

**TOWN OF MIDDLESEX
POLICY FOR THE COLLECTION OF CURRENT AND DELINQUENT TAXES**

PURPOSE:

It is in the best interest of the Town and its residents that property taxes are paid when due. The purpose of this policy is to establish clear guidelines so all taxpayers will be treated fairly, know what to expect and ensure provisions of Vermont Statutes will be adhered to and all taxpayers are afforded due process. This policy summarizes the process by which current property taxes, delinquent taxes, fees, penalties and interest are billed and collected by the Town of Middlesex.

OVERVIEW:

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

The Town recognizes that there are circumstances beyond the control of a taxpayer that may cause delinquency. At the request of the delinquent taxpayer, the Collector of Delinquent Taxes will establish a payment plan. However, if a taxpayer fails to contact the collector, does not deal in good faith, or fails to meet the payment plan's deadlines and stipulations, the Collector of Delinquent taxes will proceed with statutorily permissible collection methods to recover the debt.

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

HOMESTEAD DECLARATION:

A homestead declaration (Form HS-122) must be filed each year by every Vermont resident whose property meets the definition of a homestead for purposes of the state education tax rate. A "homestead" is the principal dwelling and two-acre parcel of land surrounding the dwelling. Per 32 V.S.A. §5410 (g), Select Boards may impose penalties on taxpayers for failure to file homestead declarations by Vermont's income-tax due date, usually on or about April 15th.

TAX DUE DATES:

The voters of the Town of Middlesex establish the due date(s) and deadlines for receipt of property taxes by vote at the Annual Town Meeting, as permitted by 32 V.S.A. §4773. These due dates are stated on the annual tax bill.

PAYMENTS:

Payments are considered timely if received in the Town Clerk's office by the specified due date and time. United States Postal Service postmarks will be accepted as timely if postmarked on or before the due date, provided that the postmarks are legible. Payments may also be paid online through a secure link found on the Town's website: middlesexvermont.org. The Town strongly encourages taxpayers to use ACH to guarantee timely payments. Forms are available online and at the Town Clerk's Office.

INTEREST AND PENALTIES:

The voters of the Town of Middlesex establish, by vote at the Annual Town Meeting in March of each year, whether interest shall be charged on property tax payments that are not received by the specified due date(s), as permitted by 32 V.S.A. §4873. If the first installment is received beyond the first due date, interest will begin to accrue on that portion of the taxes beginning on the next business day at an interest rate decided by the voters. After the final due date, a one-time 8% penalty will be imposed on any unpaid balance from that tax year, as provided by 32 V.S.A. § 1674 (3)(A). Interest cannot be compounded.

DELINQUENT TAX NOTICES:

If any outstanding balance remains after the final installment due date, the Treasurer will issue a Delinquent Tax Warrant (32 V.S.A. §4913) that will be submitted to the Delinquent Tax Collector (DTC) who will mail the initial notice to the taxpayer indicating the amount of the delinquent tax, assessed penalty and accrued interest to date. Updated statements will be sent at least quarterly until the taxpayer account is turned over to the Town attorney for collection.

DELINQUENT PAYMENTS & AGREEMENTS:

Delinquent taxes with interest and penalties may be turned over to the Town Attorney for tax sale or other statutory collection proceedings (32V.S.A. §5252). All costs associated with the collection process, plus legal fees up to 20% of the amount of delinquent tax, will be added to the taxpayer account (32V.S.A. §5258 (a)(4)). Any mortgage or lien holders will also be notified. A written payment agreement, signed by the taxpayer(s) and the Delinquent Tax Collector may be made to avoid a tax sale or collection procedures under the following conditions:

- It is the responsibility of the taxpayer to contact the Delinquent Tax Collector to request a payment plan.
- Such arrangements require that delinquent taxes be paid in full before the final due date of the current year’s taxes.
- Current-year taxes must stay current and be paid on time and in accordance with the installment due dates.
- All arrangements must include the first payment upon execution.
- Any default in the terms of the agreement, shall result in immediate termination of the agreement and the collection process will move forward, unless otherwise agreed by the Delinquent Tax Collector in advance.

APPLICATION OF PAYMENTS:

Current-year late payments will be applied to principal and interest proportionally. Delinquent year payments will be applied proportionally to principal, interest, penalty and other fees such as attorney or collection costs.

ABATEMENT:


Each taxpayer has a right to apply for abatement of property taxes to the Board of Abatement of the Town of Middlesex under 24 V.S.A §1535. Not every taxpayer is eligible for abatement of taxes. Requests for abatement forms are available at the Town Clerk’s Office. Filing the abatement application does not stay the collection of property taxes.

§ 1535(a) provides that the Board may abate in whole or part taxes, interest, or collection fees 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.

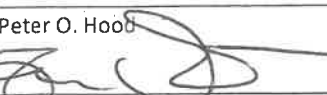
This policy has been established by the Town Treasurer (Tax Collector) and Collector of Delinquent and approved by the Middlesex Select Board as a Warned agenda item on the 18th day of June, 2024, and may be amended at any time as provided by law.

MIDDLESEX SELECT BOARD:


Elizabeth Scharf, Chair


Randy Drury, Vice Chair


Vic Dwire

Peter O. Hood

Zara Vincent


Cheryl Grandfield
Treasurer/Collector of Delinquent Taxes

Recorded in the Middlesex Town records on June 19, 2024. I so attest  Sarah Merriman, Town Clerk