

Once a town has voted to collect interest on delinquent real estate taxes, must this question appear in the warning for town meeting and be voted on each year?

No. The law is clear that once a town has voted to collect interest, such practice will continue each year thereafter. However, since the law allows voters to set a rate of interest of *up to but not exceeding* 1% per month, or fraction thereof, for the first three months, and 1 ½% percent per month thereafter, it is important that the initial article specify the amount of interest to be assessed.

There are two situations under which the question of interest must return to the voters. The first is if the town is assessing less than the maximum allowed by law and wants to increase the rate. The second is if the voters wanted to stop the practice of assessing interest altogether. In each situation, the question would have to be asked in a special article at an annual or special town meeting. 32 V.S.A. §5136(a).

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