

## PROPERTY OWNERS' ASSOCIATION OF LAKE HAYWARD

### FREQUENTLY ASKED QUESTIONS REGARDING ASSOCIATION TAXES

Question: What is the new Association Tax Billing and Collection system?

Answer: The Association has contracted with the same vendor the Town of East Haddam uses to prepare its tax bills. This year the Association's tax bills will look very similar to the Town of East Haddam's tax bill except that the color of the bill will be different; it will not have any information regarding personal property or motor vehicles because the Association does not tax these items; and the Association will be providing a return envelope for you to send your payments to the Association's Tax Collector. In addition, the Association's new system will bill each property you own separately just as the Town of East Haddam does. So if you own a residence and one or more vacant lots you will receive a bill for each property. We will try to combine all your bills in one mailing, but each property owner must check their bills carefully to make sure they have a bill for each property they own especially if you own more than one lot.

Q: Who is responsible for paying Association property taxes?

A: The property owner is responsible for paying the taxes. Most mortgage banks do not escrow Association taxes. Regardless of any arrangement you make with your bank, the property owner is always responsible for seeing that the taxes are paid on time.

Q: What if the Property Owner does not receive a property tax bill?

A: All tax bills are mailed to each property owner of record on or about July 1 of each year. If a property owner does not receive a bill within a reasonable time period, they should call or e-mail the Tax Collector, Ed Bader (860-295-8769 or e-mail [edbader@aol.com](mailto:edbader@aol.com)) to request a property tax bill be sent to them. Failure to receive a tax bill is not an adequate defense to avoid delinquent interest charges if the payment is late.

Q: When do I have to pay my bill?

A: All tax payments are due on July 1 of each year. Interest is waived if the payment is received or postmarked by Aug. 1, or, if that date falls on a weekend, the next week day. This year, the last day to pay without interest is Aug. 3. This means that if you mail your payment, the envelope must be post marked on or before Aug. 3 to avoid interest charges. If you drop your payment off at the Treasurer's residence at 83 Wildwood Road in the POALH mail box, it must be received and date stamped by the Treasurer on or before Aug. 3 to avoid interest charges.

Q: I am a new property owner. What should I do?

A: You should call the Tax Collector and confirm that he has your correct address so that your property tax bill is mailed to your correct address in time for the tax payment to be made on time. Failure to receive a property tax bill is not a valid defense to avoid delinquent interest charges. The property owner is responsible to get his/her tax bill and pay it on time to avoid interest charges on late payments.

Q: Our property is owned by a Trust, a Corporation, two or more members of a family or by two or more individuals. Each year or periodically, a different person pays the property taxes. What should the property owners do if the owner paying the taxes does not receive the property tax bill?

A: In these ownership situations, it is the responsibility of the owners to pay their property taxes on time irrespective of the number of owners involved. The owners need to plan for the payment of their property taxes on time including notifying the Tax Collector of any change of address of the owner who is paying the tax in the current year.

Q: I own several lots within the Association boundaries. How do I determine whether I have all the tax bills related to my properties?

A: The Association Tax Collector uses the Town of East Haddam Assessor's files to bill property owners for taxes on vacant lots. You will receive separate bills for each lot you own. In the past, the Association's billing system put the additional lots on the bill with the property owner's residence. The new Association Tax Billing system does not allow us to do this. So you will receive separate bills for each property you own. In certain cases, the Property Owner has filed the necessary forms to designate their vacant lots as open space or other specific designation reducing the assessed value of the lot to a nominal value. In those cases, the Association does not bill a property owner for taxes on a lot that result in a property tax bill of less than \$3. If in doubt, call the Town Assessor to confirm ownership. Each lot has a separate Map and Lot number to identify itself.

Q: What if I have an issue with the assessed value of my property or lot?

A: Any questions regarding the assessed value of a property or lot must be handled through the process established by the Town of East Haddam Assessor.

Q: What is the interest rate on tax payments made late?

A: Interest is charged at the rate of 1-1/2 percent per month (18 percent per year) on all unpaid taxes or late payment of taxes. If you pay your taxes after Aug. 3, you will be charged interest from July 1, the date the tax was due until the tax is actually paid in full month increments. There is no pro-ration of the interest charge. If, for example, you owe \$400 in property taxes and your payment is made on Aug. 10, you are charged 3 percent interest (July and August) and the \$12 interest charge is deducted first from your payment

and the balance (\$388) is applied to pay the \$400 tax liability and you still owe \$12 in taxes. The \$12 taxes unpaid continue to accrue interest at 1-1/2 percent per month until paid. The Association is not required to send you monthly statements of your balance. So it is very important to pay your taxes on time to avoid interest charges.

Q: Does the Tax Collector send out monthly or quarterly statements of unpaid taxes?

A: The Tax Collector is not required to send out monthly or quarterly statements of unpaid balances to its members. The Tax Collector will send out a statement of unpaid balances at Dec. 31, and in late May or early June to co-incide with the Demand Notice requirements. However, there is no requirement for periodic statements and it is up to the property owner to pay their taxes on a timely basis.

Q: What if I don't have the money to pay my taxes?

A; You should make every effort to pay your taxes since the unpaid balance of taxes is subject to a 1-1/2 percent interest per month charge (18 percent per year) and the imposition of a tax lien on your property. Further collection efforts by the Association's attorney ensue with all costs of collection borne by the property owner. State law prohibits the Association from waiving or negotiating taxes, interest, or fees or from giving advice to people who are unable to pay other than to consult with their own attorney about their rights and obligations.

Q: Who makes all these rules regarding tax collection?

A: The Association is a specially chartered Tax District created by the State of Connecticut to collect taxes. As a Tax District, the Association must comply with all of the statutes, rules and regulations regarding the levying of taxes, collection and enforcement actions regarding taxes in the same way towns do. The Association's policies and procedure are in compliance with Connecticut statutes, regulations and rules. The Association employs a law firm, Pullman and Comley, who specializes in advising town and tax districts regarding such matters and as its collection attorney.

Q: Why does the Association place a lien continuance certificate on my property?

A: Connecticut statutes require Tax Collectors to place a lien continuance certificate on properties that are delinquent in the payment of taxes. The Tax Collector sends a Tax Collector's Demand Notice to each property owner whose taxes are unpaid in May following the last July 1, billing of taxes notifying the property owner that if they do not pay their taxes within 10 days or by June 30, a lien continuance certificate will be placed on their property. The lien continuance certificate is good for 15 years. All costs of the placement and removal of the lien continuance certificate are borne by the property owner.

Q: What if I have further questions not answered by this series of Q-and-A?

A: Paying taxes is a serious responsibility. Please call or e-mail the Tax Collector with any questions.