

DRAFT – VLCT Edits 20240205

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

2 § 1535. ABATEMENT

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

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

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

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

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

12 (5) taxes or charges upon real or personal property lost or destroyed
13 during the tax year;

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

20 (7) [Repealed.]

21 (8) [Repealed.]

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

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

7 (c) The board shall, in any case in which it abates taxes or charges, interest,
8 or collection fees accruing to the town or denies an application for abatement,
9 state in detail in writing the reasons for its decision. The written decision must
10 provide sufficient explanation to indicate to the parties what was decided and
11 upon what considerations. The written decision must address the arguments
12 raised by the applicant.

Commented [SS1]: Agreement to use *Guntlow and Winterkorn* case language.

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

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

21 (3) Interest on taxes or charges paid and subsequently abated shall
22 accrue from the date payment was due or made, whichever is later. However,

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1 abatements issued pursuant to subdivision (a)(5) of this section need not
2 include the payment of interest.

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

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

6 § 5144. UNIFORM NOTICE FORM

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

10 Date _____

11 \$ _____

12 AMOUNT IN ARREARS

13 Dear Customer:

14 According to our records, your (water) (sewer) service account is still unpaid.

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

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

5 Collection Trips—\$ 25.00, regardless of number

6 Reconnection—Normal Hours—\$ 25.00

7 Overtime—\$ 37.50

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

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

13 THIS IS A FINAL REQUEST FROM:

14 (Name of Credit Supervisor)

15 (Name of Municipality)

16 (Address of Municipality)

17 (Town)

18 Vermont (Zip Code)

19 (Telephone Number)

20 OTHER IMPORTANT INFORMATION—If you have a question concerning
21 this bill or if you want to seek an agreement with us to pay the balance due in
22 partial payments over a period of time, you should contact this office as soon

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1 as possible after receipt of this notice. In the event an agreement is entered
2 into, failure to abide by the terms of agreement can lead to disconnection
3 without further notice. If disconnection would result in an immediate and
4 serious health hazard to you or to a resident within your household,
5 disconnection will be postponed upon presentation of a duly licensed
6 physician’s certificate.

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

9 (Name of Chairman of the Local Legislative Body)

10 (Name of Town, City or Village)

11 (Address of Office)

12 (Mailing Address)

13 or by calling:

14 (Telephone Number)

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

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1 ABATEMENT—You may be able to receive an abatement of these charges,
2 penalties, and/or interest under 24 V.S.A. § 1535. To seek this relief from the
3 Board of Abatement, please contact the Town Clerk by mail or phone:

4 (Name of Clerk of Board of Abatement)

5 (Name of Town, City, or Village)

6 (Address of Office)

7 (Mailing Address)

8 (Telephone Number)

9 * * * Tax Sale of Real Property * * *

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

11 § 5252. LEVY AND NOTICE OF SALE; SECURING PROPERTY

12 (a) When the collector of taxes of a town or of a municipality within it has
13 for collection a tax assessed against real estate in the town and the taxpayer is
14 delinquent for a period longer than one year, the collector may extend a
15 warrant on such land. The collector may extend the warrant against any real
16 estate in the town that the legislative body determines is “blighted” as that term
17 is defined by 32 V.S.A. § 3850(c), when the taxpayer is delinquent for a period
18 longer than 6 months. However, no warrant shall be extended until a
19 delinquent taxpayer is given an opportunity to enter a written repayment plan
20 pursuant to subsection (c) of this section. If a collector receives notice from a
21 mobile home park owner pursuant to 10 V.S.A. § 6248(b), the collector shall,
22 within 15 days after the notice, commence tax sale proceedings to hold a tax

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1 sale within 60 days after the notice. If the collector fails to initiate such
2 proceedings, the town may initiate tax sale proceedings only after complying
3 with 10 V.S.A. § 6249(f). If the tax collector extends the warrant, the collector
4 shall:

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

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

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

1 (4) Give to the mortgagee or lien holder of record written notice of such
2 sale at least ~~40~~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.

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

15 (c) A municipality shall not initiate tax sale proceedings until it has offered
16 a delinquent taxpayer a written repayment plan and the taxpayer has either
17 denied the offer, failed to respond, or has failed to make a payment under the
18 plan within the timeframe established by the collector. A taxpayer shall have
19 30 days to respond to an offer. When establishing a plan under this subsection,
20 the municipality may consider the following:

21 (1) the income and income schedule of the taxpayer, if offered by the
22 taxpayer;

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1 and so much of such lands will be sold at public auction at _____ a public
2 place in such town, on the _____ day of _____ (month), _____ (year) at
3 _____ o'clock ____ (am/pm), as shall be requisite to discharge such taxes
4 with costs and fees, unless previously paid.

5 Not less than 24 hours prior to the sale, the owner of the property being sold
6 for taxes may request in writing that a portion of the property be sold. The
7 request must clearly identify the portion of the property to be sold and must be
8 accompanied by a certification from the Act 250 District Environmental
9 Commission and the town zoning administrator that the portion identified may
10 be subdivided and meets the applicable minimum lot size requirements. In the
11 event that the portion identified by the taxpayer cannot be sold for the tax and
12 costs, then the entire property may be sold.

13 ABATEMENT—You may be able to receive an abatement of these charges,
14 penalties, and/or interest under 24 V.S.A. § 1535. To seek this relief from the
15 Board of Abatement, please contact the Town Clerk by mail or phone:

16 (Name of Clerk of Board of Abatement)

17 (Name of Town, City, or Village)

18 (Address of Office)

19 (Mailing Address)

20 (Telephone Number)

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1 Be advised that the owner or mortgagee, or their representative or assigns, of
2 lands sold for taxes shall have a right to redemption for a period of [insert]
3 year from the date of sale.

4 Dated at _____, Vermont, this _____ day of _____ (month), ____
5 (year).

6 _____
7 Collector of Town Taxes

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

9 § 5260. REDEMPTION

10 (a) When the owner or mortgagee of lands sold for taxes, ~~his or her~~the
11 owner's or mortgagee's representatives or assigns, within one year from the
12 day of sale, pays or tenders to the collector who made the sale or in the case of
13 ~~his or her~~the collector's death or removal from the town where the land lies, to
14 the town clerk of such town, the sum for which the land was sold with interest
15 thereon past due taxes, costs, and fees calculated at a rate of one percent per
16 month or fraction from the day of sale to the day of payment, a deed of the
17 land shall not be made to the purchaser, but the money paid or tendered by the
18 owner or mortgagee or ~~his or her~~the owner's or mortgagee's representatives or
19 assigns to the collector or town clerk shall be paid over to such purchaser on
20 demand. In the event that a municipality purchases contaminated land
21 pursuant to section 5259 of this title, the cost to redeem shall include all costs

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

3 (b) At least 90 days prior to the end of redemption period, provide the
4 delinquent taxpayer written notice as required by 32 V.S.A. § 5260(c), by
5 certified mail requiring a return receipt, directed to the last known address of
6 the delinquent taxpayer. If the notice by certified mail is returned unclaimed,
7 notice shall be provided to the taxpayer by resending the notice through first-
8 class mail or by personal service pursuant to Rule 4 of the Vermont Rules of
9 Civil Procedure. The notice shall also be posted in some public place in the
10 town.

11 (c) The form of the notice required by subdivision 5260(b) of this title shall
12 be substantially in the following form:

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

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1 Sec. 6. 32 V.S.A. § 5261 is amended to read:

2 § 5261. DEED BY COLLECTOR

3 When the time for redemption has passed and the land is not redeemed, the
4 collector or ~~his or her~~the collector's successor shall execute to the purchaser a
5 deed, which shall convey to ~~him or her~~the purchaser a title against the person
6 for whose tax it was sold and those claiming under ~~him or her~~that person.

7 Sec. 7. 32 V.S.A. § 5061(b) is amended to read:

8 (b) When the taxes secured by a lien in accordance with this section remain
9 unpaid more than two years after the creation of such lien, such lien may be
10 foreclosed in the same manner as provided by law for the foreclosure of
11 mortgages on real estate. In such case, the parties having an interest in the land
12 on record in the town clerk's office shall be given notice as directed by the
13 presiding judge of the Superior Court. The judge in ~~his or her~~a final decree
14 shall appoint a commissioner who shall be bonded before ~~entering upon his or~~
15 ~~her~~commencing their duties in an amount set by the judge to sell with the
16 approval of the judge the real estate after time for redemption has expired,
17 which period of redemption shall run for one full year from the date of the
18 decree. The commissioner shall be empowered to execute a conveyance to the
19 purchaser, apply the proceeds of the sale to the amount found due the town,
20 including costs, in the decree, the expense of the sale, which shall include the
21 commissioner's compensation and expenses, and a reasonable fee for the
22 town's solicitor. The commissioner shall first pay out of the proceeds, the

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1 expense of sale, the town solicitor’s fee, and the amount due the town with
2 costs, in order named. The residue, if any, shall be disposed of by the
3 commissioner, with the approval of the judge, in the same manner as proceeds
4 from foreclosure of chattel mortgages. As directed by the judge, the
5 ~~Commissioner~~commissioner shall report ~~his or her~~their doings to the judge,
6 and such report shall be accepted by the judge and judgment rendered thereon
7 before the commissioner is discharged from ~~his or her~~their duties.

8 * * * Effective Date * * *

9 Sec. 8. EFFECTIVE DATE

10 This act shall take effect on July 1, 2024 and shall apply only to tax sales
11 that result from taxes that have gone delinquent after July 1, 2024.

Commented [S2]: VLCT proposes clarifying language so tax sales that have already been noticed as of the effective date of the bill will not be subject to the requirements of the law.