

Town of Highgate

Policy for the Collection of Taxes and Delinquent Taxes

Adopted by the Town Treasurer, Delinquent Tax Collector, and
Selectboard

This policy summarizes the process by which property taxes and delinquent property taxes, late penalties and interest are billed and collected by the Town of Highgate. The Treasurer of the Town of Highgate is the Collector of Taxes for the Town of Highgate. The Treasurer is the Collector of Delinquent Taxes for the Town of Highgate. The policy has been established and adopted by the Town Treasurer, the Delinquent Tax Collector, and the Selectboard.

Tax Due Dates: The voters of the Town of Highgate establish the due date for property taxes and payments by vote at the Annual Town Meeting each year.

Application of Penalty and Interest for late payments: The voters of the Town of Highgate determine by vote at the Annual Town Meeting whether a late penalty and interest shall be charged on property tax payments that are not made by the specified due date or dates. The voters may vote to impose a penalty up to 8% on the amount of the tax due if not paid on time, as allowed by state law. In addition, voters may vote to charge an interest rate up to 1.5% per month on outstanding tax balances, as allowed by state law.

On time payments: The Highgate residents voted in 2016 to define an "on-time" tax payment as a payment that has been received at the municipal office at or before the close of business on the tax due date as established by the voters. Specifically, taxes delivered to the municipal office after the close of business on the tax due date will be considered late and will be subject to penalty and interest charges regardless of post mark or the initiation of an ACH by the taxpayer.

Notice Interest and Penalty Charges: Interest, at the rate as set by the voters, on tax amounts not paid when due, shall accrue each month or portion thereof and will be posted after close of business on the final tax payment due date and then on the first of each subsequent month thereafter. A onetime penalty, at the rate as set by the voters, on tax amounts not paid when due, shall be applied and posted after the close of business on the final tax payment due date in any year. The current interest rate is 1% per month and the current penalty rate is 8% of the delinquent amount.

Application of Partial Payments: When a delinquent taxpayer makes payment on a delinquent property tax account and the payment is not sufficient to clear all the taxes, penalty, and interest charges that have been posted to the account, the partial payment shall be applied against the delinquent account as follows: payments are prorated to pay a portion of the miscellaneous fees (tax sale, NSF fees etc.), penalty, interest, and principal in that order. If the delinquent tax account contains taxes due for more than one year, the same formula will be applied first to the oldest tax bill outstanding until all delinquencies are paid in full.

Payment Agreements: The delinquent tax collector at their sole discretion may agree to enter into payment agreements to allow installment payments to clear delinquent property tax accounts. The general policy for payment agreements is to allow delinquent taxes due for the most recent year to be paid in installments. The intent of these plans is to collect delinquent taxes in full by the end of the fiscal year of the tax due date (June 30 following the tax due date).

Failure to Keep Agreements: Failure of a taxpayer to keep a payment agreement shall result in immediate termination of the agreement, unless otherwise agreed by the delinquent tax collector. Upon termination of a payment agreement, the delinquent tax collector may initiate any collection method allowed by law, including but not limited to tax sale, legal action to recover the debt, distraint of personal property, and/or foreclosure.

Tax Sales: The delinquent tax collector may initiate collection of delinquent tax accounts by tax sale, as established by state law, at any time. In general, collection proceedings by tax sale shall be initiated for any delinquent tax account where multiple-year delinquencies exist or when a taxpayer fails to make a payment agreement or keep a payment agreement set up for the collection of a delinquent property tax account.

When the delinquent tax collector initiates collection by tax sale, they shall hire an attorney to conduct the sale in accordance with the state law. Once an account that will be subject to tax sale is turned over to the attorney and becomes subject to the tax sale process, the legal fees associated with the sale shall be added to the account of the delinquent taxpayer. Such fees shall not be subject to interest or penalty charges but will become an obligation of the taxpayer and may be collected through the sale of the property at the tax sale.

Tax Payment Options: The Town of Highgate accepts cash, personal check, bank check, cashiers check, travelers check, money order, online bill payment check, and Canadian check in US FUNDS. Postdated checks are not accepted. Credit card and debit card payments from Visa, MasterCard, Discover, and American Express with an additional 2.65% processing fee from Muncipay. Taxpayers can hand deliver payments to the municipal office located at 2996 VT Route 78 Highgate VT 05459, place payments in the dropbox located at the rear entrance of the municipal office, mail payments to Town of Highgate PO BOX 189 Highgate, VT 05459, or pay electronically online at www.highgatevt.org. Caution: When using a bill payment service through your financial institution be sure to initiate payment on a timely basis, it can take longer than expected and many times mailed from out of state. ALL payments, regardless of type, received after the close of business of the due date are considered late.

Fees: All bank fees charged to the Town of Highgate for a returned payment for any reason (I.E., postdated checks, non-sufficient funds) will be added to the account of the liable taxpayer. Such fees shall not be subject to interest and penalty charges but will become an obligation of the taxpayer and may be collected through the sale of the property at tax sale.

Notice: You may be entitled to an abatement of your delinquent property taxes under 24 V.S.A. §1535. If you would like to schedule a meeting with the board of abatement, please contact the Town Clerk at (802) 868-4697 x 201.

This policy is adopted to help insure that all taxpayers are treated fairly and consistently when and if they are late in making a property tax payment or their property tax accounts become delinquent. While the delinquent tax collector has the authority to administer the collection of delinquent taxes on a case-by-case basis, this policy shall be applied generally whenever possible to insure consistency of the administration of delinquent tax accounts and the collection of delinquent taxes.

Signed and dated by the Town Treasurer,
Delinquent Tax Collector, and Highgate
Selectboard on September 2, 2021










