

Must the town report include a delinquent tax list that identifies each taxpayer by name? If the auditors do not now include such a list, can the town require the auditors to do so?

There is no specific legal requirement that mandates towns to list each delinquent taxpayer by name in the town report. Twenty-four V.S.A. § 1683, the governing statute, requires that the town report show a detailed statement of the financial condition of such town and school districts for their fiscal year, a classified summary of receipts and expenditures, and a list of all outstanding orders and payables more than 30 days past due. Notwithstanding this provision, we understand that it has been the practice of many towns for a number of years to identify delinquent taxpayers in the town report.

Municipalities do have the authority to direct the auditors to include an individual listing in the town report in one of two ways. First, voters could mandate that auditors must provide such a list under a municipal governance charter. The second option, and the easier option to implement, is to obtain voter approval of a special article requiring the auditors to list each delinquent taxpayer by name at a regular or special town meeting. The latter authority is found in 24 V.S.A. § 1683(a) which reads, “the report shall show...*such other information as the municipality shall direct*” (emphasis added).

The VLCT Municipal Law Center does not advise one way or another whether town reports should identify individual delinquent taxpayers. This is a decision that each municipality must make on its own. However, we will provide the following food for thought. While it is true that town financial reports necessarily must include any unpaid property tax assessments, this can be accomplished without revealing individual names. An argument against listing the individual names is that the primary purpose of the town report is to present the voters with “...a detailed statement of the financial condition of ... the town and school district for their fiscal year...,” not to embarrass the town’s taxpayers. On the other hand, some cities and towns believe strongly that listing delinquents by name in the town report provides an effective incentive for timely payment of taxes and that is why we continue to see this practice persist.

VLCT News, December 2000