

Delinquent Tax Collection Manual



Introduction

The Vermont League of Cities and Towns Municipal Assistance Center has prepared this *Delinquent Tax Collection Manual* to assist municipal officials statutorily responsible for this function. **It is not intended to be a substitute for legal advice**, but it should prove to be a valuable starting point in understanding the legal responsibilities of the collector of delinquent taxes.

The collector of delinquent taxes plays a vital role in ensuring that town property taxes are paid by all of the taxpayers of the town. It is the job of the collector of delinquent taxes to notify taxpayers when their taxes are overdue, to make arrangements for late payments, and to take formal collection actions, including conducting tax sales of the property, when necessary. Finally, it is the obligation of the collector of delinquent taxes to keep records of all delinquent accounts and to provide an accounting of these records to the locally elected auditors for inclusion in the annual report of the town.

This manual explains the statutory requirements of the position of collector of delinquent taxes and seeks to provide a realistic guide to some of the practical obligations of the office to help collectors of delinquent taxes perform their duties in a complete and effective manner. The appendices to this manual include sample letters and forms for your use.

The authorities vested in the collector of delinquent taxes are among the most powerful in all of local government. Improper exercise of these authorities can result in significant legal liability for your town. Reasonable efforts have been made to ensure that the information provided in this publication is accurate; however, the Vermont League of Cities and Towns makes no warranty, express or implied, or representation that such information is suitable for any particular purpose or may be relied upon for any specific



act, undertaking, or course of conduct. Considering the ever-changing status of both statutory and case law, the Vermont League of Cities and Towns recommends that its members consult with an attorney before undertaking a specific course of action based on the material contained herein.

Conclusion

The responsibility of collecting the town's delinquent taxes is not easy, and each collector has their own style. Some pride themselves on their firmness, others on their willingness to accommodate the taxpayer. However, no matter what personal style the collector has or what type of collection policy the collector adopts, collectors of delinquent taxes have had the most success when they abide by the following basic principles:

- Remember that the collector of delinquent taxes is a public official and, as such, has a duty to serve the people. This means that the collector should make sure that each delinquent taxpayer understands what the collector of delinquent taxes will do to collect the tax, and what options are available to them.
- The collector of delinquent taxes should adopt a uniform policy to ensure that all taxpayers are treated fairly. A copy of this policy should be given to each delinquent taxpayer.
- Collectors of delinquent taxes have the most success when they approach each delinquent taxpayer with respect and attempt to find a mutually satisfactory settlement of the delinquency before using more formal collection methods.
- The initial notice of delinquency and any subsequent notices should emphasize the conciliatory nature of the process and their right to enter a written, reasonable



repayment plan pursuant to 32 V.S.A. § 5252(c).

- Note, however, that the collector of delinquent taxes holds the ultimate authority to determine whether and how to accommodate a taxpayer. Therefore, when more congenial methods of collection fail, the collector of delinquent taxes should not feel timid about using the statutory collection methods, including selling the property at tax sale or bringing an action at law.
- Finally, the collector of delinquent taxes should become familiar with the various programs designed to benefit taxpayers who are having difficulty paying their property taxes. In addition, the collector must remember to inform delinquent taxpayers of their ability to request abatement of taxes, water and sewer charges, interest, collection fees, any other municipal charges or fees for utilities or services, or any combination of those (24 V.S.A. § 1535) and of the exceptions for people on active military duty regarding tax sales and redemption (50 U.S.C. 3991).

Disclaimer: This resource is only intended to provide information and it does **NOT** constitute legal advice. Readers with specific legal questions are encouraged to contact an attorney. The use or downloading of this resource does **NOT** create an attorney-client relationship and will not be treated in a confidential manner.

If you have additional questions please use the ask a question button to submit them.

Ask a Question

