



MUNICIPALITY OF PICTOU COUNTY TAX COLLECTION POLICY

This policy provides guidelines to staff for effective and efficient collection of property taxes and to ensure that all taxpayers are treated fairly and equitably with respect to the collection of their property taxes.

POLICY STATEMENT

The guidelines contained in this policy serve to supplement the provincial legislation that governs this area, especially for situation where a choice is provided allowing for Finance's discretion, and for issues when the legislation is silent.

SCOPE

All employees involved in the collections process must adhere to the policy statements contained within this document.

All tax levies and amounts added as tax liens are subject to this policy.

The Municipal Government Act legislates the billing and collection of taxes and is the primary authority on the tax billing and collection function, including but not limited to the tax sale function.

TAX ACCOUNTS

BILLING

The Municipality will issue an interim tax bill with a due date of June 15th each year. The bill will be calculated equivalent to 50% of the previous year tax rates times the current year assessments with the discretion of the CAO and/or Deputy Treasurer to adjust any tax accounts where the variance between the prior year and the current year tax amount is substantial.

The interim tax payment shall be applied as a part payment of taxes on that property for the current fiscal year.

The interim bill is subject to interest as set out in Council's Interest Rate Policy.

The Municipality will issue a final tax bill with a due date of October 15th each year. Any change to this due date will require Council approval.

INTEREST

Interest will be calculated and accrued monthly on arrears, starting immediately after the due date, on all taxes/rates/liens outstanding. The rate will be determined by Municipal Council as set out in the Interest Rate Policy.



MUNICIPALITY OF PICTOU COUNTY TAX COLLECTION POLICY

Interest is not paid on credit balances in tax accounts except if the credit has resulted from an overpayment of taxes on an account that has been appealed (assessment). Interest will then be paid in accordance with Policy #2000-06-10, Policy on Interest Refunds – Overpaid Taxes as the Result of Successful Assessment Appeals.

TAX COLLECTION – GENERAL PRACTICES

Provisions of the Municipal Government Act (MGA) Section 6 deal with tax collection and provide the legislative framework within which Staff are expected to carry out tax collection. This policy is intended to provide more specific guidance in certain circumstances but is not intended to allow actions contrary to the Act or to limit the authority given to the Staff under the Act.

Staff will make all reasonable effort to collect taxes due to the Municipality. This includes reasonable effort to locate taxpayers whose whereabouts are not readily known. A number of procedures common to the collection industry may be used, including the use of outside agencies as approved by the CAO.

The MGA provides that every person liable to pay taxes shall be served with tax bill, mailed to the address shown on the filed roll or to a more current address if known.

The Municipality of Pictou County considers it to be the responsibility of the property owner to ensure their address is up to date on the assessment roll and tax system. The Municipality will be deemed to have a more current address if the notification has been received in writing from the taxpayer at least 30 days prior to the invoice date of tax bill following the notification. Having filled the legal requirement to bill as noted above, the Municipality considers it to be the taxpayer's responsibility to contact the Municipality to determine amounts owing for taxes if they have not received their bill.

The Municipality accepts no responsibility to notify new property owners of arrears against properties they purchase after the filing of the annual assessment roll except for usual tax billing process. It is the responsibility of the purchaser and their solicitor to ensure that taxes for the year of purchase are paid. The Municipality will make every effort possible, within the staff resourced available, to change ownership information from Property Valuation Services Corporation (PVSC) but will not accept responsibility for interest that may accrue on tax arrears that remain unpaid as result of a change of ownership.

PAYMENT ARRANGEMENTS

Staff have the authority to enter tax arrears payment arrangements with taxpayers giving due consideration to the taxpayer's personal circumstances and history of the taxpayer to comply with prior tax payment agreements. Tax arrears payment agreements are to be for a one or two year period with payments sufficient to sufficient to cover not only the arrears, but the taxes for



MUNICIPALITY OF PICTOU COUNTY TAX COLLECTION POLICY

the current year as well. This is to ensure that at the end of the payment agreement, taxes are paid in full. All tax arrears payments are to be documented and noted on the tax account.

Properties that are in tax sale position will not be put up for tax sale as long as the taxpayer is meeting the agreed upon payment schedule. If a payment is missed, that property will automatically be put on the tax sale list and the taxpayer may not enter into another payment agreement.

PROPERTIES IN TAX SALE POSITION

The Municipality of Pictou County conducts Tax Sales in accordance with the MGA, Part VI, Tax Collection.

Once a preliminary notice is issued, Staff are still permitted to enter into payment agreements with taxpayer, however the agreement should not normally extend beyond the end of that fiscal year at which time the account must be paid in full.

Once a property has been issued a 60 day notice of Intention it should not normally be removed from the tax sale process except as a result of full payment. Staff may determine when circumstances dictate otherwise and remove a property from the list.

If payment agreements as negotiated are dishonored Staff will immediately, without notice, begin or continue the formal tax sale process unless other satisfactory arrangements to Staff can be negotiated.

PROPERTIES NOT IN TAX SALE POSITION

For properties not in tax sale position reminders will be issued to individual assessed owners. The number and timing of reminders will be determined by Staff, taking into consideration the perceived beneficial financial impact. In any given year there will be generally two(2) reminders sent to accounts with arrears over a predetermined limit.

TAX ACCOUNTS ADJUSTMENTS/WRITE OFFS

The CAO may approve administrative policies governing the write off or adjustment of taxpayers accounts. In general Staff have the authority to write off accounts in the following circumstances:

1. Where notice is received from PVSC that an error has been made in the filed roll which cannot be corrected by any provision of the Assessment Legislation (e.g. duplicate assessment, deletion of an account, etc.)
2. Where there has been an error made by Municipal Staff or in other circumstances deemed appropriate, the Treasurer may approve the write off of interest on an account.
3. Where the taxpayer has been discharged from their liabilities under bankruptcy.



MUNICIPALITY OF PICTOU COUNTY TAX COLLECTION POLICY

In circumstances where the internal and or external cost to pursue collection of an account would reasonably be expected to exceed the amounts to be successfully collected, a write off may be approved by Municipal Council.

PROPERTY TAX DEFERRAL

The MGA, Section 70, allows Council to adopt a By-Law which provides for the postponement of tax payment. Municipal Council has enacted a Tax Deferral By-Law that may be applied to local improvement charges or trunk sewer charges established pursuant to the Sewer Charges By-Law or for property taxes on residential property or the portion of a property deemed residential or residential resource by PVSC and occupied by the homeowner as a principle residence. This deferral is subject to application to the Treasurer and approval from the Treasurer of the Municipality.

PAYMENTS

Payment of taxes must be received in the Municipality's administration office on or before the due date. Payments not received on time are subject to Penalties and Interest.

The following are accepted methods of payment:

- In person – at the counter by cash, cheque, debit or money order.
- In the mail (must be post marked prior to due date).
- In the drop box located at the front entrance of Municipal Building.
- Payments of a mortgage holder.
- Telephone or Internet banking (**Taxpayer must allow 3-4 business days for payment to reach Municipality of Pictou County's financial institution to be considered received.**)
- Pre-authorized payment plans for special programs.

Post Dated Cheques

The Municipality does not accept post dated cheques on a regular daily basis.

The Municipality will accept post dated cheques for the following:

- The due date of June 15th for the Interim bill.
- The due date of October 15th for the Final bill.

Returned Payments

Payments that are returned to the Municipality by the bank marked "insufficient funds" or "non-sufficient" shall be subject to handling fee based on costs passed on to the Municipality by the financial institution.

Reporting

The Treasurer or designate shall report on a quarterly basis to the Financial Services Committee the balances of the Taxes receivables. Included in this report shall be a section on outstanding tax payment arrangements and the status of collection for the quarter.