

## Agenda Summary

June 22, 2020

Agenda Item No. 3-C-5

### Tax Collection Policy – No Postmarks

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#### Summary:

The Town of Stowe and other communities have historically accepted postmarks as evidence of timely payment of municipal taxes. In other words, if the post office postmarked the envelope the date taxes were due they would be considered paid on time even though they may have been received at a later date. However, there are now other forms of postmarks and many municipalities have moved away from accepting postmarks as proof of timely payment. Instead, the Town Treasurer must have the money in hand.

Enclosed is an email from the Town Treasurer outlining the challenges with accepting post marks as proof of timely payment of property taxes. People can accept rules (taxes must be received by the Town Treasurer by a certain date and time), but not exceptions to rules (postmarks are acceptable in lieu of money in hand). When there is an exception staff hears a variety of reasons why we should consider their payment timely.

Staff intended to recommend to the Selectboard that the Town no longer accept postmarks prior to the start of the upcoming fiscal year, but it inadvertently got removed at a previous date when the Selectboard amended the policy to discontinue tax sales during a State of emergency. Unless the Selectboard votes otherwise, the Policy will remain as enclosed and staff will begin a public education campaign raising awareness that postmarks will no longer be accepted. This would mean that the Town Treasurer's Office will no longer accept postmarks as proof of timely payment and begin a public education campaign to inform the public of this.

Town Plan Impact: N/A

Fiscal Impact:

Recommendation: No action is necessary unless the Selectboard wants to go back to accepting postmarks.

## Charles Safford

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**From:** Lisa Walker  
**Sent:** Tuesday, June 16, 2020 12:30 PM  
**To:** Charles Safford  
**Subject:** Agenda Summary Tax Collection Policy - No Postmarks

Charles,

Below please find the written request and reasons for amending the current tax collection policy. I ask that these changes be approved by the Selectboard at the next meeting and the new Collection of Taxes and Delinquent Tax Policy go into effect on or by July 1, 2020.

For many years the town has accepted the United States Postal System postmark as proof of a timely tax payment, we are asking that this be removed from the policy for the following reasons. There are multiple ways to apply postage to a letter ~ stamps.com, usps.com, Pitney Bowes, etc. but the only one we currently accept is the hand cancelled postmark for the US Post Office. The staff in the Town Clerk's office field numerous phone calls explaining why one is accepted and one not. If the postmark (currently) is not legible, or available, 2% interest is added to the property tax account, which then creates a need for further explanation of the policy, the need for the town to be fair and impartial, and the fact that due to such policy we can not just remove the interest from their tax account. They are directed to the Town of Stowe website to view the full policy and offered the option to request an abatement.

This may seem like a small item, but each month, whether it is a tax due date installment or interest due notices, the amount of phone calls and the time expended on them is excessive. Many will speak with more than one of the staff in the office, trying to get an answer they want, some have spoken to all three of us in the office and to the Town Manager, with the same outcome ~ no postmark, no removal of interest and the option to request an abatement. To resolve this, I ask that we remove the postmark accepted option and have a very clear and concise policy. Specifically, the payment must be in the Town Clerk's Office by 4:30pm on the tax due date period! Credit card and/or electronic payments must be time-stamped to indicate that it was processed prior to 4:30pm on the tax due

date. The payment drop box on the front of the building is checked by a minimum of two staff members at the close of day, after that time, the payments are late and 2% interest will be added.

Another plus would be the ability to send out interest due notices the very next day after an installment was due, currently we are unable to process late payments until timely postmarked payments are entered, which could be anywhere from 4 to 7 days. Thank you in advance for your consideration of these changes.

Respectfully,



*Lisa A. Walker*

Stowe Town Clerk/Treasurer

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**TOWN OF STOWE, VERMONT**  
**Policy for the Collection of Current & Delinquent Taxes**

**Purpose:**

The purpose of this policy is to establish clear guidelines, so that all delinquent taxpayers will be treated equitably and will know the Town's process for the collection of current & delinquent taxes.

**Current Taxes:**

1. In accordance with Section 901 of the Stowe Town Charter, "Taxes on real property shall be due in four equal installments on dates established annually by the Selectboard, provided the first payment in each fiscal year is not earlier than 30 days after the date tax bills for the fiscal year are mailed to taxpayers." TAX due dates shall be August -15<sup>th</sup>, November -15<sup>th</sup>, February -15<sup>th</sup> and May -15<sup>th</sup>. If the -15<sup>th</sup> falls on a holiday or weekend, the tax due date will be the following business day.
2. Payment must be received in full in the Town Treasurer's Office by 4:30pm on the tax due date. Any credit card payment or other electronic transfer must be marked to indicate that it was sent before 4:30pm on the tax due date.

**Delinquent Taxes Prior to Tax Sale:**

1. Within 30 days of receiving the delinquent tax warrant, and each month afterwards, the Collector of Delinquent Taxes shall send a written notice to each delinquent taxpayer informing them of the amount due.
2. All delinquent taxes must be remitted to the Collector of Delinquent Taxes (Town Treasurer's Office). In accordance with Section 902 of the Stowe Town Charter, the Collector of Delinquent Taxes shall apply a two percent interest charge on the unpaid tax per month or fraction of the month on the 16<sup>th</sup> of each month.
3. Partial payments shall be applied first to the penalties and/or interest portion(s) of the amount due, and the remainder shall be applied to the principal amount of the tax.
4. If no satisfactory payment arrangements have been made within one (1) year of the oldest tax installment being due or one (1) full year of property taxes, whichever comes first, the Collector of Delinquent Taxes shall begin actions to conduct a tax sale of the property, or as much of the property as is necessary to pay the tax, plus costs and fees in accordance with the Vermont Statutes Annotated Title 32. No tax sales shall occur during a declared State or local emergency where the Akeley Building is closed to the public or otherwise may be determined by the Town Manager as being in the best interest of the municipality.
5. Each taxpayer has the right to apply for abatement of property taxes, based upon the provisions listed in Title 24, Section 1535 of the Vermont Statutes Annotated.

*Adopted by the Stowe Selectboard April 10, 2020*