



TOWN OF NORTH HAMPTON DELINQUENT TAX PAYMENT POLICY

Section 1.0: Purpose

The purpose of this 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: Organizations Affected

Tax Collector and Town Administration

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 – (RSA 80:76) Two years and one day after execution of the tax lien, if taxes and interest are not paid in full, the 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.

Section 4.0: The Tax Collection Process

This calendar reflects the process and dates for property tax levy for one tax year in chronological order. Due to the length of time for a complete process of one tax levy, dates of municipal tax years will overlap. The property tax process of assessment, collections, tax liens, deeding, interest rates and additional fees are controlled by New Hampshire State Statutes and references by RSA are annotated.

April 1 - Beginning of the tax year, although assessed values on which taxes are computed are finalized later in the year, all property values are assessed for the tax year as of this date. (RSA 76:2)

April 15 – All tax exemption and tax credit applications must be filed with the local assessing office for the tax year. Forms are available at the Town’s assessing office.

May through June 30 – Low and moderate income homeowners property tax relief filing period at the New Hampshire Department of Revenue Administration. Taxpayers can receive relief of a portion of the State Education Property Tax. Forms are available at the Town’s assessing office. (RSA 198:57)

July 1 – Approval or denial notice is given to taxpayers filing for tax exemption and/or tax credit. (RSA 72:34)

The estimated first half of the tax bill for the tax year is due. This bill reflects an estimate of the years’ total tax liability and is calculated based on the prior years’ tax rate. (RSA 76:15-a) The second half billing (see below) will be adjusted to reflect the new tax rate and assessed values. Interest accrues at the rate of 12% per annum after the due date. Chapter 28, 1982 Session Laws

During October - The tax rate per \$1,000 of assessed value is finalized with the New Department of Revenue Administration (RSA 21-J:3)

Taxes are assessed by the Tax Assessor for the most recent owner known for each taxable property for the assessed value as of April 1 and a property tax

warrant of the tax levy prepared and delivered to the Tax Collector. (RSA 76:10)

The property tax bills for the tax year are mailed reflecting the full taxable value, the tax rates, the full amount of taxes due, any exemptions or credit, and credit for payment made in July on the estimated first half billing.

December 1 – The second half of the tax bill for the year is due. This bill reflects the final adjusted total tax liability based on the rate set in October. Interest accrues at the rate of 12% per annum after the due date. Chapter 28, 1982 Session Laws

Beginning of February, No later than March 1 – Taxpayers with outstanding balances will receive notice of delinquency for all property taxes overdue on all property owned by them. (RSA 76:11-b) The notice includes information about the future tax lien process, interest rates and the potential of additional fees that will be assessed if not paid.

During March/March 1 - Deadline for taxpayers to file an abatement and/or deferral applications for the tax year. (RSA 76:16 and RSA 72:38-a) The abatement request must be based on the assessed value being incorrect due to a data error or substantially disproportionate assessment in comparison to other like properties. An opinion that the tax is “too high” is not grounds for abatement. Notices of impending tax liens are sent certified with return receipts, giving at least 30 days notice to all taxpayers with outstanding balances on their property for the tax year. An additional notice fee is added to the amount due. (RSA 80:60)

March 31 – End of tax year. (RSA 76:2) No further taxes can be levied for tax year. Although the end of the tax year, the collection process for this tax years’ levy continues.

During April - All properties that have outstanding balances on the lien date have a tax lien recorded at the Registry of Deeds. All interest due, notice costs and additional recording fees are added to the outstanding taxes to become the lien amount. The lien amount accrues interest at 18% per annum from the lien date. (RSA 80:81 and RSA 80:82)

July 1 - All abatement applications not acted on are considered denied by the local assessing office. (RSA 76:16) Timeline for appeals to either the

New Hampshire Board of Tax and Land Appeals or the New Hampshire Superior Court begins.

September 1 - Deadline for taxpayers to appeal any abatement application decision or denial of tax exemption and credit applications to either the New Hampshire Board of Tax and Land Appeals or New Hampshire Superior Court but not to both. (RSA 76:16-a and RSA 76:17)

Within Two Years from Lien Date - Tax liens may be redeemed by payment of all amounts due against a property including interest and redemption fees. (RSA 80:69)

30 Days Prior to the End of Two Year Period from Lien Date - Notices of impending tax deed are sent certified with return receipts, giving at least 30 days notice to all taxpayers with outstanding liens on their property for the tax. An additional notice fee is added to the amount due. (RSA 80:77)

At least 30 days prior to executing a tax deed the Tax Collector sends notices by certified return receipt mail to all mortgages of property to be deeded. (RSA 80:77-a)

At Least Two Years and One Day from Lien Date – Any property whose tax lien is not fully redeemed shall be deeded to the Town of North Hampton. The Town may refuse to deed property if it would subject the municipality to undesirable obligations or liability risks. (RSA 80:76)

Once deeded, the Town may retain the property for its own use or sell the property at auction. (RSA 80:91) Sale of tax deeded property within three years of deeding must first be offered to the previous owner prior to general public offering. (RSA 80:89)

[Note: The Town is not involved with the proration of property taxes between a buyer and seller of property. Questions regarding proration of taxes should be directed to the attorney or real estate agent.]

Section 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 North Hampton.

4.1.1 Delinquent tax payers will be offered the opportunity to make payments on an agreed payment plan. Such agreements must be made within ninety (90) days of receiving “Notice of Impending Tax Deed” from the Tax Collector. If there is an agreement and it is followed then the other following actions shall be held in abeyance.

4.1.2 Tax payers who are delinquent in excess of three (3) years from the lien date, or have exceeded ninety (90) days from the last timely payment on a payment plan, shall be subject to the following procedures:

4.1.2.1 For six (6) months the collection of taxes owed will be contracted out to a collection agency chosen by the Town. The costs of this collection shall be added to the total obligation of the delinquent tax payer. Any tax payment plan must be acceptable in writing by the Town.

4.1.2.2 The names and addresses and/or lot numbers with the amount due as of January 1 of the year in which an annual Town Report shall be made will have the delinquent tax payers named in such report.

4.1.2.3 Tax payers who have delinquent taxes, or any portion thereof, in excess of four (4) years from the lien date may be subject, at the discretion of the governing body, may be sued by the town. The tax payer will be notified in writing (certified mail with return receipt) of the process and the potential loss of freedom for failing to comply with court orders.

4.1.2.4 Alternatively to being sued by the Town, the governing body may decide to proceed with and execute the tax deed. The tax payer will be notified in writing (certified mail with return receipt) of the process and the taxpayer’s options for redeeming the property.

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 pursuant to **RSA 80:71** until the tax bill is paid, including 12% interest.

5.1.2 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 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 tax collector shall give notice of impending lien at least 30 days prior to the execution of said lien. Notice shall be sent by certified, return receipt mail, 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, interest and costs to 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 tax 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 municipality, county or state shall be for 100 percent of the separate distinct interest upon which the taxes have not 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; 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 lien holder, 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 lien holder. If the Select Board 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 indentifying 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 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 in danger of losing their property to the municipality may request a payment plan. The resident must complete the application as well as provide 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 or the collector's designee** may make a tax payment schedule recommendation to the Select Board. 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.

5.3.4 The Select Board 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 if the legal 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 Select Board if it is determined that the resident is unable to pay the taxes.


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 times as may be necessary.

Section 7.0

Signature

North Hampton Select Board


James Maggiore, Chair


Larry Miller, Vice Chair


Richard Stanton, Member

Dated: 25 August 2014