

## Property Taxes – An Overview

### The Steps Involved (and who is responsible to carry them out):

1. Establish a value for all properties (Grand List) – Board of Listers
2. Create a budget for all town related expenditures – Selectboard (SB)
3. Determine how much non-tax income is estimated for the coming fiscal year – SB
4. Calculate the town tax rate - SB
5. Establish school tax rate – State of Vermont
6. Print and mail tax bills – SB
7. Collect taxes quarterly – Treasurer
8. Pass delinquent taxes to the Delinquent Tax Collector (DTC) – Treasurer
9. Collect delinquent taxes and tax sales - DTC

- 1.) Creating the Grand List. The Board of Listers is charged with the job of establishing values for all properties in Huntington and compiling them into the Grand List. To assist the Listers with this process, the Town has contracted with the Vermont Appraisal Company to provide professional property assessment services. Huntington is on a five year reappraisal cycle. One fifth of the properties in town are visited each year until, after five years, all properties have been seen. At that time, all properties are “reappraised” to bring them up (or down) to actual Fair Market Value. All new construction that requires a building permit is visited when the construction occurs.
- 2.) Establishing a General Fund Budget. In the fall of each year the SB creates a budget. Budget requests are solicited from all the Department Heads and then the SB goes through each request until a total anticipated cost of running the town is determined. The resulting budget is published in the annual Town Report and presented to the taxpayers at Town Meeting.
- 3.) Non-Tax Income Estimate. With input from the Treasurer and others, the SB estimates how much money the town will take in from sources other than property taxes. Sources include state aid to highways, state payments in lieu of taxes for state owned land, state current use payments, Town Clerk receipts for recordings etc. and miscellaneous other smaller items. The estimated non-tax income is presented in the Town Report under the heading “Budget & Estimated Income Summary”.
- 4.) Determine the Town Portion of the Tax Rate. The town tax rate is calculated using a simple formula. The rate for fiscal year 2010-2011 was determined as follows:

	\$1,330,431	FY 10-11 budget as voted at Town Meeting
Less:	232,450	Estimated non-tax income
Equals:	1,097,981	Total required from property taxes
Divided By:	2,134,303	Lodged Grand List / 100 (Total GL = \$213,430,250)
Results In:	<b>0.5144</b>	FY 10-11 Town Tax Rate per \$100

- 5.) School Tax Rates Received From The Department of Taxes. The residential and non-residential school rates are determined by the state and passed down to the town in the first week of July. A detailed explanation of how these rates are calculated is beyond the scope of this overview but factors involved include: Our lodged Grand List amount, our common level of appraisal (CLA), spending per pupil compared to the statewide average and the base school tax rate established by the Vermont Legislature.

- 6.) Printing and Mailing Tax Bills. By state statute, the printing of tax bills is the responsibility of the Board of Listers, while mailing them falls on the SB. In reality, the job is a team effort headed up by the Town Clerk with help from the Town Treasurer, most all of the town personnel working at the town office, and other volunteers. Provided the tax rates have been set, the bills are mailed prior to July 15 to meet the deadline of tax bills being mailed at least 30 days before the first quarterly due date, normally August 15<sup>th</sup>.

Note: Tax bills are sent to the party that owned the property as of April 1<sup>st</sup> (owner of record). When property sales occur after this date, it is up to the parties involved to determine how the taxes will be split up and paid. If the taxes are delinquent after the May 15th deadline, by state statute, the original owner of record will receive the delinquency notice and will potentially be published in the Town Report as delinquent.

- 7.) Collection of Current Taxes. Each year, the SB appoints a Tax Collector who is in charge of collecting the taxes due in the current year. The Town Treasurer is normally appointed to this position. Specific rules are established around due dates, when a payment is considered late and interest charges. These rules are strictly enforced to ensure that all taxpayers are treated equally. Taxes are due on the 15<sup>th</sup> of August, November, February and May or the first business day after if the 15<sup>th</sup> falls on a weekend or holiday.

Taxes are considered on time if they are placed in the Town Office drop box before midnight of the due date. Mailed payments must have a clear USPO date on or before the due date. Note: Most electronically generated payments that are delivered through the mail do not have postmarks. If they are delivered after the due date and do not have a USPO postmark, they will be considered late regardless of when the request for payment was placed or the date on the check. Unpaid balances are assessed a 1% interest charge each month they remain unpaid.

- 8.) Pass Delinquent Taxes to the Delinquent Tax Collector. Unpaid balances after the May due date become delinquent and are charged an additional 8% penalty. All penalty money is used to pay for the services of the Delinquent Tax Collector (DTC) and is not income to the town.

Following the final due date, a list of delinquent taxes is compiled by the Tax Collector and formally passed to the DTC. Delinquent tax payments should not be sent to the town office but instead should be sent directly to the DTC.

- 9.) Delinquent Tax Collection/Tax Sales. Delinquent taxes paid before July 1<sup>st</sup> do not appear in the Town Report while taxes unpaid on this date are compiled and published even if they are paid before the Town Report is actually created. If taxes remain unpaid in January of the following year, the property involved is subject to being placed up for tax sale.