




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

Agency of Administration

MEMORANDUM

TO: Municipal Clerks and Treasurers
FROM: Bill Johnson, Director PVR 
RE: Tax Bills and Confidentiality of Property Tax Adjustment Information
DATE: June, 13, 2012

The General Assembly enacted H. 782, secs. 5 and 11 (see text at end of memo) in response to the Vermont Supreme Court's decision in *In re HS-122*, 2011 VT 148 (December 22, 2011). H. 782 became law on May 15, 2012.

Under this law, property tax adjustment amounts are confidential. In addition, the balance due as shown on homestead property tax bill notice is confidential. 32 V.S.A. §3102 (j). The law then provides that notwithstanding confidentiality, a municipal officer acting as the agent of the Tax Commissioner *may* disclose both of these pieces of information to qualifying recipients without incurring liability under 32 V.S.A. §3102. Because disclosure to such persons is not mandatory, municipal officers have discretion to determine what assurances are necessary to determine that disclosure is authorized.

Qualified recipients are:

- (1) An escrow agent, the owner of the property to whom the adjustment applies, a town auditor, or person hired by the town to serve as auditor;
- (2) A lawyer, paralegal or assistant, an employee or agent of a financial institution as that term is defined in 8 V.S.A. §11101, an employee or agent of a credit union as that term is defined in 8 V.S.A. §30101, a realtor, or a certified public accountant as that term is defined in 26 V.S.A. §13(12) who represents that he or she has a need for the information as it pertains to a real estate transaction or to a client or customer relationship.
- (3) Any other person as long as the taxpayer has filed a written consent to such disclosure with the municipality.

The best practice is to require documentation prior to releasing the confidential information although the form of that documentation will differ depending upon the category of recipient. If the requester is the property owner or the town auditor and therefore known to the municipal officer, the information may be released without written documentation.

Category 1. Before releasing confidential information to an escrow agent, request a letter on the escrow company's letterhead stating that it is escrow agent and the accounts it serves. This should be requested annually and kept in the municipality's business records

Category 2. Lawyers, paralegals, legal assistants, realtor's and certified public accountants must make a representation that he or she needs the confidential information for a real estate transaction or for a client relationship. A municipality should request this representation in writing on the letterhead of the practitioner or firm. This cannot be a blanket representation but must be specific to the transaction or relationship. In other words, a representation by the attorney that he or she needs the entire HS 122 download to further a client relationship is not sufficient.



Agents of credit unions and banks similarly must make a representation the confidential information is needed by the institution for a real estate transaction or because it pertains to a customer relationship. This representation should be in writing on the institution's letterhead and, again, it should be specific to the transaction or relationship.

Category 3. On written consent of the property owner, the confidential information may be released to any person or organization specified in the release. No representation of need is required.

Tax delinquencies may continue to be published provided the amount is neither the amount of the property tax adjustment nor the net tax amount due to the municipality from the tax payer. Delinquencies should reflect any payments made and are likely to carry charges and / or cover multiple years. If published, the total due from the property owner should not equal the property tax adjustment or net bill for a particular tax year.

Please share this information with other municipal officials in your city or town.

Act 143 (H.782) of the 2012 Session

Sec. 5. 32 V.S.A. § 3102(j) and (k) are added to read:

(j) Tax bills prepared by a municipality under subdivision 5402(b)(1) of this title showing only the amount of total tax due shall not be considered confidential return information under this section. For the purposes of calculating adjustments under chapter 154 of this title, information provided by the commissioner to a municipality under subsection 6066a(a) of this title and information provided by the municipality to a taxpayer under subsection 6066a(f) shall be considered confidential return information under this section.

(k) Notwithstanding subsection (j) of this section, the commissioner or a municipal official acting as his or her agent may provide the information in subsection 6066a(f) of this title to the following people without incurring liability under this section:

(1) an escrow agent, the owner of the property to which the adjustment applies, a town auditor, or a person hired by the town to serve as an auditor;

(2) a lawyer, including a paralegal or assistant of the lawyer, an employee or agent of a financial institution as that term is defined in 8 V.S.A. § 11101, an employee or agent of a credit union as that term is defined in 8 V.S.A. § 30101, a realtor, or a certified public accountant as that term is defined in 26 V.S.A. § 13(12) who represents that he or she has a need for the information as it pertains to a real estate transaction or to a client or customer relationship; and

(3) any other person as long as the taxpayer has filed a written consent to such disclosure with the municipality.

Sec. 11. 32 V.S.A. § 6066a(f) is amended to read:

(f) Property tax bills.

(1) For taxpayers and amounts stated in the notice to towns on July 1, municipalities shall ~~include on the~~ create and send to taxpayers a homestead property tax bill notice to the taxpayer of, instead of the bill required under subdivision 5402(b)(1) of this title, providing the total amount allocated to payment of homestead education property tax liabilities and notice of the balance due. Municipalities shall apply the amount allocated under this chapter to current-year property taxes in equal amounts to each of the taxpayers' property tax installments that include education taxes.