

## PURPOSE

The purpose of the policy is to:

1. ensure municipal tax and water revenues are collected in a timely and effective manner;
2. ensure that all taxpayers and water customers are treated fairly and equitably; and,
3. provide staff with guidance for informed and sustainable decision making

## 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 this policy.

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 annual tax bill in the month of June with a due date of August 1 each year. Any change to this due date will require Council approval.

#### INTEREST

Interest will be calculated and accrued monthly starting immediately after the due date on all taxes/rates/liens outstanding. The rate will be determined and approved by Council as of April 1 for the upcoming twelve (12) months.

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 prime less 2% as determined at each April 1.

## COLLECTION PRACTICES

Provisions of the Municipal Government Act (MGA) Section 6 deal with tax collection and provide the legislative framework within which 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 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.

The MGA provides that every person liable to pay taxes shall be served with a tax bill, mailed to the address shown on the filed roll or to a more current address if known. An individual may provide an email address and choose to opt out of receiving paper tax bills. Council deems email delivery to meet the requirements of the MGA.

The Municipality of the County of Victoria 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 (PVSC) 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 ARRANGMENTS

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

After 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

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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 30 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 30 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.

Once a property has been issued a 60 day 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.

### 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 3-4 reminders sent to accounts with arrears over a predetermined limit.

### 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, deletion of an account, etc.)
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.

In circumstances where the internal and/or external cost to pursue collection of an account would reasonably be expected to exceed the amounts to be successfully collected, a write-off may be approved by Council.

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## WATER ACCOUNTS

### GENERAL PROVISIONS

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

### BILLING

The Municipality will issue quarterly waters bill with a due date of 31 days after the billing date.

The utility bill is the official notice to customers that payment is required for the utility service. The bill includes, the bill date, the dates of service, base rate, consumption, total amount due, the payment due date and payment information.

The Municipality of the County of Victoria considers it to be the responsibility of the customer to ensure their address is up to date.

### 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. Payment arrangements must address all arrears and cannot exceed six (6) months. Staff have the right to refuse payment arrangements from customers who have defaulted on past payment arrangements and personal cheques will not be accepted when an account in is arrears.

All water accounts will be reviewed one (1) week after the due date and those with arrears of \$100 and over will be sent a Past Due notice. This reminder will allow a five (5) business day period in which the account is to be paid. At the end of this period, those accounts still outstanding will be sent an Urgent Notice indicating the next action will be disconnection of services and a yellow door hanger will be placed at the delinquent customer's address notifying him/her that service disconnection will occur in one (1) week. If an account is still outstanding after this time, a Notice of Intention to Disconnect within the next five (5) business days will be issued. When water service is disconnected, a red door hanger is left at the customer's address indicating the date of disconnection and the steps required to re-establish service including potential reconnection fees. Payment must be made by phone or in person at our office.

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 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 seek approval for 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 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
<b>Policy Editor</b>	Chief Financial Officer	<ul style="list-style-type: none"> <li>▪ Ensure policies in their care and control are always up-to-date, reviewed according to defined review frequency, 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 is 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 Administrative Assistant</li> </ul>
<b>Policy Owner</b>	Chief Financial Officer	<ul style="list-style-type: none"> <li>▪ Provide oversight to ensure policies in their care and control are always up-to-date, reviewed according to defined review frequency, or sooner (if necessary) by the assigned Policy Administrator</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 Administrative Assistant</li> </ul>
<b>Policy Approver</b>	Council	<ul style="list-style-type: none"> <li>▪ Review Policy recommendations for approval consideration (approve, reject or edit)</li> </ul>
<b>Policy Administrator</b>	Administrative Assistant	<ul style="list-style-type: none"> <li>▪ Facilitate an annual Policy Review; and,</li> <li>▪ Ensure final approved policies are maintained, stored and posted where appropriate</li> </ul>
<b>Target Audience</b>	Employees	<ul style="list-style-type: none"> <li>▪ Notify the Policy Owner of changes to be considered</li> <li>▪ Notify the Policy Owner when the policy becomes out of date or obsolete</li> <li>▪ Follow the Policy</li> </ul>

## REVIEW FREQUENCY

Review Frequency	Review Month
Every 2 years	January

## RELATED DOCUMENTS

Document Name
Municipal Government Act
Assessment Act
Municipality of Victoria County Water Utility Schedule of Rates for Water and Water Services

## VERSION LOG

Change Date	Description	Editor	Approver	Approval Date
June 18, 2019	Policy created	Alix Redden		
June 25, 2019	Policy brought to council for review	Alix Redden		
July 16, 2019	Policy approved by council		Council	July 16, 2019