

## **Town of East Montpelier Delinquent Tax Collection Policy**

The purpose of this policy is to establish clear guidelines so that all delinquent taxpayers will be treated fairly and will know what to expect. Delinquent taxes represent a superior lien upon your property and remain in effect until the delinquent tax, penalty and interest are paid in full.

**Notices:** The initial notice to taxpayers who are delinquent in paying their annual property taxes will be mailed after the May deadline (generally falling on May 15<sup>th</sup>), within twenty days after the town treasurer has issued the annual delinquent tax warrant and list of property owners. This initial notice will include delinquent tax, assessed penalty and accrued interest. Subsequent statements will be sent each month until taxes are paid in full.

**Penalty:** A penalty of eight percent (8%) will be assessed on the delinquent tax.

**Interest:** On the sixteenth (16<sup>th</sup>) day of each month interest will be assessed at the rate of one percent (1%).

**Partial Payments:** Partial payments will only be accepted if the taxpayer has executed a satisfactory regular payment agreement in writing accepted by the Collector of Delinquent Taxes on behalf of the Town of East Montpelier. The payment schedule will be calculated so taxes in arrears will be paid in full prior to the following year's May tax payment deadline.

If a payment is returned to the Collector of Delinquent Taxes due to insufficient funds, the taxpayer will be charged the cost of the return and lose their privilege to submit payment by personal check. Postdated checks will not be accepted.

**Allocation of Partial Payments:** Each partial payment will be applied first to the outstanding accrued interest. The remainder of the partial payment will be proportionately applied to the tax and the penalty.

**Further Tax Collection:** If satisfactory payment arrangements have not been made within sixty (60) days of delinquency, or if an existing agreement has been breached, the Town, by and through the Collector of Delinquent Taxes, may begin the following actions to conduct a tax sale of the property or as much of the property as is necessary to pay the tax, plus costs and fees:

1. The collector will notify the taxpayer and mortgage and lien holders of the tax sale decision, the date by which full payment must be received, and the costs associated with the tax sale.
2. If full payment has not been received, the collector will proceed with a tax sale according to the procedures specified in 32 V.S.A. §5252, et seq.
3. Legal fees, up to a maximum of 15% of the delinquent tax, plus costs of preparing and conducting the tax sale, will be charged to the delinquent taxpayer. 32 V.S.A. §5258
4. If the property is sold at tax sale, the taxpayer has one year from the date of sale to redeem the property. Interest shall accrue on the sum for which the land was sold at the rate of one percent per month or fraction thereof from the day of sale to the day of payment when the property is redeemed. 32 V.S.A. §5260
5. When the time for redemption has passed, and the land is not redeemed, the Collector shall execute to the purchaser a deed to the property. 32 V.S.A. §5261

In the event that no one purchases the property at tax sale, or, if in the judgment of the Collector of Delinquent Taxes, proceeding with the tax sale is unadvisable, the Collector of Delinquent Taxes shall collect the delinquent taxes using any and all means permitted by law. One such option may be the filing of a Complaint with Vermont Superior Court, Washington Unit, in the Civil Division, including the Small Claims 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 V.S.A §1535. See reverse side for Notice on Abatement of Taxes.

## NOTICE OF ABATEMENT OF TAXES

The due dates for the collection of taxes in East Montpelier are set by vote at Town Meeting and require that taxes be paid to the Treasurer, without discount, in two installments and received at the East Montpelier Municipal Building as follows: The first installment of real property taxes is generally due on or before 5:00 p.m. on November 15<sup>th</sup> of any tax year, and the second installment is generally due on or before 5:00 p.m. on May 15<sup>th</sup> of any tax year.

The tax due dates set at Town Meeting may not be waived by any person or authority. Taxes due on and received after the November 15<sup>th</sup> due date are subject to interest charges of 1% a month. After the May 15<sup>th</sup> due date all taxes due on and unpaid are considered delinquent and become subject to an 8% penalty fee, in addition to the 1% per month interest charge.

Vermont state law establishes a "Town Board for the Abatement of Taxes" under 24 V.S.A. §1533. 24 V.S.A. §1535(a) sets out the situations in which the Board of Tax Abatement has the authority to abate in whole or in part taxes, interest and collection fees. They are as follows:

- (1) Taxes or charges of persons who have died insolvent;
- (2) Taxes or charges of persons who have moved from the state;
- (3) Taxes or charges of persons who are unable to pay their taxes or charges, interest, and collection fees;
- (4) Taxes in which there is manifest error or a mistake of the listers;
- (5) Taxes or charges upon real or personal property lost or destroyed during the tax year;
- (6) The exemption amount available under 32 V.S.A. §3802(11) to persons otherwise eligible for exemption who file claim on or after May 1 but before October 1 due to the claimant's sickness or disability or other good cause as determined by the board of abatement; but that exemption amount shall be reduced by 20 percent of the total exemption for each month or portion of a month the claim is filed late.
- (7) Taxes or charges on a mobile home moved from the town during the tax year as a result of a change in use of the mobile home park land or parts thereof or closure of the mobile home park in which the mobile home was sited, pursuant to 10 V.S.A §6237.

There is no remedy under the law for taxpayers aggrieved over penalty and interest charges assessed on tax payments received after the Town Meeting-voted deadlines other than the reasons cited above.

If all or part of a tax or assessment is abated, penalties and interest on the abated amount are automatically abated.

You may also have additional rights, including the right to have less than your entire parcel sold for taxes. **You should contact your own attorney for more information on any such rights.**

The foregoing Policy is hereby adopted by the Selectboard of the Town of East Montpelier, Vermont, this \_\_\_ day of \_\_\_\_\_ and is effective as of this date until amended or repealed.

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Seth Gardner, Chair

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Carl Etnier

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Amy Willis

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Casey Northrup

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Jon Jewett