TOWN OF ALBURGH
1 NORTH MAIN STREET
ALBURGH , VERMONT 05440

POLICY REGARDING LATE-FILED HOMESTEAD DECLARATIONS

Following 32 V.S.A. Section 5410(g), the Town of Alburgh henceforth will charge a 2% penalty for the late-filing of Homestead Declarations, which also applies to situations in which a property owner incorrectly files a Homestead Declaration for a property that is not a homestead or fails to declare a property that is a homestead.

Dated: July 26, 2011

Alburgh Board of Selectmen

Gary Losbury

Robert Geller

John Beahm

Douglas Lueder

* Amended on September 13th to charge a 3% penalty for late-filing of Homestead Declarations.

State of Vermont
Department of Taxes
133 State Street
Montpelier, VT 05633-1401

Agency of Administration

MEMORANDUM

To: Selectboards and City Councils

From: William E. Johnson, Director, Property Valuation and Review Division

Date: July 11, 2011

Subject: Penalties for late filed Homestead Declarations

When the Legislature eliminated the requirement of annual filing of homestead declarations during the 2010 session, it also increased the penalty for either filing a declaration for a property that is not a homestead or failing to declare for a property that is a homestead. The higher penalties are effective for the 2011 tax year (also, fiscal year 2012). In the 2011 session the Legislature clarified the new, higher penalty provisions and also added language that provides all municipalities with the discretion to assess or not assess the penalty. This discretion may be exercised townwide for all taxpayers who are subject to the penalty or for specific taxpayers.

Electronic information from the Tax Department concerning who is subject to a penalty will be sent to municipalities throughout the period from April 18, 2011 until September 15, 2011. The information should be downloaded by the Listers and used to make changes to the grand list. Town Treasurers can then use this information to issue revised tax bills that can, at the Town's discretion, include a penalty amount.

Municipalities have to the discretion to assess or not assess the penalties.

In discussing the assessment of homestead declaration penalties, Act 45 of the 2011 session amended 32 V.S.A. §5410(g) to read, "the municipality shall issue a corrected tax bill that *may* include a penalty." (emphasis added)

Since this decision affects the town revenues, **it is recommended that the selectboard set a consistent policy** regarding the circumstances under which penalties may or may not be waived and inform the person or persons involved with the tax billing of that policy.

The penalty applies as follows:

1. If the property is **incorrectly declared a homestead** in a municipality that has a lower homestead tax rate than nonresidential rate, then the penalty is eight (8) percent of the correct education tax for that property. But, if the homestead rate is higher than the nonresidential, then the penalty is three (3) percent of the correct education tax.[1]

2. If the **undeclared homestead** is located in a municipality with a lower nonresidential tax rate than its homestead rate, then the penalty is eight (8) percent of the correct education tax for that property. But, if the nonresidential rate is higher than the homestead, then the penalty is three (3) percent of the correct education tax.

How to use the NEMRC software for penalties.

The NEMRC tax billing software has been updated to accommodate these changes.

The default will be to assess the penalty in all instances. There are three options:

1. Leave default flag on and penalty is assessed on all applicable parcels.

2. Do not change the default and flag specific parcels in individual parcel maintenance under the Value/Exempt tab. This will remove the penalty from those parcels.

3. Change the default flag to remove the penalty from all properties within the town. The default flag is in the Main Menu, select Installation, flag is in the Districts/Tax Calculation tab.

Please contact your Property Valuation District Advisor if you have questions. Also, **please share this information with the listers/assessor and any other officials in your town or city who are responsible for the processing of the grand list and property tax bills.**

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[1] The software does not assess a penalty for properties that are claimed as homesteads then subsequently are reclassified to non-residential. There was not enough time to complete the programming to automate the assessment of the penalty under this condition for this tax year. In instances where this occurs, towns can choose to assess the penalty manually. It is the Department's intention to automate the entire penalty assessment process for next year.

SELECTMEN'S MEETING
JULY 26, 2011

The Selectmen's Meeting was called to order at 7:50 pm. All the Selectmen were present as was the Clerk/Treasurer. Others present were: Eulice and Doris Gaudette, John and Patricia Niquette, Loren Palmer, Paul Fortin, Terry Tatro, Justin Bedell, Howard Tepper, Edward Fisette, Robert Gaudette and two friends of Loren Palmer. Justin Bedell asked what the Selectmen's next step was after the no vote of July 19th regarding the purchase of land for a Town Garage. The Board explained that this was the first time they had met since the vote so they have not re-grouped. John Beaulac explained that in January there would be no place for them to keep the highway equipment as they have been told they must be out of the present location by then. They are perhaps going to have to look for something to rent. Justin asked what effect that would have on the taxpayers. And do they have a location to rent. John explained they would have to get more information. Justin said perhaps more residents would have voted for the purchase of the property on the ballot if more information and comparisons were presented.

Robert Gaudette was next on the agenda. He noted that he had been told by Terry Tatro that the Town has a Junk Ordinance. He wants to know who enforces this Ordinance and presented a photo of debris on property located across from his property on Windmill Point Road. This debris has been placed there since the vote of July 19th. Terry read the rules. First a complaint has to be made to the Selectmen, than the Selectmen must take action and try to resolve the issue with the violator, if a compromise cannot be met and the junk removed, than the Selectmen may authorize the Enforcement Officer to write a ticket and give the violator proper time to come into compliance. Terry Tatro is the Enforcement Officer. The Board will act on the complaint. He left the meeting.

Tom Bellavance Alburgh property owner and Allen Karnatz from the Vermont Land Trust explained that Tom is interested in putting 120+ acres of farmland he owns on West Shore Road in the Land Trust. The Land Trust would like a letter from the Town Selectmen approving this. There was discussion about the acreage in the Town already in the Land Trust. Tom noted that putting land into the Land Trust was a good way to protect good farm land from development. The Board will make a decision by their next meeting. They left the meeting.

A motion to accept the minutes of the last meeting was made by Douglas Medor and seconded by James Hokenberg, motion carried.

There was discussion regarding the drainage problem on Poor Farm Road by Jacqueline Rainville's property. Because of a horse barn she has, there is concern about draining water into the lake. John Beaulac will contact ANR to see what they suggest to resolve this problem.

The Clerk presented a letter from Bill Johnson of the State of Vermont regarding the penalty to be charged for late filing of Homestead Declarations. The State would like each Town to have a policy and set the penalties for late filing. Currently the fee is 1% .The State recommends charging 3% or 8%. After discussion a motion was made by James Hokenberg to charge 2%, this was seconded by Robert Creller, motion carried.

A letter was received from Ernestine Cleland regarding the newly elected Trustees for the Alburgh Library and the Board of Trustees would like to know if the front porch and steps could be replaced at the Library. All Selectmen will visit the Library before the next meeting to look at the porch.

SELECTMENS MEETING
SEPTEMBER 13, 2011

The Selectmen's Meeting was called to order at 7:30 pm by Chairman, James Hokenberg. All the Selectmen were present except Douglas Medor. The Clerk/Treasurer was present. The following guests were present; Eulice and Doris Gaudette, Christine and Howard Tepper, Cheryl Dunn, Janet Rothschild, Terry Tatro, Katilyn Brewer-Cole, Todd and Gregg Sample, Alton Bruso, Robert Gaudette, William Duchaine, James Irick, Ruth Wallman and Richard Bayer.

A motion was made by James Hokenberg to accept the minutes of the last meeting with a correction to state that the Town tax rate shall be .1659 instead of .1656, this was seconded by Robert Creller, motion carried.

The Clerk noted that the State will allow either 3% or 8% penalty for late filing of your homestead declaration not the 2% adopted by the Board in July. A motion was made by James Hokenberg and seconded by Robert Creller to amend the adoption of the 2% penalty for the late filing fee to 3%, motion carried.

There was discussion regarding the debris that is across from Robert Gaudette's property at 12 Windmill Point. A letter has been sent to Rene Prairie Jr regarding cleaning up this debris on his property however he has ignored the letter from the Selectmen and has failed to have the debris removed. The Selectmen will give a letter to Terry Tatro, the Enforcement Officer for the Town, to send a citation to Rene Prairie regarding this matter.

Howard Tepper asked if the Selectmen had any plans to fix the Roadway known as Route 129 extension onto Coon Point Road as it is now closed. Selectmen Hokenberg noted that $ 14,000 has been approved by FEMA for this project and the Road will be repaired when time allows. Ruth Wallman from the Island Chamber of Commerce noted that Route 129 is considered part of the By-Way Route and she would like to have the Selectmen sign a letter approving this. The Selectmen noted that Route 129 is a State Highway not a Town Highway. She would like the Selectmen's approval and will draw up a letter for them to sign.

Terry Tatro and other members of the AIDI Board along with Ruth Wallman from the Islands Chamber of Commerce and Katilyn Brewer-Cole from Regional Planning spoke about the Alburgh Industrial Park. They were going to apply for a Community Block Grant to fix the Infrastructure in the Park however Grants are only given to Municipalities therefore the Town would have to apply for the Grant. The AIDI Board is going to schedule a meeting and get back to the Selectmen. Ruth Wallman from Regional Planning spoke and noted that that the Chamber of Commerce would be glad to help promote the Industrial Park.

There was discussion regarding the Bond Vote scheduled for September 20, 2011 and the purchase of property from Todd and Gregg Sample in the Industrial Park. There is an Informational Meeting scheduled for Thursday night September 15th at 7pm at the Municipal Building.

The Clerk noted that a loan at Peoples United Bank was due for the new Highway Truck at the end of the month. After consideration a motion was made by John Beaulac and seconded by Robert Creller to renew the note after payment of $ 33,577.94, motion carried.