



MUNICIPALITY of the COUNTY of PICTOU COVID-19 PROPERTY TAX FINANCING PLAN POLICY

1. This Policy is entitled the “COVID-19 Property Tax Financing Program Policy.”

2. **Objective:**

Municipality of Pictou County is concerned about the health and safety of residents and recognizes that facilitating the payment of property taxes in installments will better allow Nova Scotians to follow the public health directives endorsed by the Government of Nova Scotia. This Policy responds to that need by establishing a one-time property tax installment payment program (the “Program”) for owners of residential and commercial properties negatively affected by the COVID-19 global pandemic.

3. **Authority:**

Sections 111 and 112 of the *Municipal Government Act* give Council the authority to provide for the payment of taxes by installments.

Section 113 of the *Municipal Government Act* allows Council to charge interest for non-payment of taxes when due, at a rate determined by policy.

4. **Scope:**

4.1 **Residential**

The following owners of residential property are eligible to participate in the Program:

4.1.1 An owner of a residential property that is the owner's primary residence including secondary cottage/summer home where the owner has experienced financial hardship through a significant reduction in income due to the State of Emergency declared by the Government of Nova Scotia in response to COVID-19, demonstrated through receipt of Provincial or Federal program assistance, or a Record of Employment (ROE) demonstrating layoff from employment after **March 15, 2020**;

4.1.2 An owner of a residential property where the owner was a registered Tourism Operator with Tourism Nova Scotia for the 2019 tourist season (excluding AirBNBs);

4.1.3 An owner of a residential property that is rented to one or more tenants, where the owner has experienced a significant reduction in rental income from the property due to the State of Emergency, demonstrated through the following:

a.) Provision of a signed document that includes the total rental income received for the month of February 2020 for that specific property and the total rental income received for each of April, May

and June (if June rent is due prior to making the application) of 2020 for the same property and that the rental income proves to have decreased by at least 30% for any two consecutive months as compared to February 2020.

4.2 Commercial

The following owners of commercial property are eligible to participate in the Program:

4.2.1 An owner of a taxable commercial property where the owner's business or building located on the property has experienced financial hardship through loss of revenue related to the State of Emergency, demonstrated through the following:

a.) Provision of a signed document that includes the total revenue for the specific business operated from the property for April and May of 2019 and the total revenue for April and May of 2020 for the same business and that the total revenue proves to have decreased by at least 30% from 2019 to 2020.

4.2.2 An owner of a taxable commercial property who has experienced financial hardship through loss of revenue related to the State of Emergency, regardless of the assessed value, where:

4.2.2.1 The owner of the property is a tourism operator registered under the *Tourist Accommodations Registration Act* and the property is used for tourist accommodations (e.g., hotels, motels, bed and breakfasts);

4.2.2.2 The owner of the property carries on the business of an automotive or leisure/recreational vehicle dealership on the property;

4.2.2.3 The owner of the property uses the property as a private or non-profit recreation facility (e.g., golf courses, indoor playgrounds, campgrounds, racing venues);

4.2.2.4 The owner of the property carries on a business on the property in the hospitality industry, including bars, cafes, and coffee shops;

4.2.2.5 The owner of the property carries on a business on the property in the service industry, including hairdressers, nail salons, gyms, tattoo parlours;

4.2.2.6 The owner of the property carries on a business on the property as a health care provider (including, but not limited to, dentists, naturopaths, chiropractors, physiotherapists, physicians and other doctors), where that business has been required to reduce hours as a result of the State of Emergency.

4.3 Exclusions

Regardless of sections 4.1 and 4.2 of this policy, the following are not eligible to participate in the Program:

4.3.1 Property owners who have not experienced financial hardship through loss of revenue related to the State of Emergency;

4.3.2 Property owners who have received compensation from Business Interruption Insurance towards the payment of property taxes;

- 4.3.3 Properties occupied by daycare centers in receipt of federal or provincial funding, or those in receipt of other emergency funding;
- 4.3.4 Properties used for landfill, pipeline, parking, and vacant land;
- 4.3.5 Properties for which there is an active tax agreement with the Municipality through legislation or bylaw;
- 4.3.6 Properties owned by non-profit organizations that are funded by the Municipality or that are partially exempted from property tax;
- 4.3.7 All properties managed under payment-in lieu-programs.

4.4 **General Requirements**

- 4.4.1 Installments shall be payable by the person, company or other entity assessed for the property for the current fiscal year.
- 4.4.2 In order for taxes for a property to qualify for the Program, the taxes for the property must not be in arrears at the time of application.

4.5 **Application:**

- 4.5.1 Property owners wishing to apply to participate in the Program for a property must complete and submit to the Municipality an application in the form attached as Schedule “A” to this policy.
- 4.4.3 The application deadline to participate in the Program is **July 15th, 2020**

5. **Administration**

5.1 Tax Installments

- 5.1.1 For applications meeting the Program criteria set out above, property tax payments normally due between April 1st, 2020 and October 15th, 2020 for approved properties may be paid in installments as follows.
- 5.1.2 For each property, Program participants will pay tax installments as follows:
 - 5.1.2.1 Payments of \$25 per month for six months, payable on or before the last day of each month, commencing October 2020. The initial payments will be credited towards interest and administration fees.
 - 5.1.2.2 Following these six months at \$25 per month, monthly payments equal to 1/24th of the balance of the amount eligible for the Program plus interest as set out by the Municipality for up to the next 24 months.
- 5.1.3 The rate of interest for the Program will be 1.35% per annum.
- 5.1.4 Interest will be calculated from the tax bill due date to the end of the tax installment payment period.
- 5.1.5 Tax installments are on the first business day of the month by automatic withdrawal. Applicants must provide banking information for automatic withdrawal to qualify for the program.

5.2 Terms of the Program

- 5.2.1 The Treasurer, or his or her delegate, shall approve qualifying applicants.
- 5.2.2 Payments under the Program must remain in good standing with the municipality throughout the duration of the Program.
- 5.2.3 Default in payment of an installment when due will result in the following:
 - 5.2.3.1 The balance of outstanding taxes on the applicable property and interest will become immediately due and payable; and
 - 5.2.3.2 The outstanding taxes and interest then owing will become subject to the municipality's regular rate of interest for overdue taxes of 12% per annum.
- 5.2.4 All amounts owing and payable on the property tax account that are not included in the Program are due on their normal dates and any amounts not paid when due will be subject to the municipality's regular rate of interest for overdue taxes of 12% per annum.
- 5.2.5 Payments received by the municipality from a property owner will first be applied to any installments due under the Program, in priority to any other taxes or other amounts owing by the owner to the municipality.
- 5.2.6 Payments are deemed to be paid on the date received by the Municipality.

6. Responsibilities

- 6.1 Council will provide a Covid-19 Property Tax Financing Plan Policy and make any amendments required for the effective and efficient operation of the Program.
- 6.2 The Chief Administrative Officer will:
 - 6.2.1 Administer and implement the policy and the Program; and
 - 6.2.2 Identify necessary amendments to this policy in consultation with Council and staff and make recommendations accordingly to Council.