

TOWN OF PLYMOUTH
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Administrative Policy on Delinquent Tax Collection (Adopted on 11/15/2021)

Purpose

The purpose of this Administrative Policy on Delinquent Tax Collection, is to establish written procedures for the collection of delinquent taxes for the initiating of tax sale proceedings in the Town of Plymouth VT.

Correspondence

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 to provide the Town of Plymouth with correct mailing addresses.

Tax Due Dates

The Town's tax year runs from July 1 to June 30th. Taxes are due in two equal installments set 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 on or before the dates they are due in order to avoid interest and penalty.

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.

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.

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 Plymouth Board of Selectmen to place a lien on the property and proceed in accordance with the law and this policy.

Special Tax Assessments

If the delinquent tax on an assessment 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.

Tax Abatement

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

Taxes of person(s) who have died insolvent;

Taxes of person(s) who have removed from the state;

Taxes of person(s) who are unable to pay their taxes, interest and collection fees;

Taxes in which there is manifest error or a mistake of the Listers;

Taxes upon real or personal property lost or destroyed during the year;

Any other basis for abatement as authorized by law.

Requests for abatements should be addressed to the Board of Abatement (BOA), in care of the Town Clerk, 68 Town Office Rd. Plymouth, Vermont.

Court Action

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

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 amount must be paid in full within thirty (30) days or tax sale proceedings will be initiated.

Payment Agreements

Payment agreements may be made with the Collector. Owner 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.

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 non-collectability, 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,

Partial Payments & Allocation

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.

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:

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.

The Collector shall also notify by certified mail all mortgage holders and lien holders of the tax sale.

The Collector shall also advertise the tax sale three weeks successively in the Vermont Journal, the last publication to be at least ten days before the tax sale.

The Collector shall also post a notice of the tax sale at the Plymouth Municipal Building.

If authorized by the Selectboard, a representative of the Town may bid on behalf of the Town.

Costs

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:

- Notice of Sale to Property Owner & Lien Holder(s) (certified mail costs of all notices)
- Issuance of Levy & Extending Warrant (\$10.00)
- Recording of Levy & Extending Warrant (\$10.00)
- Legal Fees: expenses actually and reasonably incurred by the Collector (15% of the uncollected taxes)
- Publication of legal notices (actual publication costs)
- 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.
- If the tax sale occurs, additional costs in accordance with 32 V.S.A. § 5258 will be added. These costs include:
 - Attending and holding sale (\$10.00)
 - Making Return (Report Sale) (\$10.00)
 - Recording return in Town Clerk's office (\$10.00)
 - Collector's Deed (\$30.00)
- 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.

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.

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 Plymouth 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 Plymouth Land Records.

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 Plymouth Land Records.

Approved this 15th day of Nov, 2021, in Plymouth, Windsor County, State of Vermont.

Jay Kullman, Chair

Richard Kaminski

Keith Cappellini