

TAX COLLECTIONS POLICY, 2022

Pursuant to and by virtue of the powers conferred by Section 414 of the *Municipalities Act, 1999*, SNL 1999, c. M-24 as amended, the Town Council of the Town of Portugal Cove-St. Philip's enacts the following Tax Collections Policy.

TITLE

This Policy may be cited as the "**Town of Portugal Cove-St. Philip's Tax Collections Policy, 2022**".

1.0 INTERPRETATIONS

- 2.1 "Act" shall mean the Municipalities Act, Chapter M-24, S.N. 1999.
- 2.2 "Council" shall mean the Town Council of Portugal Cove-St. Philip's.
- 2.3 "Fiscal" shall mean January 01 to December 31 of the current calendar year.
- 2.4 "Taxes" shall mean Business Taxes, Property Taxes, and Water & Sewer Taxes.
- 2.5 "Town" shall mean the Town of Portugal Cove-St. Philip's.

2.0 SCOPE

This Policy applies to the collection of all taxes, including interest applied, on residential, multi-residential and commercial accounts.

3.0 TAX COLLECTION CURRENT YEAR

The Town of Portugal Cove-St. Philip's will post the annual tax Levy by January 31 of the current fiscal year.

3.1 Payment of Taxes

- (a) Tax invoices will be sent out no later than January 31 of every fiscal year.
Property owner is responsible to ensure the Town has their current mailing address on file.
- (b) It is the responsibility of the property owner(s) to understand their tax and interest obligations regardless of any error in the issuance of notification from the Town.

- (c) Taxes imposed by Council are due to be paid on or before March 31 of the fiscal year, unless changed by a Council motion.
- (d) A first reminder of outstanding taxes shall be issued in April stating the interest implications and requesting immediate payment.
- (e) A reminder of outstanding taxes shall be issued monthly, stating the interest applied and outstanding balance and requesting immediate payment.
- (f) A warning of outstanding taxes shall be issued in December advising if full payment is not received immediately, the account will be subject to Collections which could result in legal action.
- (g) Taxes not paid in full by the due date, are then subject to a one percent (1%) compounded interest rate which will be applied on the first day of every month thereafter.
- (h) Payment plans are available via pre-authorized debit or pre-authorized credit card (see 4.3).
- (i) Taxes not paid in full by December 31 are subject to Collections.

3.2 Payment Methods

Tax payments can be made by any of the following means:

- (a) In-person at the Town Hall via cash, debit, credit, or cheque.
- (b) Electronically via online banking by adding the Town as a Payee.
- (c) Over the phone with a credit card.
- (d) By pre-authorized debit or pre-authorized credit card.
- (e) Paid by your mortgage provider - property owner must arrange with their bank.

3.3 Payment Plans

- (a) Payment plan applications must be received in February of the fiscal year. Upon approval of the payment plan, payments must commence immediately. The property tax balance will be divided in to ten (10) equal payments resulting in the balance being paid in full by December 31.
- (b) Payment plans for prior year's taxes will be considered on a case-by-case basis.

- (c) Should a payment be rejected and/or returned as insufficient funds, the property owner(s) will be subject to a \$25 NFS fee. The property owner(s) will have five (5) days to resubmit the payment.
- (d) Defaulting on a payment plan will be considered as cancellation of the plan. Cancelled payment plans are then subject to retroactive interest.

4.0 INTEREST

Following 3.0-3.1(c), interest will be applied to the account at a rate of one percent (1%) compounded each month thereafter.

- (a) A monthly statement of account will be sent to the property owner(s) on outstanding balances and interest applied, until the account is paid in full.
- (b) Applied interest will not be reversed.
- (c) Interest shall be waived only if a payment plan is in place prior to the due date and, is maintained and paid in full by December 31 of the fiscal year.

5.0 COLLECTIONS

5.1 Accounts Over One Year

Accounts that have a balance forward in January for the prior year's taxes, that do not have a payment plan in place, will be issued a final warning that collection measures, recovery and legal action may follow.

6.0 LEGAL ACTION

Where the property owner(s) have not made contact by February 1 to make payment arrangements or payment arrangements have not been satisfactorily maintained, the Town may initiate legal action, as follows:

- (a) Rental Seizure - If there is a tenant in the property, rental seizure will be put in place as per Section 148 of the Act. A rental seizure letter will be sent to the property owner(s) notifying that if no contact is made within five (5) business days to make payment arrangements, then a copy of this Policy will be sent to the tenant and property owner(s) to advise a rental seizure is effective immediately. The rental seizure will remain in effect until the outstanding tax balance is paid in full.

- (b) Water Disconnection – property owner(s) with water and/or sewer service will be advised that services will be shut off in accordance to Section 132 of the Act. A water/sewer disconnection letter will be hand delivered to the property owner(s) notifying them that if no contact is made within five (5) business days to make payment arrangements, then a copy of this Policy will be sent to the property owner(s) advising service will be disconnected. The letter will include the date of disconnection which will be determined by the availability of Public Works staff.
- (c) Private Collection Agency – At the Town’s discretion, any account in arrears can be sent to a private agency for collections.
- (d) Small Claims Court – Accounts in Collections with a balance of \$5000 or less, can be sent to Small Claims Court for recovery, as per Section 133 of the Act.
- (e) Supreme Court - Accounts in Collections with a balance of \$5001 or more, can be sent to Supreme Court for recovery, as per Section 133 of the Act.
- (f) Tax Sale - notwithstanding Section 6.0, 6.1 (a) and (b), in extenuating circumstances where these actions are not effective, the account may be referred to the Town’s legal service providers to commence a tax sale procedure of the property, for the property tax arrears only. This course of action will be decided on a case-by-case basis.

7.0 TAX REDUCTIONS

- (a) Early Payment Discounting.
- (b) Guaranteed Income Supplement (GIS).
- (c) Tax Deferral and Low-Income Interest Waivers.
- (d) Home Based Artist Tax Exemption.

8.0 TAX ADJUSTMENT AUTHORITY

- (a) Early Payment Discounting and Guaranteed Income Supplement can only be approved by a motion of Council.
- (b) Adjustments as a result of Tax Deferral and Low Income Interest Waivers, and, Home Based Artist Tax Exemption, can only be approved by the Chief Administrative Officer or the Director of Financial Operations.

9.0 REPEALS

None.

10.0 AMENDMENTS

None.

11.0 EFFECTIVE DATE / RESOLUTION

Date effective: #November 15, 2022. Motion #2022-352