

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7           (7) [Repealed.]

8           (8) [Repealed.]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) A municipality shall provide clear notice to a taxpayer of the ability to  
18 request tax abatement at the same time as a municipal fee or interest is  
19 imposed for delinquent taxes, water charges, sewer charges, or tax collection.

1 Sec. 2. 32 V.S.A. § 6065 shall be amended to read:

2 § 6065. FORMS; TABLES; NOTICES

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

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

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

1                                   \* \* \* Tax Sale of Real Property \* \* \*

2       Sec. 3. 32 V.S.A. § 5252 is amended to read:

3       § 5252. LEVY AND NOTICE OF SALE; SECURING PROPERTY

4           (a) When the collector of taxes of a town or of a municipality within it has  
5       for collection a tax assessed against real estate in the town and the taxpayer is  
6       delinquent for a period longer than one year, the collector may extend a  
7       warrant on such land. If a collector receives notice from a mobile home park  
8       owner pursuant to 10 V.S.A. § 6248(b), the collector shall, within 15 days after  
9       the notice, commence tax sale proceedings to hold a tax sale within 60 days  
10      after the notice. If the collector fails to initiate such proceedings, the town may  
11      initiate tax sale proceedings only after complying with 10 V.S.A. § 6249(f). If  
12      the tax collector extends the warrant, the collector shall:

13           (1) File in the office of the town clerk for record a true and attested copy  
14      of the warrant and so much of the tax bill committed to the collector for  
15      collection as relates to the tax against the delinquent taxpayer, a sufficient  
16      description of the land so levied upon, and a statement in writing that by virtue  
17      of the original tax warrant and tax bill committed to the collector for  
18      collection, the collector has levied upon the described land.

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

1           (3) Give the delinquent taxpayer written notice by certified mail  
2 requiring a return receipt directed to the last known address of the delinquent  
3 of the date and place of such sale at least ~~40~~ 30 days prior thereto if the  
4 delinquent is a resident of the town and ~~20~~ 30 days prior thereto if the  
5 delinquent is a nonresident of the town. If the notice by certified mail is  
6 returned unclaimed, notice shall be provided to the taxpayer by resending the  
7 notice by first-class mail ~~or~~ and by one attempt of personal service pursuant to  
8 Rule 4 of the Vermont Rules of Civil Procedure.

9           (4) Give to the mortgagee or lien holder of record written notice of such  
10 sale at least ~~40~~ 30 days prior thereto if a resident of the town and, if a  
11 nonresident, ~~20~~ 30 days' notice to the mortgagee or lien holder of record or ~~his~~  
12 ~~or her~~ the mortgagee's or lien holder's agent or attorney by certified mail  
13 requiring a return receipt directed to the last known address of such person. If  
14 the notice by certified mail is returned unclaimed, notice shall be provided by  
15 resending the notice by first-class mail or by personal service pursuant to Rule  
16 4 of the Vermont Rules of Civil Procedure.

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

18           (6) The tax collector shall enclose the following statement, with  
19 directions to a resource translating the notice into the five most common non-  
20 English languages used in this State, with every notice required under this  
21 section and with every delinquent tax notice:

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

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

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

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

17 § 5253. FORM OF ADVERTISEMENT AND NOTICE OF SALE

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

20 The resident and nonresident owners, lien holders, and mortgagees of lands in  
21 the town of \_\_\_\_\_ in the county of \_\_\_\_\_ are hereby notified that

1 the taxes assessed by such town for the years \_\_\_\_\_ (insert years the taxes are  
2 unpaid) \_\_\_\_\_ remain, either in whole or in part, unpaid on the following  
3 described lands in such town, to wit,

4 \_\_\_\_\_  
5 \_\_\_\_\_

6 (insert description of lands)

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

11 Be advised that the owner or mortgagee, or the owner's or mortgagee's  
12 representatives or assigns, of lands sold for taxes shall have a right to  
13 redemption for a period of one year from the date of sale pursuant to 32 V.S.A.  
14 § 5260.

15 Dated at \_\_\_\_\_, Vermont, this \_\_\_\_\_ day of \_\_\_\_\_ (month), \_\_\_\_\_  
16 (year).

17 \_\_\_\_\_

18 Collector of Town Taxes

19 Sec. 5. 32 V.S.A. § 5260 is amended to read:

20 § 5260. REDEMPTION



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

11       In the event that a municipality purchases contaminated land pursuant to  
12       section 5259 of this title, the cost to redeem shall include all costs expended for  
13       assessment and remediation, including expenses incurred or authorized by any  
14       local, State, or federal government authority.

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

16            (1) Serve the delinquent taxpayer with the written notice required under  
17            subsection (c) of this section at least 90 days prior to the end of the redemption  
18            period using certified mail requiring a return receipt, directed to the last known  
19            address of the delinquent taxpayer. If the notice by certified mail is returned  
20            unclaimed, notice shall be provided by resending the notice by first-class mail

1 or by personal service pursuant to Rule 4 of the Vermont Rules of Civil  
2 Procedure.

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

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

8 Warning: There are unpaid property taxes at (address of property), which  
9 you may own, have a legal interest in, or may be contiguous to your property.  
10 The property was sold at public auction on (date). Unless the overdue taxes,  
11 fees, and interest are paid by (last day of redemption period), the deed to the  
12 property will transfer to purchaser. To redeem the property and avoid losing  
13 your legal interest, you must pay (dollar amount due for redemption). The  
14 amount you must pay to redeem the property increases every month due to  
15 interest. To make payment or receive further information, contact (name of tax  
16 collector) immediately at (office address), (mailing address), (e-mail address),  
17 and (telephone number).

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

21 Sec. 6. 24 V.S.A. § 5144 is amended to read:

1 § 5144. UNIFORM NOTICE FORM

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

5 Date \_\_\_\_\_

6 \$ \_\_\_\_\_

7 AMOUNT IN ARREARS

8 Dear Customer:

9 According to our records, your (water) (sewer) service account is still  
10 unpaid. Please make full payment of the account or contact our office to make  
11 satisfactory arrangements before ..... If this is not done, we will no longer  
12 be able to extend credit and will have to discontinue your service, on that day  
13 or any one of the following four business days. (Under the law, “Business  
14 days” means Monday through Thursday, excluding legal holidays, when the  
15 offices are not open to the public). An unpaid bill is a lien on your real  
16 property, and may lead to tax sale proceedings.

17 SPECIAL CHARGES—24 V.S.A. § 5151 provides that we charge a fee for  
18 coming to your location to collect the amount overdue. Also, the same statute  
19 provides that we shall charge a reconnection fee for restoration of service if  
20 your service has been disconnected for nonpayment. These fees are as follows:

21 Collection Trips—\$ 25.00, regardless of number

1           Reconnection—Normal Hours—\$ 25.00

2           Overtime—\$ 37.50

3           Interest according to 32 V.S.A. § 5136(a)

4           If payment has already been sent, we recommend that you contact our office to  
5           make certain that payment is recorded on your account by the indicated date as  
6           such payment may have become delayed or lost in the mail. Payment in the  
7           mail does not constitute payment until received by us.

8           **THIS IS A FINAL REQUEST FROM:**

9           (Name of Credit Supervisor)

10          (Name of Municipality)

11          (Address of Municipality)

12          (Town)

13          Vermont (Zip Code)

14          (Telephone Number)

15          **OTHER IMPORTANT INFORMATION**—If you have a question concerning  
16          this bill or if you want to seek an agreement with us to pay the balance due in  
17          partial payments over a period of time, you should contact this office as soon  
18          as possible after receipt of this notice. In the event an agreement is entered  
19          into, failure to abide by the terms of agreement can lead to disconnection  
20          without further notice. If disconnection would result in an immediate and  
21          serious health hazard to you or to a resident within your household,

1 disconnection will be postponed upon presentation of a duly licensed  
2 physician's certificate.

3 APPEALS—If you cannot reach agreement as to payment of this bill with the  
4 credit supervisor whose name appears above, you may appeal to:

5 (Name of Chairman of the Local Legislative Body)

6 (Name of Town, City or Village)

7 (Address of Office)

8 (Mailing Address)

9 or by calling:

10 (Telephone Number)

11 An appeal cannot be taken unless you first attempt to settle with the credit  
12 supervisor. You may appeal only as to the proper amount of your bill or the  
13 correctness of application of the rules and regulations. You may not appeal as  
14 to the level or design of the rates themselves. No charge shall be made for the  
15 appeal. However, undisputed portions of the charges giving rise to this notice  
16 must be paid before the disconnection date given above.

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

21 (Name of Clerk of Board of Abatement)

1        (Name of Town, City, or Village)

2        (Address of Office)

3        (Mailing Address)

4        or by calling:

5        (Telephone Number)

6        **Sec. 7. WORKING GROUP ON VERMONT'S TAX SALE PROCESS**

7        (a) Creation. There is created the Working Group on Vermont's Tax Sale  
8        Process to assess how Vermont may balance fairness for delinquent taxpayers  
9        with the needs of municipalities.

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

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

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

14        Towns;

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

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

17        Agency;

18           (5) a representative, appointed by the Vermont Municipal Clerk and

19        Treasurer Association;

20           (6) a representative, appointed by the Neighborworks Alliance of

21        Vermont;

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

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

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

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

11                   (2) establishing a process for delinquent taxpayers to be provided the  
12                   option of a payment arrangement for delinquent taxes, fees, and interest before  
13                   a tax sale commences;

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

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

18           The collector may extend a warrant against any real estate in the town  
19           that the legislative body determines is “blighted,” as defined under subsection  
20           3850(c) of this title, when the taxpayer is delinquent for more than six months.

1       (d) Report. On or before December 15, 2024, the Working Group shall  
2       submit a written report to the House Committee on Ways and Means with its  
3       findings and any recommendations for legislative action, including proposed  
4       legislative language.

5       (e) Meetings.

6             (1) The representative appointed by Vermont Legal Aid shall call the  
7       first meeting of the Working Group to occur on or before August 1, 2024.

8             (2) The Working Group shall elect a chair from among its members at  
9       the first meeting.

10            (3) A majority of the membership shall constitute a quorum.

11       Sec. 8. APPLICATION OF CHANGES MADE BY THIS ACT

12       (a) The amendments to 32 V.S.A. § 5252 made by Sec. 3 of this act (notice  
13       of sale) shall not apply to a property that was subject to a notice of sale prior to  
14       effective date of this act.

15       (b) The amendments to 32 V.S.A. § 5260 made by Sec. 5 of this act  
16       (redemption) shall not apply to a property that has been sold at tax sale prior to  
17       the effective date of this act, except that, notwithstanding any provision of  
18       1 V.S.A. § 214 to the contrary, the provisions of 32 V.S.A. § 5260(b) and (c)  
19       shall apply if, on the effective date of this act, 90 days or more remain until the  
20       end of the redemption period.

21                                   \* \* \* Effective Date \* \* \*



1       Sec. 9. EFFECTIVE DATE

2           This act shall take effect on passage.

3

4

5

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

7

\_\_\_\_\_

8

Representative \_\_\_\_\_

9

FOR THE COMMITTEE