

# 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 responsibility of the taxpayer to ensure that the Town has the correct and current mailing address for mailing of tax bills, notices, etc... Failure to receive a tax bill or late notices 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. We will work with people in a professional manner to help them come current in their obligation. However, if a taxpayer fails to contact the collector, does not deal in good faith or does not get current within a reasonable amount of time, it is the town's duty to proceed with all appropriate 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 2 acre parcel of land surrounding the dwelling. It is your responsibility as the property owner to claim the property as a homestead if you meet, or expect to meet, the following requirements: 1) you are a Vermont resident, and 2) you own and occupy a homestead as your domicile as of April 1<sup>st</sup>. Per 32 VSA §5410 (g), towns may assess penalties for late filing.

- Homestead Declarations filed by "VT Income Tax Due Date", are considered timely, classified as homesteads on the grand list, and taxed at the homestead education property tax rate.
- Homestead Declarations filed after "VT Income Tax Due Date", will be assessed a 6% penalty if the property is taxed and billed as nonresidential and the nonresidential rate is lower than the homestead tax rate but property meets the definition of a homestead.

### EARLY PAYMENT DISCOUNT:

An "early payment" discount will be applied to tax payments if taxes are "paid in full" within 30 days of the date on the tax bill, exclusive of state payment, per voter approval at the Annual Town Meeting. Refer to the minutes of the most recent Annual Town Meeting for the percentage approved by voters. This information will also be noted on the tax bill.

### TAX DUE DATES:

The voters of the Town of Middlesex establish the due date(s) and deadlines for property and school taxes by vote at the Annual Town Meeting each year in March. Refer to the minutes of the most recent Annual Meeting for the due date(s) approved by voters. This information will also be noted on the tax bill.

### PAYMENTS:

Payments are considered "on-time", if received in the Town Clerk's office by close of the specified due date. United States Postal Service postmarks will be accepted as "on-time" if postmarked on or before the due date; "metered postmarks will not.

The Town is pleased to offer you the convenience of paying your taxes online through a secure site. A link can be found at [middlesexvermont.org](http://middlesexvermont.org).

### 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 and/or a late penalty shall be charged on property tax payments that are not received by the specified due date(s). The annual tax bill is payable in two equal installments. If the first installment is received beyond the 1<sup>st</sup> due date, interest will begin to accrue on that portion of the taxes beginning on the next business day at an interest rate up to 1.5% per month or a fraction thereof, until such time the outstanding portion becomes current. After the second due date, any delinquency will continue to accrue interest plus a penalty up to 8% may be imposed if so approved by the voters. Refer to the minutes of the most recent Annual Meeting for the percentages approved by the voters.

**DELINQUENT TAX NOTICES:**

A one-time courtesy notice will be sent to any taxpayer who misses their first payment due date, to allow them an opportunity to avoid the on-going accrual of monthly interest.

If any outstanding balance remains after the 2<sup>nd</sup> installment due date, a Delinquent Tax Warrant will be issued (32 V.S.A §4913) and turned over 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 such time the taxpayer account is turned over to the Town attorney for collection.

**DELINQUENT PAYMENTS & AGREEMENTS:**

After June 30th each year, uncollected taxes together with interest and penalties shall be turned over to the Town Attorney for tax sale or other statutory collection proceedings i.e. small claims court. (32V.S.A. §5258) All costs associated with the collection process, plus legal fees up to 15% of the amount of delinquent tax, will be added to the taxpayer account. 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 two 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, but if you believe you meet the criteria listed below, contact the Middlesex Town Clerk's Office for more information. Filing the abatement application does not stay the collection of your 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 and adopted by the Town Treasurer (Tax Collector), Delinquent Tax Collector and Selectboard on the 27th day of June, 2017, and may be amended at any time as provided by law.**

MIDDLESEX SELECTBOARD:

\_\_\_\_\_  
Peter O. Hood, Chair

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Dorinda Crowell, Town Treasurer  
Collector of Delinquent Taxes

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Mary Just Skinner, Vice Chair

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Philip Hyjek

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Steven Martin

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Elizabeth Scharf

Recorded in the Middlesex Town records on June 28, 2017. I so attest \_\_\_\_\_ . Sarah Merriman, Town Clerk