

# TOWN OF POMFRET

## Administrative Policy on Delinquent Tax Collection

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.

### 1. Correspondence

All correspondence will be mailed to the last known address of the owner of record. It is the responsibility of the owner of record to provide the Town of Pomfret with the correct mailing address.

### 2. Tax Due Dates

The Town's tax year runs from July 1 to June 30. Taxes are due in two equal installments, typically on the third Friday in August and the first Friday in February, but the actual due dates will be shown on the tax bill mailed to you each year. For each tax year, any taxes not paid by the last installment date shall be considered delinquent. Tax payments must be received by the Town Tax Collector or sent to the Tax Collector at the Town of Pomfret, 5218 Pomfret Road, North Pomfret, Vermont 05053; on or before the dates they are due in order to avoid interest and penalty.

### 3. Interest Charges and Delinquent Tax Penalty Charge

(a) *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 on or after the first day of each month at a rate of 1.0% per month for any fraction thereof.

(b) *Delinquent Tax Penalty Charge:* On the day immediately following the last installment due date, an 8.0% penalty will be added to the principal amount of any taxes not paid by the last installment due date.

Interest and penalties on delinquent taxes are approved by the voters each year and cannot be waived or adjusted by the Town Tax Collector or any other official.

### 4. Tax Abatement

Pursuant to the provisions of statute 24 V.S.A § 1535, the delinquent tax payer may request abatement from the Town of Pomfret Board of Civil Authority in whole or part of taxes, interest and penalties accruing to the Town in the following cases:

(a) Taxes of persons who have died insolvent;

- (b) Taxes of persons who have removed from the State;
- (c) Taxes of persons who are unable to pay their taxes, interest, and collection fees;
- (d) Taxes in which there is manifest error or a mistake of the Listers;
- (e) Taxes upon real or personal property lost or destroyed during the tax year; and
- (f) Any other basis for abatement as authorized by law.

Requests for abatement should be made with the Town Clerk at (802) 457-3861 or addressed to the Board of Abatement, in care of the Town Clerk, 5218 Pomfret Road, North Pomfret, Vermont 05053.

## **5. Notification of Delinquent Taxes**

After the last installment due date, the Town Treasurer will send a warrant to the Delinquent Tax Collector. As soon as the warrant has been received by the Delinquent Tax Collector, the Delinquent Tax Collector will send a notice to each delinquent taxpayer indicating the amount of taxes, penalty and interest owed. The amount must be paid in full within thirty (30) days or tax sale proceedings can be initiated.

## **6. Payment Agreements**

Payment agreements may be made with the Delinquent Tax Collector which shall pay the delinquency in full before the final due date of the next year's bill. Special circumstances will be considered.

Payment agreements shall be in writing and the Delinquent Tax Collector must approve the agreement in writing. Failure to make a payment as scheduled would constitute default and the property could be subject for tax sale proceedings.

## **7. Partial Payments**

Allocation of partial payments will be applied proportionately between the outstanding tax, interest and penalty payments due.

## **8. Delinquent Tax Collection Procedures**

(a) *If the amount due is less than \$1,000* and no satisfactory payment arrangements have been made, or if the prior payment agreement has not been met, the Delinquent Tax Collector can file a complaint with small claims court.

(b) *If the amount due is \$1,000 or more* and no satisfactory payment arrangements have been made, or if the prior arrangement has not been met, the Delinquent Tax Collector can file a complaint with small claims court or initiate procedures for tax sale pursuant to 32

V.S.A. § 5252 *et seq.* to sell the entire property, or if requested by the tax payer pursuant to 32 V.S.A. § 5254(b) as much of the property as is necessary to pay the tax, plus costs and fees. These proceedings shall include:

- The Delinquent Tax Collector will notify the taxpayer by first class mail of the date by which full payment must be received, and that a tax sale proceeding is possible if full payment is not received by the deadline date.
- If the deadline date has passed and full payment has not been received, the Delinquent Tax Collector will proceed with a tax sale according to the procedures specified in 32 V.S.A. § 5252.
- The Delinquent Tax Collector will arrange for advertising of the Notice of Tax Sale in the local paper(s) for three consecutive weeks, with the last publication at least ten days prior to the tax sale date.
- The Delinquent Tax Collector shall also post a tax sale notice in public places in Town detailing when and where the sale will be conducted.
- 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.

#### **9. Excess Amount**

If the purchase price at the tax sale exceeds the taxes, interest, penalty and tax sale charges and costs due, the excess amount can be placed in an escrow account for the benefit of the current owner of record and made payable after the redemption period has passed.

#### **10. Redemption Period**

The current owner of record or lien holders of property sold at tax sale have one year from the date of tax sale in which to redeem the property pursuant to 32 V.S.A. § 5260. The redeeming party must pay the sum for which the property was sold together with 1.0% interest per month on that amount, to the Town of Pomfret in order to redeem the property. The redemption amount should immediately be forwarded to the purchaser at tax sale. Also at that time, the Delinquent Tax Collector will arrange for the execution of a Notice of Redemption and record the Notice of Redemption in the Pomfret Land Records.

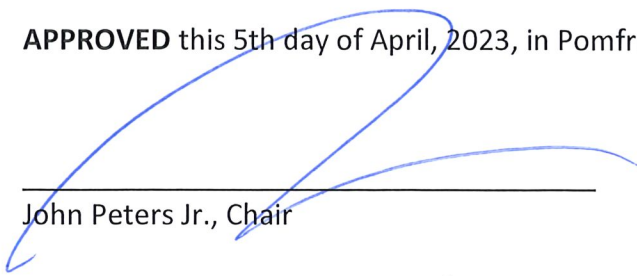
#### **11. Collector's Deed**

If the property is not redeemed, the Delinquent Tax Collector will execute a Tax Collector's Deed to pass title from the delinquent taxpayer to the purchaser pursuant to 32 V.S.A. § 5261. When the property is transferred to the purchaser by Tax Collector's deed after the redemption period has expired, it is the responsibility of the purchaser to pay the transfer tax and to file a

property transfer return when the deed is filed for recording with the Town Clerk pursuant 32 V.S.A §§ 9604-6.

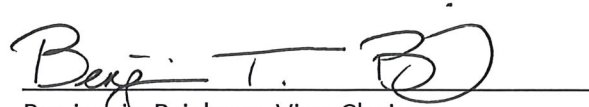
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**APPROVED** this 5th day of April, 2023, in Pomfret, Windsor County, State of Vermont.



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John Peters Jr., Chair




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Benjamin Brickner, Vice-Chair




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Steve Chamberlin



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Meg Emmons



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Emily Grube