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TOWN OF PEACHAM

Delinquent Tax Policy

Town of Peacham, VT

Delinquent taxes in the Town of Peacham are considered to be the full amount or any portion of taxes unpaid following the payment due date. Any property having the full amount or any portion of taxes delinquent for one year or more may be subject to legal action including tax sale.

The Town Delinquent Tax Collector will, upon notification of taxes going delinquent, send a letter by certified mail to the party responsible for taxes on the property.

Payments may be made to the Town Delinquent Tax Collector or Town Treasurer. The full amount of taxes owed, including late fees and/or any other relevant fees will be paid within one year of arrangement being made with the Delinquent Tax Collector. The amount due will be the tax owed plus an 8% collectors penalty, plus 1% interest for each month or fraction of a month. Vermont law establishes the way interest is calculated. Vermont law requires the tax bill and subsequent procedures be directed to the person who is shown in the Land Records as owning the property as of April 1st of the current tax year. Partial payments will be applied first to the interest portion of the amount due, and the remainder will be divided proportionately between the principal amount of the tax and the 8% penalty fee.

The Delinquent Tax Collector shall be responsible for making the payment arrangement that the Delinquent Tax Collector deems to be in the best interest of the Town in resolving delinquent taxes. If a property owner who has made an arrangement to settle their delinquent taxes fails to meet the agreement made with the Delinquent Tax Collector it will be the Delinquent Tax Collector's responsibility to proceed with collection by any remedy available under Vermont law including actions for distraint, foreclosure of the Town's tax lien in court, or sale of as much of the property as necessary to pay the property tax and interest, penalties, and all legal costs including attorneys fees and legal notices.

If a tax sale is to take place in order to settle an outstanding tax debt the Delinquent Tax Collector will follow the procedures outlined in 32 V.S.A § 5252, including notice to the property owner, mortgagees, lienholders, and any other parties with vested interest in the property, giving notice that the account needs to be settled by a specific date or else tax sale proceedings will be commenced. Thereafter a formal Notice of Tax Sale shall be sent, posted in public places, and published in the Caledonian Record for a tax sale.

The Delinquent Tax Collector may consult and work with the Town's attorney to ensure collections are done consistent with the law, provided that any such legal fees are charged to and ultimately collected from the property owner through the tax sale or other legal action whenever possible. The Delinquent Tax Collector shall periodically update the Town Selectboard about upcoming legal actions as well as legal fees being incurred and the estimated timetable for collection.

Under 32 V.S.A. § 5254(b) the owner of the property being sold for taxes may request in writing, not less than 24 hours prior to the tax sale, that a portion of the property be sold. Such request must clearly identify the portion of the property to be sold, and must be accompanied by a certification from the district environmental commission and the town zoning administrative officer that the portion identified may be subdivided and meets minimum lot size requirements. In the event that the portion identified by the taxpayer cannot be sold for the tax and cost, then the entire portion may be sold to pay such tax and costs.

Reducing (Abating) the amount owed: Taxes may be able to be reduced or abated by law for limited reasons. The procedure is set out in 24 V.S.A. §§ 1533-1536. It is initiated by a written request from the property owner to the Town Clerk to be heard by the Board of Abatement. The Statutes set out the taxes and circumstances the Board can consider for abatement. The Delinquent Tax Collector has no jurisdiction over the Board of Abatement or abatement process. (adopted 1/22/2014 by Selectboard)