

The selectboard has warned a special town meeting seeking voter authorization to spend \$180,000 to purchase a piece of property. If the voters approve this article and the selectboard later decides to borrow the funds, must voter approval be obtained again?

The answer depends upon the type of debt instrument the selectboard intends to use to finance the purchase, as well as the length of term of the note or bond.

If the selectboard only needs a short-term note (e.g. matures within one year of the date taken) in anticipation of taxes, voter approval is not required. 24 V.S.A. § 1786.

If the purchase is to be financed for longer than one year but less than five years, the voters must approve the borrowing at a special or annual town meeting duly warned for that purpose. 24 V.S.A. § 1786a(b).

If the term of the note will exceed five years, a vote on the question must be held by Australian ballot. As well, the procedural and notice provisions required for seeking approval of bonded debt apply, whether or not a bond is being proposed. 24 V.S.A. § 1786a(c).

If bonded debt is the financing method of choice, as mentioned above, special public notice and warning procedures apply when seeking voter approval. First, a majority of members present and voting at a regular or special meeting of the board must resolve to seek voter approval to incur bonded debt. Then, publication of the warning for a special or regular town meeting must be published in a newspaper of known circulation in the municipality once a week for three consecutive weeks on the same day of the week, the last publication to be not less than five nor more than ten days before the town meeting. Notice of the meeting must also be posted in at least five places in the municipality for two weeks immediately preceding the meeting. The vote must be by Australian ballot, with the form of the ballot strictly conforming to the requirements of 24 V.S.A §§ 1755, 1756, 1758. If the bond vote passes, the legislative body and town clerk must provide bond counsel with documentation that all of the laws were followed. Contact the VLCT Municipal Assistance Center and/or bond counsel if you have questions about these requirements.

- Gail Lawson, Associate, Legal and Membership Services

VLCT News, January 2004