

# **TOWN OF WINDHAM**

## **COLLECTION OF PERSONAL PROPERTY TAXES POLICY**

### **Section 1. Purpose**

The intention of this policy is to clarify procedures for the collection unpaid personal property taxes billed by the Town of Windham.

### **Section 2. Definitions**

Personal Property – Personal property includes, but is not limited to, items such as furniture, fixtures, cargo trailers, manufacturing machinery and equipment, store and office equipment, computer equipment and professional libraries. (As defined by Title 36 M.R.S.A. §601)

Personal Property Tax – Personal property tax is the tax levied against personal property assets at the same rate applied to taxable real estate.

### **Section 3. Collection Procedures**

Within two months of the end of each fiscal year, the Tax Collector and Finance Director will review the outstanding personal property taxes. A letter will be prepared and mailed by the Deputy Tax Collector, notifying them of the outstanding status of their personal property tax account. This letter will urge their prompt payment to avoid further collection efforts via a collection agency, which could adversely affect their credit rating. Thirty days after the letters are mailed, the outstanding personal property tax listing will be reviewed by the Tax Collector and Finance Director again. All outstanding balances will be forwarded to a collection agency.

### **Section 4. Annual Administrative Procedures**

On an annual basis, after collection procedures have been completed, a report will be made to the Town Council as to the status of all outstanding personal property tax accounts to include the Finance Director and Town Manager's recommendation.

### **Section 5. Effective Date**

This policy shall become effective immediately upon its adoption.

Within thirty (30) days of adoption of the policy, a collection agency will be chosen and notices mailed to all outstanding personal property taxes billed for 2013-2019. To start the initial process the Town will allow a 60-day grace period to bring all accounts to zero. After the 60-day grace period, all delinquent accounts, other than those with negotiated payment arrangements, shall be given to the credit agency for collection.

Adopted by Council Order 20-###