

## Ted Brady

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**From:** Julie Graeter <jgraeter@colchestervt.gov>  
**Sent:** Monday, January 22, 2024 2:41 PM  
**To:** Ted Brady  
**Cc:** Aaron Frank  
**Subject:** H.629 Concerns

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Hello Ted,

I read your testimony on H.629 and it's on point. I have reached out to the Colchester legislators with potential ramifications to the Town of Colchester, see below.

Have a good evening,  
Julie

Dear Colchester Legislators:

I have reviewed the language of H.629 as introduced and would like to communicate my thoughts and concerns about the changes being considered. I apologize that there is so much content, I abbreviated the language and cited the statute with the hopes it helps.

- 24 V.S.A. §1535 (c) additional language, 'issue written findings.....' is concerning due to the proceedings are a public meeting along with the decision. The deliberations regarding the decision are not required to be public and are not due to the sensitive nature of the findings involved in some of the cases. This seems possibly intrusive and may prevent taxpayers from applying if their issues are to be publicly spelled out in the decision.
- 32 V.S.A. §5136 (c) 'Overdue taxes shall not .....' is not entirely clear to me. Currently, when taxes are abated, delinquent interest and penalty charges are automatically reversed as well. The clarification I need is whether this additional language allows the taxpayer to request an abatement to forego having to pay any interest on delinquent tax balances at all. If such an abatement request is denied would the town be able to charge interest back to the request date from date of denial? If not, this is a loophole that will be abused by taxpayers who are not in need. It would also be a loss of revenue for the town. This loss could lead to taxpayers having to cover those revenue losses.
- 32 V.S.A. §5252 (a) 'for a period longer than two years....' is a very high threshold. Many taxpayers would not meet the \$15,000 threshold until after two years of delinquency. This will put them in a position of never being able to recover. As the Colchester Delinquent Tax Collector, I spend a lot of staff time working with delinquent taxpayers way before this '**and**' threshold is met. I work with taxpayers regarding homestead declarations/tax credits and payment plans.
- 32 V.S.A. §5252 (a)(5) 'Post a notice.....' places more staff time burden on the Clerk's Office. The tax sale notice is already a public document.
- 32 V.S.A. §5252 (a)(6) 'in five most common languages....' is not entirely clear to me. Does this language change pertain to only tax sale notices? I send out monthly delinquent tax notices where some of the '**Warning**' language is included. Any tax sale notices to property owners from the Colchester legal representatives provides that language. An additional clarification I need is why contiguous property owners would need any notification of a neighbors' delinquent taxes.
- 32 V.S.A. §5252 (c) 'When establishing a plan.....' will leave room for the delinquent tax collector to treat people differently. If all taxpayers are treated under the same set of policies, it guarantees a process with

no negligence. I am already put in an uncomfortable position when hearing personal circumstances but to evaluate more deeply is troublesome.

- 32 V.S.A. §5253 ‘Form of Advertisement and Notice of Sale’ added language of a five-year redemption period leads to the property being unable to be sold at tax sale. A tax sale buyer will not wait in limbo for five years before receiving a tax sale deed.
- 32 V.S.A. §5260 (a) new redemption language concerning the amount of interest calculated increases the level of difficulty for the delinquent tax collector and any tax sale buyer.
- 32 V.S.A. §5260 (b) 30/90-day notifications during the five-year redemption period increases staff time and costs.
- 32 V.S.A. §5260 (c) continues to increase the staff time and costs associated with managing the tax sale process.
- 32 V.S.A. §5261 (b) is totally confusing to me. I need clarification as to why the buyer of tax sale property would need to pay the previous owner anything more.

In summary, there are a lot of changes included in the language. I do not agree with most of the language. Most of the changes will increase staff time and costs as well as loss of revenue to administer any tax abatement or tax sale process. These increased costs and decreased revenue will become a burden to all town taxpayers.

Another negative effect, I as understand, of the language changes would encourage more tax abatements. Tax abatements require the participation of a volunteer board of at least thirteen members.

With tax sales, the town delinquent tax collector will lose a very useful tool to collect delinquent property taxes. Any savvy tax sale purchaser will not actually engage in the process as it will no longer be beneficial to them. Their main purpose is to earn some revenue or gain property at a reduced price compared to market value. In the town of Colchester tax sales are a last resort.

I can give you an example of recent tax sale. The property at 102 Canyon Estates was sold at tax sale twice before the town purchased and sold to Habitat for Humanity. This property was abandoned after a fire by the owner and mortgage holder. It was left for the neighbors and town to be concerned about the safety and unsightly look. If any of these language changes were used to manage the process it would still be an empty lot with a large town lien for the removal of the building for safety. A family now has a new home after many hours of work and the neighbors no longer must be concerned.

***Julie A Graeter***  
***Town Clerk/Treasurer***

[jgraeter@colchestervt.gov](mailto:jgraeter@colchestervt.gov)  
802-264-5521



Town of Colchester  
781 Blakely Rd.  
Colchester, VT 05446