

H.773

Introduced by Representative Mihaly of Calais

Referred to Committee on

Date:

Subject: Taxation and finance; delinquent taxes; property taxes; tax collection;  
tax sales; real property

Statement of purpose of bill as introduced: This bill proposes to authorize a  
municipal tax sale when the outstanding taxes due are less than the statutory  
minimum of \$1,500.00 if a municipality gets a court order that the real  
property is abandoned and the dwelling on the property is unfit for human  
habitation.

An act relating to property tax sales for property that is abandoned or unfit  
for human habitation

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. 32 V.S.A. § 5252 is amended to read:

§ 5252. LEVY AND NOTICE OF SALE; SECURING PROPERTY

(a)(1) When the collector of taxes of a town or of a municipality within it  
has for collection a tax assessed against real estate in the town and the taxpayer  
owes a minimum of \$1,500.00 and is delinquent for a period longer than one  
year, the collector may extend a warrant on such land. However, no warrant

1 shall be extended until a delinquent taxpayer is given an opportunity to enter a  
2 written reasonable repayment plan pursuant to subsection (c) of this section. If  
3 a collector receives notice from a mobile home park owner pursuant to  
4 10 V.S.A. § 6248(b), the collector shall, within 15 days after the notice,  
5 commence tax sale proceedings to hold a tax sale within 60 days after the  
6 notice. If the collector fails to initiate such proceedings, the town may initiate  
7 tax sale proceedings only after complying with 10 V.S.A. § 6249(f). If the tax  
8 collector extends the warrant, the collector shall:

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

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

18 ~~(3)~~(C) Give the delinquent taxpayer written notice by certified mail  
19 requiring a return receipt directed to the last known address of the delinquent  
20 of the date and place of such sale at least 30 days prior thereto if the delinquent

1 is a resident of the town and 30 days prior thereto if the delinquent is a  
2 nonresident of the town. If the notice by certified mail is returned unclaimed:

3 ~~(A)~~(i) notice shall be provided to the taxpayer by resending the  
4 notice by first-class mail or by personal service pursuant to Rule 4 of the  
5 Vermont Rules of Civil Procedure; ~~and~~

6 ~~(B)~~(ii) notice shall be provided by email, provided the tax  
7 collector can acquire the email address of the delinquent taxpayer using  
8 reasonable effort; and

9 ~~(C)~~(iii) notice shall be affixed to the front door of the property  
10 subject to tax sale, provided it has a structure.

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

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

20 ~~(6)~~(F) Enclose the following statement, with directions to a resource  
21 translating the notice into the five most common non-English languages used

1 in this State, with the notices required under subdivisions ~~(3)(C)~~ and ~~(4)(D)~~ of  
2 this ~~subsection~~ subdivision (a)(1) and with every delinquent tax notice:

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

10 ~~(7)(G)~~ The resource for translation of the notice required under  
11 subdivision ~~(6)(F)~~ of this ~~subsection~~ subdivision (a)(1) shall be made available  
12 to all municipalities by the Vermont Department of Taxes.

13 (2)(A) A municipality may seek an order in the Civil Division of the  
14 Superior Court that a property has been abandoned and the dwelling on the  
15 property is unfit for human habitation.

16 (B) The complaint shall include:

17 (i) the name and last known mailing address of the owner of the  
18 real property;

1                   (ii) the location and description of the real property;

2                   (iii) the facts supporting the claim that the real property has been  
3 abandoned and the facts supporting the claim that the real property is unfit for  
4 human habitation;

5                   (iv) the names and addresses of creditors, holders of housing  
6 subsidy covenants, or others having an interest in the real property based on  
7 liens or notices recorded in the land records in the office of the town clerk of  
8 the town in which the real property is located or the Office of the Secretary of  
9 State; and

10                  (v) a statement of the amount of delinquent taxes due to the  
11 municipality, including penalties and interest owed.

12                  (C) When a complaint is filed under this subdivision (a)(2), the clerk  
13 of the Superior Court shall set a hearing on the complaint before a Superior  
14 judge. The hearing shall be held at least 15 days but not later than 30 days  
15 after the filing of the complaint.

16                  (D) Notwithstanding subdivision (1) of this subsection (a), when a  
17 municipality receives an order under this subdivision (a)(2), a municipality  
18 may proceed with a tax sale of the real property subject to the order regardless  
19 of whether the property has met the minimum of \$1,500.00 in delinquent taxes.  
20 The municipality shall proceed with the tax sale as outlined in subdivision (1)  
21 of this subsection (a).

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

6 (2) Notwithstanding any provision of this section to the contrary, when a  
7 warrant and levy for delinquent taxes has been recorded pursuant to ~~subsection~~  
8 subdivision (a)(1) of this section, it shall be for all delinquent taxes due at the  
9 time the warrant and levy is filed.

10 (c)(1) A municipality shall not initiate a tax sale proceeding until it has,  
11 after attempting to consult with the taxpayer, offered a delinquent taxpayer a  
12 written reasonable repayment plan and the taxpayer has either denied the offer,  
13 failed to respond within 30 days, or failed to make a payment under the plan  
14 within the time frame established by the collector. When establishing a plan  
15 under this subsection, the municipality may request related information and  
16 shall consider the following:

17 (A) the income and income schedule of the taxpayer, if offered by the  
18 taxpayer;

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

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

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

1 (E) the taxpayer's reason for the delinquency, if offered by the  
2 taxpayer.

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

6 (3) A collector may void a payment plan and proceed to tax sale if a  
7 delinquent taxpayer agrees to a payment plan under this subsection and fails to  
8 make a timely payment.

9 Sec. 2. 32 V.S.A. § 5258 is amended to read:

10 § 5258. FEES AND COSTS ALLOWED AFTER WARRANT AND LEVY

11 RECORDED

12 (a) The fees and costs allowed after the warrant and levy for delinquent  
13 taxes have been recorded shall be as follows:

14 (1) levy and extending of warrant, \$10.00;

15 (2) recording levy and extending of warrant in the town clerk's office,  
16 \$15.00, to be paid to the town clerk;

17 (3) notices and publication of notices, actual costs incurred, including  
18 the costs of service pursuant to subdivisions 5252(a)~~(3)~~(1)(C) and ~~(4)~~(D) of  
19 this title;

20 (4) expenses actually and reasonably incurred by the town in securing a  
21 property for which property taxes are delinquent against illegal activity and fire

1 hazards, to be paid to the town clerk, provided that the expenses shall not  
2 exceed 20 percent of the uncollected tax;

3 (5) when authorized by the selectboard, expenses actually and  
4 reasonably incurred by the tax collector for legal assistance in the preparation  
5 for or conduct of a tax sale, provided that the expenses shall not exceed 15  
6 percent of the uncollected tax;

7 (6) travel reimbursement at the rate established by the contract  
8 governing State employees;

9 (7) attending and holding the sale, \$10.00;

10 (8) making return and recording the return in the town clerk's office,  
11 \$15.00 per page, to be paid to the town clerk; and

12 (9) collector's deed, \$15.00 per page.

13 (b) The fees and costs allowed in subsection (a) of this section, together  
14 with a collector's fee of up to eight percent, shall be in lieu of all other fees and  
15 costs.

16 Sec. 3. EFFECTIVE DATE

17 This act shall take effect on July 1, 2026.