



**First American
Title Insurance Company**

March 24, 2009

Via E-mail

Nancy Wasserman
VEIC/Efficiency Counsel

Re: **Senate Bill 54
Clean Energy Assessment Districts**

Dear Nancy:

Thank you for forwarding the most recent version of Senate Bill No. 54. At your request I have reviewed the bill with particular emphasis on the impact it would have on issuing title insurance policies on properties that would become subject to the clean energy assessment district special assessment.

Section 6 of the bill addresses the effect of the special assessments and I have highlighted in italics the applicable language below:

Sec. 6. 24 V.S.A. chapter 87, subchapter 2 is added to read:

Subchapter 2. Clean Energy Assessments

§ 3261. CLEAN ENERGY ASSESSMENT DISTRICTS; APPROVAL OF VOTERS

- (a) The legislative body of a town, city, or incorporated village may submit to the voters of the municipality the question of whether to designate the municipality as a clean energy assessment district. *In a clean energy assessment district, only those property owners who have entered into written agreements with the municipality under section 3262 of this title would be subject to a special assessment, as set forth in section 3255 of this title.*

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Title 24, V.S.A. Section 3255 gives a special municipal assessment the same type of lien on real property as real estate taxes. Here is the language:

§ 3255. Collection of assessments; liens

Special assessments under this chapter shall constitute a lien on the property against which the assessment is made in the same manner and to the same extent as taxes assessed on the grand list of a municipality, and all procedures and remedies for the collection of taxes shall apply to special assessments.

Therefore, as a title insurer, we would treat the special assessment in a clean energy assessment district the same as we treat real property taxes. If the special assessment payment obligation is delinquent at the effective Date of Policy, we would take an exception to the delinquency, in the same manner we would with delinquent real property taxes. If the special assessment payment obligation is current as of the effective Date of Policy, we would take an exception similar to our standard exception for real estate taxes not yet due and payable.

Please let me know if you have any other questions.

Very truly yours,

Harland L. Millet, III
Vermont State Counsel

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