



PURPOSE

To establish a policy for effective and efficient billing and collection of tax and water accounts receivable. The purpose of the policy is to:

1. Outline billing dates as required by the *Municipal Government Act (MGA)*;
2. ensure municipal tax and water revenues are collected in a timely and effective manner;
3. ensure that all taxpayers and water customers are treated fairly and equitably; and,
4. provide staff with guidance for informed and sustainable decision making, consistent with the Municipalities organizational values of excellence and fiscal responsibility.

SCOPE

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

All water, tax levies and amounts added as tax liens are subject to these policy statements.

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 process.

The approved Utility and Review Board of Nova Scotia water utility Rules & Regulations and Schedule of Rates and Charges are the primary authority on the water billing and collection function.



POLICY

TAX ACCOUNTS

BILLING

The Municipality will issue an interim tax bill with a due date of June 1 each year. The bill will be calculated at 50% of the prior year's bills with the discretion of the Director of Finance & Administration to adjust any tax accounts where the variance between the prior year and current year assessment is substantial.

Where the interim tax bill provides little more than a balance owing on the account, any tax customer that has their tax bill paid by a financial institution will not receive a copy of their interim tax bill through the mail. The customer can obtain the interim and final tax bill by signing up with epost prior to the bill being issued.

The final tax bill will be due on September 30.

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 as of April 1 for the upcoming twelve months at the Royal Bank prime rate plus 700 basis points (7%).

Interest is not paid on credit balances in tax accounts except if the credit has resulted from payment of taxes on an account that has been appealed (assessment) and the resulting tax amount is less than the original tax billing (determined after the final bill). Interest will be paid to the taxpayer on the overpayment at a rate of Royal Bank prime less 2% as determined at each April 1.

TAX COLLECTION - GENERAL PRACTICES

Provisions of the Municipal Government Act (MGA) Section 6 deal with Tax Collection and provide the legislative framework within which the 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 staff actions contrary to the Act or to limit the authority given to 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 outlined in administrative policies approved by the CAO.

The MGA provides that every person liable to pay taxes shall be served with a tax bill, to be mailed to the address shown on the filed roll or to a more current address if known to the Treasurer. Canada Post epost delivery has legislated authority to deliver electronic mail; epost delivery is deemed by Council to meet the requirements of the MGA.

The Municipality of East Hants considers it to be the responsibility of the property owner to ensure their address is up to date on the assessment roll and the 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 the 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 buy after the filing of the annual assessment roll except for the 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 resources available, to change ownership information on properties as it becomes available from the Property Valuation Services Corporation but will not accept responsibility for interest that may accrue on tax arrears that remain unpaid as a result of a change of ownership.

PAYMENT ARRANGEMENTS

Staff have authority to enter into 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. Staff may make reasonable demands for personal financial information from a taxpayer. No provision in this policy requires a taxpayer to provide such personal information but failure to do so may preclude the acceptance of a payment arrangement for their arrears. If a tax arrears payment arrangement results in taxes being outstanding for more than six years the arrangement must be documented in writing to ensure the period of tax lien is extended to cover the property.

PROPERTIES IN TAX SALE POSITION

At June 30 of each year all accounts will be reviewed. Accounts that have current year tax outstanding and part or all of prior year tax outstanding shall be considered to be in tax sale position. The CAO is authorized to



adopt administrative guidelines that identify minimum amounts below which the second years' taxes will not trigger the tax sale procedures.

Tax Sale properties shall be sent a preliminary notice giving 60 calendar days to pay the account in full. The preliminary notice shall indicate that a title search and/or survey of the property may be commenced at the end of the 60 days without further warning - the cost of which will constitute a lien on the property in question.

Once a preliminary notice is issued staff are still permitted to enter into payment arrangements with the taxpayer. Any such arrangement should not normally extend beyond the end of that fiscal year at which time the account must be paid in full.

Properties for which there are no negotiated payment arrangements will be submitted for title search after a list of eligible properties is provided to Council. A survey will be done, if found to be necessary. A Notice of Intent to sell for taxes shall be issued on each property no earlier than Jan 15 of the following calendar year.

Once a property has been issued a 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 arrangements as negotiated above are dishonored staff will immediately, without notice, begin or continue the formal process of tax sale unless other arrangements satisfactory to Staff can be negotiated.

REAL 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 generally be 2-3 reminders sent to accounts with arrears over a predetermined limit.

COLLECTION PROCEDURES INVOLVING ISSUANCE OF WARRANTS

The CAO is authorized to adopt administrative guidelines with respect to the issuance of warrants to collect taxes due.

In the event that services of an outside agencies are used, staff are authorized to pay the fee charged by that agency for execution of the warrant. Such fee should be determined in accordance with the procurement



policy adopted by Council. If a staff member executes the warrant they will be compensated in accordance with municipal policy if the work is conducted outside of normal office hours. Such fees and expenses associated with the issuance of a warrant shall be added to the account to be collected pursuant to the warrant.

TAX ACCOUNT ADJUSTMENTS/WRITE OFFS

The CAO may approve administrative policies governing the write-off or adjustment of taxpayers accounts. In general staff have 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, Delete Accounts)
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 internal and external cost to pursue collection of an account would reasonably be expected to exceed the amounts to be successfully collected.
4. Where a taxpayer has been discharged from their liabilities under bankruptcy.
5. Where the taxpayer cannot be located, despite reasonable efforts to do so.

COLLECTIONS COSTS

The CAO is authorized to approve certain fees and procedures associated with tax collection on a cost recovery basis such as, but not limited to, fees for cheques/ Preauthorized Debit not able to be processed by a bank.

The CAO shall approve increases to the fee(s) no more frequently than annually (April 1 each year). No annual increase can exceed CPI as measured by the 12 month average index for the prior twelve months ended December. Increases may be cumulative when implemented in year 2 or later.

PROPERTY TAX DEFERRAL

Section 70 of the MGA allows Council to adopt a bylaw which would provide for the postponement of tax payment. Council has determined that it will not enact a by-law under the provisions of this section with the understanding that staff are authorized to negotiate payment arrangements that are reflective of the taxpayer's ability to pay at any given time and that staff are best able to determine what this regular amount should be. The MGA provides that tax sale can be avoided by having a tax payment arrangement that is being honored. All taxpayers should be encouraged to make some amount of regular payment on their taxes, however nominal, such that a deferral programs is not considered necessary.



WATER ACCOUNTS

GENERAL PROVISIONS

The Municipality is governed by regulations in effect for its water utility that have been approved by the NS Utility Review Board.

ARREARS COLLECTION

Staff are responsible and authorized to negotiate and accept reasonable payment arrangements with customers who are in arrears. The circumstances of the individual customer will be taken into account in these negotiations.

All water accounts will be reviewed at the due date and those with arrears of \$40 and over will be sent a reminder notice. The reminder will allow a ten day period in which the account is to be paid. At the end of the 10 day period those accounts still outstanding will be sent a Notice of Intention to Disconnect, within 5 business days, unless the account is paid in full. Staff are expected to use collection tools at their disposal and their judgment in applying this policy in determining accounts that will actually be disconnected.

Staff are authorized to use generally accepted collection practices to locate exited water customers and collect arrears. If an inactive account is deemed to be uncollectable or if the expense of collections outweighs the amount to be obtained, staff may approve the write-off of the account.

Staff may waive the interest charges if in their judgment the circumstances warrant it.

The CAO is authorized to adopt administrative policies/guidelines that further guide the collection process in accordance with the UARB approved rules and regulations governing the water billing and collection process.



ROLES AND RESPONSIBILITIES

Title/Role	Responsibilities
Policy Editor - Manager of Accounting	<p>The Policy Editor is a person having managerial and policy-making responsibility related to the writing, compilation and revision of content and will:</p> <ul style="list-style-type: none"> • Ensure policies in their care and control are always up-to-date, reviewed annually or sooner if necessary • Draft new or edit existing policy content • Be able to interpret and explain policy content • Ensure policy documents are branded and any supporting documents, ie. applications forms are also branded and content consistent with the policy • Ensure policy content is relevant and accurate • Seek and secure approval recommendation of the policy from the Policy Owner • Seek and secure approval of the policy from the appropriate Approver; and, • Provide the final approved policy document to the Assistant Municipal Clerk
Policy Owner - Director of Finance & Administration	<p>The Policy Owner will:</p> <ul style="list-style-type: none"> • Provide oversight to ensure policies in their care and control are always up-to-date, reviewed annually or sooner if necessary by the assigned Policy Administrator • Be able to interpret and explain policy content • Provide oversight to ensure policy documents are branded and any supporting documents, i.e. application forms are also branded and content consistent with the policy • Provide oversight to ensure policy content is relevant and accurate • Review the policy and make recommendation for approval to the appropriate Approver; and, • Ensure that the final approved policy document has been provided to the Assistant Municipal Clerk
Approver - CAO	<p>The Approver will:</p> <ul style="list-style-type: none"> • Review Policy recommendations for approval consideration (approve, reject or edit); and, • Notify the Policy Administrator, Policy Owner and Assistant Municipal Clerk of decision
Assistant Municipal Clerk	<p>The Assistant Municipal Clerk will:</p> <ul style="list-style-type: none"> • Facilitate an annual Policy Review; and, • Ensure final approved policies are maintained, stored and posted where appropriate
Employees	<p>The Employees will:</p> <ul style="list-style-type: none"> • Notify the Policy Owner of changes to be considered • Notify the Policy Owner when the policy becomes out of date or obsolete • Follow the Policy



RELATED DOCUMENTATION

Related forms, processes, procedures and other documents that support the policy.

Document Name	Document ID	Document Type
Tax Collection Administrative Policy		Administrative Policy
Tax Collection Operational Policy		Operational Policy
Municipal Government Act		MGA
Assessment Act		Assessment Act
East Hants Water Utility Rules & Regulations, Schedule of Rates and Charges		UARB Regulation

VERSION LOG

Version Number	Amendment Description	Amendment/Policy Editor	Amendment/Policy Owner	Approver	Approval Date
2005	Policy created in 2005 shifting procedure from Council policy to Administrative Policy	Director of Finance	Director of Finance	Council	2005
2015	Housekeeping (removal of BO, reference to the Act), introduce epost and changes to the interim bill mailing schedule (to remove those from the mailing who manage their account with a mortgage account)	Manager of Accounting/Director of Finance & Administration	Director of Finance & Administration	Council	Dec 16, 2015
2016	Housekeeping (Update interest rate on arrears)	Manager of Accounting/Director of Finance & Administration	Director of Finance & Administration	Council	Sep 28, 2016