

Town of Waterbury  
Policy for the Collection of Taxes and Delinquent Taxes  
Adopted by the Town Treasurer and the Delinquent Tax Collector

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 Waterbury. The Treasurer of the Town of Waterbury is the Collector of Taxes for the Town of Waterbury. The Town Manager is the Collector of Delinquent Taxes for the Town of Waterbury. The policy has been established and adopted by the Town Treasurer and the Delinquent tax Collector.

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

**Application of Penalty and Interest for late payments:** The voters of the Town of Waterbury determine by vote at the Annual Town Meeting whether a late penalty and interest shall be charged on property taxes 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 Waterbury Select Board voted in 2014 to define an “on-time” tax payment as a payment that has been received at the municipal offices at or before the close of business on the tax due date as established by the voters. Specifically, taxes delivered to the municipal offices 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 posted on the day after each installment payment due date and then on the first of each subsequent month thereafter. A one-time penalty, at the rate as set by the voters, on tax amounts not paid when due, shall be applied and posted on the day after the final tax payment due date in any year.

**Application of Partial Payments:** When a delinquent tax payer 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: Interest shall be paid first; any balance of the partial payment remaining after the payment of interest shall be apportioned between the principal amount of the taxes due and the penalty as follows: dividing the remaining balance by 1.08 and applying the quotient to the outstanding tax amount due, and applying the balance to the penalty amount due. I.E. Tax due \$1,000, Interest due \$40, Penalty Due \$80. Partial payment of \$200 is applied as follows: \$40 interest paid. Remainder of  $\$160/1.08 = \$148.15$  applied to taxes due and the balance of \$11.85 to the penalty.

If the delinquent tax account contains tax due for more than one year, the formula shown above will be applied first to the oldest tax bill outstanding until all delinquencies are paid in full.

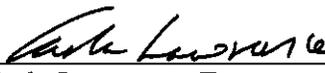
**Payment Agreements:** The Delinquent Tax Collector at his sole discretion may agree to enter into payment agreements to allow installment payments to clear delinquent property tax accounts. The general policy for payment agreements is to allow delinquent taxes due for the most recent year to be paid in installments. The intent of these plans is to collect delinquent taxes in full by the end of December in the year following the tax due date. In other words, agreements will contain a schedule of payments to collect all taxes due in one particular year by December of the next year. I.E. Taxes due in November of 2013 may be paid by installment provided the schedule allows collection of all taxes, penalty and accrued interest by December of 2014. **Payment agreements will not be offered to a taxpayer if their delinquent tax account contains tax amounts due that are one-year old or more.** For example, taxpayers still owing taxes for years 2012 or prior will not be allowed to enter into a payment agreement for taxes that were due and payable in November of 2013.

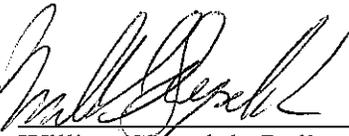
**Failure to Keep Agreements:** Failure of a taxpayer to keep a payment agreement shall result in immediate termination of the agreement, unless otherwise agreed by the delinquent tax collector. Upon termination of a payment agreement, the delinquent tax collector may the initiate any collection method allowed by law, including but not limited to tax sale.

**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, he 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 tax payer. 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.

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.

  
Carla Lawrence, Treasurer  
Date: 02.05.2014

  
William Shepeluk, Delinquent Tax Collector  
Date: 2/5/14