

S.196

Introduced by Senator Clarkson

Referred to Committee on

Date:

Subject: Taxation; property taxes; delinquent taxes; tax sale; redemption; right  
of purchaser to secure property

Statement of purpose of bill as introduced: This bill proposes to reduce the  
redemption period after a municipal tax sale and to authorize the purchaser of a  
property at tax sale to enter the property during the redemption period for the  
purpose of securing the property against illegal activity, fire hazard, damage,  
or deterioration.

An act relating to property tax sales

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) 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  
shall be extended until a delinquent taxpayer is given an opportunity to enter a

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

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

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

17 (3) Give the delinquent taxpayer written notice by certified mail  
18 requiring a return receipt directed to the last known address of the delinquent  
19 of the date and place of such sale at least 30 days prior thereto if the delinquent  
20 is a resident of the town and 30 days prior thereto if the delinquent is a  
21 nonresident of the town. If the notice by certified mail is returned unclaimed:

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

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

7           (C) notice shall be affixed to the front door of the property subject to  
8           tax sale, provided it has a structure.

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

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

18          (6) Enclose the following statement, with directions to a resource  
19          translating the notice into the five most common non-English languages used  
20          in this State, with the notices required under subdivisions (3) and (4) of this  
21          subsection and with every delinquent tax notice: Warning: There are unpaid

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

7 (7) The resource for translation of the notice required under subdivision  
8 (6) of this subsection shall be made available to all municipalities by the  
9 Vermont Department of Taxes.

10 (b)(1) If the warrant and levy for delinquent taxes has been recorded  
11 pursuant to subsection (a) of this section, the municipality in which the real  
12 estate lies may secure the property against illegal activity, damage from  
13 exposure to the elements, deterioration, and potential fire hazards after giving  
14 the mortgagee or lien holder of record written notice at least 10 days prior to  
15 such action.

16 (2) Notwithstanding any provision of this section to the contrary, when a  
17 warrant and levy for delinquent taxes has been recorded pursuant to subsection  
18 (a) of this section, it shall be for all delinquent taxes due at the time the warrant  
19 and levy is filed.

20 (c)(1) A municipality shall not initiate a tax sale proceeding until it has,  
21 after attempting to consult with the taxpayer, offered a delinquent taxpayer a

1 written reasonable repayment plan and the taxpayer has either denied the offer,  
2 failed to respond within 30 days, or failed to make a payment under the plan  
3 within the time frame established by the collector. When establishing a plan  
4 under this subsection, the municipality may request related information and  
5 shall consider the following:

6 (A) the income and income schedule of the taxpayer, if offered by the  
7 taxpayer;

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

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

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

11 (E) the taxpayer's reason for the delinquency, if offered by the  
12 taxpayer.

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

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

1      Sec. 2. 32 V.S.A. § 5253 is amended to read:

2      § 5253. FORM OF ADVERTISEMENT AND NOTICE OF SALE

3            The form of advertisement and notice of sale provided for in section 5252  
4      of this title shall be substantially in the following form:

5      The resident and nonresident owners, lien holders, and mortgagees of lands in  
6      the town of \_\_\_\_\_ in the county of \_\_\_\_\_ are hereby notified that  
7      the taxes assessed by such town for the years \_\_\_\_\_ (insert years the taxes are  
8      unpaid) \_\_\_\_\_ remain, either in whole or in part, unpaid on the following  
9      described lands in such town, to wit,

10      \_\_\_\_\_  
11      \_\_\_\_\_

12                                      (insert description of lands)

13      and so much of such lands will be sold at public auction at \_\_\_\_\_ a public  
14      place in such town, on the \_\_\_\_\_ day of \_\_\_\_\_ (month), \_\_\_\_\_ (year) at  
15      \_\_\_\_\_ o'clock \_\_\_\_\_ (am/pm), as shall be requisite to discharge such taxes  
16      with costs and fees, unless previously paid.

17      Be advised that the owner or mortgagee, or the owner's or mortgagee's  
18      representatives or assigns, of lands sold for taxes shall have a right to  
19      redemption for a period of ~~one year~~ six months from the date of sale pursuant  
20      to 32 V.S.A. § 5260.

1 Dated at \_\_\_\_\_, Vermont, this \_\_\_\_\_ day of \_\_\_\_\_ (month), \_\_\_\_\_  
2 (year).

3 \_\_\_\_\_  
4 Collector of Town Taxes

5 Sec. 3. 32 V.S.A. § 5254a is added to read:

6 § 5254a. ENTRY TO SECURE PROPERTY

7 After providing the mortgagee or lien holder of record written notice of at  
8 least 10 days, the purchaser of real estate subject to this subchapter may enter  
9 the property to secure the property against illegal activity, damage from  
10 exposure to the elements, deterioration, and potential fire hazards.

11 Sec. 4. 32 V.S.A. § 5260 is amended to read:

12 § 5260. REDEMPTION

13 (a) When the owner, lien holder, or mortgagee of lands sold for taxes, or  
14 the owner's, lien holder's, or mortgagee's representatives or assigns, within  
15 ~~one year~~ six months from the day of sale, pays or tenders to the collector who  
16 made the sale or in the case of the collector's death or removal from the town  
17 where the land lies, to the town clerk of such town, the sum for which the land  
18 was sold with interest thereon calculated at a rate of one percent per month or  
19 fraction thereof from the day of sale to the day of payment, a deed of the land  
20 shall not be made to the purchaser, but the money paid or tendered by the  
21 owner, lien holder, or mortgagee or the owner's, lien holder's, or mortgagee's

1 representatives or assigns to the collector or town clerk shall be paid over to  
2 such purchaser on demand. In the event that a municipality purchases  
3 contaminated land pursuant to section 5259 of this title, the cost to redeem  
4 shall include all costs expended for assessment and remediation, including  
5 expenses incurred or authorized by any local, State, or federal government  
6 authority.

7 (b) During the redemption period, the tax collector shall:

8 (1) Serve the delinquent taxpayer with the written notice required under  
9 subsection (c) of this section between 90 and 120 days prior to the end of the  
10 redemption period using certified mail requiring a return receipt, directed to  
11 the last known address of the delinquent taxpayer. If the notice by certified  
12 mail is returned unclaimed, notice shall be provided by resending the notice by  
13 first-class mail or by personal service pursuant to Rule 4 of the Vermont Rules  
14 of Civil Procedure.

15 (2) Post the notice in some public place in the municipality between 90  
16 and 120 days prior to the end of redemption period.

17 (c) The tax collector shall enclose the following statement, with directions  
18 to a resource translating the notice into the five most common non-English  
19 languages used in this State, with every notice required under this section:

20 Warning: There are unpaid property taxes at (address of property), which you  
21 may own; or have a legal interest in; or which may be contiguous to your

1 property. The property was sold at public auction on (date). Unless the  
2 overdue taxes, fees, and interest are paid by (last day of redemption period),  
3 the deed to the property will transfer to the purchaser. To redeem the property  
4 and avoid losing your legal interest, you must pay (dollar amount due for  
5 redemption). The amount you must pay to redeem the property increases every  
6 month due to interest, mailing costs, and other costs. To make payment or  
7 receive further information, contact (name of tax collector) immediately at  
8 (office address), (mailing address), (email address), and (telephone number).

9 (d) The resource for translation of the notice required under subsection (c)  
10 of this section shall be made available to all municipalities by the Vermont  
11 Department of Taxes.

12 Sec. 5. APPLICATION OF CHANGES MADE BY THIS ACT

13 The amendments to 32 V.S.A. §§ 5253 and 5260 (notice and redemption)  
14 shall not apply to a property that was subject to a notice of sale nor to a  
15 property that has been sold at tax sale prior to July 1, 2026.

16 Sec. 6. EFFECTIVE DATE

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