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ADMINISTRATIVE POLICY ON DELINQUENT TAX, WATER AND WASTE WATER ASSESSMENT COLLECTIONS

(adopted on 4/13/09)

1. Purpose

The purpose of this Administrative Policy on Delinquent Tax, Water and Waste Water Assessment Collection is to establish written procedures for the collection of delinquent taxes, water and waste water assessments for the initiating of tax sale proceedings for the Town of Springfield.

2. Correspondence

All correspondence will be mailed to the last known address of the Owner of Record as shown on the grand list. However, in the case of property sold after July 1st, all correspondence will be mailed to the last known address of the Current Owner of Record if the Current Owner of Record's address is known to the Town Clerk/ Collector of Delinquent Taxes (Collector) from the information reported on the Property Transfer Tax Return or otherwise. It is the responsibility of the Owner of Record and the Current Owner of Record to provide the Town of Springfield with correct mailing addresses.

3. Tax Due Dates

The Town's tax year runs from July 1st to June 30th. Taxes are due in four equal installments set each tax year and published in the Annual Town Report. For each tax year, any taxes not paid by the last installment date shall be considered delinquent. Tax payments must be received by the Town Treasurer (Treasurer), or postmarked, on or before the dates they are due in order to avoid interest and penalty.

4. Interest Charges and Delinquent Tax Penalty Charge

a. Interest Charges: On the day immediately following a tax due date, interest will be charged on the unpaid portion of that installment. Subsequently, interest will be charged on the unpaid portion of that installment every month. Interest rates are 1% per month for the first three months and 1.5 % per month thereafter.
b. Delinquent Tax Penalty Charge: On the day immediately following the last installment due date, an 8% penalty will be added to the principal amount of any taxes not paid by the last installment due date.

5. Other taxes and assessments controlled by this policy

This administrative policy shall also govern the collection of the following additional taxes and assessments:

a. Personal Property Tax: If the delinquent tax on personal property is not paid by the last installment due date, the Collector will seek authorization from the Springfield Board of Selectmen to place a lien on the property and proceed in accordance with the law and this policy.
b. If any special tax assessments approved by the voters at a duly warned meeting shall become delinquent upon any property for which such special assessment is due, at such time as determined by the legislative body, the Collector shall proceed in the collection of such

delinquent special assessments, together with all applicable interest, penalty and charges and costs of collection, in the same manner as described in this policy.

c. Water and Waste Water Assessment: Any delinquent water and waste water assessments, once reported to the Collector, shall also be collected pursuant to this policy.

6. **Tax Abatement**

Pursuant to the provisions of 24 V.S.A. § 1535, the delinquent taxpayer may request abatement from the Springfield Board of Civil Authority in whole or part of taxes, interest and collection fees accruing to the Town in the following cases:

a. Taxes of persons who have died insolvent;
b. Taxes of person who have removed from the state;
c. Taxes of person who are unable to pay their taxes, interest and collection fees;
d. Taxes in which there is manifest error of a mistake of the Listers;
e. Taxes upon real or personal property lost or destroyed during the year; or
f. Any other basis for abatement as authorized by law.

Requests for abatements should be addressed to the Board of Abatement, in care of the Town Clerk, 96 Main Street, Springfield, Vermont.

7. **Court Action**

The Collector may choose to bring action in court to recover delinquent taxes and assessments.

8. **Notification of Delinquent Taxpayers**

After the last installment due date and upon receipt of the Town Treasurer's warrant recorded with the Town Clerk, the Collector shall notify by 1st class mail each overdue taxpayer of the amount due, including interest and penalty and that the amount must be paid in full within thirty (30) days or tax sale proceedings will be initiated.

9. **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 shall be paid in installments so that delinquent taxes, interest and penalty are paid in full before the final installment due date of the subsequent year. Such agreements shall also require the taxpayer to pay when due the current year's obligations.

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 when due the current year's obligations.

Payment agreements shall be in writing. Failure to make payment as scheduled shall constitute default and the property shall be subject to immediate tax sale proceedings. The agreement shall remain in effect until the full amount of the delinquent taxes, interest and penalty are paid in full.

a. Extraordinary Circumstances: If the Collector determines that an extended collection period will increase the likelihood of collectability of the full amount of delinquency and not subject the town to added risk of noncollectibility, then an extraordinary payment arrangement may be made for a period not to exceed twenty four (24) months from the last regular installment due date. Such agreements require that taxes shall be paid in installments so that the delinquent taxes, interest and penalty are paid in full in twenty four (24) months. Such agreements shall also

require the taxpayer to pay when due the current year's obligations. Under no circumstances may an extraordinary agreement be extended beyond the twenty four (24) month term. All payment agreements shall be in writing. Failure to make a payment as scheduled shall constitute default and the property shall be subject to immediate tax sale proceedings. The agreement shall remain in effect until the full amount of the delinquent taxes, interest and penalty are paid in full.

10. Partial Payments

Allocation of Partial Payments: When a taxpayer delivers a payment for less than the total amount due, the payment shall be applied to the tax year as the taxpayer directs in writing. If the taxpayer does not provide the Town with written direction, payment shall be first applied to the oldest account year. Within each account year, payment shall be applied to expenses of collection (if any) to the penalty, then to interest and then to principal.

11. Tax Sale

If, within thirty (30) days of the Notification of Delinquent Taxpayers, payment in full or satisfactory payment arrangements have not been made, or if the arrangements agreed to have not been met, the Collector shall initiate procedures for tax sale pursuant to 32 V.S.A. § 5252 et. Seq. to sell as much of the property as is necessary to pay the tax, interest, penalty, costs and fees. These proceedings shall include:

a. The Collector will notify by certified mail the Current Owner of Record of the date and place by which full payment must be received or the property shall be sold.
b. The Collector shall also notify by certified mail all mortgage holders and lien holders of the tax sale.
c. The Collector shall also advertise the tax sale three weeks successively in the Springfield Reporter, the last publication to be at least ten days before the tax sale.
d. The Collector shall also post a notice of the tax sale in the Springfield Town Hall.
e. Costs of preparing the sale after the warrant and levy for delinquent taxes have been recorded (even if a tax sale does not occur) shall be charged to the delinquent taxpayer in accordance with 32 V.S.A. § 5258 and added to delinquent taxes, penalty and other interest at the time the tax sale proceedings are initiated. These costs include:
    i. Notice of Sale to Property Owner & Lien Holder(s) (certified mail costs of all notices)
    ii. Issuance of Levy & Extending Warrant ($10.00)
    iii. Recording of Levy & Extending Warrant ($10.00)
    iv. Legal Fees: expenses actually and reasonably incurred by the Collector (15% of the uncollected taxes)
    v. Publication of legal notices (actual publication costs)
f. If full payment has not been received by the date and time specified for tax sale, then the Collector will proceed with the tax sale according to the procedures specified in 32 V.S.A. § 5252.
g. If the tax sale occurs, additional costs in accordance with 32 V.S.A. § 5258 will be added. These costs include:
    i. Attending and holding sale ($10.00)
    ii. Making Return (Report Sale) ($10.00)
    iii. Recording return in Town Clerk's office ($10.00)
    iv. Collector's Deed ($30.00)
h. If authorized by the Selectboard, a representative of the Town (such as the Town Manager) may bid on behalf of the Town.
i. The tax sale is conducted in a manner similar to an auction. The Collector identifies the property and specifies the minimum amount that must be paid to satisfy the delinquent taxes, penalty and fees outstanding. The property is sold to the highest bidder.

12. Excess Amount

If the purchase price at tax sale exceeds the taxes, interest, penalty and tax sale charges and costs due, the excess amount will immediately be payable to the Current Owner of Record and lien holders.

13. Redemption Period

An owner and lien holders of property sold at tax sale has one year from the date of tax sale in which to redeem the property. The redeeming party must pay the sum for which the land was sold together with 1% interest per month on that amount, to the Town of Springfield in order to redeem the property. The redemption amount and the interest should immediately be forwarded to the purchaser at tax sale. Also at that time, the Collector will execute a Notice of Redemption and record the Notice in the Springfield Land Records.

14. Collector's Deed

If the property is not redeemed, the Collector will execute a Collector's Deed and Vermont Property Transfer Tax Return in favor of the purchaser at tax sale and record upon the purchaser tendering the transfer tax payable to the State of Vermont the Collector's Deed in the Springfield Land Records.

Approved this 13th day of April, 2009, in Springfield, Windsor County, State of Vermont.

Mark A. Blanchard, Chair

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