

Information on a recent court case:

2014 VT 11
No. 2012-367
Loren and Kathryn Hogaboom

v.

Trevor Jenkins
v.
Town of Milton

In that decision they held the following:

¶ 20. Having decided that the Town was required to take additional reasonable steps, we now turn to the question of whether those steps were required prior to the tax sale, or whether the Town's letter to taxpayer after the auction, but before the end of the redemption period and the actual transfer of the property to purchasers, was sufficient to satisfy the requirement. Purchasers argue that notice of the details of the sale is sufficient if it is provided after the sale but prior to the transfer of title at the end of the statutory redemption period. In so arguing, purchasers rely on our decision in *Ran-Mar, Inc. v. Town of Berlin*, 2006 VT 117, 181 Vt. 26, 912 A.2d 984. In *Ran-Mar, Inc.*, this Court addressed the issue of whether a town may retain proceeds from a tax sale pending redemption. In holding that retention was not an unconstitutional taking, *we concluded that a purchaser does not take title and there has been no transfer of property until the end of the one-year redemption period. Ran Mar, Inc., 2006 VT 117, ¶¶ 10, 12.* On the basis of this holding, purchasers argue that the actual deprivation of property for which notice is constitutionally required does not occur until the end of the redemption period, so that the Town's notice to taxpayer in this case preceded the deprivation and was thus timely. (Emphasis Added)

If you would like a copy of the Hogaboom case, the decision is here <http://info.libraries.vermont.gov/supct/current/op2012-367.html>

If you want a copy of Ranmar, the case they quoted, that is here <http://info.libraries.vermont.gov/supct/current/op2005-311.txt> .

See Page 36 at this link for the following excerpt:

http://www.vlct.org/assets/Resource/Handbooks/VLCT_Collector_Delinquent_Taxes_Handbook.pdf

Collector's Deed and Property Transfer Tax. If the delinquent taxpayer or mortgagees fail to redeem the property during the one-year period, the delinquent tax collector must execute a tax collector's deed to pass title from the delinquent taxpayer to the purchaser. 32 V.S.A. § 5261. This deed will extinguish all mortgages and interest in the property held by people who claim under the delinquent taxpayer. Although there is no statutory deadline set, the tax

collector should execute the deed as soon as possible after the redemption period has expired in order to clear the books of any escrow monies or accumulated interest due or payable. **The collector's deed should not be made out in the form of a warranty deed since the town cannot warrant good title, and is only passing to the purchaser any rights and title in the property held by the delinquent taxpayer. A sample deed is included in the Appendix to this handbook.**

Generally, a property transfer tax based on the value of the property is imposed by the state when real property title changes. 32 V.S.A. § 9602. However, when property is transferred to the United States, the State of Vermont or any instrumentality, agency or subdivision thereof, no tax is due. 32 V.S.A. § 9603. When property is transferred to the purchaser by collector's deed after the redemption period has expired, it is the responsibility of the purchaser to pay the transfer tax and to file a property transfer return when the deed is filed with the town clerk. 32 V.S.A. §§ 9604-6.

Thank you!

Christie Wright, District Advisor Supervisor