

POLICY

01-02

To: All Employees
CC: Select Board, Town Treasurer, Town Attorney,
From: Ted Nelson Jr., Town Manager
Re: Policy Memorandum #01-02 (Administration)-Delinquent Tax Collection
Date: May 10, 2001

EFFECTIVE DATE - Immediately upon adoption

GOAL: To encourage delinquent taxpayers to prevent any recurring delinquency.

PURPOSE: The purpose of this Policy is to ensure a fair and equitable delinquent tax collection process.

PROCEDURE: The procedure for the collection of delinquent taxes is outlined in Title 32 V.S.A.

POLICY: Taxes become delinquent after May 15. The Town Treasurer issues a warrant for the collection of delinquent taxes.

The Town Clerk/Treasurer's Office will accept and record payments received on accounts, maintain the financial accounting of delinquent taxes, track account history and maintain program updates. This office will also research questions concerning account balances, print detailed reports upon request, as well as proof of payment upon request.

The Delinquent Tax Collector, or his/her duly assigned agent(s) will receive the warrant/and amendment(s), mail notices to taxpayers according to law, process agreements/amendments, tax sales, abatements and complete other related duties according to this Policy and procedures adopted. They are the only persons that will handle agreements and or amendments as noted herein.

The Select Board shall appoint the delinquent tax sale attorney(s) and authorize the purchase of property through tax sale. Such action will remain in effect until amended.

The Delinquent Collector or his/her agent will mail a notice to each delinquent taxpayer as noted on said warrant. This document will indicate the current amount

of the taxes, penalty and interest due for each tax year. Employees working in the office of the Delinquent Tax Collector will not knowingly make payment agreements/amendments with their family members. In this case, the Delinquent Tax Collector will handle such agreement/amendment(s). In the case of the Delinquent Tax Collector, the Town Attorney or his/her agent will process an agreement and/or amendment(s) in accordance with policy and procedures. This will not prohibit employees from explaining policy and procedures to any delinquent taxpayer.

Agreements are established, as follows:

- Once the delinquent tax warrant is received, notices are prepared and mailed within ten (10) business days. (Appendix-B, subject to change)
- The first notice will advise tax payers they will be granted twenty (20) business days to request and file an agreement in writing, as noted on the agreement, to pay the delinquent tax account(s) in full and to avoid tax sale. (Appendix-B, subject to change);

Those who do not receive the first mailing due to, but not limited to, acquiring property after April 1, incorrect address on file with the Town and or incorrect name on file with the Town will be afforded the same time frame as those who were being notified for the first time.

- The Delinquent Tax Collector or his/her agent(s) may consider 1 amendment to an agreement on a case by case basis. A second request for an amendment will be considered **only** by the Delinquent Tax Collector on a case by case basis and shall be considered with proof of:
 - a) significant effort to make payments and
 - b) extenuating circumstances justifying an extension.(Appendix -B, subject to change)
- A follow up notice will be mailed no later than twenty (20) business days from the date agreements are to be filed by, to those who have not contacted the Delinquent Tax Collector's Office or made written arrangements. This notice will state agreements may be considered upon receipt of at least one third of the total amount due immediately or within five (5) business days with payment in full by October 15. Failure results in submission into the next tax sale.
- In no instance will an arrangement for an agreement/amendment be made without the signature of the taxpayer or his/her legal guardian.

Overview of process regarding tax sales

The Delinquent Tax Collector (or agent) will:

- ❑ Check accounts with Bankruptcy Court. If a property owner filed for protection under Federal law, action will be taken as noted herein. Every effort will be made to collect overdue tax, penalty and interest once the case is closed. (See Appendix A).
- ❑ Submit and update a list of account(s) submitted to the tax sale attorney for processing.

- ❑ Receive a list of property proposed for tax sale from the tax sale attorney no less than one (1) nor more than three (3) business days before the tax sale to afford time for the Delinquent Tax Collector to inspect and determine the value of the properties on the list.
- ❑ Attend the tax sale.
- ❑ Bid on accounts on behalf of the Town if the value is equal to or greater than the tax, penalty, interest and costs due.
- ❑ Cause a purchase order to be processed based on the bid placed by the Town.
- ❑ Review the breakdown of the costs of the tax sale prepared by the attorney for accuracy before it is submitted to the Town Treasurer and return the same to the tax sale attorney, with or without correction.
- ❑ In the case of mobile/travel homes, if it is located within a "Park", notify the owner/manager of the action taken at the tax sale. Request the Delinquent Tax Collector's Office be notified prior to removing mobile homes from the Park, for any reason.
- ❑ Remind the owner/manager of the "Park(s)" that State law requires that a permit be filed with the Town Clerk prior to removing a mobile home from its property, and that taxes must be paid in accordance with State law.
- ❑ Receive and execute deed(s) and related paperwork of properties not redeemed by the owner(s)/agent(s)/bidder(s).

The delinquent tax sale attorney will complete, as appropriate, no less than the steps outlined below:

- ❑ Advise the Delinquent Tax Collector's Office and conduct a search of those accounts he/she will take to tax sale;
- ❑ Notify the Town Clerk/Treasurer's Office when to stop taking payments on account(s) being submitted to tax sale;
- ❑ Mail tax sale notices prepared by the Delinquent Tax Collector's Office to each delinquent taxpayer, mortgage company and/or lien holder(s);
- ❑ Place a notice with the date, time and place of the tax sale, as well as each account being processed with the Town Clerk, post on the official bulletin board and publish the same in the Town's official paper;
- ❑ Receive payment on accounts up to and including the date and time of the tax sale;
- ❑ Send the proposed final tax sale list to the Delinquent Tax Collector's Office no less than 1 nor more than 3 days prior to the tax sale;
- ❑ Conduct the tax sale;

- ❑ Submit a detailed breakdown of costs of the tax sale to the Delinquent Tax Collector's Office for review and approval;
- ❑ Upon notification from the Delinquent Tax Collector's Office the breakdown of funds due to the Town is correct, the list will be submitted to the Treasurer with payment;
- ❑ File a Report of Sale with the Delinquent Tax Collector and the Town Clerk;
- ❑ Notify each taxpayer processed at tax sale of the action taken at the tax sale, which will include a redemption date;
- ❑ Forward funds received as a result of a tax sale, over and above the tax, penalty, interest and costs of the tax sale to the former delinquent taxpayer;
- ❑ Receive money for redemption of property(s);
- ❑ Forward the breakdown of funds due to the Town to the Town Treasurer with a copy to the Delinquent Tax Collector's Office;
- ❑ File a release in the records of the Town Clerk once payment has been received by the Town for property taken through tax sale or redeemed;
- ❑ Within one month prior to the mandatory redemption period, remind taxpayer(s) of the due date to redeem property(s);
- ❑ Compile, update and file a list of those accounts outstanding with redemption dates by April 1 of each year, with the office of the Delinquent Tax Collector and the Town Clerk/Treasurer;
- ❑ Submit a Delinquent Tax Collector's deed, for those properties not redeemed within the one year allowed by law, to the Town as soon as practicable (within 60 days); Prepare deed from the Town to the purchaser of property sold as a result of non-redemption.

The Town Manager (or agent) will:

- ❑ Obtain permit(s) for removal of property(s) acquired by tax sale. Also arrange for the removal, storage, place insurance on, dispose of, or to obtain as an asset, any property acquired by the Town through tax sale.
- ❑ If the Town Manager determines property obtained through tax sale is more valuable as a Town asset a permit will be obtained to place the property on Town land and arrange for maintenance of the same.
- ❑ If the property has no value or use as public property, it will then be disposed of in accordance with Policy 97-12. Execute a deed or Bill of Sale to the purchaser/Town.

Tax Sale-All costs of the tax sale are borne by the taxpayer in accordance with Title 32, V.S.A.

Bankruptcy account(s) will be handled in accordance with the Bankruptcy Code. The Town of Milton will accept payments and agreements/amendments made on such accounts. The Town will not violate the Bankruptcy Code (process agreements to tax sale before the case is closed due to failure to abide by the agreement/amendment(s) terms).

Abatement

Each taxpayer, whether or not they are delinquent, has the right to apply in writing to the Board of Abatement for abatement of property taxes in accordance with 24 V.S.A. Property retained by the Town: interest for a period of 12 months will be submitted to the Abatement Board (one year's interest accrued during the redemption period). The Delinquent Tax Collector/agent(s) will make every attempt to collect all amounts due on accounts before submission to the Abatement Board. The Abatement Board usually meets in February of each year. Accounts with an amount due of \$5.00 or less at the time of the tax sale will be submitted for consideration. All other abatements being requested will identify the statutory provision. Such list will include the year(s), account number(s), name of the owner as listed on the delinquent tax list, and a breakdown of the amount due.

ACTION:

The Milton Select Board, acting in regular session June 4, 2001 voted in favor of the following;

"Voted in favor of the Delinquent Tax Policy, as outlined in Policy 01-02 above.

Further that this referenced Policy shall be part of the permanent record by attachment of the same to the Minutes of the aforementioned Meeting."

Dated June 4, 2001

MILTON SELECT BOARD

Michael [Signature]

Louis H. Mossey III

Daniel [Signature]

Beth [Signature]

Kenneth A Nolan

Filed with the Town Clerk:

6-701

Attest:

Loretta R. Demina
ASA Clerk