

Policy for Collection of Delinquent Taxes
Town of Groton, Vermont
Adopted January 2020

Summary

To be fair to all town taxpayers, this collection policy recognizes that individuals may go through periods of financial difficulty. At the same time, the policy asserts that, in general, shifting the burden of one property owner's debt onto other property owners in the town is not appropriate.

It is the responsibility of the taxpayer to contact the Collector of Delinquent Taxes to set up an arrangement to make payments, if needed. A time frame for payment will depend on circumstances and may stretch at most to August 1st of the following year that taxes were due. Scheduled payments must be regularly made and the property cannot go further delinquent. Properties that have been delinquent without receipt of full payment by the Collector and a written agreement specifying regular payments sufficient to clear the back taxes by the August 1st deadline will be processed for tax sale or for other methods of collection. Properties on which a payment schedule is not faithfully fulfilled or that fall further delinquent may be processed for tax sale or other methods of collection. All costs of any method of collection will accrue against the taxpayer and may become a lien on the property.

Overview and Philosophy

It is in the best interest of the Town of Groton and of its residents that property taxes be paid when they are due. Town and school budgets are set in anticipation of the collection of taxes, and taxes not paid by some property owners shift the cost burden onto others. As Collector of Delinquent Taxes, I will work with people in a diplomatic and professional manner to help them become current in their obligation to the town. However, if a taxpayer fails to contact me, or if a taxpayer does not become current within what I as Collector believe to be a reasonable length of time, or if a taxpayer does not deal in good faith, it is my duty to proceed with any and all appropriate collection methods to recover the debt in a timely manner, and I shall do so. The purpose of this policy is to establish clear guidelines so that all delinquent taxpayers will be treated fairly and both the Town and the taxpayer know what to expect. Delinquent taxes represent a lien on the property and remain in effect until the delinquent tax, penalty, and interest have been paid in full.

Notices

Within 20 days after receiving the warrant and list of delinquent property tax owners from the Town Treasurer, the Collector of Delinquent Taxes will mail the initial notice. This initial notice will indicate the amount of delinquent tax, assessed penalty, and accrued interest. The Collector will include with the initial delinquency notice a statement explaining the possibility of tax abatement. Follow-up delinquency notices will be sent monthly until taxes, penalty, and interest have been paid in full. It is the responsibility of the property owner or taxpayer to notify the town in writing of any change of mailing address or contact information.

Penalty

A onetime penalty in an amount set by the voters, (8%), is assessed on the original amount of the tax delinquency.

Interest

On the date that the warrant is issued to the Collector of Delinquent Taxes by the Treasurer and again on the first day of each month after, interest on the delinquent tax balance is assessed at the monthly rate determined by the voters. Voters set the amount of interest at one percent (1.0%) per month or any part of a month for the first 3 months and one and one half percent (1.5%) thereafter.

Payments and Receipts

Full payment of a delinquent account in a lump sum is preferred. Payment may be mailed or hand delivered to the Town Office at 1476 Scott Highway, Groton, Vermont 05046. The Collector will retain a copy of each receipt issued. A payment will be credited as having been received per the legible date stamped or written on the envelope or check by the Town official receiving the payment. Postdated checks will not be accepted. Requests to hold checks for later deposit will not be honored. Cash payments will be accepted. You may also make payment online at www.Officialpayments.com, or by visiting our Town website at www.grotonvt.com and following the link to Official Payments on the right side of the page. Online payments will be credited by the time stamp of the transaction.

Acceptance of Partial Payments

Acceptance of partial payments in no way excuses the taxpayer from liability for the entire balance due, including all interest and penalty and any costs.

Allocation of Partial Payments

Each partial payment will be applied first to the outstanding accrued interest and penalty. Any remainder will be proportionately applied to tax.

Bad Payments

If a payment is returned or refused due to insufficient funds or for any other reason not the fault of the Town or of the Collector, the taxpayer will be charged all associated costs and will lose the privilege of submitting payment by any device except pre-paid cashier's check.

Collection after Extended Delinquency

If delinquent tax bills have not been paid in full on or before August 1st of the following year that the taxes were originally due, the Collector of Delinquent Taxes may begin the following actions to collect the taxes, penalty, interest, costs, and fees:

Tax Sale: The Collector will engage an attorney to conduct a tax sale of the property or of as much of the property as is necessary to pay the tax, interest, penalty, costs, and fees. The taxpayer and mortgage and lien holders will be notified of the tax sale decision, the deadline date by which full payment must be received to avert sale, and the costs to expect once the sale process begins. Absolutely no partial payments will be accepted after issuance of the notice of tax sale. If the deadline for full payment passes and full payment has not been received, a tax sale will be conducted according to procedures specified in 32 VSA § 5252. Costs of preparing and conducting the sale, including legal fees up to a maximum of 15% of the amount of delinquent tax, will be charged to the delinquent taxpayer. In the event that no one purchases the property at tax sale or if in the judgment of the Collector proceeding

with the tax sale is unadvisable, the Collector shall collect the delinquent taxes using any and all means permitted by law, or may place the property on the following year's tax sale list.

Court Action: The Collector may file a complaint with the Caledonia County Small Claims Court or Caledonia Superior Court.

Abatement of Taxes

Each taxpayer has a right to apply for abatement of property taxes based on any of the grounds listed in 24 VSA § 1535. See the attached Notice of Abatement of Taxes. To request a meeting with the Board of Abatement, please contact the town clerk at 584-3276.

Notice of Possibility of Abatement of Taxes

The Board of Abatement of the Town of Groton is authorized under law, 24 V.S.A. sections 1533-1537, to conduct hearings on requests for abatement of real and personal property taxes. Not every taxpayer is eligible for abatement of taxes, but if you believe you meet the criteria listed below, you may want to consider requesting a hearing. The appropriate paperwork is available at the Groton Town Office.

The criteria include:

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 collection fees.

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

Taxes upon real or personal property lost or destroyed during the tax year.

If you believe you qualify for abatement, you should take immediate action to request a hearing, as filing the application does not stay the collection of your property tax. If you file the paperwork to request a hearing, the Board of Abatement will notify you of the date, time, and place of your hearing and you will be responsible for supplying evidence to support your request. The board is under no obligation to grant any abatement request and may choose to abate all, part, or none of the taxes, interest, and penalties due.

Respectfully,
Carrie Peters
Collector of Delinquent Taxes
Town of Groton
1476 Scott Highway
Groton, Vermont 05046

802-584-3004
Cdt@grotonvt.com