

**DELINQUENT TAX COLLECTION POLICY FOR THE TOWN OF MANCHESTER
EFFECTIVE JULY 01, 2013 - REVISED JANUARY 01, 2023**

Purpose

The purpose of this policy is to establish a uniform and fair process for the collection of delinquent taxes guided by Connecticut General State Statutes, to be utilized by the Collector of Revenue's Office.

Section I – Procedures for the Collection of Delinquent Taxes

Delinquent Notices and Liens

Any tax bill not paid in full in accordance with the due dates set by Connecticut General State Statutes shall accrue interest at the rate mandated – 18% per year or 1.5% per month (*CGS Section 12-145*). Delinquent notices are prepared and sent to the taxpayer advising of the outstanding balance due for taxes, accrued interest, lien fees and any other applicable fees.

The Demand notice shall be sent to the delinquent taxpayer by mail, postage prepaid (*CGS Section 12-155*). The Demand notice shall notify the taxpayer of the outstanding balance due for taxes, accrued interest, lien fees and any other applicable fees, along with the collection actions available to the Town by law and provides notice to the taxpayer that more formal collection action will commence. The Demand notice will set forth a date by which the taxpayer must respond, or the taxpayer will be subject to further collection activities.

Not less than annually, the Collector of Revenue prepares and records in the Manchester land records a lien against all delinquent real estate taxpayers.

Section II – Procedures for further enforcement for Collection of Delinquent Real Estate Taxes

Pre-Tax Sale Notice

Any delinquent taxpayer who fails to respond to previous tax bills and attempts to collect delinquent real estate taxes by the Town, with a tax delinquency of a minimum of two (2) full installments by October 1st shall be sent a Pre-Tax Sale notice by certified mail. The Pre-Tax Sale notice shall notify the taxpayer of the extent of their delinquency, specific actions the Town may take, and date by which the taxpayer must comply.

Final Tax Sale Notice

Any delinquent taxpayer who fails to respond to previous enforcement attempts to collect delinquent real estate taxes by the Town, with a tax delinquency of a minimum of three (3) full installments by February 1st shall be sent a Final Tax Sale notice by certified mail. The Final Tax Sale notice shall notify the taxpayer of the extent of their delinquency, and the account shall be referred to outside counsel for the purpose of a tax sale on the delinquent property.

The Collector of Revenue Office shall send the Town Manager and Director of Planning the list of properties prepared for final approval on the first business day of March and shall be reviewed and returned to the Collector of Revenue Office within three (3) business days, prior to releasing the list to outside counsel.

Referral to Outside Counsel

The outside counsel shall send a Demand letter by certified mail to the delinquent taxpayer indicating that the delinquent tax account has been referred to their office for tax sale proceedings. The letter shall indicate the legal options that are available to the Town to collect the delinquent taxes. A copy of the letter shall be sent to all mortgagees of record.

Section III – Procedures for Further Enforcement for Collection of Delinquent Motor Vehicle and Personal Property Taxes

Issuance of Alias Tax Warrant

Delinquent motor vehicle and personal property tax accounts which have not been brought current after ten (10) days have passed from the date of the Demand notice may be assigned to a Town of Manchester constable by virtue of Alias Tax Warrant. Once the constable has received and properly served the Alias Tax Warrant, they shall have the same power and authority as the municipal tax collector and the taxpayer is subject to the assignment of that power and authority. Any monies paid toward delinquent taxes pursuant to an Alias Tax Warrant shall be first apportioned to all statutory fees of the constable and then towards the delinquent fees, interest, and taxes. Any constable receiving an Alias Tax Warrant from the Town of Manchester for delinquent motor vehicle and personal property tax accounts shall abide by the policies and procedures set forth in this policy.

Issuance of Delinquent Accounts to Outside Collection Agency

Delinquent motor vehicle and personal property tax accounts which have met the following criteria may be assigned to an outside collection agency, contracted with the Town of Manchester. The collection agency shall have the full range of powers to collect the delinquent taxes as outlined in the Connecticut General Statutes as well as the statutory fees allowed by law. Once the collection agency has received delinquent accounts, they shall have the same power and authority as the municipal tax collector as outlined in the contract and the taxpayer is subject to the assignment of that power and authority. Any monies paid toward delinquent taxes shall be first apportioned to all statutory fees of the collection agency and then towards the delinquent fees, interest, and taxes. Any collection agency receiving accounts from the Town of Manchester for delinquent motor vehicle and personal property tax accounts shall abide by the policies and procedures set forth in this policy.

Criteria for accounts to be assigned to outside collection agency:

- Listed as 'Bad Address' **OR**
- In Suspense (Deemed uncollectible) **OR**
- Over twelve (12) months delinquent

Section IV – Delinquent Collection Calendar

Delinquent collection efforts will occur following the calendar below:

July

- Mail Original Bills by July 1st

August

- Mail Delinquent Notices by end of first week of August to all bill types (Real Estate, Personal Property & Motor Vehicle)

September

- Mail Delinquent Demands by end of first week of September to all bill types (Real Estate, Personal Property & Motor Vehicle) (*CGS Section 12-155*)

October

- Mail Delinquent Demand and Pre-Tax Sale Notice via certified mail by end of first week of October to any real estate accounts that meet Pre-Tax Sale criteria (two full delinquent installments)
- Issue Alias Tax Warrants (*CGS Section 12-162*) for delinquent motor vehicle & personal property taxes
- Tax sale occurs annually in October

January

- Mail original supplemental bills by January 1st

February

- Mail Delinquent Notices by end of first week of February to all bill types (Real Estate, Personal Property & Motor Vehicle)
- Mail Delinquent Demand and Final Tax Sale Notice via certified mail by end of first week of February to any real estate accounts that meet Final Tax Sale criteria (three full delinquent installments)

March

- Mail Delinquent Demands by end of first week of March to all bill types (Real Estate, Personal Property & Motor Vehicle) (*CGS Section 12-155*)
- Send real estate accounts that meet Final Tax Sale criteria (three full delinquent installments) to municipal counsel – Pullman & Comley for Tax Sale to take place in October (*CGS Section 12-157*)

April

- Issue Alias Tax Warrants (*CGS Section 12-162*) for delinquent motor vehicle & personal property taxes
- Generate Suspense List with taxes deemed uncollectible including motor vehicle and personal property accounts for the current Grand List with the following criteria: Flagged as Bad Address, Deceased and/or Bankrupt. All delinquent motor vehicle and personal property accounts for prior years will automatically become suspended. (*CGS Section 12-165*)

- Send all motor vehicle and personal property accounts that are not on Alias Tax Warrant, or Deceased/Bankrupt to outside collection agency for further collection efforts
- Mail Intent to Lien notices by end of first week of April to all real estate accounts with a balance on the current Grand List (*CGS Section 12-175*)

May

- File real estate lien on any real estate account on current Grand List with a balance as of May 1st (*CGS Section 12-171*)

Other Delinquent Collection Practices:

- Send accounts daily to CT DMV to prevent motor vehicle registrations for failure to pay motor vehicle taxes (*CGS Section 14-33*)
- File UCC-1 lien against business for delinquent personal property taxes (*CGS Section 12-195a-g*)
- Order revocation of Food Service License and Health Permit that is more than one year delinquent (*CGS Section 12-146a*)
- Initiate Collection by Suit for delinquent real estate taxes (*CGS Section 12-161*)
- Tax Lien Sale for delinquent real estate taxes (*CGS Section 12-195h*)
- Deny building permit for any delinquent tax or water/sewer account which exceeds \$100 (*CGS Section 7-148(c)(2)(B)*)



Town Manager, Steve Stephanou

2-7-23

Date Approved, BOD