

***Our town water department provides municipal water to a private residence in an adjacent town, and the property owners are delinquent on the water charges. Is there an automatic lien on that property or does that law regarding liens only apply to properties within our municipality?***

Whether the property served is located within the municipal service provider's own limits or in another town, the charges, rates or rents for municipal water automatically become a lien on the real estate when water is furnished. 24 V.S.A. §3306. Some municipalities, such as Montpelier and Berlin, who provide water to out-of-town customers, execute a memorandum of understanding (MOU) with their customers making it clear that non-payment of water charges is an automatic lien against the property. The MOU is then recorded in the land records in each town so that title searchers will be aware of this agreement and the potential repercussions of non-payment. Even without an MOU, though, a lien would issue under the statute.

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