



AMHERST TOWN COUNCIL

RFD# 2024081

Date: September 23, 2024

TO: Mayor Kogon and Members of Amherst Town Council

SUBMITTED BY: Sarah Wilson, Director of Finance

DATE: September 23, 2024

SUBJECT: Tax Collection Policy Amendments

ORIGIN: Policy Review.

LEGISLATIVE AUTHORITY: Town of Amherst Tax Collection Policy, # 3800-01.

RECOMMENDATION: That Council approve the proposed amendments to the renamed Revenue Collection Policy # 3800-07.

BACKGROUND: This policy was originally adopted and approved in February 2003 with amendments in December 2005 and April 2009. The Tax Collection Policy sets out the guidelines for the collection of outstanding taxes due to the Town of Amherst.

DISCUSSION: As part of the policy review, this policy has been reviewed and a copy of the marked up revised version is attached. The text highlighted in red is new wording and the text that is struck out is proposed to be removed. The following changes are being recommended:

- Renaming of the policy from Tax Collection Policy to Revenue Collection Policy.
- Creation of new policy statement and revision of policy purpose.
- Updating of wording to be more clear and concise throughout the policy.
- Removal of redundant wording such as old position titles, references to sections of the MGA that are no longer correct.
- Renumbering of some sections to correct flow of document and group similar sections together.
- Removal of tax certificate cost and reference User Fee Policy # 03470-03 instead.
- Clarify interest charge on all Town overdue accounts. Added more context so that interest does not have to be included in the tax rate resolutions during budget approval each year. Currently interest is charged as simple interest (interest on the tax bill only) on tax accounts and compound interest (interest on total balance outstanding including prior interest) on miscellaneous and water/sewer accounts. There are no current Town policies that indicate the interest method for miscellaneous and water/sewer accounts, therefore it has been changed to simple interest so that all Town accounts are charged interest in the same manner and now reflected in a policy.
- Added new section Miscellaneous Account Adjustment / Write Offs totaling \$250 or less. To be clear this section relates to miscellaneous accounts only and does not include taxes or water/sewer accounts. This will allow the Treasurer to recommend to the CAO to adjust miscellaneous account balances after staff have exhausted all efforts.



- Added new section Miscellaneous Account Interest – Other Governmental Agencies. This new section will allow the Treasurer to recommend to the CAO to remove interest charges for other governmental agencies where payment may be late but ultimately paid in a reasonable amount of time.

FINANCIAL IMPLICATIONS: The financial implications would relate to the interest being charged on miscellaneous and water/sewer receivables changing from compound to simple interest calculations. This will result in less interest revenue for miscellaneous and water/sewer receivables but not significant.

COMMUNITY ENGAGEMENT: No community engagement required.

ENVIRONMENTAL IMPLICATIONS: No environmental implications.

SOCIAL JUSTICE IMPLICATIONS: Ensures fair treatment of all citizens with the collection of their tax accounts by following rules set forth in the MGA regarding tax sales.

ALTERNATIVES:

1. Do not accept the recommended changes and keep policy as is.
2. Make additional changes to the policy.

ATTACHMENTS: Revenue Collection Policy, # 3800-01 with changes noted in red. Tax Collection Policy, # 3800-01 from April 2009.