

Town of Portugal Cove-St. Philip's

**Tax Collections Policy**

Pursuant to the authority vested in the Town Council of Portugal Cove- St. Philip's, the following policy was adopted on the 21 day of March 2023.

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**1.0 TITLE**

1.1 This document shall be known and cited as the **Tax Collections Policy**.

**2.0 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 &/or Sewer Taxes.

2.5 "Town" shall mean the Town of Portugal Cove-St. Philip's.

**3.0 POLICY STATEMENT AND SCOPE**

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

**4.0 APPLICATION**

4.1 This Policy applies to all employees of the Town of Portugal Cove – St. Philip's including, without limitation, Council, full-time, part-time, contract, seasonal, permanent, students and volunteers.

## **5.0 POLICY PROCEDURE**

### **5.1 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.

#### **5.1.1 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 reminder of outstanding taxes shall be issued in stating the interest implications and requesting immediate payment.
- (e) A reminder of outstanding taxes shall be issued on a monthly basis, stating the interest applied and outstanding balance and requesting immediate payment.
- (f) A final warning of outstanding taxes shall be issued in December advising if full payment is not received immediately, the account will be subject to further collection actions. Taxes not paid in full by December 31 are subject to Collection Actions.
- (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).

### **5.1.2. Payment Methods**

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

- (a) In-person at the Town Hall.
- (b) Electronically via online banking.
- (c) Over the phone.
- (d) By pre-authorized payment.
- (e) Paid by your mortgage provider (property owner must arrange with their bank.)

### **5.1.3. Payment Plans**

- (a) Payment plan applications must be received in January (available online). Upon approval of the payment plan, payments must commence as per the approved application. Balances must be paid in full by December 31 of the fiscal year.
- (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 \$45 admin 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.

## **5.2. INTEREST**

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

- (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 removed.
- (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.

### **5.3. COLLECTION ACTIONS**

#### **5.3.1. 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.

#### **5.3.2. Legal Action**

Where the property owner(s) have not made 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 commence 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, rental seizure will begin 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, 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.

**5.4. TAX REDUCTIONS**

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

**5.5. TAX ADJUSTMENT AUTHORITY**

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

**6.0 REPEALS**

6.1 November 15, 2022. Motion #2022-352.

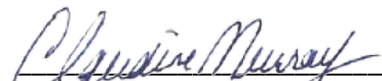
**7.0 AMENDMENTS**

7.1 March 23, 2023 Motion #: 2023-078..

**8.0 INITIAL EFFECTIVE DATE / RESOLUTION**

8.1 November 15, 2022. Motion #2022-352.

  
Mayor

  
Town Clerk