

Town of Richmond

Policy on Late and Delinquent Taxes

Property Taxes in General. Property taxes are due each year in four installments: 8/15, 11/15, 2/15 and 5/15. After each installment deadline, late balances will be assessed interest charge based on the principal of the debt. For the first three months of a late balance, 1% will be assessed. Thereafter, 1.5% will be assessed. The following day after the 5/15 installment is due, any remaining balances are then considered delinquent. Delinquent balances are assessed an annual 8% penalty fee in addition to the 1% and/or 1.5% quarterly assessment as described above, per the Richmond Charter.

In all cases, when partial payments are received, interest must be credited first with the remainder being divided proportionally between the principal amount of the tax and the penalty fee.

Late and Delinquent Taxes in General. It is in the best interest of the Town and the tax payer to remain current on all tax obligations. The purpose of this policy is to establish clear guidelines so that all late and delinquent taxpayers will be treated fairly and will know what to expect.

Late Taxes. Within two weeks after a quarterly tax payment is due, those with late balances will receive a letter from the Finance Assistant or his/her designee that details the amount due.

Delinquent Taxes. Following the final tax due date of May 15th, the Delinquent Tax Collector ("the Collector") will be given the Warrant listing all delinquent tax payers and the amounts due. Within five days of receiving the Warrant, the Collector will send by return receipt mail a copy of this policy, a Delinquent Tax Agreement and the amount of taxes, penalty and interest due. Within this mailing, the Collector will request that the tax payer submit a **suitable** Delinquent Tax Agreement (Agreement) within 30 business days to avoid initiation of a Tax Sale.

A suitable Agreement is one that has been accepted and executed with the signature of both the tax payer and the Collector. A suitable Agreement is one that defines a payment schedule which results in all delinquent taxes to be paid in full prior to the 5/15 tax deadline for the following year. At no time can current taxes be late during the term of the Agreement. This will breach the Agreement.

The Collector will also provide a list of programs and organizations that may help assist the property owner with payment of taxes. The Collector will work with the taxpayer to develop an agreement that can take advantage of relief programs that may take time to implement.

If at any time the executed Agreement is breached by missing a designated payment or other terms of the Agreement, the taxpayer will be notified by return receipt mail and has 30 days to pay the amount due in full before the Collector proceeds with a tax sale or other enforcement action.

If a suitable Agreement has not been submitted by the tax payer to the Collector within thirty days, the tax payer will be notified by return receipt mail that they have twenty days to pay the amount due in full before the Collector proceeds with a tax sale or other enforcement action.

If the amount due is \$1,500 or less, the Collector may pursue the matter in Small Claims Court and/or pursue other legal collection procedures **in conjunction with** the process listed below for Tax Sales.

Tax Sales. The Collector will begin the tax sale process in accordance with State Statutes to collect the delinquent taxes, interest, penalty and allowable fees, as follows:

- a. An Attorney hired by the Collector for such purpose will notify the taxpayer of the tax sale decision, the date by which full payment must be received, and the cost to expect once the tax sale process begins.
- b. The Attorney will notify all mortgage holders, lessees and lien holders in accordance with State Statute.
- c. The Attorney will place a lien on the property.
- d. Once the deadline date has expired and full payment has not been received, the Attorney will proceed with the tax sale in accordance with State Statute (32 V.S.A. Section 5252).
- e. Cost of preparing and conducting the tax sale, including legal fees and advertising, will be charged to the delinquent taxpayer, according to law.

In the event that no one purchases the lien at the tax sale, or if in the judgment of the Collector, proceeding with the tax sale is inadvisable, the Collector shall collect the delinquent taxes using any or all of the methods permitted by law.

Tax sales shall be conducted twice a year, if necessary, to ensure agreements are enforced and delinquent balances do not become unduly burdensome on the taxpayer.

This policy had been approved on this 4 day of January 2016 by the Richmond Selectboard and by the Richmond Delinquent Tax Collector.



David Sander, Selectboard Chair

DATE



Laurie Brisbin, Delinquent Tax Collector

DATE