

This is the second installment in a series of reports that discuss property taxes. If you haven't read the previous report, we recommend you do so because these reports are intended to build upon your understanding of Property Taxes based on the previous reports.

It's difficult to judge how well the general public understands property taxes, the timing of tax bills, and the information reflected on the bill you receive in October of each year with a due date of about 30 November. However, we've had a number of detailed discussions with taxpayers over the last two years as part of our effort to reduce the backlog of foreclosed accounts. To start at the beginning, taxes charged each year are for that calendar year, not the following year, so to a large degree you are being taxed retroactively. Also, the ownership for taxing purposes is the owner as of 1 April of the year being taxed. This information is contained in the information portion of your tax bill but is repeated here for the sake of completeness.

The second thing to understand is that each year stands alone and in succession to each prior year. This may seem basic but before you make payments on the current year, you need to completely pay the prior year and any associated interest and fees before you can make payment on the current year. Each tax year in your account has its own commitment, lien, and foreclosure date. However, when an account is foreclosed, it forecloses for all years.

The question we most often receive from someone with several years of back taxes due is "why did my last bill say I owed \$XXX.00 when you are telling me I actually owe three times as much?" The answer is that the bill you receive in October only represents the current year's taxes. Any back taxes owed are not reflected on the current year's tax bill. We see in a number of cases where taxpayers annually pay the amount of the current year's bill (the last one they received). As required by a warrant article passed each year at the Town Meeting, these payments are accredited by the tax collector to the oldest due taxes first. Even if your assessment remained the same every year, if you have two years of back taxes due and you pay only the current year's assessed amount, next year you will likely be a candidate for foreclosure because the old taxes are accruing interest and fees. There are no interest and fees on the current year taxes when the bill is mailed out so your payment won't be enough to clear the oldest year's bill. So when the taxpayer gets the 30 day notice of pending foreclosure, it gets tossed in the trash because they think it must be a mistake, they've already paid their taxes this year.

Please, if you get a 30 day foreclosure notice, do not ignore it; get down to the town office to determine your account balance. If you can't pay everything due for the tax year causing the foreclosure before the 30 days expires, contact the Town Administrative Assistant (207-625-1907) to schedule a meeting with the Board of Selectmen ASAP to see how to proceed.

Sincerely  
Baldwin Board of Selectmen