

Appendix 2

SAMPLE POLICY FOR COLLECTION OF DELINQUENT TAXES

The purpose of this policy is to establish clear guidelines so that all delinquent taxpayers will be treated fairly and will know what to expect.

- A. As soon as the warrant has been received, and each month afterwards, the tax collector will send a notice to each delinquent taxpayer indicating the amount of taxes, penalty and interest owed.
- B. Only payment arrangements that will pay the bill in full before the due date of next year's bill will be accepted.
- C. If the tax on personal property is not paid in full within 10 days of the notice, the tax collector will seek the authorization of the selectboard to place a lien on the property.
- D. Mortgage holders and lien holders will be notified of the delinquent taxes 30 days after the first notice has been sent to the taxpayer and again prior to tax sale.
- E. Partial payments will be applied first to the interest portion of the amount due, and the remainder will be divided proportionally between the principal amount of the tax and the 8% fee.
- F. If the amount due is less than \$500 and no satisfactory payment arrangements have been made in one month, or if the prior payment agreement has not been met, the tax collector will file a complaint with small claims court.
- G. If the amount due is \$500 or more and no satisfactory payment arrangements have been made in one month, or if the prior agreement has not been met, the tax collector will begin the following actions to conduct a tax sale of the property or as much of the property as is necessary to pay the tax, plus costs and fees:
 - 1. The collector will notify the taxpayer and all mortgage and lien holders of the tax sale decision, the date by which full payment must be received, and the costs to expect once the sale process begins.
 - 2. If the deadline date has passed and full payment has not been received, the collector will proceed with a tax sale according to the procedures specified in 32 V.S.A. § 5252.
 - 3. 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.
- H. 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.
- I. In the event that no one purchases the property at tax sale, or, if in the judgement of the tax collector, proceeding with the tax sale is inadvisable, the tax collector shall collect the delinquent taxes using any or all of the methods permitted by law.

Collector of Delinquent Taxes

Town of _____