

Management of the tax collection process involves three Town offices. The first step involves the Town Assessors who are the Board of Selectmen. In late September or early October, they establish the mil-rate and commit the taxes to the Tax Collector. The Tax Collector then manages the accounts until the taxes are paid or a tax lien is placed on the property. Once a lien is in place, the Town Treasurer manages the accounts until the taxes are paid or the property is foreclosed. After foreclosure, management of the accounts, as tax acquired properties, becomes the responsibility of the Board of Selectmen. The following is a general discussion about taxes and tax collecting in Baldwin.

The Tax Collector recently mailed out the 2017 tax bills. This annual event is the culmination of considerable activity involving the Assessors (the Board of Selectmen) and the Assessor's Agent (O'Donnell Associates), the Town Administrative Assistant, and most importantly, the Treasure/Tax Collector. The activity includes updating the accounting system (TRIO) to correct property data, mailing addresses, and changes in property ownership. This year some of this was automated but a great deal was hand entered. There are approximately 1155 tax bills to be mailed annually. Since the mailing in early October, we've had a steady stream of property owners coming to the Town Office to pay their taxes. Many comment that they pay early because they don't want to have their names appear in the town report as not having paid their taxes. We would like to commend and thank everyone who pays their taxes promptly. The taxes being collected now pay for the operating budget of the Town that started ten months ago.

There are also a good number of property owners that haven't paid the previous year's taxes by the time the Town Report is printed in early March and so their name shows up in the first list of delinquent taxpayers. We traditionally have about 150-170 accounts that are unpaid by Town Meeting, many of the same names year after year, but that doesn't mean these folks are all tax avoiders. For many, it means they have their own schedule. We've heard a number of reasons why people delay paying; the most common being that they wait until they receive their federal income tax refund. There is no shame in that; these property owners have a plan that works for them. The Town starts charging 7% interest after November 30th so it does cost something to delay. There are also a number of property owners who don't pay by town meeting because they haven't received a tax bill from the town. We mail the bills out promptly but a large number come right back as undeliverable, address unknown, or not accepted by the addressee. This has been a significant problem in the past so this year we've made a concerted effort to find out why. If the bill gets returned we will try another way to get them in the hands of the property owner. We will see at Town Meeting next year if our efforts have diminished the list. If you're a property owner who hasn't received your 2017 tax bill when you read this, please call the town office. We can help you get united with your bill.

The next milestone in the property tax collection process is 8 months after tax commitment (about 1 June every year). That is when a 30 day notice of a pending tax lien is sent. The Town Treasurer sends out approximately 130 lien notices each year. By about 1 July, a tax lien is placed on the subject property if the taxes haven't been paid. This means that if you want to sell the property, the town gets first dibs on the proceeds. Interest also keeps accruing but other than that you can pay your taxes at any time without negative impact to you.

The second list in the town report contains those tax payers who haven't paid their taxes from two years past. It traditionally contains between 50 and 75 names. All these accounts have tax liens on them and the interest keeps accruing at 7% per annum. Again, nothing negative happens to the owner as the taxes, fees, and interest can be paid at your leisure. One shouldn't wait too long though because after about mid-to-end of December (27 months after commitment), these accounts become candidates for foreclosure and the 30 day foreclosure notices are mailed.

Surprisingly, 25 to 30 taxpayers on the second list wait until they receive the 30 day foreclosure notice to pay their taxes, the last opportunity to pay without being foreclosed. Again, if that is your plan and it meets your financial needs, who are we to judge? However it can be expensive to you because the town continues to charge 7% interest on the unpaid taxes and fees. In some cases the fees (for filing tax liens with the registry etc) can be greater than the interest charges. By the third March Town Meeting, if you haven't paid your taxes, you've already been foreclosed.

Unfortunately, that is not the end of the story. We also have a number of tax payers (about 12 this year) who wait until they receive the 30 day foreclosure notice to decide to pay their taxes but then miss the payment deadline. This causes a big headache for the property owner and the Board of Selectmen. As mentioned at the beginning of this article, when the property is foreclosed, the management of the account is transferred to the Board of Selectmen. Once the property is town owned, we don't give it back until **ALL** the taxes, interest, fees, are paid. Once the property becomes town owned, you can't sell it or get a home equity loan on it. If you have a mortgage, you may also be in trouble with the mortgage holder. If your account has gotten to this stage you usually owe three years of taxes and that can be a big bill to deal with. Finally, your continued use of the property and any buildings on it requires consent of the Board of Selectmen. But if you pay **before** foreclosure you only need to pay that one year's taxes to retain ownership and the Board of Selectmen doesn't get involved.

We've had taxpayers ask us to delay foreclosure for a few days or a few months. Neither the Treasurer nor the Board of Selectmen have the statutory authority to delay a foreclosure, it happens automatically in accordance with a timeline set by Maine law. There is provision in the law for the voters of the town to delay a foreclosure but it requires a town meeting vote on a warrant article that identifies the specific property. This procedure is usually reserved for when the town does not want to take ownership of a property because of problems such as environmental contamination. The vote needs to be before the foreclosure takes place so that means scheduling a public hearing and a special town meeting. It doesn't happen in 30 days.

Finally, the Board of Selectmen does not want the Town to own your property; we want you to own it. You have worked hard for it and it usually is the most significant investment that you own. We also want you to own it so you can pay the taxes. So we will work with you to return ownership to you, but you will need to meet with us so that you can tell us your plan to make that happen. If your plan sounds reasonable, and fair to the other taxpayers in town who are reliably paying their taxes and contributing to the public charge, we will concur. If not, we may ask for modifications.

In summary, please pay your taxes **before** foreclosure. You can pay them on whatever schedule that works for you but if you let the bill go to foreclosure, the Board of Selectmen get much more intimately involved with the process and the cost goes up.

Sincerely
Baldwin Board of Selectmen