

TOWN OF CRAFTSBURY · PO Box 55 · Craftsbury, VT 05826

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Policy for Collection of Delinquent Taxes Town of Craftsbury, Vermont

Adopted in consultation with Selectboard, June, 2023

Summary

In general, Craftsbury taxpayers will have twelve months from the date of delinquency to become current.

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

It is the responsibility of the taxpayer to contact the Collector of Delinquent Taxes to make arrangements to pay over time if time is needed. By written agreement with the Collector of Delinquent Taxes, a time period longer than twelve months may be allowed, provided that every scheduled payment is timely made and that the property does not go further delinquent.

Any property that has been delinquent for twelve months may be processed for tax sale or other method of collection unless an agreement specifying an alternative timetable, signed and dated by the taxpayer and by the Collector, is on file with the Collector. Any property on which a payment agreement is not faithfully fulfilled or that falls further delinquent may be processed for collection at any time.

All costs of any collection method accrue against the taxpayer and may become a lien on the property. Mortgage holders and lien holders shall be notified of the delinquent taxes 12 months after the first notice has been sent to the taxpayer, and again prior to a tax sale.

Overview and Philosophy

It is in the best interest of the Town of Craftsbury 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 others.

Recognizing that there are circumstances beyond the control of a taxpayer that may cause delinquency,

the Delinquent Tax Collector 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 Delinquent Tax Collector ("Collector"), or does not get current within what the Collector believe to be a reasonable length of time, or does not deal in good faith, it is the Collector's duty to proceed with all appropriate collection methods to recover the debt in a timely manner, and I shall do so.

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.

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

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. This initial notice will indicate the amount of delinquent tax, assessed penalty, and accrued interest. The Collector will include with the initial delinquency notice a statement explaining the possibility of tax abatement.

Follow-up notices will be sent at least quarterly until taxes, penalty, and interest have been paid in full.

It is the responsibility of the property owner or taxpayer to notify the town in writing of any change of mailing address.

Tax Due Dates: Current taxes are billed just as soon as the Select Board has set their respective tax rates, usually by the first of July. Taxes are due on or by November 15 and are set by the voters at the Annual Town Meeting. Refer to the minutes of the most recent Annual Town meeting for the due date(s) approved by the voters. Payments are considered "on-time" when in the hands of the Town Treasurer by 4:00pm on the specified due date. United States Postal Service postmarks will be accepted as "on-time" if postmarked on or before the due date.

A penalty and additional interest is charged if the taxes are not paid in full by the final due date. That date is firm; there is no "grace period" or "understanding" that will allow the Treasurer to accept taxes after the due date that has been set by the voters.

By Vermont law, the Treasurer has 15 days to prepare the delinquent tax Warrant -- the list of taxpayers who have not paid in full, along with the amounts due from each; the Warrant may be ready sooner. When the Warrant is prepared, the Treasurer turns it over to the Collector of Delinquent Taxes, who promptly sends out letters asking for the taxes due and listing the **8% penalty and 1% interest due**. For the next two months, **an additional 1%** interest is added to the unpaid balance; from the fourth month on, the interest rate is **1.5%** per month or fraction thereof. The Collector of Delinquent Taxes has no authority to forgive any part of the taxes, penalty, or interest due. Only the Board of Abatement may do that.

Payments and Receipts

Payment may be mailed or hand delivered to the Town Office at PO Box 55, Craftsbury, VT 05826 (physical address 85 S. Craftsbury Road).

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.

Payment Agreements:

Payment agreements may be made with the collector which shall pay the delinquency in full before the final due date of the subsequent tax year. Such arrangements require that taxes be paid in installments so that delinquent taxes, interest and penalty are paid in full before the final installment due date of the subsequent tax year. Such agreements also require the taxpayer to pay when due the current year's obligations. It is the intent of this policy that there is not multiple years of delinquent taxes on the books.

If a taxpayer has more than one year of delinquent taxes owed as of the date this policy is adopted, the taxpayer may make a payment agreement with the collector which would completely pay the delinquency in full within twenty four (24) months. Such agreements require that taxes shall be paid in installments so that delinquent taxes, interest and penalty are paid in full in twenty four (24) months. Such agreements shall also require the taxpayer to pay the current year's obligations when due.

Interest will continue to accrue on outstanding balances during the repayment time period.

Payment agreements shall be in writing on the form provided by the town. The delinquent tax collector will retain the original fully executed agreement with a copy provided to the taxpayer. Failure to make payments as agreed shall constitute default and the property shall be subject to immediate tax sale proceedings. With prior notice to the Delinquent Tax Collector, a grace period of five (5) days will be granted twice during the payment agreement period. The agreement shall remain in effect until the full amount of the delinquent taxes, interest and penalty are paid in full.

Failure to Keep Agreements:

Failure to meet the terms of the payment agreement shall result in immediate termination of the agreement, unless otherwise agreed by the delinquent tax collector. Within 90 days of the termination of the payment agreement, the delinquent tax collector may initiate any payment collection method allowed by law, including but not limited to tax sale.

Allocation of Partial Payments

Each partial payment will be applied proportionately to interest, property tax principal and penalty.

Fees for Returned 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 \$25.

Collection After Extended Delinquency

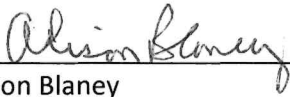
In Craftsbury, property is not put up for **tax sale** unless the taxes are more than one year past due and no regular payment effort has been made. A list of such properties will be sent to an attorney, who prepares the legal notices required and reminds the taxpayers of their rights. On the appointed date, the property is sold at a warned public sale. However, the purchaser (the Town or a third party) may not take possession for a period of one year. During that time, the owner has the opportunity to redeem the property by paying all due taxes, penalties, interest, and collection fees, etc. Obviously, tax sale is a measure that no municipality likes to use. Nevertheless, fairness to the other taxpayers requires a firm and evenhanded tax collection policy. Taxpayers are encouraged to direct questions about any municipal or school tax matter to the Town Treasurer or Collector of Delinquent Taxes.

Tax Sale: 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, costs, and fees:

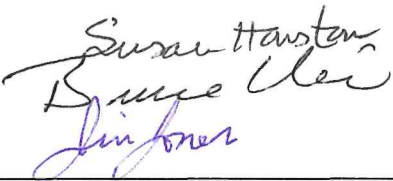
- The taxpayer and mortgage and lien holders will be notified of the tax sale decision, the deadline date by which full payment must be received to avert sale, and the costs to expect once the sale process begins. Absolutely no partial payments will be accepted after issuance of the notice of tax sale.
- 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% of the amount of delinquent tax, will be charged to the delinquent taxpayer.
- In the event that no one purchases the property at tax sale or if in the judgment of the Collector proceeding with the tax sale is unadvisable, 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 Orleans County Small Claims Court or Superior Court.

Abatement of Taxes

Tax abatement is a process by which a taxpayer may ask to have his or her taxes lessened, moderated or diminished. Abatement request goes to the Board of Abatement, which is made up of the Board of Civil Authority, plus the listers and Town Treasurer. For information on abatement of taxes, see Vermont statute 24 VSA § 1535.



Alison Blaney
Craftsbury Delinquent Tax Collector



Craftsbury Select Board

6-6-23
Date