

## **TOWN OF HYDE PARK POLICY FOR THE COLLECTION OF CURRENT AND DELINQUENT TAXES**

**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. This policy summarizes the process by which property taxes and delinquent property taxes, late penalties and interest are billed and collected by the Town of Hyde Park. While the tax collector and delinquent tax collector have the authority to administer the collection of current and delinquent taxes on a case by case basis, this policy shall be applied generally whenever possible to insure consistency of the administration of tax accounts and the collection of taxes. The Town Treasurer of the Town of Hyde Park is the Collector of Taxes and the Collector of Delinquent Taxes for the Town of Hyde Park. This policy has been established and adopted by the Town Treasurer and the Selectboard.

It is the responsibility of the taxpayer to ensure that the town has the correct mailing address for mailing property tax bills, notices, etc.

**TAX DUE DATES:** The voters of the Town of Hyde Park establish, by vote, the due dates and deadlines for property tax payments by vote at the Annual Town Meeting each year in March. Refer to the minutes of the most recent Annual Town meeting for the due dates 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.

**FEES FOR RETURNED PAYMENTS:** Payments returned by the bank for any reason, including but not limited to NSF, will be reversed off the tax account, applicable interest and penalty added and a notice of taxes due (including applicable interest and penalties) will be mailed to the taxpayer. There is a \$25 processing fee for each returned item plus any charges that may be assessed by our bank.

**APPLICATION OF INTEREST AND PENALTIES FOR LATE PAYMENTS:** The voters of the Town of Hyde Park establish, by vote at the Annual Town Meeting, whether interest and a late penalty shall be charged on property tax payments that are not made by the specified due date or dates. The voters may impose a penalty up to 8% of the amount of tax due if not paid on time, as allowed by state law. In addition, voters may vote to charge an interest rate up to 1.5% per month or fraction thereof on outstanding tax balances, as allowed by state law. Refer to the minutes of the most recent Annual Town Meeting each year for the percentages approved by voters.

**NOTICE OF INTEREST AND PENALTY CHARGES:** Interest shall accrue each month, or portion thereof, and will be posted on the first business day after each installment due date then on the first business day after the 15<sup>th</sup> of each

subsequent month thereafter. A one-time penalty on tax amounts not paid by 4:00pm on the final installment due date of the tax year, shall be applied and posted on the first business day after the final tax installment due date of the tax year.

After interest is applied to current year tax accounts, a notice of taxes due (including interest) will be sent to all taxpayers who have not paid their taxes by the due date. A notice will be sent each month until the taxes and interest are paid or until the taxes are turned over to the delinquent tax collector for collection by warrant.

**DELINQUENT TAX WARRANT:** A Delinquent Tax Warrant will be created by the tax collector and turned over to the delinquent tax collector within 15 days of the final tax due date of the tax year. Once a delinquent tax warrant is received, the delinquent tax collector will apply the voted one-time penalty and the voted interest then mail out a delinquent notice of taxes due (including penalty and interest). A delinquent notice will be sent each month until the delinquent taxes, penalty and interest are paid or until the unpaid tax accounts are turned over for tax sale.

It is the responsibility of the taxpayer to ensure that the Town of Hyde Park has the correct mailing address for tax bills, notice of taxes due, etc. Failure to receive a tax bill or late notices does not relieve the taxpayer of responsibility to pay the taxes when due and payable nor does it relieve the addition of penalties and interest.

**APPLICATION OF FULL AND PARTIAL PAYMENTS:** Current year late payments will be applied proportionately to interest and principal amounts of taxes due. Delinquent year payments will be applied in this order: other fees (fees associated with tax sales) and then proportionately to penalty, interest and principal amount of taxes due.

Payments will be automatically applied to the oldest tax year outstanding until all delinquent years are paid in full unless a written request is received to apply the payment to a specific year.

**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.

**TAX SALE:** The delinquent tax collector may initiate collection of tax accounts by Tax Sale, as established by state law, at any time. In general, collection proceedings by tax sale shall be initiated where multiple-year delinquencies exist or when a taxpayer fails to make a payment agreement or keep a payment agreement set up for the collection of a delinquent property tax. When a delinquent account is sent for tax sale, all delinquent years owing will be included in the sale.

When the delinquent tax collector initiates collection by tax sale, he/she shall hire an attorney to conduct the sale in accordance with the state law. Once an account that will be subject to tax sale is turned over to the tax sale attorney, the statutory collection costs of preparing and conducting the tax sale, including legal fees up to a maximum of 15% of the amount of the delinquent tax, shall be added to the account of the delinquent tax payer.

Once accounts have been turned over to the tax sale attorney in preparation of the tax sale, payment must be made directly to the tax sale attorney by cash, money order, bank, treasurer or certified check. Personal checks will not be accepted. 32 V.S.A. §4874. Partial payments to the tax sale attorney will not stop

the tax sale proceedings. Payment arrangements will not be accepted after accounts have been submitted to the tax sale attorney. Call the tax sale attorney before sending final payment to insure the correct amount.

Not less than 24 hours prior to the tax sale, the owners of property being sold for taxes may request in writing that a portion of the property be sold. The request must clearly identify the portion of the property to be sold and must be accompanied by a certification from the Act 250 district commission and the town zoning administrator that the portion identified may be subdivided and meets the applicable minimum lot size requirements. In the event that the portion identified by the property owner cannot be sold for the tax, interest, penalty and tax sale costs, then the entire property may be sold. 32 V.S.A. § 5254(b).

If no one purchases the property at tax sale, or if, in the judgment of the delinquent tax collector, proceeding with the tax sale is inadvisable, the delinquent tax collector shall collect the delinquent taxes using any or all of the methods permitted by law.

Any person who owes delinquent property taxes to the Town of Hyde Park is not eligible to bid on work to be performed for and to be paid for by the town.

**ABATEMENT:** Each taxpayer has a right to apply for abatement of property taxes to the Board of Abatement of the Town of Hyde Park under Title 24 V.S.A. § 1535.

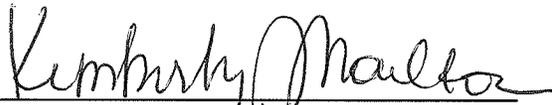
(a) The board may abate in whole or part taxes, interest, or collection fees, other than those arising out of a corrected classification of homestead or nonresidential property, accruing to the town in the following cases:

- (1) taxes of persons who have died insolvent;
- (2) taxes of persons who have removed from the State;
- (3) taxes of persons who are unable to pay their taxes, interest, and collection fees;
- (4) taxes in which there is manifest error or a mistake of the Listers;
- (5) taxes 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 a 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 late filed;
- (7), (8) [Repealed.]

(9) taxes upon 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.

If you believe you qualify for an abatement, immediately contact the Town Clerk at 888-2300 to request a hearing before the Board of Abatement. At the hearing, you will be required to provide documentation to support your request.

**This policy has been established and adopted by the Town Treasurer, the Tax Collector, Delinquent Tax Collector and the Selectboard on the 14 day of APRIL, 2016.**

  
\_\_\_\_\_  
Kimberly J. Moulton, Town Treasurer  
Collector of Current Taxes  
Delinquent Tax Collector

  
\_\_\_\_\_  
David Gagnier, Selectboard Chair