

DELINQUENT TAX POLICY

Section I Purpose

The purpose of this policy is to establish clear and fair guidelines for the collection of delinquent property taxes that reflects State statutes and Westminster's town meeting vote of July 17, 1984.

Section II Delinquent Taxes

As per the town meeting vote of July 17, 1984, property taxes in Westminster are due in two installments: a first due on September 10th of each year and a final installment is due on the following February 10th.

Delinquent taxes are those property taxes assessed against a Westminster parcel of land which have not been paid on or prior to the final installment payment date for the year in which they have been assessed.

Taxes due on the first installment, but which have not been paid by September 10th, are not considered delinquent until after the final payment date for that tax year.

Exception: When an installment due date falls on a Saturday, Sunday or Holiday then the tax due date shall be at 4PM on the next business day after the installment due date.

Exception: Payments received after the installment due date but which are postmarked prior to or on the installment due date shall not be considered delinquent.

Section III Delinquent Tax Collector

The Westminster Town Manager serves as Westminster's Delinquent Tax Collector.

It is the responsibility of the Delinquent Tax Collector to notify taxpayers when their taxes are overdue, to make arrangements for payments, to take formal collection actions, to keep records of all delinquent taxes and to provide an accounting of delinquent taxes to the appointed and elected auditors.

The Delinquent Tax Collector has the authority to delegate delinquent tax collection duties as needed. Hereinafter the term 'Delinquent Tax Collector' includes any person appointed by the Delinquent Tax Collector to serve as his/her designee.

Section IV Interest & Penalties

Interest and Penalties assessed against delinquent property taxes are as established by the voters at a special town meeting of July 17, 1984:

- An 8% penalty, assessed once on February 11th of the year in which the tax was due.
- A 1% per month interest charge per month or fraction thereof against all taxes owed at 4PM on the 10th of each month, except that if the 10th falls on a Saturday, Sunday, or Holiday, interest shall be charged against all taxes owed at 4PM on the first business day immediately following the 10th day of the month.

The Delinquent Tax Collector is responsible for posting penalties and interest to delinquent accounts.

The Delinquent Tax Collector may not waive penalties and interest assessed against a delinquent tax account. However, the Delinquent Tax Collector may adjust the amount of penalties and interest that have accrued as a result of an error on the part of the Town.

Section V Warrant Against Delinquent Taxpayers

Within 15 days of the final installment date, the Tax Collector shall deliver to the Delinquent Tax Collector a Warrant Against Delinquent Taxpayers. (32 VSA Section 4793)

Section VI Initial Notification of Taxpayers

Within 7 days of receipt of the Warrant Against Delinquent Taxpayers the Delinquent Tax Collector shall mail to each delinquent taxpayer a First Notice of Delinquent Taxes, which shall include:

- The name and address of the delinquent taxpayer
- A description of the property against which taxes are assessed
- The amount of principal, interest, and penalty due
- An explanation of the process by which interest accrues
- A summary of payment options
- The delinquent tax collector's office hours and telephone number
- The taxpayers right to apply for abatement

Section VII Payments

A. Making Payments Citizens may make delinquent tax payments by:

1. Delivering the payment to the Delinquent Tax Collector at Westminster Town Hall during normal business hours, or outside of normal business hours by appointment.
2. Mailing the payment to the Delinquent Tax Collector at Westminster Town Hall, PO Box 147, Westminster, VT 05158

B. Partial Payments Except as provided for in Section VIII, taxpayers may make partial payments on delinquent tax accounts.

C. Receipts: Receipts shall be issued for all delinquent tax payments.

D. Payment Plans The Delinquent Tax Collector is authorized to enter into a Delinquent Tax Payment Agreement with any citizen with delinquent property taxes. A Delinquent Tax Payment Agreement shall include:

- The name of the property owner
- The parcel number of the delinquent tax account
- The tax years covered under the agreement
- The payment plan negotiated with the taxpayer
- A statement clearly stating that the agreement will be voided if a payment is not received as scheduled unless prior agreement is received from the Delinquent Tax Collector.
- A clear statement that if the agreement is voided the account will immediately become eligible for tax sale.
- A clear statement that if the agreement is voided the taxpayer forfeits his/her right to enter into subsequent tax payment agreement.

Section VIII Tax Sales

A. Tax Sale Proceedings The Delinquent Tax Collector shall initiate tax sale proceedings each year upon receipt of the Warrant Against Delinquent Taxpayers from the Tax Collector. The Delinquent Tax Collector is responsible for coordinating Westminster's tax sale process.

B. Eligibility for Tax Sale Proceedings shall be initiated against all taxpayers who have more than one year of delinquent taxes due, or who have one year of delinquent taxes due which is more than one year in arrears, except that tax sale proceedings shall not be initiated against:

- Taxpayers who are making payments on an active delinquent tax payment agreement.
- Taxpayers who have unresolved cases before the United States Bankruptcy Court.

C. Schedule Annually, upon receiving the Warrant Against Delinquent Taxpayers, the Delinquent Tax Collector shall work with the Town Attorney in the development of a tax sale schedule. This schedule shall provide for conducting the tax sale prior to the end of June each year.

D. Notification of Taxpayers Within 7 days of receipt of the Warrant Against Delinquent Taxpayers the Delinquent Tax Collector shall mail to each delinquent taxpayer who is eligible for tax sale a Final Notice of Delinquent Taxes Prior to Tax Sale (hereinafter referred to as Final Notice), which shall include all of the information required for the First Notice of Delinquent Taxes listed in Section VI above and the following:

- A statement indicating that the taxpayer must either pay the amount owed in full or sign a delinquent tax payment agreement to avoid continuation of tax sale proceedings.
- The date on which the account will be forwarded to the town attorney for collection
- Notice that once the account is forwarded to the town attorney for collection then the only way to halt tax sale proceedings is to pay the amount owed, including collection fees, in full.

The Delinquent Tax Collector shall make every effort to required under State Statute to deliver Final Notices which are undeliverable by the US Postal Service.

E. Payment Plans The Delinquent Tax Collector may sign Delinquent Tax Payment Agreement with any citizen eligible for tax sale proceedings provided that:

- The agreement is signed prior to the date on which the account is forwarded to the town attorney for collection.
- The taxpayer has not voided a prior Delinquent Tax Payment Agreement due to non-payment.
- The agreement provides for payment of the amount owed, including penalties and interest, before February 15th of the following year.

F. Forwarding Accounts to the Town Attorney for Collection. Annually, in accordance with the schedule developed with the Town Attorney, the Delinquent Tax Collector shall forward to the Town Attorney all accounts which have unpaid balances and for which no Delinquent Tax Payment Agreement has been signed. Such accounts shall not be forwarded to the Town Attorney less than 21 days from the date on which the Final Notice is mailed.

G. Payments After Accounts have been Forwarded to the Town Attorney For Collection The Delinquent Tax Collector shall accept no payment on an account which has been forwarded to the Town Attorney for collection unless such payment is received in cash, money order or cashier's check in the full amount of taxes, penalty, interest and fees owed. Prior to accepting such payments the Delinquent Tax Collector shall contact the Town Attorney to verify the amount owed.

H. Tracking the Amount Owed The Delinquent Tax Collector shall maintain records of the amount owed on all accounts forwarded to the Town Attorney for collection, including legal, advertising, mailing and other fees.

I. Coordination with Town Attorney The Delinquent Tax Collector shall keep the Town Attorney informed of all payments made on accounts which have been forwarded to the Town Attorney for collection.

J. Coordination with Selectboard At the Selectboard meeting immediately prior to tax sale, the Delinquent Tax Collector shall review the properties up for tax sale with the Selectboard to determine whether or not the Town is interested in bidding on any of the properties.

Section IX Record Keeping

The Delinquent Tax Collector shall:

- Issue the property owner a receipt for each payment received. Receipts shall be consecutively numbered. The Delinquent Tax Collector shall keep copies of all receipts issued.
- Maintain Cash Receipts Reports detailing delinquent tax payments for a period of ten years.
- Print a Delinquent Tax Report each month after interest has been posted, at the end of each calendar year and at the end of each fiscal year. A copy of the Delinquent Tax Report shall be delivered to the Town Treasurer.
- Prepare an annual report by January 15th each year listing the taxes remaining unpaid on December 31st and the name of the delinquent taxpayer and the year that the taxes were due.
- Maintain records of delinquent tax notices sent, hearing notices, legal notices, correspondence and other documents related to delinquent tax collection processes.

Adopted by the Westminster Selectboard this 8th day of May, 2007