

**CITY OF ESSEX JUNCTION
CITY COUNCIL PENALTY AND INTEREST ON DELINQUENT TAX BILLS POLICY**

Purpose: To ensure that penalty and interest are assessed uniformly and to encourage the timely payment of bills.

Section 1. Definitions

"Received" shall mean delivered to the City Treasurer by 4:30 PM on the due date or in the drop box at the City office by midnight on the due date.

"Installment" shall mean amount due on a specific due date.

Section 2. Penalty

An 8% penalty shall be assessed on all tax installments not received on the due date. The penalty will be deposited into the General Fund.

Section 3. Due Dates

Property tax installments shall be due on September 15th and March 15th of each year, or as set by the City Council. If the due date falls on a weekend or holiday, the installment shall be due the following business day.

Section 4. Interest

1% interest shall be assessed monthly on all tax installments not received on the due date, beginning the month following the payment due date. All interest shall be deposited into the General Fund.

Section 5. Application of Payments of Delinquent Tax Installments

Payments (partial or full) made on delinquent tax installments will be applied to oldest balances first to principal, then interest and penalties. This is the only way payments will be applied to delinquent tax installments.

Section 6. Property Transfer

Property transfer means that a new owner of a property is responsible for all amounts owed by the previous owners.

Section 7. Abatement

Penalty and interest on taxes may only be abated by the Board of Abatement in accordance with 24 VSA '1533-1536.

Adopted by the City Council on 7/17/24.