

8/4 (10)

Date: August 1, 2003  
Memo To: John Murray  
From: Collector's Office  
Subject: Real Estate Tax Demand Bill Problem

On May 20, 2003, **INCORRECT** Property Tax Past Due Bills ("Demands") for FY2003 Real Estate Taxes were generated and mailed. The error concerned the calculation of interest due at 14%. While the system (Pamet) is calculating the amount of interest due correctly for a screen inquiries and in other reports, it is printing a different calculation upon the Demand. Consequently, the Town billed a lesser amount of interest than was actually due.

There are three groups of property owners involved. The first group represents individuals who came to Town Hall to pay their bills over the counter. We were able to correct the problem and collect the correct amount. The second group represents individuals who did not respond to the initial Demand. Those individuals have been sent a second past due notice with a correct interest calculation. The third group represents those individuals who paid the amount noted on the Demand by the due date of the Demand, but in fact left an outstanding balance.

It has been determined that for payments received in May, excluding W. R. Grace, the total shortfall was \$155. It is estimated that the lost interest from payments received in June with the exception of WR Grace will not exceed \$500. In addition, the average amount of lost interest per taxpayer, again excluding W. R. Grace, is less than \$6.00.

W. R. Grace remitted the outstanding amount printed on the Demand (betterment and bond interest, past due interest, and the demand penalty) on July 23, 2003. The outstanding amount that should have been remitted is \$2,745.63 greater than the amount received.

Please provide direction as to how you wish staff to handle these outstanding amounts and the additional interest due since the incorrect payment has been received.

*For the third group —*

*I suggest that we write-off all bills less than \$20<sup>xx</sup>/<sub>100</sub>. Further, to be fair to all parties, I suggest we write-off the first \$20 of all amounts in excess of \$20<sup>xx</sup>/<sub>100</sub>.*

