



Town of Windham

Town Offices
8 School Road
Windham, Maine

Legislation Details (With Text)

File #: 14-270 **Version:** 1 **Name:**
Type: Order **Status:** Passed
File created: 7/17/2014 **In control:** Town Council
On agenda: 8/12/2014 **Final action:** 8/12/2014
Title: To set the rate of interest that will be charged on overdue taxes for 2014-2015 at seven percent (7.00%).

Sponsors:

Indexes:

Code sections:

Attachments: 1. CoverSheet 14-270

| Date | Ver. | Action By | Action | Result |
|-----------|------|--------------|----------|--------|
| 8/12/2014 | 1 | Town Council | approved | Pass |

I. Council Action Requested.

To set the rate of interest that will be charged on overdue taxes for 2014-2015 at seven percent (7.00%).

II. Basis for Council Action.

Council approval of this item is required because;

- a) Title 36, M.R.S.A. § 505(4) provides “[t]hat a municipality may, by vote, determine... [t]he rate of interest which shall apply to delinquent taxes committed during the taxable year,” and
- b) Pursuant to Article II, Section 3(I) of the Charter the Town Council has the authority to “[e]xercise all the legislative, financial, borrowing and other powers now or hereafter given by statute to inhabitants of towns acting in Town Meeting.”

III. Issue Summary.

Each year when the Town Council sets the tax rate, it also determines the rate of interest the Tax Collector will charge on delinquent tax payments. The maximum rate of interest which may be used is established by the state treasurer. By law it is the highest conventional rate of interest charged for commercial unsecured loans by Maine banking institutions on the first business day of the calendar year in which the vote is taken. The maximum rate of interest for calendar year 2014 is 7.00%.