 <b>Town of Allenstown</b> <b>New Hampshire</b>	<b>FINANCIAL POLICIES &amp; PROCEDURES</b> <b>Town of Allenstown, NH</b>			
	<i>Title</i> <b>DELINQUENT TAX PAYMENT POLICY</b>			
	<i>Policy No</i> <b>#2013-008</b>	<i>Original Adoption Date</i> <b>07/01/2013</b>	<i>Revision – No. &amp; Date</i>	<i>Page No</i> <b>Page 1 of 7</b>

## Section 1.0: Purpose

The focus of the Delinquent Tax Payment Policy is to establish proper management practices to collect delinquent tax payments. The collection of delinquent tax payments insures that the town meets its fiduciary responsibilities to its residents.

## Section 2.0: Organization Affected

Tax Collector and Town Administrator

## Section 3.0: Definitions


**Tax Lien-(RSA 80:86)** Real estate of every kind levied upon under RSA 85 shall be subject to the real estate tax lien procedure, and the owner of such real estate shall have the right to redeem the real estate.

**Collector's Tax Deed- (RSA80:76)** 2 years and 1 day after execution of the tax lien, if taxes and interest are not paid in full, municipality receives tax deed to entire property.

**Bankruptcy-** If a tax payer files bankruptcy the "automatic stay" means NO enforcement activity may be taken (execute deed) until bankruptcy action is completed, or court orders otherwise.

**Mortgagee-** Bank or Financial Institution that may have a financial interest in the property.


**Application-** Form completed by resident, including all requested documentation, IRS tax return, current mortgage statement, bank statements, check stubs and 401(k) statement.

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## Section 4.0: Policy

### 4.1 Delinquent Tax Payment Policy

This policy is to determine procedures and guidelines for the collection of all delinquent taxes and liens owed to the Town of Allenstown.

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## Section 5.0: Procedures

### 5.1 Collection of Delinquent Taxes

5.1.1 If the tax payer is unable to make full payment prior to the due date, they are encouraged to make partial payments until the tax bill is paid including 12% interest.

5.2.2 If the tax payer is unable to pay their tax bill in full, the tax collector may start the tax lien procedure.

### 5.2 Execution of Tax Lien

5.2.1 The tax collector shall provide to the owner as of April 1 or current owner, if known, a summary of all uncollected and unredeemed taxes on the property. This summary may be included on or with the tax bill, or may be sent by separate mailing within 90 days of the due date of the final tax bill.(RSA 76:11-b)

5.2.2 The collector shall give notice of the impending lien at least 30 days prior to the execution of said lien. Notice shall be sent by certified or registered mail return receipt requested, to the last known post office address of the current owner, if known, or of the person against whom the tax was assessed. The notice shall state the name of the current owner, if known, or the person against whom the tax was assessed, the description of the property as committed to the tax collector, the date and time on which the last payment shall be accepted, and the amount of the tax, interest, and costs to the date of executing the tax lien. The returned receipt or the returned unclaimed notice shall be prima facie evidence that the collector has complied with the notice requirements of this section. (RSA 80:60)

5.2.3 An affidavit of the execution of the tax lien to the municipality, county or state shall be delivered to the municipality by the tax collector on the day following the last date for payment of taxes as stated in the notice given in RSA 80:60. The collector shall execute to the municipality, county or state only a 100 percent common and undivided interest in the property and no portion thereof shall be executed in severalty by metes and bounds; provided, however, that where distinct interests in the property have been separately assessed pursuant to RSA 75:2, the tax lien executed to the municipality, county, or state shall be for 100 percent of the separate distinct interest upon which the taxes have not been fully paid. (RSA 80:61)

5.2.4 Each tax collector, within 30 days after executing the tax lien to the municipality, county, or state, shall deliver or forward to the register of deeds for the county in which the real estate is situated a statement of the following facts relating to each parcel of real estate subject to lien, certified by the tax collector under oath to be true;



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the name of the current owner, if known, or the person against whom the tax was assessed and a description of the property as it appeared on the tax list committed to the tax collector; the total amount of each tax lien, including taxes, interest, fees and costs incident to the tax lien process and making reports thereof to the register of deeds; the date and place of the execution of the tax lien, all of which shall be recorded and indexed by the register of deeds in an acceptable recording method. (RSA 80:64)

- 5.2.5 The municipality, county or state as lienholder, within 45 days from the date of execution of the lien, shall identify and notify all persons holding mortgages upon such property as recorded in the office of the register of deeds. In the event that a person holds a mortgage on more than one piece of property, a listing of the property may be forwarded by the lienholder. If the selectmen determine that one or more outstanding mortgages exist, they may direct the collector of taxes to identify and to give such notice to any mortgagee, and the collector shall thereupon be entitled to receive the same fees as provided in RSA 80:67 for notifying any mortgagee of a payment after the execution of the tax lien. Such notice shall give the date of the execution of the lien, the name of the delinquent taxpayer, the total amount of the lien and the amount of costs for identifying and notifying mortgagees. As provided in RSA 80:75, the tax collector shall send a similar notice to any mortgagee within 30 days of the time of payment of any subsequent tax thereon by the purchaser. Any tax lien process of such encumbered real estate shall be void as against any mortgagee, and no tax collector's deed based on said lien shall be valid unless the mortgagees shall have been notified in the manner provided in RSA 80:66, but the tax and any subsequent tax payments made upon the property shall be collectible and payment may be enforced by suit under the provisions of RSA 80:50.(RSA 80:65)

### **5.3 Application Process**

- 5.3.1 A resident that is in danger of losing their property to the municipality may request a payment plan. The resident must complete the application as well as provide all requested documentation.
- 5.3.2 The Tax Collector will review the application with the resident; clarify that the municipality will contact the mortgagee for payment prior to accepting payment arrangement. Review all assets including 401(k) plans for possible payment.
- 5.3.3 Once all other options have been exhausted, the Tax Collector may make a tax payment schedule recommendation to the selectmen. The recommendation should take into consideration the delinquent deed year plus all interest and cost owed to the municipality. The payment schedule should be completed prior to the next deed date.



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5.3.4 The selectmen will approve or deny the payment schedule, the tax collector will oversee that the schedule is completed.


5.3.5 If the resident is unable to complete the payment schedule, the tax collector will start the proceeding again to complete the tax deeding process.

#### **5.4 Tax Deed**

5.4.1 At least 30 days prior to executing the deed under RSA 80:38, the tax collector shall notify the current owner of the property or his representative or executor, by certified mail, return receipt requested, of the impending deeding. The cost of this notice shall be added to the existing tax lien. (RSA 80:38-a)

5.4.2 At least 30 days prior to executing the deed under RSA 80:38, the tax collector shall notify each person holding a mortgage upon such property, by certified mail, return receipt requested, of the impending deeding. For purposes of this section, any mortgagee entitled to notice under RSA 80:28 and any mortgagee whose mortgage was recorded in the office of the register of deeds at least 30 days prior to the mailing of the notice shall be entitled to notice. The notice required by this section shall, at a minimum, contain the name of the delinquent taxpayer, a description of the property subject to the tax sale, the total amount for which the real estate was sold and the amount of costs for notifying mortgagees, the issue date of the tax lien deed, the expiration date of the right of redemption, and a warning that the legal interest of the taxpayer and each mortgagee will be extinguished by the tax lien deed if the legal interest in property is not redeemed. The municipality shall receive the reasonable costs of searching the title for recorded mortgages, and the tax collector shall receive \$10 for services plus mailing and reasonable expenses of providing the printed notice required in this section. All costs shall be paid at the time of redemption. (RSA 80:38-b)



5.4.3 The Tax Collector will execute a tax deed and present it to the board of selectmen if it is determined that the resident is unable to pay the taxes.


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## Section 6.0: Implementation

To facilitate conduct in accordance with this policy, a copy of this policy shall be made available to department heads, employees, volunteers, board and committee members, appointed or elected to office and at such other times as may be necessary.

## Section 7.0: Signature

	Position	Signature	Date
<u>Original Policy Prepared By:</u> Diane Demers	Office Manager		07/01/2013
<u>Original Policy Reviewed &amp; Approved By:</u>  Jason Tardiff	Board of Selectman Chairperson	 	07/01/2013
Jeff Gryval	Board of Selectman		07/01/2013
Sandra McKenney	Board of Selectman		07/01/2013

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## Section 8.0: Policy & Procedure Revision History

	Section	Changes Made	Approvals	
			By	Date
Original Adoption				
Amendment				
Amendment				
Amendment				

