

*Our town meeting warning always has an article that reads “to see if the Town will vote to authorize the selectboard to borrow money in anticipation of taxes.” Is this article necessary?*

Town meeting warnings many times contain unnecessary articles because the town “has always done it this way.” Break with tradition and don’t include articles for municipal action that do not require voter approval. Including such articles gives the voters the impression of authority over an action when in fact that authority rests elsewhere. The following articles do not need to be included on a town meeting warning because Vermont law either requires action or vests with the power to make the decision with the legislative body.

*Shall the town instruct the selectboard to borrow money in anticipation of taxes?*

- The selectboard is vested with the authority to “borrow money in anticipation of taxes [.]” This authority is limited in that the amount borrowed cannot exceed 90 percent of the amount of taxes assessed for that year and the term of repayment cannot exceed one year. 24 V.S.A. § 1786. If the voters failed to pass this article, it would not prevent a selectboard from borrowing money in anticipation of taxes, if needed, nor does the passage of this article require a selectboard to borrow money.

*Shall the town vote to instruct the selectboard to set the tax rate necessary to raise the specific amounts voted?*

- If a town, through its voters, doesn’t “express in its vote ... the rate on a dollar of the grand list” to set the property tax rate, then it is voting on a specific budgeted amount. In this case, the selectboard is required to perform the calculation to set the property tax rate. A failure to pass an article authorizing the selectboard to set the tax rate does not relieve it of the responsibility to do so. 17 V.S.A. § 2664.

*Shall the voters authorize the expenditure of revenue received from unanticipated grants and gifts?*

- The selectboard is statutorily authorized to apply for grants and expend those funds, and to accept gifts on behalf of the town, even if the revenue from the grants and/or gifts is not included in the budget year. The selectboard is required to include, “in its annual report, a description of all grants or gifts accepted during the year and associated expenditures [...]” 17 V.S.A. § 2664.

Another common article on the town meeting warning is “to hear and vote to accept the reports of the officer.” Similar to the articles above, there is no legal requirement for the voters to accept or act upon reports from town officers. However, hearing the reports from the selectboard, auditors, road commissioner, or other officials may set the stage for other articles on the agenda, such as electing officers or approving the general and highway budgets. It also provides an opportunity for the voters to hear about what was accomplished in the previous year or what to expect in the upcoming year.

For more information about preparing for your Town meeting, go to the VLCT Resources web page, [www.vlct.org/league-resources/search-vlct-resources/](http://www.vlct.org/league-resources/search-vlct-resources/).

Ask The League

VLCT Municipal Assistance Center