

POLICY FOR COLLECTION OF DELINQUENT TAXES

Town of Danville

Adopted June 1, 2017

Summary

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 those that do. It is the best interest of the Town of Danville and its residents that property taxes be paid when they are due.

Danville's collection policy recognizes that individuals may go through periods of financial difficulty, but in order to be fair to all town taxpayers, the policy asserts, as a matter of principle, shifting the burden of one property owner's debt onto other property owners in the town is not appropriate. A taxpayer who becomes delinquent is encouraged to find alternative resources to pay in full as soon as possible.

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

Purpose

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.

Policies

Notices

- The Town will send a notice to each delinquent taxpayer indicating the amount of delinquent taxes, penalty and interest owed, within 15 days of the issuance of the warrant from the Town Treasurer, and each month thereafter.

- The initial delinquency notice shall include a statement explaining tax abatement options for the delinquent taxpayer (see attached), as well as the steps needed to make adequate payment arrangements. (see below)

Penalty and Interest

Taxes must be in the hands of the Treasurer by the due date and time as specified on the tax bill sent. Payments received after that time are considered to be delinquent and are assessed a 4% penalty. Interest will begin to accrue at a rate of 1% monthly on any unpaid principal balance. If a taxpayer continues to have a delinquency after 30 days, the unpaid principal balance will be assessed an additional 4%, and the 1% interest will be accrued and posted monthly thereafter until the total balance is paid in full.

Receipts will be given to each taxpayer that pays at the Town Office, stamped with date of payment, amount of payment and initials of receiver. Receipts for mailed in payments will be sent to taxpayers upon request, as long as the taxpayer encloses a self-addressed postage paid envelope.

Tax Sale

If the amount due is \$500 or more and no satisfactory payment arrangements have been made by December 31st of each current tax year, or if the prior arrangement has not been met, the Collector will engage an attorney to conduct a tax sale of the property, or of as much of the property as is necessary to pay the tax, interest, penalty, Town's attorney costs, and fees:

- The taxpayer and mortgage and/or lien holders (if any) will be notified of the tax sale decision, the deadline date by which full payment must be received, in order to avert a sale, and what costs to expect once the sale process begins.
- 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 § 5251-5263 inclusive.
- Costs of preparing and conducting the tax sale, including legal fees up to a maximum of 15% of the amount of delinquent tax, will be charged to the delinquent taxpayer, and must be paid in order to consider the tax liability no longer delinquent.
- In the event that no one purchases the property at a tax sale, or, if in the judgment of the Collector, proceeding with the tax sale is inadvisable, the Collector shall collect the delinquent taxes using any and all means permitted by law.
 - Receipt of the payment will be presented to the payer.
 - As soon as the warrant to collect delinquent taxes has been received, and each month afterwards, The Delinquent Tax Collector will send a notice to each delinquent taxpayer indicating the amount of taxes, penalty and interest owed.

Additional Possible Actions

□ If the amount due is less than \$500 and no satisfactory payment arrangements have been made by December 31st of current tax year, or if the prior arrangement has not been met, the Collector will file a complaint with the Small Claims Court.

□ **Distrain:** The Collector can seize “the goods...of a person whose tax is not paid” and sell at public auction after four days if delinquency is not paid. (32 VSA 5191,5193)

□ **Returned Checks:** The Collector has the right to request that any individual that submits a check that is returned for any reason, be required to submit any future payments in the form of cash, bank certified check or by credit card. Returned checks will be assessed a \$25.00 processing fee.

Notice of Possibility of Abatement of Taxes

The Town of Danville’s Board of Abatement 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 the 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 Danville 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.

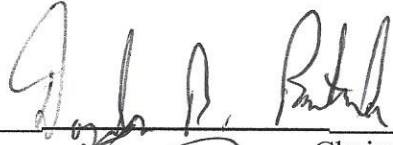
If you believe you qualify for abatement, you should take immediate action to request an abatement hearing. **Note: Simply filing the application does not stay the collection of your property tax or change the amount of associated potential costs.**

If you file the paperwork to request a hearing, the Board of Abatement will notify you of the date, time, and place of your hearing and you will be responsible for supplying evidence to support your 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.

The foregoing Policy is hereby adopted by the Selectboard of the Town of Danville, Vermont, this 1st day of June, 2017 and is effective as of this date until amended or repealed.

Signatures of :



Chairperson

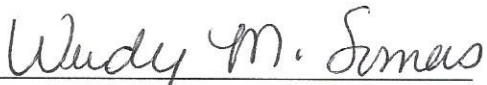


Kelli C. Merrill





Danville Town Selectboard



Wendy M. Somers, Town Clerk-Treasurer