

1 Sec. **X**. 32 V.S.A. chapter 123, subchapter 4C is added to read:

2 Subchapter 4C. Municipal Buyout Reimbursement Program

3 § 3710. REIMBURSEMENT TO MUNICIPALITIES

4 (a) There is established the Municipal Buyout Reimbursement Program to
5 reimburse municipalities the forgone municipal property tax revenue for flood-
6 prone properties acquired by a municipality and preserved as public space with
7 a permanent restriction on development rights.

8 (b) On or before September 1 of each year, the Commissioner of Public
9 Safety shall certify the properties eligible for the Municipal Buyout
10 Reimbursement Program to the Commissioner of Taxes with any other
11 information required by the Commissioner of Taxes. To be eligible for the
12 Program under this subchapter, a property shall have been acquired on or after
13 July 1, 2023 by a municipality and preserved by the municipality as public
14 space or future space with a restriction on development rights. The
15 Commissioner of Public Safety shall not certify a property as eligible if it has
16 been previously certified under this program as eligible in more than 10
17 previous years.

18 (c) Upon notification by the Commissioner of Public Safety, the
19 Commissioner of Taxes shall certify the payment amounts to the Secretary of
20 Administration. The Secretary shall make an annual payment to each
21 municipality with any eligible property to compensate for the loss of municipal

1 property tax from those properties. The payment shall be calculated using the
2 grand list value of the acquired property for the year during which the property
3 was either damaged by flooding or identified as flood-prone by the
4 Commissioner of Public Safety, multiplied by the municipal tax rate, including
5 any submunicipal tax rates in effect each year. This payment shall be made on
6 or before January 1 of each year.

7 (d) If a municipality has received payment for an eligible property under
8 subsection (c) of this section in five previous years, it shall be eligible for
9 payment for the subsequent five years in an amount equal to one-half of the
10 annual payment calculated under subsection (c).

11 (e) Payment under this section shall be paid from the PILOT Special Fund
12 under section 3709 of this title after all other payments pursuant to subchapter
13 4 of this chapter. If the PILOT Special Fund balance is insufficient to pay the
14 full amount of all payments authorized under this subchapter, then payments
15 calculated under this section and due to each municipality for each property
16 shall be reduced proportionately.

17 Sec. **X**. 32 V.S.A. § 6066a(f)(1) is amended to read:

18 (f)(1) For taxpayers and amounts stated in the notice to towns on or before
19 July 1, municipalities shall create and send to taxpayers a homestead property
20 tax bill, instead of the bill required under subdivision 5402(b)(1) of this title,
21 providing the total amount allocated to payment of homestead education

1 property tax liabilities and notice of the balance due. Nothing in this
2 subdivision, however, shall be interpreted as altering the requirement under
3 subdivision 5402(b)(2) of this title that the statewide education homestead tax
4 be billed in a manner that is stated clearly and separately from any other tax.

5 Municipalities shall apply the amount allocated under this chapter to current
6 year property taxes in equal amounts to each of the taxpayers' property tax
7 installments that include education taxes. Notwithstanding section 4772 of this
8 title, if a town issues a corrected bill as a result of the notice sent by the
9 Commissioner under subsection (a) of this section, issuance of the corrected
10 new bill does not extend the time for payment of the original bill nor relieve
11 the taxpayer of any interest or penalties associated with the original bill. If the
12 corrected bill is less than the original bill, and there are also no unpaid current
13 year taxes, interest, or penalties, and no past year delinquent taxes or penalties
14 and interest charges, any overpayment shall be reflected on the corrected tax
15 bill and refunded to the taxpayer.

16 Sec. **X**. 32 V.S.A. § 5252 is amended to read:

17 § 5252. LEVY AND NOTICE OF SALE; SECURING PROPERTY

18 (a) When the collector of taxes of a town or of a municipality within it has
19 for collection a tax assessed against real estate in the town and the taxpayer
20 owes a minimum of \$1,500.00 and is delinquent for a period longer than one
21 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 10
4 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 * * *

10 Sec. X. EFFECTIVE DATES

11 Sec. X (municipal buyout reimbursement) shall take effect on July 1, 2025
12 and the Commissioner of Public Safety shall first certify properties under the
13 program to the Commissioner of Taxes on or before September 1, 2025.