

Delinquent Taxes

Collection of Delinquent Taxes

The delinquent tax collector plays a vital role in ensuring that Town taxes are paid by all taxpayers of the Town. It is the delinquent tax collector's job to notify taxpayers when their taxes are overdue and to make arrangements for payment of delinquent taxes, or to take formal collection actions, including conducting tax sales of property when necessary. It is the obligation of the delinquent tax collector to keep records of all delinquent accounts and to provide an accounting of these records to the auditors for inclusion in the Town Report.

According to State statute, within twenty days after the final due date (or the date at which the final installment is due), the treasurer must issue to the delinquent tax collector a warrant against the delinquent taxpayers in the amount of taxes remaining unpaid. This warrant remains in effect until all taxes on it are paid or otherwise discharged. The treasurer delivers the warrant to the delinquent tax collector who then MUST proceed to collect the taxes.

Unpaid Taxes

Taxes that are unpaid after the annual due date (Usually on/around October 1st of each year) are subject to interest at the rate of 1% for each month or part of a month that they are late for the first three months, and then 1.5% every month thereafter. Further, an additional penalty of 8% is assessed on unpaid taxes upon the day AFTER they became due.

These rates fall within State statutes and apply even if the taxes are only one day late. The Delinquent Tax Office or Treasurer's Office has no authority to waive or abate the interest and penalty charges.

There is NO allowance for a grace period or waiver of penalties or interest due to a mail delay, bank transfer delay, weather delay or any other reason. It is the taxpayer's responsibility to ensure payment is received by the town ON or BEFORE it's due date.

Delinquent Tax Collection Policy

The delinquent tax collector shall notify each overdue taxpayer upon receipt of the Treasurer's warrant filed with the Town Clerk in October of each year.

The amount due shall include penalty and interest and shall be billed on a monthly basis. Payments received shall be applied to the interest portion of the amount due first, then proportionately between the tax and penalty.

Installment payments may be made by arrangement with the delinquent tax collector. Such arrangements require that taxes shall be paid in so that taxes are paid in full before the final due date or any new taxes become due. Agreements for installment payments shall be in writing. Failure to make payments as agreed will constitute a default and the property will be subject to immediate tax sale proceedings.

If the delinquent taxpayer has not either paid the delinquency in full, or entered into a written payment agreement with the delinquent tax collector within sixty days of the first notice of delinquency, mortgage holders and lien holders may be notified that taxes are delinquent and must be paid or tax sale proceedings will be initiated by the Town.

Abatement of Delinquent Taxes

The Board of Abatement may abate in whole or in part, taxes, interest, and penalties in the following cases:

- Taxes of persons who have died insolvent
- Taxes of persons who have moved from the State
- Taxes of persons who are unable to pay their taxes, interest, and penalties
- Taxes in which there is manifest error or a mistake of the Listers
- Taxes upon real or personal property lost or destroyed during the tax years
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Requests for abatements should be addressed to the Board of Abatement, in care of the Town Clerk at PO Box 95, Fairlee, VT 05045 -OR- townclerk@fairleevt.gov

Municipal Tax Sale

The purpose of a municipal tax sale is to assist the Town in collecting funds in lieu of delinquent taxes owed by various property owners. In essence, the Town is collecting the delinquent taxes due on real property from other persons. In return, those persons receive a claim or a lien on the debtor's property equal to the payment of taxes, interest, and fees associated with the tax sale process.

If the delinquent taxpayer has not paid their taxes according to the terms of the Town's delinquent tax collection policy, the property will be sold at a municipal tax

sale. Property owners and all mortgage holders or lien holders shall be notified by certified mail, informing them of the time and place of the scheduled tax sale. In addition, notice of the tax sale will be advertised in the newspaper, and at least one public location prior to the date of the sale.

Tax Sale Process

The tax sale is conducted in a manner similar to an auction. The delinquent tax collector identifies the property and specifies the minimum amount that must be paid to satisfy the delinquent taxes, penalties, and fees outstanding. The property is sold to the highest bidder, so long as the highest bid equals or exceeds the minimum amount specified. In cases where there are no other bids, the Town may acquire the liens and shall thus be entitled to tax deeds for these properties as allowed by statute.

After the property has been sold at tax sale, the owner has up to one year from the date of sale to redeem or repay the taxes, penalties, and fees, along with interest at the rate of 1% per month. At the end of the year, if the property has not been redeemed, the Town will issue to the person purchasing the tax lien a Tax Deed, which is the equivalent of a Quit Claim Deed. Persons receiving such a Tax Deed are responsible for the payment of the balance of any taxes that may be unpaid on the property at that time, as well as the payment of any applicable Vermont Property Transfer Taxes.

Any questions to the above can be sent to:

Jason Bachus, Collector of Delinquent Taxes (Appointed) via

Delinquenttax@fairleevt.gov

Or

802-333-4363, ext. 7