

**Policy for Collection of Delinquent Taxes
Town of Calais, Vermont
(Revised November 2017)**

Summary

The purpose of this policy is to establish clear guidelines so that all delinquent taxpayers will be treated fairly, and both the Town and the taxpayer know what to expect.

The Town of Calais recognizes that individuals may go through periods of financial difficulty. The Town sets out a policy and process to support the Collector of Delinquent Taxes in working with individuals to get them current in their property taxes. In general, Calais taxpayers will have six months from the date of delinquency to become current IF a signed and dated, monthly payment agreement is on file with the Collector by January 15 of the year following the tax due date. It is not the goal of the Town of Calais to go to tax sale. Processing for tax sale increases the cost to the taxpayer, even if no sale occurs. However, without a payment agreement, or if any month goes by without a payment, the Town reserves the right to take collection action at any time, including tax sale.

Failure to pay property taxes shifts the burden of one property owner's debt onto other property owners in Town and is not acceptable. The Town encourages a taxpayer who becomes delinquent to find alternative resources to pay in full as soon as possible.

In the event that a taxpayer is not able to pay property taxes on time, it is the responsibility of the taxpayer to contact the Collector of Delinquent Taxes to make arrangements to pay over time. In extreme circumstances and only by written agreement with the Collector, a time period longer than six months may be allowed, provided that every scheduled payment is timely made, and that the property does not go further delinquent. In general, a payment must be made every month.

Delinquent taxes represent a lien on the property that remains in effect until the delinquent tax, penalty, and interest have been paid in full.

Overview

It is in the best interest of the Town of Calais and of its residents that property taxes be paid when they are due. Town and school budgets are set in anticipation of the collection of taxes, and taxes not paid by some property owners shift the cost burden onto other property owners.

The Town recognizes that there are circumstances beyond the control of a taxpayer that may cause delinquency. The Collector of Delinquent Taxes will work with

people in a diplomatic and professional manner to help them come current in their obligation to the Town.

However, if a taxpayer fails to contact the Collector, or does not deal in good faith, or does not get current within what the Collector believes to be a reasonable length of time, it is the Collector's duty to proceed with all appropriate collection methods to recover the debt in a timely manner, and it is the policy of the Town to support these actions.

Process

Notices

Within 20 days after receiving the warrant and list of property owners from the Town Treasurer, the Collector of Delinquent Taxes will mail the initial notice to taxpayers who are delinquent. The initial notice will indicate the amount of delinquent tax, assessed penalty, and accrued interest and will include a statement explaining the possibility of tax abatement.

The Collector of Delinquent Taxes will send follow-up notices at least quarterly until taxes, penalty, and interest have been paid in full.

It is the property owner's responsibility to notify the Town in writing of any change of mailing address.

Penalty

A penalty in an amount set by the voters is assessed as a percentage of the original amount of the tax delinquency. In 2014, the Town voted at Town Meeting to set the penalty at 1 percent above the Town's cost of borrowing, and the select board has in place a procedure to calculate the borrowing rate and establish the penalty. For the 2013 tax year and prior, the penalty was assessed at eight percent (8%).

Interest

As soon as the voter-established grace period following each tax installment due date has expired, and again on the first day of each month thereafter, interest on the outstanding tax balance accrues at the monthly rate determined by the voters. Starting with April 2013, voters set the amount of interest at one-half of one percent (.5%) per month or any part of a month. For taxes delinquent in March 2013 and prior, the interest rate was one percent (1%) per month or any part of a month.

Payments and Receipts

The Town prefers full payment of a delinquent account in a lump sum. Payment may be mailed or hand delivered to the Town Office at 3120 Pekin Brook Road, East

Calais, Vermont 05650. On balances of \$50 or less, only full payment will be accepted. The parcel number must be written on the payment.

The Collector will issue a receipt to the property owner for every payment. On a monthly basis, the Collector will deliver to the Town Office a carbon copy of each receipt issued during the previous month. The Collector will retain a carbon copy of each receipt issued.

A payment will be credited as having been received per the legible postmark date on the envelope or per the date stamped or written on the envelope or check by the Town official receiving the payment. The date written or printed on the check itself by the taxpayer is NOT the date the payment will be credited, unless payment is hand delivered the same day.

Postdated checks will not be accepted. Requests to hold checks for later deposit will not be honored. Cash payments will be accepted at the discretion of the Town official to whom the payment is tendered.

Acceptance of Partial Payments

Partial payments will be accepted if the taxpayer has submitted in writing a dated and signed payment agreement that is scheduled to clear the account within six months from the date of the original delinquency. Without such an agreement, partial payments may be accepted at the discretion of the Town official receiving payment. Acceptance of partial payment does not excuse the taxpayer from liability for the entire balance. On balances of \$50 or less, only full payment will be accepted.

Allocation of Partial Payments

Each partial payment will be applied first to the outstanding accrued interest. Any remainder will be proportionately applied to tax and penalty.

Bad Payments

If a payment is returned or refused due to insufficient funds or for any other reason not the fault of the Town or of the Collector, the taxpayer will be charged all associated costs, at a minimum of \$20, and will lose the privilege of submitting payment by any method except pre-paid cashier's check or money order.

Collection After Extended Delinquency

If no payment arrangement satisfactory to the Collector has been made as of January 15 of the year following the tax due date, or if at any time a payment agreement has not been fulfilled, the Collector of Delinquent Taxes may begin the following actions:

Tax Sale: The Collector will engage an attorney to conduct a tax sale of the property or that portion of the property that is necessary to pay the tax, interest, and penalty, as well as costs and fees associated with the sale.

- The taxpayer and mortgage and lien holders will be notified of the tax sale decision, of the deadline date by which full payment must be received to avert sale, and of the costs to expect once the sale process begins. Absolutely no partial payments will be accepted after issuance of the notice of tax sale.
- If the deadline for full payment passes and full payment has not been received, a tax sale will be conducted according to procedures specified in 32 VSA § 5252.
- Costs of preparing and conducting the sale, including legal fees up to a maximum of 15 percent of the amount of delinquent tax, will be charged to the delinquent taxpayer.
- If, in the judgment of the Collector, proceeding with the tax sale is unadvisable, or in the event that tax sale is held and no one purchases the property, the Collector shall collect the delinquent taxes using any and all means permitted by law.

Court Action: The Collector may file a complaint with the Washington County Small Claims Court or Washington Superior Court.

Abatement of Taxes

Each taxpayer has a right to apply for abatement of property taxes based on any of the grounds listed in 24 VSA § 1535. See the attached Notice of Abatement of Taxes. To request a meeting with the Board of Abatement, please contact the Town Clerk at 456-8720.

Notice of Possibility of Abatement of Taxes

The Board of Abatement of the Town of Calais is authorized under law, 24 V.S.A. sections 1533-1537, to conduct hearings on requests for abatement of real and personal property taxes. Not every taxpayer is eligible for abatement of taxes, but if you believe you meet the criteria listed below, you may want to consider requesting a hearing. The appropriate paperwork is available at the Calais Town Office.

The criteria include:

- Taxes of persons who have died insolvent.
- Taxes of persons who have moved from the state.
- Taxes of persons who are unable to pay their taxes, interest, and collection fees.
- Taxes in which there is a manifest error or a mistake of the listers.
- Taxes upon real or personal property lost or destroyed during the tax year.

Taxpayers who wish to request abatement should take immediate action to request a hearing. Filing the abatement application does not stay the collection of your property tax.

After the taxpayer files the paperwork to request a hearing, the Board of Abatement will notify the taxpayer of the date, time, and place of the hearing. The taxpayer is responsible for supplying evidence to support the abatement request.

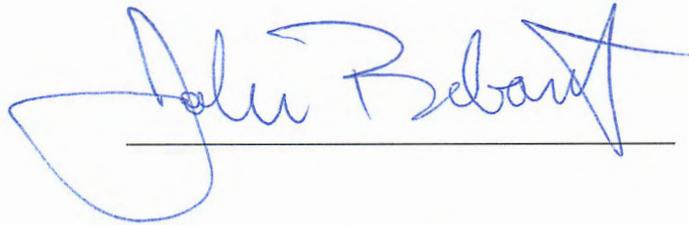
The board is under no obligation to grant any abatement request and may choose to abate all, part, or none of the taxes, interest, and penalties due.

Adopted in consultation with Selectboard, September 2015
Revised by the Selectboard, November 2017

Denise Wheeler, Chair



John Brabant, Vice-Chair



Rose Pelchuck, Member



Sharon Winn Fannon, Member



Clif Emmons, Member

