

Reimbursement for Flood-Related Education Property Tax Abatements

February 16, 2024



On February 7, Governor Scott signed [S.160 \(Act 82\)](#), an act relating to State education property taxes and flood-related damage. Passage of Act 82 will enact measures that will help many Vermonters and Vermont municipalities recover financially from the flooding between July 1, 2023, and October 15, 2023, including:

- Reimbursement to municipalities for flood-related education property tax abatements and associated borrowing expenses.
- Changes to the definition of “household income” for the purposes of calculating property tax credits for Vermonters receiving flood-related federal relief dollars.

Individuals whose property was impacted by the flooding may be eligible for an abatement of their education and municipal property taxes, water and sewer charges, and certain fees. Individuals will need to contact their municipality to request an abatement. A municipality may

request reimbursement of abated education taxes from the State for properties located in an area declared a federal disaster due to the 2023 flooding, if certain criteria are met. The local board of abatement must make a finding that the primary structure on a property meets one or more of the following criteria:

- 50% or more loss in value
- Loss of use for 60 days or more
- Loss of utilities for 60 days or more
- Condemnation

Additionally, **the municipality must abate education property taxes before April 15, 2024**, and municipal property taxes must be abated in proportion to the abated education property taxes.

Municipal boards of abatement may reconsider decisions regarding abatement requests **made between April 15, 2023, and prior to the passage of Act 82 on February 7, 2024**. Municipalities may be reimbursed for unanticipated interest on funds borrowed to make State education tax payments due to tax collection disrupted by flooding.

*From VLCT MAC: Due to the "must abate...before April 15, 2024" language included in Act 82 the board of abatement must hear and **issue a written decision** by April 15.*

The Department is creating an application and web guidance, which will be available soon. The information provided here is to advise impacted Vermonters that abatement of their property taxes may be possible, and to advise municipalities that they will soon be able to apply for reimbursement of abated State education property taxes.

[Municipality Reimbursement for Flood-related Education Property Tax Abatements | Department of Taxes \(vermont.gov\)](#)