
9 resending the notice by first-class mail or by personal service pursuant to Rule  
10 4 of the Vermont Rules of Civil Procedure.

11 (2) At least 90 days prior to the end of redemption period, post a notice  
12 in some public place in the municipality.

13 (c) The tax collector shall enclose the following statement, with directions  
14 to a resource translating the notice into the five most common non-English  
15 languages used in this State, with every notice required under this section:

16 Warning: There are unpaid property taxes at (address of property), which  
17 you may own, have a legal interest in, or may be contiguous to your property.  
18 The property was sold at public auction on (date). Unless the overdue taxes,  
19 fees, and interest are paid by (last day of redemption period), the deed to the  
20 property will transfer to purchaser. To redeem the property and avoid losing  
21 your legal interest, you must pay (dollar amount due for redemption). The

1 amount you must pay to redeem the property increases every month due to  
2 interest, mailing costs, and other costs. To make payment or receive further  
3 information, contact (name of tax collector) immediately at (office address),  
4 (mailing address), (e-mail address), and (telephone number).

5 (d) The resource for translation of the notice required under subsection (c)  
6 of this section shall be made available to all municipalities by the Vermont  
7 Department of Taxes.

8 Sec. 7. WORKING GROUP ON VERMONT'S ABATEMENT AND TAX  
9 SALE PROCESSES

10 (a) Creation. There is created the Working Group on Vermont's  
11 Abatement and Tax Sale Processes to assess how Vermont may balance  
12 fairness for delinquent taxpayers with the needs of municipalities.

13 (b) Membership. The Working Group shall be composed of the following  
14 members:

15 (1) a representative, appointed by Vermont Legal Aid;

16 (2) a representative, appointed by the Vermont League of Cities and

17 Towns;

18 (3) a representative, appointed by the Vermont Banker's Association;

19 (4) a representative, appointed by the Vermont Housing Finance

20 Agency;

1           (5) a representative, appointed by the Vermont Municipal Clerk and  
2           Treasurer Association;

3           (6) a representative, appointed by the Neighborworks Alliance of  
4           Vermont;

5           (7) a representative, appointed by the Champlain Valley Office of  
6           Economic Opportunity Mobile Home Project; and

7           (8) a representative, appointed by the Vermont Assessors and Listers  
8           Association.

9           (c) Powers and duties. The Working Group shall offer recommendations  
10          relating to the following:

11           (1) establishing a process so that delinquent taxpayers whose properties  
12          are transferred via tax collector’s deed, or a tax-lien foreclosure sale, can fairly  
13          recoup equity in their property in excess of the tax debt, fees, and interest for  
14          which their property is sold;

15           (2) standardizing and ensuring fairness in the abatement process across  
16          Vermont municipalities;

17           (3) requiring a minimum amount of tax debt before a tax sale can be  
18          initiated; and

19           (4) allowing a tax sale to be initiated for blighted or dilapidated real  
20          estate when taxes are delinquent for less than one year.





1       Sec. 9. EFFECTIVE DATE

2           This act shall take effect on passage.

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6           (Committee vote: \_\_\_\_\_)

7

\_\_\_\_\_

8

Representative \_\_\_\_\_

9

FOR THE COMMITTEE