



TOWN OF HANOVER
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Tax Title Policy & Procedure

Policy 15-05

Purpose

This policy and procedure will clearly define when and how the Town of Hanover will transition unpaid real estate taxes into the tax title status. The creation of a tax title has proven to be the most effective remedy for enforcement of the collection of taxes on real property. The foreclosure process constitutes a very effective payment enforcement tool available to the Town. Through utilizing this tool, a Treasurer/Collector can either induce a delinquent taxpayer to redeem a tax title by paying the necessary tax and charges or to forfeit title to the property by action of the Land Court.

Time of Taking

The Treasurer/Collector will process the initial tax taking for each levy year during April of the following year. The Town has the option of initiating the process as early as 14 days after the demand has been issued, but must complete the taking within 3½ years from the end of the fiscal year for which the taxes were assessed.

Collection Efforts Prior to Taking

The Town of Hanover issues a demand two weeks after the fourth quarter due date each fiscal year. The demand notice is sent out to property owners during the middle of May. The Town accepts payments for another two weeks through the Treasurer/Collector's office. After 30 days have passed, the listing of delinquent accounts is given to the Deputy Collector. The Deputy Collector, at that point, takes over the collection of funds on behalf of the Town. However, not all outstanding taxes are collected.

Procedure for Tax Taking

Courtesy letters will be sent out by the Treasurer/Collector to property owners in February reminding them of the previous year's unpaid taxes and informing them that if the taxes remain unpaid that the tax title process will take place in April.

Before moving forward with preparing for the tax taking, the Treasurer/Collector's office confirms that a demand notice has been issued to the property owner at least 14 days before preparing the Notice of Taking. The Town of Hanover does not begin the tax taking process until ten (10) months after the demand has been sent allowing taxpayers a greater amount of time to satisfy the tax obligation.

The Treasurer/Collector will prepare a Notice of Tax Advertising for each parcel. The Notice of Tax Advertising includes the names of all owners known, property location, bill number, parcel number and book/page. If the owner of the parcel as shown by the Assessor's records at the time of the taking is different from the owner who was assessed for the delinquent taxes, the name of that subsequent owner should be included in the notice of intent to take. This communication makes the property owner aware of when the legal notice of parcels with outstanding taxes for the levy year approaching tax title will be published in the Hanover Mariner. The letter also lists the total amount due and the acceptable forms of payment.

At least 14 days before the tax taking, the Notice of Tax Advertising will be published in a local newspaper and two or more convenient and public places. Hanover posts the notice on the Treasurer/Collector webpage, Town Hall bulletin board and at the John Curtis Free Library.

During the 14 day notice period, partial payments cannot be accepted. Any payments made in full must be made by either: cash, certified check or bank check during the notice period.

At the designated time and place, the Treasurer/Collector announces that he/she takes the property for the Town.

After the taking announcement, an Instrument of Taking is prepared for each parcel. The Instrument must be recorded at the Registry of Deeds within 60 days of the date of taking. The date of the Instrument of Taking should be the date of the actual taking, not the date in which the form is being prepared or recorded. Land identified with a certificate or document number, rather than a book and page, is registered land and must be recorded in the land court section of the Registry of Deeds.

The Treasurer/Collector will prepare a list of Recorded Takings. A copy is provided to the Town Accountant and a copy is filed in the office.

The Treasurer/Collector will work with the law offices of the Town's attorney to prepare the parcels that went into tax title status for foreclosure. A copy of each Instrument of Taking is provided to the attorney for review and research. The attorney's office sends out letters to the taxpayers as well for collection.

A listing of all individuals in tax title status will be provided to all Departments, Boards and Committees which issue licenses or permits pursuant to Massachusetts General Laws (hereinafter "MGL") Chapter 40, Section 57 and Hanover By-Laws 4-7 Section 5. The Departments, Boards and Committees shall review the list and to implement provisions of the above referenced statute and by-law against any delinquent taxpayers to whom they have issued or are in the process of issuing a license or permit.

Additional Fees and Interest on Tax Title Account

The tax title obligation will include the original tax, interest accrued to the date of taking, legal fees, advertising fees, certified mailing costs and the fee amount to record the Instrument of Taking.

Payment Plans

The Treasurer/Collector will consider payment plans only after a parcel has been placed into tax title. The lien that is recorded protects the Town's interest and allows the Town at some future time to collect the taxes owed or take ownership of the property. The Town's attorney assists in communicating with the taxpayer to arrange the details of the payment plan. All payment plans require a good faith payment of 25% of taxes owed as well as a commitment to keep the current year's taxes up to date. In collaboration with the taxpayer, a monthly payment amount will then be determined. The goal of payment plans is to assist the tax payer to become current on taxes owed. The monthly amount needs to be an amount that the taxpayer can afford. It should not be set at such a level where the payment plan is doomed to fail.

Certification of Subsequent Tax Takings

The Treasurer/Collector by September 1st will certify all unpaid taxes and assessments for parcels of real estate taken into tax title for nonpayment of taxes in prior year(s) and not yet redeemed.

The Treasurer/Collector prepares a list of Subsequent Tax Takings. A copy is provided to the Town Accountant and a copy is filed in the office.

Payment of Tax Title Obligation

Upon payment of the amount outstanding on a tax title property, the Treasurer/Collector will prepare a Certificate of Redemption. This will be filed with the Registry of Deeds and removes the lien that was originally placed on the property. Payment of the tax title obligation may only be made up until the point that a petition to foreclose has been filed in the Land Court.

Foreclosure Proceedings

The law offices of the Town's attorney will mail letters to all the delinquent taxpayers and present owners of properties that were placed in tax title informing them of the importance of redeeming the property and that the next step if the obligation remains unpaid is to begin foreclosure proceedings. The payment amount changes on a daily basis and an exact amount should be obtained before coming to Town Hall.

Effective Date: September 21, 2015

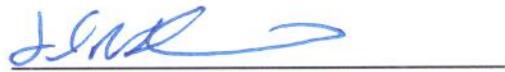
BOARD OF SELECTMEN



Brian E. Barthelmes, Chairman



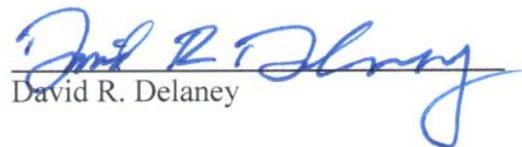
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