

Town of Hants Harbour

TAX COLLECTION POLICY

PURPOSE

Tax revenues constitute approximately 80% of the Town's total revenues. The use of this policy and the procedures contained in this document will ensure the prompt, effective and efficient collection of all taxes due to the Town of Hants Harbour.

This policy outlines the timetable necessary to affect action and give credence to the wishes of the Council and the Town of Hants Harbour and to ensure that all taxpayers are being treated in a fair and equitable fashion with respect to tax arrears.

OBJECTIVES

Council has endorsed this policy to be adhered to with respect to tax collection for the Town of Hants Harbour.

The objectives of this tax collection policy are as follows:

- To ensure taxes are collected in a timely fashion;
- To provide mechanisms to be initiated to collect taxes in arrears;
- To establish guidelines for providing timely and appropriate information to Council as to the status of tax collections in order that Council can be informed as to the effectiveness of the collection policies and practices.

GOVERNING PRINCIPLES

The following principles shall govern the implementation of the practices and procedures set out in this policy:

- The Town Clerk may use any means provided by the Municipal Act, in order to maximize collections while keeping administration and legal costs to a minimum.

□ At all times and in all proceedings as set out in this policy, all reasonable care shall be taken to respect and to protect the interest of the taxpayer as well as those of the municipality including respect for the taxpayers rights to privacy and confidentiality.

DEFINITION OF TERMS

In this policy the following shall have the meanings as indicated.

Property tax and business tax shall mean taxes which are levied upon the whole of the assessment for real property.

Water/sewer and water only tax, and poll tax shall mean taxes that are levied upon at a cost set by council for services.

Arrears shall mean any portion of property taxes which remain unpaid after the date on which they are due.

BILLING AND COLLECTION PROCEDURES

1) Issuing of Tax Bills

-Except as otherwise directed by Council, tax bills are to be issued no later than the dates as follows:

-Tax bills are to be issued no later than January 31 for the current year.

-Except as otherwise directed by Council, taxes are due and payable no later than the date as follows:

-Taxes will be due and payable no later than June 30 of the current tax year.

- Water/Sewer and water tax are due and payable no later than August 31st of the current tax year.

2) In accordance with the Municipalities Act, tax bills shall be issued not less than 30 days prior to the due date of the tax thereof.

3) Penalties for Non-Payment

Penalties as set out in the governing by-law will be applied to taxes in arrears at the rate allowable under the

Municipalities Act. An interest rate of 3% shall be applied on the first day of each month commencing July 1st of the current year on the balance of unpaid taxes.

4) Payment Due Date

a) All property tax, poll tax and business taxes are due to be paid in full by June 30 of the current year. TAX PAYERS DO NOT HAVE UNTIL THE END OF THE YEAR TO PAY PROPERTY TAX, POLL TAX OR BUSINESS TAX ASSESSED FOR THE YEAR unless prior arrangements are made ei. post dated cheques.

b) Property owners who do not pay property taxes or who have failed to make arrangements with the Town Clerk for payment of their property tax bill by June 30 of the current year will be issued a 30 day notice of water shut off. (If payment is made within that 30 day period, the water will not be shut off. Tax payers who have had their water shut off for failure to pay will be charged \$100.00 reconnection fee which must be paid before the water is turned back on again.)

c) The town will garnish wages of persons who are in arrears for the tax if not paid in full by June 30 of the current tax year. If wages cannot be garnished due to unemployment then the use of a collection agency or small claims court system will be used.

5) Water & Sewer Accounts in Arrears:

Water tax accounts, and water and sewer tax accounts will be in arrears if quarterly balances are not paid in full as of March 31, June 30, September 30 and December 31. ACCOUNTS IN ARREARS WILL BE CHARGED INTEREST AT THE RATE OF 3% COMMENCING JULY 1ST ON THE BALANCE MONTHLY.

In addition, the Town of Hants Harbour will turn off the water supply and/or sewer services to taxpayers who are 3 months past due in payment of water or water & sewer tax. The Town will give a 30 day notice before water is turned off. If payment is made within that 30 day period, the water will not be shut off. Tax payers who have had their water shut off for failure to pay water/sewer tax must pay

the balance owed plus a charge of \$100.00 before the water is turned on again.

If for some reason the water supply and/ or sewer service cannot be shut off then the use of a collection agency system will be used.

6) Collection Procedure For Taxes in Arrears:

Taxes are in arrears when all or a portion of the taxes remain unpaid on the day immediately following that upon which payment thereof was due.

The following actions shall be taken when taxes on any property, business, water/sewer, water or poll taxes are in arrears.

a) Sending of Past Due Notices

Past due notices shall be sent within 30 days following the due date for each tax billing.

b) Follow up Letters

In addition to past due notices, follow-up letters will be sent 2 weeks after the pass due notice. If a payment plan is in place then a follow up letter will be sent if the date arranged is not followed.

c) Direct Contact (in person or by telephone)

Direct contact with the taxpayer will be attempted if the taxpayer do not abide by the payment due dates scheduled or the payment plan is not being followed.

d) Any payment arrangements must be agreed to in writing by the property owner and accepted by the Town Clerk and must be such that payments made are sufficient to pay within the time frame scheduled by the Town Clerk.

e) Water shut off without any further notification if no respond within the time frame outlined.

This policy has been approved by The Hants Harbour Town Council at a regular council meeting on March 29th, 2017