Property taxes supply local government with the revenue needed to provide essential services. Any loss of this revenue, whether from decreased property values or from nonpayment of taxes, directly impacts local government’s ability to provide these services. Because of this and the importance of protecting vulnerable residents from losing their homes, having an efficient, effective, and equitable delinquent property tax enforcement system is critical. All states have mechanisms for local governments to enforce the payment of delinquent taxes – or to force the transfer of property ownership when the enforcement process fails to result in payment of the delinquent tax. Enforcement processes vary by state and sometimes by municipality, and are complex. This unit helps practitioners to understand the core elements of property tax systems and how they link to other neighborhood stabilization efforts.

The module in this unit is only offered as part of a larger half- or full-day agenda. Contact Courtney Knox at cknox@communityprogress.net to discuss a place-based training structure that would work best for you.

Module 1:

Delinquent Property Tax Enforcement 101

Recommended Length: 90 minutes

Property taxes are governed by state laws that vary dramatically and are typically enforced at the county level. The systems many local governments use to collect delinquent property taxes often trap deteriorating properties in legal limbo, incentivize abandonment, and lead to a loss of equity or even homelessness for vulnerable homeowners. At the same time, they can also be used to resolve many of these issues. Reform of the state and local laws governing property tax enforcement is on the minds of community advocates and governments across the nation. Modern, equitable property tax enforcement systems can help ensure responsible ownership of vacant properties, protect vulnerable homeowners, provide resources for land banking and neighborhood stabilization, and ensure that interest and penalties associated with delinquent tax enforcement are returned to the taxpayers caring for vacant properties. This module will explore key elements of efficient, effective, and equitable delinquent property tax enforcement systems, provide an overview of the variation in systems seen around the country, and offer a primer on how to determine whether reform is needed in a given community. Participants will gain a deeper understanding of the links between property tax enforcement, vacancy, and neighborhood stabilization, and learn some best practices in property tax system reform.