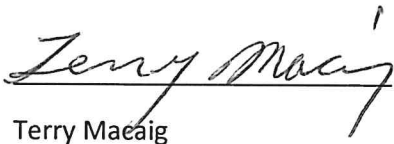


# TOWN OF WILLISTON, VERMONT

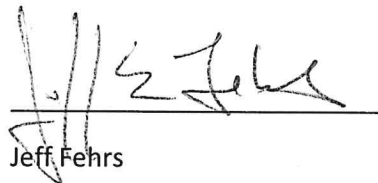
## Policy for the Collection and Payment of Property Taxes

Amended: June 7, 2022

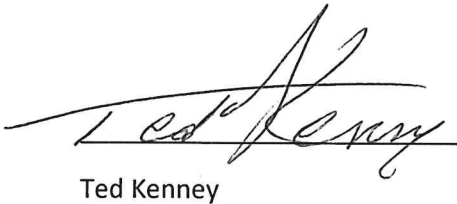
### Williston Selectboard



Terry Macaig



Jeff Fehrs



Ted Kenney



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## I. Purpose.

The purpose of this policy is to establish guidelines so that all taxpayers will know about the process for collecting delinquent property taxes, and related costs, penalties, and interest, including the possibility of tax sales. . The Treasurer and delinquent tax collector have statutory authority to administer the collection of current and delinquent taxes. The following policy shall be generally and consistently followed when practical, but nothing herein supersedes any applicable statutory authority or procedure for the collection of unpaid taxes, related penalties, fees, interest or costs of sale. Failure to strictly comply with this policy will not invalidate any action taken consistent with applicable statutes to collect unpaid taxes.

## II. Tax Payment Installments.

Taxes will be collected annually, to be paid in one or more installments, as adopted at Town Meeting each year, for the tax year starting July 1 and ending June 30.

## III. Definitions.

**Abatement:** Is a statutory process for relieving taxpayers from the burden of property taxes, penalty (collection fees) and interest when Vermont law authorizes abatement and when the Board of Abatement, in its discretion, agrees that the request is reasonable and proper. 24 V.S.A. § 1535(a) provides the regulations as to what charges can be abated.

**Board of Abatement:** Members of the Board include Justices of the Peace, Listers, Town Treasurer, Town Clerk and the Selectboard.

**Current Taxes:** Taxes due for the current fiscal year (July 1<sup>st</sup> through June 30<sup>th</sup>) due and payable on or before the final installment date.

**Delinquent Taxes:** Taxes unpaid at midnight of after the final installment date.

**Past Due Taxes:** The amount of any installment tax payment not paid by the due date of the installment, other than the final installment date.

**Warrant:** Commands the person charged with the collection of taxes to collect the amount listed on the tax bill from the taxpayer listed on the tax bill.

#### IV. Collection of Property Taxes

- A. A warrant is issued to the Collector of Delinquent Taxes (Collector) by the Treasurer within 15 days after the final tax installment date. Within 90 days after the warrant has been received, the Collector will send a notice to each delinquent taxpayer indicating the amount of taxes, penalty and interest owed. Each taxpayer with a balance due of \$5 or more will be sent a monthly past due or delinquency notice by the Treasurer.
- B. Taxpayers will be notified of credit balances in excess of \$500; if not requested to be refunded, the credit will be applied to the following tax year's taxes. All credit balances below \$500 will be applied to the following tax year unless a refund is requested.
- C. Tax payments with a postmark by the United States Postal Service on or before the due date will be accepted as being received by the due date.
- D. Interest will be added monthly to past due and delinquent accounts at the rate of 1.0% of the tax amount due for the first three months after each installment due date, then 1.5% of the tax amount due thereafter until the tax is fully paid (per 32 V.S.A. § 4873 and 32 V.S.A. § 5136 as authorized at Town Meeting 1991).
- E. A penalty (collector's fee per 32 V.S.A. § 1674 as authorized at Town Meeting 2005) of 1.0% of the tax amount due will be charged on accounts with an outstanding tax balance for the current tax year as of the last installment due date.
- F. Any individuals who have been called to full-time active duty by the President of the United States as a result of a military conflict in an area designated a combat zone are exempt from paying any penalty or interest on their property taxes upon their principal residence for the time the member is on active duty and for 180 days thereafter. Persons requesting exemption shall provide a copy of their military orders in order to secure such benefits.
- G. Only payment arrangements that will pay the bill in full before the first installment date of the next fiscal year's bill will be accepted with exceptions approved by the Town Manager. Current tax year payments must remain current while the payment plan is in effect. Payment plans that are in existence on the adoption of this policy, will be grandfathered only if they pay the balance in full within 24 months of the adoption date.

- H. Tax payments received will be applied to the oldest tax year balances first in the following order: penalty, interest and then tax.
- I. If the delinquent amount due is less than \$1,000 and no satisfactory payment arrangements have been made within one month after an initial contact is made by the Collector, or if the taxpayer's obligations under an existing payment agreement have not been met, the Collector may pursue collection in small claims court.

## V. Tax Sale Process

- A. On an annual basis by June 1, the Collector or the Collector's designee shall evaluate the need to conduct a tax sale for all real property or as much of the property as is necessary to pay the tax, plus costs and fees. Prior to initiating a tax sale, the Collector shall inform the Selectboard and seek authorization to engage legal counsel to assist with the sale.
- B. The Collector will notify each affected taxpayer and all related mortgage and lien holders of record of the initiation of a tax sale, the amount of delinquent taxes and related fees, penalties, and interest prior to the tax sale, the date by which full payment must be received, and estimated costs to be recovered from the taxpayer in the tax sale. The actual costs recoverable from the taxpayer will be determined at the time of the tax sale.
- C. Any existing tax payment agreements breached by the taxpayer will result in the property being included in the next tax sale. It shall be considered a breach of contract if a payment is missed or if the current year's taxes become delinquent. Any account with a history of a breached contract is ineligible for a future agreement until taxes are made current.
- D. If the deadline date as set in notice of tax sale letter has passed and full payment has not been received, the Collector may proceed with a tax sale.
- E. Costs of preparing and conducting the sale, including legal fees (up to a maximum of 15% of the amount of the delinquent tax) will be charged to the delinquent taxpayer.

- F. Each taxpayer has a right to apply for abatement of property taxes based on any of the grounds listed in 24 V.S.A. § 1535 and shall be notified of such right as part of the notification of tax sale. A Board of Abatement meeting can be scheduled through the Town Clerk.
- G. If no one purchases the property at tax sale, or if, in the judgment of the Collector, proceeding with the tax sale is inadvisable, the Collector may collect the delinquent taxes.
- H. If a property is being sold for taxes, the owner may request in writing, not less than seven days prior to the tax sale, that only a portion of the property be sold. Such request must clearly identify the portion of the property the taxpayer requests be sold and must be accompanied by certifications from the Vermont District Environmental Commission and the town zoning administrative officer that the portion identified by the taxpayer for sale may be lawfully subdivided and will, after subdivision, meet minimum lot size requirements. Any fees or costs associated with subdivision shall be paid by the property's owner. In the event that the portion identified by the taxpayer cannot be sold for the tax and costs, then the entire property may be sold to pay such tax and costs.