

## PURPOSE

The Municipality of East Hants (the Municipality) is concerned about the health and safety of residents. The Municipality 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 (Program) for residential and commercial properties negatively affected by the COVID-19 global pandemic.

## SCOPE

This policy covers all residential and commercial property owners as outlined below with the related exclusions.

### 1.0 Residential

- 1.1 An owner of a residential property that is the owner's primary residence including a 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<sup>th</sup>, 2020.
- 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).
- 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:
  - 1.3.1 Description of loss of rental income
  - 1.3.2 Letters from tenants reflecting hardship and inability to make rent payments
  - 1.3.3 Other related financial documents



## 2.0 Commercial

- 2.1 An owner of a taxable commercial property where the property has a total taxable 2020 property assessment equal to or less than \$4,000,000, and 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:
  - 2.1.1 Financial information including financial statements reflecting loss of revenue
  - 2.1.2 Notice of business closure
  - 2.1.3 Notice of employee lay off
- 2.2 The Program will include the following, without consideration of any limitation on assessed value:
  - 2.2.1 The owner of the property is a tourism operator registered with the Tourist Accommodations Registration Act and the property is used for tourist accommodations (e.g., hotels, motels, bed and breakfasts)
  - 2.2.2 The owner of the property carries on the business of an automotive or leisure/recreational vehicle dealership on the property
  - 2.2.3 The owner of the property uses the property as a private or non-profit recreation facilities (e.g., golf courses, indoor playgrounds, campgrounds, racing venues)
  - 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
  - 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
  - 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.

## 3.0 Exclusions

- 3.1 Property owners who have not experienced financial hardship through loss of revenue related to the State of Emergency,
- 3.2 Property owners who have received compensation from Business Interruption Insurance towards the payment of property taxes,



- 3.3 Properties occupied by daycare centres in receipt of federal or provincial funding, or those in receipt of any other emergency funding,
- 3.4 Properties used for landfill, pipeline, managed forest, parking, and commercial vacant land,
- 3.5 Properties for which there is an active tax agreement with the Municipality through legislation or bylaw,
- 3.6 Properties owned by non-profit organizations that are funded by the Municipality or partially exempted from property tax,
- 3.7 All properties managed under payment-in lieu-programs.

## DEFINITIONS

| Term                           | Definition  |
|--------------------------------|---|
| Special Tax Installment Rate   | An interest rate based on the Municipality’s cost of borrowing plus a small amount (25 basis points) to cover administrative costs. This interest rate is particular to this Program, designed to better allow Nova Scotians to follow public health directives endorsed by the Government of Nova Scotia, and differs from the Municipality’s normal property tax interest rate of 9%. |
| Tax Installment                | A payment calculated as 1/24th of the total eligible taxes plus applicable interest.  |
| Tax Installment Payment Period | The 24-month period beginning six months after the tax bill due date.   |
|                                |   |



## POLICY

### POLICY STATEMENT

#### 4.0 General Requirements

- 4.1 Installments shall be payable by the person or company assessed for the property for the current fiscal year.
- 4.2 In order for taxes for a property to qualify for the Program, the previous year's rates and taxes must not be in arrears at the time of application.
- 4.3 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 The application deadline for the Program is August 31st, 2020.

#### 5.0 Tax Installments

- 5.1 For applications meeting the preceding criteria, property taxes normally due between April 1st, 2020 and September 30th, 2020 will be eligible for this tax payment installment Program.
- 5.2 Program participants will pay tax installments of \$25 per month for six months, beginning on October 1<sup>st</sup>, 2020.
- 5.3 Following these six months at \$25 per month, monthly tax installment payments will equal 1/24th of the total taxes eligible for the Program, plus the rate of interest determined by the Municipality. These monthly tax installments will continue for 24 months.
- 5.4 The rate of interest for the Program will be 1.1 percent plus 25 basis points to cover administration fees (1.35%).
- 5.5 Interest on amounts owing under the Program will be calculated from the date of the tax bill due date to the end of the tax installment payment period.
- 5.6 Tax installments are due by Preauthorized Debit on the 10th day of the month.



## 6.0 Terms of the Program

- 6.1 The Treasurer, or his or her delegate, shall approve qualifying applicants.
- 6.2 Where a property and applicant are qualified for the Program, the account must remain in good standing with the Municipality throughout the duration of the Program.
- 6.3 Default of payment of an installment when due will result in removal from this Program.
- 6.4 Removal from the Program will result in the balance of outstanding taxes becoming immediately due and payable.
- 6.5 Removal from the Program will result in the addition of the municipality's normal rate of interest for overdue taxes to the Special Tax Installment Rate, resulting in a compound rate.
- 6.6 All other receivable balances on the account not included in the installment Program are due on their normal dates and will generate interest per the municipality's normal rate of interest as per the Tax & Water Collection Policy.
- 6.7 Tax installment receivables will be considered for payment prior to any other receivable on the account in good standing with the Municipality throughout the duration of the Program.

## 7.0 General Provisions

- 7.1 Payments received by mail are deemed to be paid on the date received by the Municipality.
- 7.2 Application will be made through a central portal administered by the Association of Municipal Administrators with whom participants will share submitted information.
- 7.3 Any property taxes owing outside of taxes covered under this policy that are in arrears, fall within the Tax Collection Policy of Council and the MGA.



## ROLES AND RESPONSIBILITIES

| Title/Role                | Responsibilities   |
|---------------------------|--|
| Policy Editor             | <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"> <li>• Ensure policies in their care and control are always up-to-date, reviewed annually or sooner if necessary</li> <li>• Draft new or edit existing policy content</li> <li>• Be able to interpret and explain policy content</li> <li>• Ensure policy documents are branded and any supporting documents, i.e. applications forms are also branded and content consistent with the policy</li> <li>• Ensure policy content is relevant and accurate</li> <li>• Seek and secure approval recommendation of the policy from the Policy Owner</li> <li>• Seek and secure approval of the policy from the appropriate Approver; and,</li> <li>• Provide the final approved policy document to the Assistant Municipal Clerk</li> </ul> |
| Policy Owner - Treasurer  | <p>The Treasurer will:</p> <ul style="list-style-type: none"> <li>• Administer and implement the COVID-19 Property Tax Financing Plan Policy of the municipality;</li> <li>• Identify necessary revisions to the COVID-19 Property Tax Financing Plan Policy in consultation with Council and managerial staff.</li> <li>• Be able to interpret and explain policy content</li> <li>• 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</li> <li>• Provide oversight to ensure policy content is relevant and accurate</li> <li>• Review the policy and make recommendation for approval to the appropriate Approver; and,</li> <li>• Ensure that the final approved policy document has been provided to the Assistant Municipal Clerk</li> </ul>   |
| Approver                  | <p>The Approver will:</p> <ul style="list-style-type: none"> <li>• Review Policy recommendations for approval consideration (approve, reject or edit); and,</li> <li>• Notify the Policy Editor, Policy Owner and Assistant Municipal Clerk of decision</li> </ul>   |
| Assistant Municipal Clerk | <p>The Assistant Municipal Clerk will:</p> <ul style="list-style-type: none"> <li>• Ensure final approved policies are maintained, stored and posted where appropriate</li> </ul>  |
| Council                   | <p>Ensure that the Municipality has in place a COVID-19 Property Tax Financing Plan Policy.</p>  |

## RELATED DOCUMENTATION

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



# COVID-19 Property Tax Financing Program Policy

Council  Administrative

| Document Name  | Document ID | Document Type  |
|--|-------------|----------------|
| COVID-19 Property Tax Financing Program Policy             |             | Council Policy |
| Tax & Water Collection Policy                              |             | Council Policy |
| Municipal Government Act (Sections 111, 112 and 113)       |             | MGA            |
| Assessment Act   |             | Assessment Act |
| COVID-19 Property Tax Financing Plan Administrative Policy |             | Admin Policy   |
| COVID-19 Property Tax Financing Program Form               |             | Form           |

## VERSION LOG

| Version Number | Amendment Description                       | Amendment/Policy Editor | Amendment/Policy Owner | Approver | Approval Date |
|----------------|---|-------------------------|------------------------|----------|---------------|
| 1.0            | COVID-19 Property Tax Financing Plan Policy | Director of Finance     | CAO                    | Council  | May 19, 2020  |
|                |   |                         |                        |          |               |
|                |   |                         |                        |          |               |

## CERTIFICATION

I, Kim Ramsay, Municipal Clerk for the Municipality of East Hants, hereby certify that this policy was duly approved.

Kim Ramsay  
Municipal Clerk