

Title 24: Municipal and County Government

Chapter 87: Special Assessments

- **Subchapter 1: GENERAL PROVISIONS**
- **§ 3251. Definitions**

As used in this chapter:

- (1) “Legislative body” means “legislative body” as defined in section 2001 of this title.
- (2) “Property” means real estate.
- (3) “Sewage system” means “sewage system” as defined in subdivision 3501(6) of this title.
- (4) “Special assessment” means a tax assessed against one or more properties receiving the benefit of a particular public improvement, as distinguished from a tax on the entire grand list of a municipality.
- (5) “Water system” means “water system” as defined in subdivision 3341(b)(2) of this title without reference to any determination by the water commission. (Added 1969, No. 170 (Adj. Sess.), § 10, eff. March 2, 1970.)

- **§ 3252. Purpose of assessments**

Special assessments may be made for [\(i\)](#) the purchase, construction, repair, reconstruction, or extension of a water system or sewage system, [town highway](#), or any other public improvement that is of benefit to a limited area of a municipality to be served by the improvement, including those projects authorized under subchapter 2 of this chapter, [or \(ii\) to repay indebtedness incurred by the municipality pursuant subchapter 7 of this title to finance the projects listed in clause \(i\)](#). (Added 1969, No. 170 (Adj. Sess.), § 10, eff. March 2, 1970; amended 2009, No. 45, § 15i, eff. May 27, 2009.)

- **§ 3253. Method of apportionment**

A special assessment may be apportioned among the properties to be benefited thereby according to the listed value of such properties in the grand list, the frontage thereof, the added value accruing to each property by reason of the public improvement for which such assessment is made, or by any method other than the foregoing that results in a fair apportionment of the cost of the improvement in accordance with the benefits received. (Added 1969, No. 170 (Adj. Sess.), § 10, eff. March 2, 1970.)

- **§ 3254. Approval of voters**

A special assessment under this chapter shall be levied only by vote of a majority of the qualified voters of the municipality voting at an annual or special meeting duly warned for that purpose. However, the question need not be submitted to the voters if all of the owners of record of property to be assessed, or of any interest therein, other than mortgagees or lien holders, consent in writing to the assessment. Either the vote or the consent shall include approval of the method of apportionment of the assessment. (Added 1969, No. 170 (Adj. Sess.), § 10, eff. March 2, 1970.)

- **§ 3255. Collection of assessments; liens**

(a) Special assessments under this chapter shall constitute a lien on the property against which the assessment is made in the same manner and to the same extent as taxes assessed on the grand list of a municipality, and all procedures and remedies for the collection of taxes [as set forth in 32 V.S.A. chapter 133](#) shall apply to special assessments.

- **§ 3256. Construction with other laws**

Nothing contained in this chapter shall prohibit the financing of any of the improvements referred to in this chapter by a tax on the grand list of a municipality, or by other means. (Added 1969, No. 170 (Adj. Sess.), § 10, eff. March 2, 1970.)

[Title 24: Municipal and County Government](#)

[Chapter 53: Indebtedness](#)

[Subchapter 7: Special Assessment Financing](#)

[1904: Definitions](#)

[As used in this subchapter:](#)

- (1) [“Legislative body” means the mayor and alderboard, the city council, the “Legislative body” means the mayor and alderboard, the city council, the “Legislative body” means the mayor and alderboard, the city council, the “Legislative body” means the mayor and alderboard, the city council, the selectboard, or the president and trustees of an incorporated village, as appropriate.](#)
- (2) [“Municipality” means a city, town, or incorporated village.](#)
- (3) [“Special Improvement District” means a district comprised of the properties apportioned under section 3254 of this title for which the municipality intends to issue one or more debt issuances in support of related improvements.](#)

1905: General Authority.

- (a) Upon approval of the legislative body of the municipality, following development of a financing plan and one or more public hearings, a municipality may create a special improvement district, and may incur debt to provide for the improvements and costs related to such district secured by the special assessment established under subchapter 1 of chapter 87 of this title.
- (b) Following public notice, hearing, and opportunity to comment, the legislative body may authorize an application to the Vermont Economic Progress Council to approve the financing plan that will specify the total amount of anticipated incurrence of debt by the municipality.

- (c) Upon approval by the Vermont Economic Progress Council, the municipality may incur one or more debt issuances up until the approved amount that will be supported by revenues from the Special Improvement District
.
- (d) Notwithstanding the above, nothing will preclude authorization of debt under the other provisions of this chapter.
- (e) The special improvement district shall continue until the date and hour the indebtedness is retired or if no indebtedness is incurred, the period authorized by the legislative body.
- (f) [Note: consider adding that similar to the public utilities' laws, that municipalities are authorized to pledge the special assessments as security for the bonds, and then such pledge shall automatically attached, without the filing of any financing statements.]

1906: Powers supplemental; construction.

- (g) Any debt issued under this subchapter shall draw interest at a rate approved by the legislative branch of the municipal corporation, such interest to be payable as the legislative branch may determine. Such bonds or bond shall be payable serially, the first payment to be deferred not later than from one to five years after the issuance of the bonds and subsequent payments to be continued in substantially level or

declining annual debt service as the legislative branch shall determine, so long as the entire debt will be paid in no more than 40 years from the date of issue.

- (h) Bonds issued under the provisions of this chapter are declared to be issued for an essential public and governmental purpose.
- (i) Bonds issued under this section shall be authorized by resolution or ordinance of the local governing body and may be payable upon demand or mature at such time or times, bear interest at such rate or rates, be in such denomination or denominations, be in registered form, carry such conversion or registration privileges, have such rank or priority, be executed in such manner, be payable in such medium or payment, at such place or places, and be subject to such terms of redemption, such other characteristics, as may be provided by such resolution or trust indenture or mortgage issued pursuant thereto.
- (j) Such bonds may be sold in a manner determined by the legislative body including public and private sales and to the Vermont Bond Bank.
- (k) The final repayment date of debt issued pursuant to this subchapter will not exceed the useful life of the capital projects financed.
- (l) Debt issued pursuant to this subchapter will be issued with current interest and purchased at price not less than ninety percent of the par value.
- (m) Interest on debt issued under this subchapter may be capitalized for up to two years.
- (n) In case any of the public officials of the municipality whose signatures appear on any bonds or coupons issued under this chapter shall cease to be such officials before the delivery of such bonds, such signatures shall, nevertheless, be valid and sufficient for all purposes, the same as if such officials had remained in office until such delivery. Any provisions of any law to the contrary notwithstanding, any bonds issued pursuant to this chapter shall be fully negotiable.
- (o) In any suit, action, or proceeding involving the validity or enforceability of any bond issued under this chapter or the security therefor, any such bond reciting in substance that it has been issued by the municipality in connection with an improvement, as herein defined, shall be conclusively deemed to have been issued for such purpose and such improvement shall be conclusively deemed to have been planned, located, and carried out in accordance with the provisions of this chapter.

1907: Reporting.

- (a) Municipalities shall account for special assessments and Special Improvement District debt within a dedicated fund. The Municipality will make records available for inspection by the Vermont Economic Progress Council and annually submit an audited financial statement to the Vermont Economic Progress Council. Requests for delays in submission may be submitted in writing.

[Added amendment to VEPC enabling act to authorize them to take the actions provided in new subchapter 7 of municipal debt statute; and to provide to these newly authorized actions the protections set forth in their existing statute]:

Title 32 : Taxation and Finance

Chapter 105 : Vermont Employment Growth Incentive Program

Subchapter 001 : VERMONT ECONOMIC PROGRESS COUNCIL

(Cite as: 32 V.S.A. § 3325)

• **§ 3325. Vermont Economic Progress Council**

(a) Creation. The Vermont Economic Progress Council is created to exercise the authority and perform the duties assigned to it, including its authority and duties relating to:

(1) the Vermont Employment Growth Incentive Program pursuant to subchapter 2 of this chapter;

(2) tax increment financing districts pursuant to 24 V.S.A. chapter 53, subchapter 5 and section 5404a of this title; and

(3) special assessment financing pursuant to 24 V.S.A. chapter 53, subchapter 7.

(b) Membership.

(1) The Council shall have 11 voting members:

(A) nine residents of the State appointed by the Governor with the advice and consent of the Senate who are knowledgeable and experienced in the subjects of community development and planning, education funding requirements, economic development, State fiscal affairs, property taxation, or entrepreneurial ventures and represent diverse geographical areas of the State and municipalities of various sizes;

(B) one member of the Vermont House of Representatives appointed by the Speaker of the House; and

(C) one member of the Vermont Senate appointed by the Senate Committee on Committees.

(2)(A) The Council shall have two regional members from each region of the State, one appointed by the regional development corporation of the region and one appointed by the regional planning commission of the region.

(B) A regional member shall be a nonvoting member and shall serve during consideration by the Council of an application from his or her region.

(c) Terms.

(1) Members of the Council appointed by the Governor shall serve initial staggered terms with five members serving four-year terms, and four members serving two-year terms.

(2) After the initial term expires, a member's term is four years and a member may be reappointed.

(3) A term commences on April 1 of each odd-numbered year.

(d) Compensation.

(1) For attendance at a meeting and for other official duties, a member appointed by the Governor shall be entitled to compensation for services and reimbursement of expenses as provided in section 1010 of this title, except that a member who is a member of the General Assembly shall be entitled to compensation for services and reimbursement of expenses as provided in 2 V.S.A. § 23.

(2) A regional member who does not otherwise receive compensation and reimbursement of expenses from his or her regional development or planning organization shall be entitled to compensation and reimbursement of expenses for attendance at meetings and for other official duties as provided in section 1010 of this title.

(e) Operation.

(1) The Governor shall appoint a chair from the Council's members.

(2) The Council shall receive administrative support from the Agency of Commerce and Community Development and the Department of Taxes.

(3) The Council shall have:

(A) an executive director appointed by the Governor with the advice and consent of the Senate who is knowledgeable in subject areas of the Council's jurisdiction and who is an exempt State employee; and

(B) administrative staff.

(f) Rulemaking authority. The Council shall have the authority to adopt policies and procedures as necessary, and to adopt rules under 3 V.S.A. chapter 25, to implement the provisions of this chapter.

(g) Decisions not subject to review. A decision of the Council to approve or deny an application under subchapter 2 of this chapter; to approve or deny a tax increment financing district pursuant to 24 V.S.A. chapter 53, subchapter 5 and section 5404a of this title, is an administrative decision that is not subject to the contested case hearing requirements under 3 V.S.A. chapter 25 and is not subject to judicial review or to approve or deny special assessment financing pursuant to 24 V.S.A. chapter 53, subchapter 7. (Added 2015, No. 157 (Adj. Sess.), § H.1, eff. Jan. 1, 2017.)