Policy TM410.081

Collection of Tax and Utility Payments

Collection of both Current and Delinquent Tax and Utility Bills

Department: Town Manager

Title of Approving Official: Town Manager

Date Effective: 04/20/2026

Date of Next Review: 04/20/2029

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Purpose of this Policy

The purpose of this policy is to combine in one place the process, procedures and expectations regarding collection of Tax and Utility payments, both current and delinquent, owed to the Town of Milton.

This policy combines previous policies on the collection of delinquent utility bills and delinquent tax payments and information in both State Statute and Town Charter. The following policies are rescinded upon adoption of this policy:

- Policy #FI413.028: Collection of Delinquent Utility Bills (formerly Policy 01-01)
- Policy #TM410.029: Delinquent Tax Collection (formerly Policy 01-02)

This policy is broken down in four sections: Taxes, Utilities (Water and Sewer), and subjects that apply to both Agreements, & Abatements.

Payments

24 V.S.A. Chapter 129 § 5142 "Payment of a bill" means the receipt at the municipal office of cash, check or money order which is subsequently honored. Payment can be made using any of the following options. For a full and up-to-date list of payment options, visit miltonvt.gov/Payment-Options.

- Cash, checks, and credit/debit cards are accepted in-person at the Town Clerk's Office, Monday through Friday, 8:00 a.m. to 5:00 p.m.

- Checks can be mailed to PO Box 18 Milton, VT 05468.

- Checks can be delivered to the 24-hour drop box located outside the main entrance of the Milton Municipal Building to the left of the front door. **Do not put cash in the Drop-box.**

- Direct Debit/ACH payment option for Utility Bills. More information at miltonvt.gov/346/Water-Wastewater-Bills

- Property owners can now use Direct Debit/ACH payment option for the three (3) property tax installments. More information at miltonvt.gov/344/Property-Taxes

- Payments can be made online at miltonvt.gov using credit cards, debit cards, and eChecks. Select "Online Payments" icon on the homepage.

All checks and money orders are made out to the **Town of Milton,** and the memo line should include the parcel number (taxes) or account number (water/sewer) or other identifying information to ensure it gets deposited appropriately.

Credit cards have a 3% user fee; electronic checks have a $1.50 user fee. The user fee is NOT collected by the town but is collected by the credit card/electronic check processor for the convenience payer.

Tax Collection

Authority and Information Sources

Tax Collection: The State Statutes regarding property taxes and for the collection of delinquent taxes are outlined in Title 32 V.S.A & The Town of Milton Town Charter: Town and School Collection.

Collector: There is a distinction between current and delinquent taxes. The Town Treasurer collects current payments. The Delinquent Collector (Town Manager) or their agent(s) the "Delinquent Tax Collector" (DTC) collects delinquent taxes.

The Town Manager has designated the Town Treasurer as their agent "The Delinquent Tax Collector".

Taxes Billing Schedule

Tax bills are produced and mailed on or before August 15th. The annual tax bill is for the period July 1st of the current year to June 30th of the following year. So, the 25-26 tax bill is mailed on or before August 15, 2025 for the period July 1, 2025, to June 30, 2026.

The bill has three installment due dates listed on the bill for the taxpayer: September 15th, February 15th, and May 15th. The September 15th and February 15th payments are considered "Suggested Payments".

The taxpayer may pay according to the installation schedule or choose to pay at any point until the final due date of May 15th. This means that the "Total Net Tax Due" is due on or before May 15th.

In the case that May 15th occurs on a weekend, Federal, or State Holiday or for any reason that the Town Clerk/Treasurer's office is closed, the Due Date will be the next business day.

The actual Due Date is clearly shown on the tax bill, so there is no confusion about the final Due Date.

A penalty of eight percent (8%) shall be assessed on all newly delinquent taxes on the day following the Due Date. Interest of one percent (1%) per month shall be assessed on all outstanding tax balances beginning 30 days from the due date and on the 16th of each month following until paid. Interest is "Simple Interest" meaning it applies to taxes owed only and not interest and/or penalties.

Payments are applied in the following order: to Other Fees, Interest and Penalties and finally the principal taxes owed.

Delinquent Taxes

Outstanding taxes become delinquent at the close of business on the Due Date. Postmarks are NOT honored for payments received after the close of business on the Due Date.

The Town Treasurer issues a warrant for the collection of delinquent taxes. They deliver this document to the Delinquent Tax Collector (DTC), and since the DTC is designated by the Town Manager, the Town Manager also gets a copy. The DTC's copy is in the Town Clerk's vault.

Once the delinquent tax warrant is received, the DTC or their agent will mail a notice to the owner of each parcel where taxes are delinquent. This document will indicate the current amount of taxes, penalty and interest due for each tax year.

The Town Clerk/Treasurer's Office will accept, and record payments received on accounts, maintain the financial accounting of delinquent taxes, track account history and maintain program updates. This office will also research questions concerning account balances, print detailed reports upon request, as well as provide proof of payment upon request.

Tax Sales

Board Resolution

The Board approves a tax sale by resolution each year in April or May, with the tax sales typically held in November or December.

The resolution includes the following:

1. Authorization for the Town Manager and/or their agent, the Delinquent Tax Collector, to engage the Town Attorney to conduct a tax sale in accordance with state statutes.

2. Authorization for the Town Manager and/or their agent, the Delinquent Tax Collector, to conduct the actual sale.

3. Describes the criteria for a parcel's inclusion in the tax sale.

4. Authorizes the Town Manager and/or their agent, the Delinquent Tax Collector, to sign and record, in the town land records, all necessary documents related to the tax sale and the disposition of such properties

5. Instructs the Town Manager and/or their agent, the Delinquent Tax Collector, to cause the names and amounts of delinquent tax accounts due on December 31 of each year into the annual report being published for the upcoming Annual Report. This list includes parcels owing over $50.00 with no active agreement in good standing.

6. In the rare occasion that the Selectboard determines that it is the town's best intertest to purchase a property in the Tax Sale, the Town Manager or their agent, (not the DTC) will act as a bidder at the Tax Sale and if they are the successful complete any following responsibilities of the successful bidder.

Criteria for Tax Sale

The Tax Amount must be a minimum of $1,500.00 delinquent for at least one year. Once a property reaches this criterion, the minimum bid in the tax sale will include all delinquent taxes.

This means that for the 2025 tax sale, the 2023-2024 and any earlier years Delinquent Taxes that total $1,500.00 qualify that parcel for the sale, and the minimum bid will include any delinquent taxes for the 2024-2025 year, as well as any older delinquent taxes.

Regarding Tax Sales and laws within, including redemption timelines, refer to The Vermont Statutes Online: Title 32: Subchapter 9: Delinquent Taxes

Tax Sale Steps

1. In July-August the list of properties identified as tax sale eligible are sent to the Attorney.
2. The attorney will complete a title search, and the DTC will view tax payment history.
3. A First Phase letter is sent to participants notifying them of inclusion in the tax sale. This often generates tax payments or suitable agreements. At that time the mortgage holder and/or other lien holders are notified of the delinquent tax status and encourage payment. On a couple of occasions, the bank paid the delinquent taxes and added that amount to the mortgage.
4. If no action is taken by the delinquent property owner, the property is listed in the newspaper three times, three weeks in a row just before the sale. These are published in both the Milton Independent and the Islander newspapers.
5. The Attorney ensures property owner receipt of notice of tax sale by using Certified Return, Receipt mailing service. If there is no response to that, the sheriff goes to the house with the notification.
6. At the tax sale:
    a. The attorney conducts the sale as an auction.
    b. There is a minimum bid to cover the entire cost of the tax sale, publishing, and sheriff services plus the taxes, penalties and interest.
    c. Bidders can bid any amount over the minimum bid. The attorney declares the winning bidder.
    d. The bidder pays the minimum bid amount to the town in a non-voidable form, (personal checks or credit cards are not acceptable).
    e. Monies are applied to the expenses, and any excess funds go to the attorney IOLTA account

7. Following the tax sale the taxpayer has one year to redeem their property for the minimum bid plus interest paid to the investor.

8. Title 32 V.S.A. § 5260 explains the options and requirements for redemption. In summary.

    a. Paragraph (a) of this subsection explains who can redeem. Basically, the owner, lienholder, or mortgagee's representative. It cannot be an unrelated party.

    b. Paragraph (b) explains that the delinquent taxpayer must be notified between 90 and 120 days before the end of the redemption period. This notice must be posted in a public place.

    c. Additionally, § 5260 explains the content requirements for his notification and what happens if the property is not redeemed.

9. If the property is not redeemed, in accordance with 32 V.S.A. § 5261, the DTC will execute a Tax Collector's Deed to the successful bidder at the Tax Sale. This deed will extinguish all mortgages and interest in the property held by people who claim under the delinquent taxpayer.

Utility (Water and Sewer) Collection

Authority and Information Sources

Utility Billing: The procedure, to effectively collect delinquent utility bills, and/or disconnect service is found in 24 V.S.A., Chapter 129 of the Vermont State Statutes.

Collector: The Town Treasurer's Office will mail bills, receive payments, and maintain the history on various accounts. The Treasurer's Office is the point of contact to answer questions concerning billing. State Statutes refer the delinquent utility collector as "Credit Supervisor". The Town Manager has designated the Delinquent Tax Collector as the Credit Supervisor.

Property Owner: The water/sewer bill is a lien (liability) against the property, therefore all communication about the property, the bill, the courtesy letter, the shut off and any potential payment agreement must be made with and to the property owner NOT any potential tenant.

Utility (Water and Sewer) Billing Schedule

Utility bills are mailed during the first week of January, April, July and October. The bill is for usage during the three months prior to the date of the bill. The due date is approximately 30 days after the date of the bill. The Due Date will be established when bills are created to be on a business day when the Town Clerk/Treasurer's office is open. Bills are due at the close of business on the due date.

Water and Sewer bills are calculated based on a Base Rate, that is the cost to be connected to the systems, and usage charged based on the number of thousand gallons that pass through the water meter during the three months of the bill. The sewer usage is calculated with the assumption that all the water that passed through the water meter went into the sewer system, there are no separate sewer meters.

The utility account is a rolling account meaning any excess payment or small delinquent amount is rolled over to the next billing cycle.

Delinquent Utility Bills

Utility bills become delinquent at the close of business on the Due Date.

Once delinquent, a late penalty is applied to each account of 10% for the water portion of the amount due and 8% for the sewer portion.

For each delinquent account, a courtesy letter is sent to the rate payer with the amount of the penalty and the potential for an agreement (Payment Plan).

The courtesy letter does not schedule a shut-off but the beginning of the shut-off process.

Water Shut Offs

If payment is not received a shut-off notice is created and an additional Collection Fee of $25 is applied to the account and the actual shut-off date is announced. In addition, a hang tag is created to be placed on the door of the property where the water will be shut off. The hang tag provides notice to the occupant as required by 24 V.S.A. §5143 (a).

The SHUT OFF NOTICE is a standardized form dictated by 24 V.S.A. §5144. It informs the property owner of the date of the potential shut-off and the potential that the shut-off may occur on any one of the four following business days, excluding Fridays and Holidays. It explains some special charges, who the Delinquent Collector is and how to contact that person and finally who to appeal to if the property owner and the Delinquent Collector cannot reach an agreement (payment plan).

Disconnection and appeal guidelines are set forth in 24 V.S.A. Chapter 129 of the Vermont State Statutes Annotated, as amended from time to time.

Once service is terminated it will remain disconnected until the account(s) is paid in full, including connection fee(s).

Restoration of service will be made by Town staff within twenty four (24) hours of the customer's request once the reason for disconnection has been resolved, in accordance with 24 V.S.A. § 5146. If such request is made when the appropriate Town staff is not available with the tool to restore service, such as a weekend and/or legal holiday, or after hours, restoration will be made the next working day. This does not prohibit the appropriate Town Staff from restoring service during the time mentioned herein, if they are available, once the owner is made aware of the additional connection charge. If service was terminated by the Town due to health and/or safety issues of the customer and/or general public, fees for disconnection and restoration shall not be charged.

If the shut-off "would represent an immediate and serious hazard to the health" of an occupant of the residence 24 V.S.A. §5142 (6) defines the Physician's Certificate that will delay the shut-off for a 30 day, or length of illness, period of time. The Physician's Certificate does NOT remove the delinquent utility bill or the late penalties or collection fees.

Agreements (Payment Plans)

Agreements are available for both Taxes and Utility payments.

An agreement doesn't alter the penalty or interest amounts or accrual. If the tax or rate payer abides by the terms, their property is removed from the tax sale and shut-off procedure.

Summary of the Agreement Process

The Delinquent Collector (Collector) has the authority to enter Agreements (Payment Plans) on behalf of the Town of Milton. Plans may apply to taxes or utilities. These plans do not diminish any liability of the taxpayer or utility user. They shield the property from inclusion in a potential Tax Sale or termination of utility service (shut-off).as long as the payer complies with the schedule of payments included in the plan.

When establishing a plan under this subsection, DTC may request related information and shall consider the following:

(A) the income and income schedule of the taxpayer, if offered by the taxpayer.
(B) the taxpayer's tax payment history with the municipality.
(C) the amount of tax debt owed to the municipality.
(D) the amount of time tax has been delinquent; and
(E) the taxpayer's reason for the delinquency, if offered by the taxpayer.

A collector is only required to offer one payment plan per delinquency, without regard for whether it is agreed to by the delinquent taxpayer.

A collector may void a payment plan and proceed to tax sale or water shut off if a delinquent taxpayer agrees to a payment plan under this subsection and fails to make a timely payment.

The Town will provide the form, **Appendix A**, which **must be signed** by representatives of both the owner/agent and the Collector or his/her agent, with the deadline to pay the account(s) in full.

In no instance will an arrangement for an agreement/amendment be made without the signature of the taxpayer or their legal guardian and the DTC.

The completed form must be filed with the Office of the Delinquent Collector.

The Delinquent Collector may authorize amendments in the same manner, on a case-by-case basis.

Failure to abide by the terms of the agreement/amendment will remove any protection from Tax Sale or termination of utility service (shut-off) by the Town.

Abatements

Abatements are available for both Taxes and Utility payments.

Definitions

Abatement is a statutory process for relieving taxpayers from the burden of property taxes, water & sewer charges, penalty (collection fees) and interest when the law authorizes abatement and when the board, in its discretion, agrees that the request is reasonable and proper.

The Town Board of Abatement (BOA) is a board comprised of Justices of the Peace, the Selectboard, the Listers, the Town Treasurer and the Town Clerk. This board hears all abatement requests throughout the year as needed. In order for a property owner to request an abatement before the board, one must complete the abatement request form and submit it to the Clerk's Office. The filing of this form does not suspend the collection of any property tax, water and sewer charges, penalties, interest, or delinquency. Taxes and/or penalties will continue to accrue interest if left unpaid.

The board is never required to grant a particular abatement. However, the board **may not** grant abatement in all cases. The board only has the power to grant abatement if it finds that the payee falls within the statutory criteria of (Cite as: 24 V.S.A. § 1535)

Following receipt of the abatement request, **Appendix B**, the Clerk's Office will notify submitters of the date, time and place where the BOA will review requests. Submitters may offer testimony at the meeting, but testimony and attendance is not required. However, testimony may help the BOA make a more informed decision.

Following this meeting, the board will make a final decision. The BCA may choose to abate all, part, or none of the utility/taxes, charges, penalties and interest due; it is under no obligation to grant any abatement request. If the BOA denies a request, the property owner will be liable for all additional interest and/or penalties.

The property owner will be notified in writing of the board's decision. The property owner may appeal the board's decision to The Vermont Superior Court in accordance with Vermont Rules of Civil Procedure rule 75.

Dated at Milton, Vermont this 20th day of April, 2026.

_________________ Darren Adams, Chair

_________________ Michael Morgan, Vice Chair

Diane Barrows Diane Barrows, Clerk

_________________ Leland Morgan, Member

_________________ Betsy Paret, Member

Filed with the Milton Town Clerk's Office on 4/21/26. Attest: [illegible] Asst

Appendix A: Agreement Form

TOWN OF MILTON – DELINQUENT TAX/UTILITY AGREEMENT

Please note: **DEL TAX ONLY:** INTEREST is accrued the 16th of each month beggining in June at 1% of the principal balance. Pay solely to the Town treasurer - Address: POB 18, 43 Bombardier Rd., Milton, Vt. 05468 or there is a drop box for before and after hour payments. Agreements and Tax Sales are handled by the Town Manager's Office 893-6655. WATER: Bills must be payed no later than the next billing cycle.

THIS AGREEMENT IS NOT VALID UNTIL IT IS COMPLETELY AND PROPERLY FILLED OUT, SIGNED AND FILED WITH THE MANAGER'S OFFICE

TAXPAYER:____

Name/Address correction:________________________________

If there is a name and address correction, this form will be forwarded to the Listers Office for record correction

Acc't#____________________________ Tel.________________

Monthly payment:________________ **TO BE PAID IN FULL BY**________________

Bill divided into 3-4 consecutive payments

I also understand it is my responsibility to inform the Town of Milton of my change of address

I have read this agreement and understand its terms:

The property owner must sign this document. Failure to pay in accordance with agreement will result in tax sale proceedings or water service disconnection.

PROPERTY OWNER:____

Date:________________________

DEL.COLLECTOR/AGENT:____________________________________

Date:________________________

TAXES ONLY - Amendment Request (1 additional month, case by case by Del. Collector only)

New Due Date:____________ **Signature**____________________________ **Date**__________

****

Action by Delinquent Collector:____________________________________

Date:____________ **(If Collector amends request, taxpayer to resign, Failure-submission to tax sale)**

Signatures (taxpayer)________________________________ **Date:**________________

This agreement does not include additional interest charges, you must contact the Treasurer's Office to obtain the balance.

Any questions, please call 802-893-6655 between the hours of 8 a.m. and 4 p.m.

PLEASE TAKE NOTICE

Insufficient fund check will result in termination of agreement. Once an account is submitted to tax sale, unless there has been an error by the Town, all correspondence will be with the Attorney. All payments will be made to the Town Treasurer's Office. A drop box is located near the entrance to the building for your convenience - for payments All receipts and requests for paperwork for income tax/property tax purposes will be provided solely by the Town Treasurer's Office. Questions concerning payments, summary of account(s) and etc. should be made to the Treasurer, (if not available, the Manager's Office will assist).

Appendix B: Abatement Request Form

ABATEMENT REQUEST FORM
MILTON, VERMONT

Please submit one form per property abatement request

Submit to: Town Clerk's Office 43 Bombardier Rd, PO Box 18, Milton, VT 05468

Name, Property Owner on Grand List: ____________________

Name, Applicant: ____________________

Mailing Address: ____________________

City: ____________ State: ________ Zip Code: ____________

Applicant's Email: ____________________ Applicant's Phone #: ____________

Location of Property: ____________________

Parcel ID Number/Account Number: ____________________

Requested Abatement Amount: ____________________

Select Abatement Type: Taxes Penalties Interest Prior Year Delinquency Utility Other

I am requesting abatement under the following statutory criteria: (Cite as: 24 V.S.A. § 1535)

- ☐ taxes or charges of persons who have died insolvent; (1)
- ☐ taxes or charges of persons who have moved from the State; (2)
- ☐ taxes or charges of persons who are unable to pay their taxes or charges, interest, and collection fees; (3)
- ☐ taxes in which there is a clear or obvious error or a mistake of the listers; (4)
- ☐ taxes or charges upon real or personal property lost or destroyed during the tax year; (5)
- ☐ the exemption amount available under 32 V.S.A. § 3802(11) to persons otherwise eligible for exemption who file a claim on or after May 1 but before October 1 due to the claimant's sickness or disability or other good cause as determined by the board of abatement; but that exemption amount shall be reduced by 20 percent of the total exemption for each month or portion of a month the claim is late filed; (6)
- ☐ taxes or charges upon a mobile home moved from the town during the tax year as a result of a change in use of the mobile home park land or parts thereof or closure of the mobile home park in which the mobile home was sited, pursuant to 10 V.S.A. § 6237; or (9)
- ☐ sewer, water, utility, or service charges caused by circumstances that were difficult to foresee or outside of the person's control. (10)

Briefly describe your abatement request. You may submit a letter with more details of your request:

Please include:

1. Copy of Current Bill 2.Copy of Payment History 3.Property Record Card 4.Other Applicable Documents

Signature: ____________________ Date: ____________

Received by: ____________________ Date Received: ____________

Revised 07.24.2025