

TITLE: TAX REVENUE COLLECTION POLICY
SECTION: FINANCE
POLICY NO: 03800-01

APPROVAL DATE: _____

CAO Signature: _____

POLICY STATEMENT

To establish a policy for effective and efficient collection of tax and other accounts receivable.

PURPOSE:

To set out policy and guidelines for the collection of all outstanding taxes due to the Town of Amherst in accordance with the provisions of the *Municipal Government Act, S.N.S., 1998, c.18, Part VI, "Tax Collection"*.

The purpose of the Revenue Collection Policy is to:

1. Ensure municipal tax revenues are collected in a timely and effective manner;
2. Ensure that all taxpayers are treated fairly and equitably; and,
3. Provide staff with guidance for informed and sustainable decision making, consistent with organizational values of excellence and fiscal responsibility.

1. BILLINGS, NOTICES AND REMINDERS

1. Under the adoption of a resolution by Council each year, interim tax bills may be issued. **The town will issue an interim tax bill each year.** They are to be calculated in accordance with the Town's Instalment Billing Policy, #03800-03.
2. Following the setting of the tax rate, final tax bills shall be issued, due no earlier than 30 days from the date of issue.
3. ~~At Council's discretion and following the setting of the tax rate, tax bills may be issued once during the year.~~
4. Statements of account shall be issued periodically throughout the year for all amounts due. ~~and shall contain either of the following headings:~~
 - (a) ~~Reminder – Overdue Account~~
 - (b) ~~Tax Sale Warning~~
5. Discretion is exercised by the person fulfilling the duties of **Tax Collector Revenue Officer**, who may suppress the dispatch of notice on certain accounts because of special circumstances or smallness of balance. ~~As a general rule, however, all procedures will be followed right up to an actual Tax Sale if the arrears are \$100 or more. (With this first notice of intended sale, there is some benefit in mailing notices to property owners owing less than \$100 in an endeavour to induce payment to clear accounts.)~~

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2. COLLECTION LIMIT

If the amount of taxes, including interest, is below one hundred dollars (\$100.00), then, in accordance with Section 134(4)(b) of the *Municipal Government Act*, the property shall **may** not be put up for tax sale.

3. PRELIMINARY TAX SALE NOTICE

The time period for payment of overdue taxes to be set forth in the preliminary notice described in Section 138 of the *Municipal Government Act* shall be ~~extended from 14 days to 21 days~~ **between 14 and 21 days**.

4. FEE FOR EXECUTION OF WARRANT

~~The person executing a warrant is entitled to be reimbursed in the amount of 30% of the total collected.~~

In the event that services of an outside agency are used, staff are authorized to pay the fee charged by that agency for execution of the warrant.

5. FEE FOR ISSUING OF TAX DEEDS

Deeds for property purchased at tax sales shall be prepared and registered by the Town Solicitor and it shall be the responsibility of the purchaser to refund the Town for the full cost of having the deed prepared and registered, in accordance with Section 155 of the *Municipal Government Act*.

6. SURVEYS FOR PROPERTIES TO BE SOLD AT TAX SALE

Included in the documentation of the tax sale file shall be the PID number and map showing the location of the property and its boundaries, and any buildings that appear on the property. This policy shall permit the Treasurer, if he or she deems it necessary, to engage a survey firm to perform work on a property which may include a survey of the property which has been sold or will be sold at tax sale. In exercising this discretion, the Treasurer shall take into account the work to be performed by a survey firm in relation to the overall benefit to the Town and all of the circumstances of the particular case.

7. TAX CERTIFICATES

The fee for a Tax Certificate shall be **set out in the User Fee Policy # 03470-03**. ~~the sum of Fifty Dollars (\$50.00) for each certificate. There shall be only one certificate for each property.~~

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8. INTEREST ON ALL TOWN OVERDUE ACCOUNTS

Simple interest at the rate of one percent (1%) per month, **twelve percent (12%) per annum**, shall be added to each account for which taxes **or charges** have not been paid in full by the due date.

9. INTEREST ON OVERPAYMENTS/APPEALS

Where an overpayment of taxes has been made, or where an assessment appeal is pending, the Town shall pay interest on the excess taxes paid at the rate of 0% per annum from the date of overpayment.

(For greater clarity, Section 114(1) of the *Municipal Government Act* states: **“Taxes on property may be collected or recovered even if the assessment of the property is under appeal.”**

10. TAX ARREARS PAYMENT ARRANGEMENTS

The Town of Amherst hereby delegates to the Treasurer **or a person whom the Treasurer delegates**, the power to enter into tax arrears payment agreement with the taxpayer, pursuant to Section 134(4)(3) ~~(e)~~ of the *Municipal Government Act*. ~~Such payments shall be made in accordance with the Tax Collection Procedures adopted by Council.~~

11. MISCELLANEOUS ACCOUNT ADJUSTMENTS/WRITE OFFS

Principal and interest amounts totalling \$250 or less can be written off for miscellaneous accounts (excluding taxes, water and sewer) receivable at the discretion of the CAO upon recommendation from the Treasurer after 120 days.

No account will be considered for write off unless:

1. All reasonable efforts have been exhausted by staff in its collection.
2. The internal and external costs to pursue collection of an account would reasonably be expected to exceed the amounts to be successfully collected.
3. Where a customer has been discharged from their responsibilities under bankruptcy
4. Where the customer cannot be located, despite reasonable efforts to do so.

12. MISCELLANEOUS ACCOUNT INTEREST – OTHER GOVERNMENTAL AGENCIES

Any miscellaneous receivable interest charges may be reversed for other municipalities and federal or provincial government agencies, where payment may be late but ultimately paid in a reasonable amount of time at the discretion of the CAO upon recommendation from the Treasurer.

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13. OTHER

All other tax collection activities shall be performed in accordance with the **Guide to Part VI of the Municipal Government Act – Tax collection**, prepared by Service Nova Scotia and Municipal Relations, as amended from time to time.

14. REPEAL

All existing tax collection and tax sale policies and procedures and amendments thereto are hereby repealed and this policy substituted therefore.

Title/Role	Responsibilities
Director of Finance	Ensure policy content is relevant and accurate. Ensure policy is being followed by staff.
Employees	Notify their manager of changes to be considered in the policy or if the policy becomes out of date or obsolete. Ensure policy is being followed.

For Administrative Use Only:

VERSION LOG

Amendment Description	Policy Owner	Approved By	Approval Date
Policy review – update wording, clarify interest calculations and add miscellaneous account adjustments	Manager of Financial Services	Council	

Minutes Reference Dates: 24 February 2003; 19 December 2005; 6 April 2009