

Hubbardston Tax Title Plan

Treasurer/Collector Sandy Nason
Fiscal Year 2019



Summary

- The purpose of this plan is to inform town officials and residents of the fair and comprehensive plan to ensure the proper collection of delinquent taxes
- While the vast majority (98.5%) of Hubbardston residents pay their taxes timely, there remains a small percentage of residents who owe taxes dating back more than a decade. The total amount owed totals \$402,350.86.
- The collection of back taxes requires a persistent effort from all town staff and aims to be a collaborative process between residents and the Town

Tax Collection Process

- Preliminary Real Estate tax bills are issued on July 1 for the new fiscal year. Each bill contains two coupons – one for the first quarter payment due August 1 and the other for the second quarter payment due November 1.
- Actual Real Estate tax bills are issued after a tax rate has been set and is the difference between the total of actual tax less the preliminary tax paid. These are issued the end of December and also contain two coupons – one for the third quarter payment due February 1 and the other for the fourth quarter payment due May 1.

Tax Payments

- Treasurer/Collector's office is open Monday – Thursday to accept payments by check, cash, or credit card.
- Payments can be mailed to our lockbox at PO Box 397, Fitchburg, MA 01420, or to the Tax Collector's office, 7 Main St., Suite 10, Hubbardston, MA 01452.
- Payments can also be made through the Town's website, using the Unipay system with checking account information for a fee of \$.25 per transaction or credit card (fee set by credit card companies).
- There is also a secure mailbox outside the Town Clerk's office where payments can be dropped off after hours.

Five Year Tax Collection

Fiscal Year	Amount Committed	Amount Collected	% Collected
2014	\$5,774,276.02	\$5,694,452.99	98.62
2015	\$5,971,545.84	\$5,893,825.83	98.70
2016	\$6,117,662.41	\$6,040,624.63	98.70
2017	\$6,639,096.08	\$6,530,742.99	98.37
2018	\$6,588,846.61	\$6,461,178.41	98.06

Tax Title Payments Received

- FY15 - \$14,691.34
- FY16 - \$15,893.76
- FY17 - \$1,100.00
- FY18 - \$29,664.33
- FY19* - \$34,781.17

* As of 10/1/18

What is Tax Title?

The Treasurer's office is responsible for the collection of all Tax Title Accounts. Pursuant to General Laws Chapter 60, Sections 53 & 54 when real estate taxes remain unpaid after a demand bill has become due, an Instrument of Taking is recorded or filed at the Registry of Deeds.

A perfected lien for the collection of the unpaid real estate taxes is thereby created. Taxpayers may pay these unpaid taxes, together with interest and charges, through an Installment Agreement approved by the Treasurer.

If the taxes remain unpaid, the town may institute foreclosure proceedings in the Land Court which could result in the taxpayer losing its ownership interest in the property or if applicable take foreclose through the state's Land of Low Value process.

Basic Tax Title Process

May 1 is the final due date for taxes in a fiscal year. Once a demand bill is issued, the taxpayer has 14 days to pay in full. If this deadline is not met, a past due bill is eligible for tax title. Interest accrues throughout this process for past due bills (14 %).

Advertise outstanding taxes

Set date of taking

Establish a municipal lien

Attempt collection

Start foreclosure processes

Town Wide Approach to Collection

It is the policy of the Town of Hubbardston to deny permits, licenses and other privileges to residents/applicants currently in tax title with the Treasurer/Collector. All staff members are required to send applications for permits and licenses to the Treasurer/Collector prior to issuance to ensure residents/applicants are clear of tax title.

Current Back-Tax Collection Efforts

- The Treasurer's Office is committed to the following efforts in order to become current with unpaid tax bills:
 - Advertised FY16 outstanding taxes on August 8, 2018, tax taking occurred on August 22, 2018.
 - Subsequent FY17 tax titles processed on September 25, 2018.
 - Researching remaining outstanding FY17 taxes, notifying owners that unless back taxes are paid, tax taking will occur end of November/December.
 - FY 2018 to follow the same process with a taking date of May 2019

FY19 Tax Title Plan

- Send demand letters to existing property owners in tax title advising them of the town's right to foreclose if not paid; encourage them to enter into a payment plan with the town
- Send informational letters to all delinquent tax payers from the Town's Executive Office
- Start foreclosure processes with tax title attorneys on no less than three properties by the end of FY19 (budget dependent)

FY19 Tax Title Plan

- File proper documents with the state to take ownership of properties valued under \$21,910 through the land of low value process
- Once the town has obtained ownership of several of these parcels, hold a public auction to sell these properties for at least the amount of taxes owed on them plus costs incurred by this process

Conclusions

- Town staff is aggressively addressing the neglected backlog of delinquent taxes, following necessary legal procedures to ensure accuracy
- The goal of this process is to make the tax title process current and focused on collection procedures
- Town staff will continually train on procedures that ensure a fair, but diligent approach to tax collection
- The Treasurer/Collector will execute the FY19 Tax Title Plan as outlined and provide the Select Board with an update on the plan's result NLT the end of Fiscal Year 2019