

Welcome to this week's Midweek Update. In this edition, we highlight two practical issues that arise in real estate transactions across New England.

First, we take a look at private road maintenance agreements in Vermont. With a rise in neighbor disputes involving how shared maintenance obligations are interpreted when no written agreement exists, it's an important reminder of why clear documentation is important. Next, we feature an overview of Connecticut's Controlling Interest Transfer Tax (CITT), a tax that can be triggered when ownership interests in an entity holding Connecticut real property are transferred. Because these transactions do not involve the recording of a deed, CITT is often overlooked, making it essential for professionals to understand when it applies and what obligations it creates.

As a reminder, the beginning of May also brings several worthwhile events. Stewart New England underwriters will be presenting a webinar on May 6, 2026 regarding commonly requested commercial title insurance endorsements. Tracie Kester will also be presenting at the Massachusetts National Academy of Elder Law Attorneys Elder Law Institute and will be discussing the use of nominee trusts in the context of MassHealth planning. In addition, NELTA, the New England Land Title Association, is having its annual conference at Encore Casino in Boston. Early bird discounts have been extended through April 24, 2026. More information on these happenings can be found below.



**Road Maintenance Agreements in Vermont** By: Jill Spinelli Quong,  
Vermont State Counsel

In Vermont, many properties are accessed by private roads rather than town-maintained highways. While that often adds privacy and character, it also introduces an important and sometimes overlooked issue: Who is responsible for maintaining the road, and how are those costs shared?

A "private road" in Vermont is generally any roadway that is not maintained by a municipality but provides access to one or more properties. These roads are often created by deeded easements and may serve multiple homes. In practical terms, if the town is not plowing, grading, or repairing the road, responsibility falls on the property owners who use it.

Vermont law provides a framework for these situations. Under 19 V.S.A. §§ 2701–2702, when there is no written road maintenance agreement, all property owners who benefit from the road are required to contribute "ratably," meaning fairly and proportionally, to its upkeep. This reflects long-standing Vermont law establishing that shared access comes with shared responsibility. *Hubbard v. Bolieau (1984)*.

The Vermont Supreme Court addressed this issue directly in *Rawley v. Heymann* (2023), where neighboring property owners disagreed over how to divide maintenance costs. One side argued for a usage-based approach, while the other favored equal sharing. The Court ultimately held that “ratable” does not necessarily mean usage-based, and in that case, an equal division of costs was appropriate because all owners benefited from the road as a whole. The decision underscores an important point: without a written agreement, a court will determine what is fair—and that result may not align with how each owner expects costs to be divided.

A simple real-world example illustrates how this plays out. Imagine three neighboring properties share a long private road. One owner lives there year-round, another uses the property seasonally, and the third is building a new home and bringing in heavy construction traffic. The road begins to deteriorate and repairs are needed. The year-round owner believes costs should be split evenly, the seasonal owner argues they should pay less due to limited use, and the owner under construction expects to pay more but only temporarily. Without a written agreement, there is no clear formula to follow. Vermont law requires “ratable” contribution, but as *Rawley v. Heymann* shows, that does not guarantee a usage-based outcome. If the parties cannot agree, a court may ultimately impose a solution that none of them initially expected.

Because of this, a well-drafted road maintenance agreement is one of the most important documents in a Vermont real estate transaction. While Vermont law does not prescribe a single required format, a strong agreement should clearly identify the properties with rights to use the road, confirm the scope of the easement, and establish how maintenance costs will be shared. It should also define what constitutes “maintenance” versus “improvements,” set expectations for routine items like snow plowing, grading, and drainage, and outline how decisions are made if additional work is required. Any agreement must be signed by all relevant property owners before a notary public and recorded in the land records so that it binds future owners.

Management of these agreements can vary. Some are administered through a formal road association or similar entity that collects funds and coordinates maintenance. In other cases, there is no formal structure at all, and homeowners handle maintenance informally among themselves. That informal approach can work, but the absence of structure often increases the risk of disagreement.

Private roads also raise important title insurance considerations that purchasers should understand. Title insurance will typically confirm that a property has legal access via a deeded right-of-way, but it does not guarantee the condition of the road or resolve how maintenance costs are shared among neighbors. If a road maintenance agreement is recorded, it will usually appear as an exception to the title policy. When no agreement exists, disputes over maintenance costs are generally outside the scope of title insurance coverage. For this reason, lenders have begun to require recorded Road Maintenance Agreements when financing properties accessed by private roads.

A well-drafted Road Maintenance Agreement protects clients from uncertainty, reduces the risk of neighbor disputes, and satisfies lender requirements that increasingly demand clarity around private road obligations. Understanding whether a property is accessed via a private road, confirming and reviewing existing easements, confirming the scope of access rights, and ensuring that maintenance responsibilities are clearly defined are essential steps in

delivering clean, marketable title and to safeguard an owner's long-term use and enjoyment of their property.



## **What is Connecticut's Controlling Interest Transfer Tax? By: David S. Veleber, Esq., Connecticut Underwriting Counsel**

Those that have worked on transactions involving the sale of real property in Connecticut are familiar with real estate conveyance tax in Connecticut, both at the state and local level. After all, no deed (or easement) can be recorded in Connecticut without the submission of an OP-236 Conveyance Tax Return and payment of conveyance taxes (unless one of several exemptions applies). However, not everyone is familiar with Connecticut's Controlling Interest Transfer Tax (C.G.S. §12-638b).

In a transaction involving the transfer of membership interests (as opposed to the sale of the actual real property owned by that entity), the Controlling Interest Transfer Tax (CITT) may apply to the transfer of a "controlling interest" in an entity that "directly or indirectly" owns Connecticut real property with a value of \$2,000.00 or more. Since no forms need to be submitted, and no payment needs to be remitted, the CITT is sometimes overlooked.

Controlling interest means, in the case of a corporation, "more than fifty percent of the total combined voting power of all classes of stock of such corporation," or in the case of a noncorporate entity (such as a partnership, limited liability company, or trust), "more than fifty percent of the capital, profits or beneficial interest" in such entity. A transfer of a controlling interest may be made all at once or in a series of transfers. Transfers that would amount to a transfer of a controlling interest if they had occurred at the same time will be treated as a transfer of a controlling interest. Transfers occurring within six months of each other are treated accordingly, unless otherwise shown to the contrary (to the satisfaction of DRS).

The transferor of the membership interest is responsible for paying the tax (and is referred to as the "taxpayer" in the pertinent statutes). The tax amount is presently 1.11 percent of the present true and actual value of the interest in real property. An additional CITT is imposed under Conn. Gen. Stat. §12-638I if a controlling interest in an entity which owns an interest in land that has been classified as farmland, forest land, maritime heritage land, or open space land is transferred within a period of ten years. The additional tax rate varies between 10% and 1% of the present true and actual value of the land depending on the year in which the controlling interest was transferred.

- In the case of farm land and forest land, the additional tax is applied if a controlling interest in the entity which possesses an interest in the land is sold within a period of ten years from the time the owner acquired title to the land or from the time the owner first caused the land to be so classified, whichever is earlier.
- In the case of land which has been classified as open space land or maritime heritage land, the additional tax is applied if a controlling interest in the entity which possesses an interest in the land is sold within a period of ten years from the time the owner first caused the land to be so classified.

On or before the last day of the month following the month in which the sale or transfer of a controlling interest in an entity occurs, a Form AU-330 return must be filed with the Department of Revenue Services (DRS) by the person conveying the controlling interest. Payment of the tax shall accompany such return. Returns are signed by the person required to file the return for such entity or by an authorized agent.

There are exemptions. CITT does not apply to the transfer of a controlling interest in any entity: 1. To the extent the entity owns directly or indirectly real property located in an enterprise zone (some towns/cities have these); or 2. If a transfer effectuates a mere change of identity or form of ownership or organization; not a change in beneficial ownership. However, a Form AU-330 must be filed to claim one of these exemptions.

Any right the DRS has to lien real property is limited to real property owned by the taxpayer. As such, since the taxpayer no longer has an interest in the property owned by the LLC upon the sale of the property, there are no lien issues from a title insurance perspective. No special CITT requirements are needed in the commitment and no special CITT exception is needed on policies.

This is just a brief overview of CITT. There are many issues beyond the scope of this summary, including how “value” is determined. If you have a customer or client that is considering a transfer which might trigger CITT (as mentioned above, it can be triggered by a transfer of a controlling interest in an entity that directly or indirectly owns property), we suggest the client speak further with a CT attorney familiar with CITT or the CT Department of Revenue Services.



### **Upcoming CLE Webinar**

On May 6, 2026, New Hampshire underwriter Michelle Radie-Coffin, Massachusetts underwriter Mark Jones, and Connecticut underwriter Frank Cammarano, will present a live webinar entitled “Introduction to Commonly Requested Commercial Endorsements.” The webinar is free and will qualify for continuing legal education credits in Maine, New Hampshire, Vermont and Connecticut. Rhode Island accreditation is pending. Please keep an eye out for the email invitation coming soon or follow this link to register: [Register here](#)



### **Tracie Kester, Esq. to Present at the Massachusetts National Academy of Elder Law Attorneys Elder Law Institute**

Tracie Kester, Senior Underwriter, will be speaking at the Massachusetts National Academy of Elder Law Attorneys Elder Law Institute on Friday, May 1, 2026. This will be an all-day hybrid event, with the in-person seminar taking place at MCLE New England’s headquarters. There is also a virtual streaming option. The topic of this year’s event is “Home Sweet Home: IIOTs To Estate Recovery.” To learn more about the event or to purchase tickets, see MassNAELA’s website here: [Click here](#)



## **New England Land Title Association Annual Convention – Early Bird Registration Extended**

The New England Land Title Association's Annual Convention is taking place Monday through Tuesday, May 4th and 5th, at the Encore Casino in Boston. Early bird registration has been extended through April 24, 2026. To see the scheduled speakers, or to register, please go to NELTA's website here: [Register here](#)

We hope to see you there!



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