

# Hubbardston Tax Title Plan

Treasurer/Collector Sandy Nason  
Fiscal Year 2021



# *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 after the FY18 takings is \$423,324.49.
- 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

<b>Fiscal Year</b>	<b>Amount Committed</b>	<b>Amount Collected</b>	<b>% Collected</b>
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	\$6,518,559.50	99.02
2019	\$6,932,821.71	\$6,835,376.50	98.59

# Tax Title Payments Received

- FY15            \$14,691.34
- FY16            \$15,893.76
- FY17            \$1,100.00
- FY18            \$29,664.33
- FY19            \$79,278.67
- FY20\*           \$668.46

\* As of 10/31/2019

# 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:
  - FY17 unpaid taxes were placed in Tax Title on 3/25/19
  - Subsequent FY18 tax titles processed on 3/26/19.
  - FY18 unpaid taxes were placed in Tax Title on 11/13/19
  - Subsequent FY19 will be processed in January 2020
  - FY19 remaining unpaid taxes – first letters mailed to owners after subsequent tax titles have been processed. Tax title taking will occur in the Spring of 2020.

# FY20 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 Administrator's Office
- Started foreclosure on one property in FY19
- Start foreclosure process with tax title attorneys on at least 2 properties by the end of FY20

# FY20 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

# Previous Years Tax Title Amounts

- The amount of unpaid taxes placed into tax title (includes subsequent tax titles)
- FY2016                      \$54,927.08
- FY2017                      \$51,983.37
- FY2018                      \$45,345.73

# Conclusions

- Because of a more aggressive upfront collection effort, the amount of unpaid taxes being placed into tax title has been decreasing each year.
- 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 FY20 Tax Title Plan as outlined and provide the Board of Selectmen with an update on the plan's result at the end of FY2020