

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7 (7) [Repealed.]

8 (8) [Repealed.]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.

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

15 (c) The board shall, in any case in which it abates taxes or charges, interest,
16 or collection fees accruing to the town or denies an application for abatement,
17 state in detail in writing the reasons for its decision. The written decision shall
18 provide sufficient explanation to indicate to the parties what was considered
19 and what was decided. The decision shall address the arguments made by the
20 applicant and shall be based exclusively on evidence presented to the board
21 during the abatement proceeding. When the board considers abatement

1 pursuant to subdivision (a)(3) of this section, the decision shall further address
2 whether the applicant has an inability to pay due to any of the following
3 factors, if voluntarily disclosed by the taxpayer:

4 (1) general physical or mental health;

5 (2) a medical condition;

6 (3) advanced age;

7 (4) disability;

8 (5) income level; and

9 (6) any other permanent or temporary factors raised by the applicant.

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

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

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

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

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

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

7 § 6065. FORMS; TABLES; NOTICES

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

11 (b) Prior to June 1, the Commissioner shall also prepare and supply to each
12 town in the State notices describing the homestead property tax credit, for
13 inclusion in property tax bills. The notice shall be in simple, plain language
14 and shall explain how to file for a property tax credit, where to find assistance
15 filing for a credit, and any other related information as determined by the
16 Commissioner. The notice shall direct taxpayers to a resource where they can
17 find versions of the notice translated into the five most common languages in
18 the State. A town shall include such notice in each tax bill and notice of
19 delinquent taxes that it mails to taxpayers who own in that town a residential
20 property that could be a homestead as defined in subdivision 5401(7) of this
21 title, without regard for whether the property was declared a 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 Sec. 3. 32 V.S.A. § 5136 is amended to read:

5 § 5136. INTEREST ON OVERDUE TAXES

6 (a) When a municipality votes under an article in the warning to collect
7 interest on overdue taxes, such taxes, however collected, shall be due and
8 payable not later than December 1 and shall bear interest at the rate of not
9 more than one percent per month or fraction thereof, for the first three months
10 and thereafter one and one-half percent per month or fraction thereof, from the
11 due date of such tax. Such interest shall be imposed on a fraction of a month
12 as if it were an entire month. A municipality having so voted to collect interest
13 as hereinbefore provided, and the amount thereof, shall thereafter collect such
14 interest each year until the municipality shall vote otherwise at a meeting duly
15 warned for the purpose of voting on such question.

16 (b) Whenever a municipality votes to collect interest on overdue taxes
17 pursuant to this section, interest in like amount shall be paid by the
18 municipality to any person making any overpayment of taxes occurring as a
19 result of a redetermination of the grand list of the taxpayer on appeal provided
20 by chapter 131 of this title.

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

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

10 (3) Give the delinquent taxpayer written notice by certified mail
11 requiring a return receipt directed to the last known address of the delinquent
12 of the date and place of such sale at least ~~10~~ 30 days prior thereto if the
13 delinquent is a resident of the town and ~~20~~ 30 days prior thereto if the
14 delinquent is a nonresident of the town. If the notice by certified mail is
15 returned unclaimed, notice shall be provided to the taxpayer by ~~resending the~~
16 ~~notice by first class mail or by~~ personal service pursuant to Rule 4 of the
17 Vermont Rules of Civil Procedure. The collector shall not be required to
18 attempt personal service more than once but may do so at the collector's
19 discretion. If the first attempt to provide notice through personal service fails,
20 the collector shall provide notice by affixing the notice to the exterior door of
21 the last known address of the delinquent taxpayer if located within this State.

1 (4) Give to the mortgagee or lien holder of record written notice of such
2 sale at least ~~10~~ 30 days prior thereto if a resident of the town and, if a
3 nonresident, ~~20~~ 30 days' notice to the mortgagee or lien holder of record or ~~his~~
4 ~~or her~~ the mortgagee's or lien holder's agent or attorney by certified mail
5 requiring a return receipt directed to the last known address of such person. If
6 the notice by certified mail is returned unclaimed, notice shall be provided by
7 resending the notice by first-class mail or by personal service pursuant to Rule
8 4 of the Vermont Rules of Civil Procedure.

9 (5) Post a notice of such sale in some public place in the town and
10 provide the notice to the Vermont Housing and Conservation Board and a local
11 organization that offers affordable housing services.

12 (6) The tax collector shall enclose the following statement, in the five
13 most common languages used in this State, with every notice required under
14 this section and with every delinquent tax notice:
15 Warning: There are unpaid property taxes at (address of property), which you
16 may own, have a legal interest, or may be contiguous to your property. The
17 property will be sold at public auction on (date set for sale) unless the overdue
18 taxes, fees, and interest in the amount of (dollar amount due) is paid. To make
19 payment or receive further information, contact (name of tax collector)
20 immediately at (office address), (mailing address), (e-mail address), or
21 (telephone number). You may be eligible for a repayment plan.

1 (7) Translation of the notice required under subdivision (6) of this
2 subsection shall be made available to all municipalities by the Vermont Office
3 of Racial Equity.

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

9 (c) A municipality shall not initiate tax sale proceedings until it has offered
10 a delinquent taxpayer a reasonable repayment plan and the taxpayer has either
11 denied the offer, failed to respond, or has failed to make a payment under the
12 plan. A taxpayer shall have 30 days to respond to an offer. When establishing
13 a plan under this subsection, the municipality shall consider the following:

14 (1) the income and income schedule of the taxpayer, if offered by the
15 taxpayer;

16 (2) the taxpayer's tax payment history with the municipality;

17 (3) the amount of tax debt owed to the municipality;

18 (4) the amount of time tax has been delinquent and the taxpayer's reason
19 for the delinquency; and

20 (5) whether the delinquency was caused by unforeseen circumstances,
21 including natural disasters such as flooding and wildfires.

1 (d) A tax collector is only required to offer one repayment plan per instance
2 of delinquency, without regard to whether the delinquent taxpayer agrees to
3 accept it.

4 (e) A collector may void a repayment plan offered under subsection (c) of
5 this section if a delinquent taxpayer accepts a plan but fails to make a payment
6 within 15 days of the payment due date. When a plan is voided in this way, the
7 collector may proceed with a tax sale.

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

9 § 5253. FORM OF ADVERTISEMENT AND NOTICE OF SALE

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

12 The resident and nonresident owners, lien holders, and mortgagees of lands in
13 the town of _____ in the county of _____ are hereby notified that
14 the taxes assessed by such town for the years _____ (insert years the taxes are
15 unpaid) _____ remain, either in whole or in part, unpaid on the following
16 described lands in such town, to wit,

17 _____
18 _____

19 (insert description of lands)

20 and so much of such lands will be sold at public auction at _____ a public
21 place in such town, on the _____ day of _____ (month), _____ (year) at

1 _____ o'clock ____ (am/pm), as shall be requisite to discharge such taxes
2 with costs and fees, unless previously paid.

3 Be advised that the owner or mortgagee, or the owner's or mortgagee's
4 representatives or assigns, of lands sold for taxes shall have a right to
5 redemption for a period of one year from the date of sale pursuant to 32 V.S.A.
6 § 5260.

7 Dated at _____, Vermont, this _____ day of _____ (month), ____
8 (year).

9 _____

10 Collector of Town Taxes

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

12 § 5260. REDEMPTION

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

1 to the collector or town clerk shall be paid over to such purchaser on demand.

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

6 (b) During the one-year redemption period, the tax collector shall:

7 (1) Serve the delinquent taxpayer with the written notice required under
8 subsection (c) of this section at least 90 days prior to the end of the redemption
9 period using certified mail requiring a return receipt, directed to the last known
10 address of the delinquent taxpayer. If the notice by certified mail is returned
11 unclaimed, notice shall be provided to the taxpayer by personal service
12 pursuant to Rule 4 of the Vermont Rules of Civil Procedure. If the notice by
13 certified mail is returned unclaimed and at least one attempt at personal service
14 is unsuccessful, notice may be provided to the taxpayer by affixing the notice
15 to the exterior door of the property that is subject to tax sale as well as to the
16 exterior door of the last known address of the delinquent taxpayer, provided
17 the address is located within the State of Vermont.

18 (2) At least 90 days prior to the end of redemption period, post a notice
19 in some public place in the municipality and provide the notice to the Vermont
20 Housing and Conservation Board and a local organization that offers
21 affordable housing services.

1 (c) The tax collector shall enclose the following statement, in the five
2 most common languages used in this State, with every notice required under
3 this section:

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

14 Sec. 7. 24 V.S.A. § 5144 is amended to read:

15 § 5144. UNIFORM NOTICE FORM

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

19 Date _____

20 \$ _____

21 AMOUNT IN ARREARS

1 Dear Customer:

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

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

14 Collection Trips—\$ 25.00, regardless of number

15 Reconnection—Normal Hours—\$ 25.00

16 Overtime—\$ 37.50

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

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

1 THIS IS A FINAL REQUEST FROM:

2 (Name of Credit Supervisor)

3 (Name of Municipality)

4 (Address of Municipality)

5 (Town)

6 Vermont (Zip Code)

7 (Telephone Number)

8 OTHER IMPORTANT INFORMATION—If you have a question concerning
9 this bill or if you want to seek an agreement with us to pay the balance due in
10 partial payments over a period of time, you should contact this office as soon
11 as possible after receipt of this notice. In the event an agreement is entered
12 into, failure to abide by the terms of agreement can lead to disconnection
13 without further notice. If disconnection would result in an immediate and
14 serious health hazard to you or to a resident within your household,
15 disconnection will be postponed upon presentation of a duly licensed
16 physician’s certificate.

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

19 (Name of Chairman of the Local Legislative Body)

20 (Name of Town, City or Village)

21 (Address of Office)

1 (Mailing Address)

2 or by calling:

3 (Telephone Number)

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

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

14 (Name of Clerk of Board of Abatement)

15 (Name of Town, City, or Village)

16 (Address of Office)

17 (Mailing Address)

18 or by calling:

19 (Telephone Number)

1 Sec. 8. 32 V.S.A. § 4873 is amended to read:

2 § 4873. INTEREST ON INSTALLMENTS

3 All taxes payable in installments may bear interest if the town so votes at a
4 rate not to exceed one percent per month or fraction thereof for the first three
5 months and thereafter one and one-half percent per month or fraction thereof,
6 either from the due date of the last installment or from the due date of each
7 installment. When a town so votes, such vote shall remain in effect until such
8 time as the town rescinds the same by a majority vote of the legal voters
9 present and voting at an annual or special meeting duly warned for such
10 purpose. Overdue taxes shall not bear interest under this section from the date
11 abatement is requested until the time when the board of abatement issues a
12 written decision pursuant to 24 V.S.A. § 1535. The date of abatement request
13 shall be determined by the postmark or time stamp of the written request.

14 **Sec. 9. WORKING GROUP ON POST TAX SALE PROCESS**

15 (a) Creation. There is created the Working Group on Post Tax Sale Process
16 to assess how Vermont can ensure that delinquent taxpayers whose properties
17 are transferred via tax collector’s deed, or a tax-lien foreclosure sale, can fairly
18 recoup equity in their property in excess of the tax debt, fees, and interest for
19 which their property is sold.

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

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

2 (2) a representative, appointed by the Vermont League of Cities and
3 Towns;

4 (3) a representative, appointed by the Vermont Banker’s Association;

5 (4) a representative, appointed by the Vermont Housing Finance
6 Agency;

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

9 (6) a representative, appointed by the Neighborworks Alliance of
10 Vermont; and

11 (7) a representative, appointed by the Champlain Valley Office of
12 Economic Opportunity Mobile Home Project.

13 (c) Powers and duties. The Working Group shall propose legislation
14 establishing the process for delinquent taxpayers to recoup that excess value
15 when the redemption period ends and the property transfers to the high bidder
16 at tax sale.

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

21 (e) Meetings.

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

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

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

6 **Sec. 10. APPLICATION OF CHANGES MADE BY THIS ACT**

7 (a) The amendments to 32 V.S.A. § 5252 made by Sec. 4 of this act (notice
8 of sale) shall not apply to a property that was subject to a notice of sale prior to
9 effective date of this act.

10 (b) The amendments to 32 V.S.A. § 5260 made by Sec. 6 of this act
11 (redemption) shall not apply to a property that has been sold at tax sale prior to
12 the effective date of this act, except that, notwithstanding any provision of 1
13 V.S.A. § 214 to the contrary, the provisions of 32 V.S.A. § 5260(b) and (c)
14 shall apply if, on the effective date of this act, 90 days or more remain until the
15 end of the redemption period.

16 * * * Effective Date * * *

17 **Sec. 11. EFFECTIVE DATE**

18 This act shall take effect on passage.

19

20

21

1 (Committee vote: _____)

2

3

Representative _____

4

FOR THE COMMITTEE