

TAX COLLECTION POLICY



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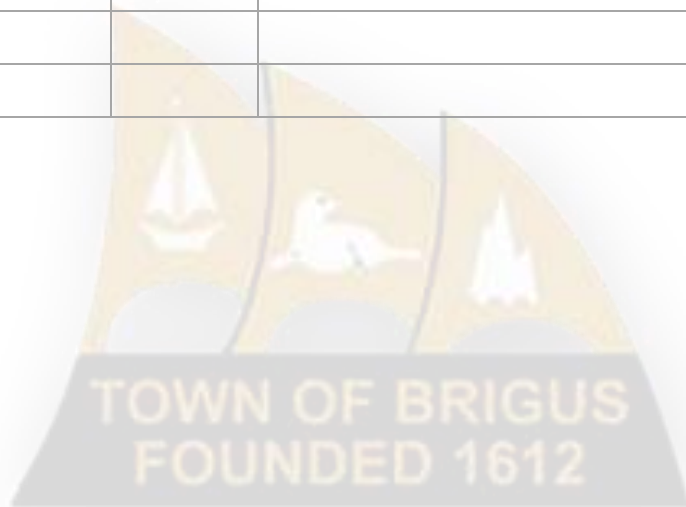
POLICY NAME	Tax Collection Policy		POLICY NO.	TCP001
EFFECTIVE DATE	February 1, 2011	DATE OF LAST REVISION	VERSION NO.	1.0

ADMINISTRATOR RESPONSIBLE		CONTACT INFORMATION	
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APPLIES TO Apply group names to define applicable areas of staff.

GROUP 1	Council	GROUP 2	Management/Administration	GROUP 3	All Workers
GROUP 4	Developers	GROUP 5	Residents	GROUP 6	Landowners

VERSION HISTORY				
VERSION	APPROVED BY	REVISION DATE	DESCRIPTION OF CHANGE	AUTHOR



TAX COLLECTION POLICY



Purpose:

To establish a fair, consistent and efficient process for the collection of outstanding tax accounts.

Policy Statement:

1. Notices

- All tax accounts will receive quarterly computer-generated notices beginning the first quarter after taxes are levied.
- All charges outstanding past the due date (June 30), are considered to be in arrears.
- The Town of Brigus will make every effort to ensure that the property/business owner(s) is aware of the taxes being assessed and the amounts that are outstanding.
- In addition to the quarterly statements, additional notices will be delivered to the property/business owner(s) as indicated in the collection procedures section of this policy.

2. Charging of Interest

- Interest will be charged on the total outstanding balance of all accounts at the beginning of each month after the tax due date, however current year taxes will be interest free if a payment plan consisting of postdated cheques or pre-authorized credit card for payment in full by December 31st of that current year is implemented.
- This option is only available if all cheques/payments are made good. Interest will be reinstated if any of the above noted transactions are declined or returned NSF. A NSF charge will also be applicable. (Interest rate 1% effective July 1, 2020)

C. Issuance of Permits

- The Town of Brigus will not issue any new permits (development, building, extensions etc....) for any property owners, or tenants of property, for which there are any arrears Property or Business or Water and Sewer taxes.
- This policy shall apply to all permits issued by the Town of Brigus. General Repairs Permits are exempted.



D. Business Conducted with Taxpayers in Arrears

- The Town of Brigus will not knowingly conduct business with businesses or property owners who have an account in arrears.
- Also, business done through the Procurement Act that is in arrears will not be considered in tendering.
- In the event that the Town of Brigus does conduct business with a business or property owner in this position, the invoice will not be paid by the Town of Brigus but will be applied against the outstanding balance.

E. Hiring/Contract Work

- The Town of Brigus will not consider resumes for hire or contract work to any persons or businesses that own property or have invested interest in property that is in arrears of taxes.
 - If an employee or business currently employed or contracted by the Town of Brigus has arrears of taxes they will have until December 31 of the current year to have all arrears paid in full.
 - If not employment/contract work will be terminated as of January 1.

F. Hardship

- The Town of Brigus does not have a policy on claimed cases of hardship. Hardship or financial inability to pay would be considered by Council on an individual basis at the recommendation of the Town Clerk/Manager.

G. Collection Process

- The collection process will be as consistent as possible for the different types of charges that are levied however, there are slight differences in the legislated processes for each of the different types of charges.
- The Town of Brigus will undertake all possible options available under the Municipalities Act to collect outstanding taxes.
- Outlined below are the general collection procedures for all taxes outstanding.



PROCEDURE & GUIDELINES

- A formal process of collection will begin 6 months after the tax due date (June 30). At this time all outstanding charges will be at least one period year old.

Residential & Commercial Property Taxes, Residential & Commercial Water and Sewer Taxes & Business Taxes.

- Effective immediately the Town of Brigus will commence collection proceedings for all outstanding accounts with charges levied in 2018 and years prior.
 - **Step 1 – Letter** - The first attempt will be by general mail delivery letter and this will be noted on the person's file. The property/business owner(s) will be advised that from this date, they will be given 30 days to contact the office and bring the amount owing up to date.
 - **Step 2 – Registered Letter** - If full payment is not received at the end of this first 30 day period, the property/business owner(s) will be contacted via registered letter outlining Council's position and giving definite instructions. Specifically the letter will include:
 - The amount of arrears including principal and interest,
 - The specific time period associated with the arrears,
 - The nature of the unsuccessful actions taken by Council to collect the arrears,
 - A specific time period, 30 days from the date of the letter for the arrears to be paid in full,
 - Advise that if unable to pay in full, an immediate payment of a minimum of 10% of the outstanding balance is required and a monthly or more frequent payment schedule that satisfies the remainder of the debt within a one year period,
 - The courses of action the Council will take to settle this account following this 30 day period,
 - If the repayment schedule agreed upon is interrupted for any reason, corrective action will commence without further warning.

Note - If registered letters are unclaimed, an agent of Council will hand deliver the notice to the appropriate person.



- **Step 3 – Enforcement** - If a property is known to be mortgaged, a registered demand letter will be sent to the mortgagor identifying the nature of the property as outlined above, the arrears outstanding and giving a period of 30 days to bring the account up to date.
 - If all attempts have been unsuccessful in the second 30 day period, then several options are available to Council including
 - (a) submission of debt to a collections agency,
 - (b) attaching rents if a unit(s) in the home/apartment/commercial building are rented,
 - (c) interruption of services, and (d) filing a statement of claim with the courts.
 - **Attachment of Rental Income:** In the event of a rental property, a registered letter (previously sent to the landlord) will be sent to the Tenant(s) or hand delivered by an agent of Council where registered mail is unclaimed, informing them of their requirement to pay all rents directly to Council within 30 days (copy of the original letter to the landlord will be included as well). The landlord will also be sent by registered mail a copy of this letter to the tenants. If this fails, then Council will initiate an interruption of services immediately.
 - **Legal Action:** Account arrears will be turned over to the town's Solicitor for collections. If this fails, then Council will initiate an interruption of services.
 - **Interruption of Services (water and sewer):** A further notice will be served via registered letter or hand delivered by an agent of Council (a) to both tenants and landlord of a rental property or (b) to the owner of a residential/commercial property informing them that there will be a disruption of services in 3 days. Following this final notice period, if full payment is still not received, this disruption will occur at a time convenient to Council but not to exceed 10 days from the date the notice of interruption was sent from the Town. It will also be stated that this will be done without further notice and the landlord/property owner(s) will be informed of the fees associated with reconnecting services.



- **Statement of Claim:** Should these methods fail, a statement of claim for the full amount (principal and interest) plus collection cost will be filed in small claims court by Town employees or by lawyers representing the Town for balances greater than \$3,000.

Vacant Lands and Estates

- The most effective method of collecting debts in this category is forced sale of vacant land as outlined in the Municipalities Act.
- **Step 1 – Letter** - The first attempt will be by general mail delivery letter and this will be noted on the property's file. The property owner(s) will be advised that from this date, they will be given 30 days to contact the office and bring the amount owing up to date.
- **Step 2 - Registered Mail** - If full payment is not received at the end of this first 30 days period, the property owner(s) will be contacted via registered letter outlining the Council's position and giving definite instructions. Where the address or identity of the owner is unknown, or unable to be found, a copy of the notice will be placed in a conspicuous place on the real property affected. The placement of the notice will be photographed and be treated as if a registered letter was received. Specifically the letter/notice will include:
 - A general description of the real property affected,
 - The amount of arrears including principal and interest,
 - The specific time period associated with the arrears,
 - The name of the person in who's name the property was assessed,
 - The nature of the unsuccessful actions taken by Council to collect the arrears,
 - The Council's intention to sell according to the Municipalities Act at a public auction specifying that the property will be listed after 60 days from the date of the notice unless all taxes, interest and expenses are paid in full
- If a property is known to be mortgaged, a registered demand letter will be sent to the mortgager identifying the nature of the property as outlined above, the arrears outstanding and giving a period of 30 days to bring the account up to date or the property will be sold.



- **Step 3 – Enforcement** - If all attempts have been unsuccessful in the 60 day period, then Council shall, by resolution, direct that the property be sold at a public auction.
- The Notice of Sale by public auction will be published in the Compass or Telegram at least 30 days before the actual sale by one advertisement each week. The advertisement will include:
 - The location of the property (street and number) or a brief description,
 - The assessed value of the property,
 - The time, date and place of the sale,
 - Acknowledgement that a full description is available at the Town office
- Unless all taxes, interest and expenses have been paid in full by the owner at least one week prior to the scheduled sale, the Town’s lawyer shall be instructed to sell the property by public auction as specified in the notice of sale.
- **Step 4 – Sale by Public Auction** - The sale of property or portions of property shall commence on the date and place specified to pay the debt to Council. The sale and resulting consequences shall abide by the conditions set out in the Municipalities Act (Section 144 – 147 or any other appropriate section of the Act). Briefly, these sections may include but are not limited to the following:
 - If the portion advertised is sold but does not garner a sufficient sum to satisfy debt and expenses, the remaining portion may be immediately sold, without notice, to retire the debt
 - The municipality may bid and purchase real property being auctioned,
 - If a property is not sold, it shall be further advertised and auctioned within 2 weeks, and may be sold for any sum that can be realized
 - If the sale of a property is set aside, the lien shall continue and the property may be sold unless arrears are paid
 - Arrears shall be deducted from the sale, and balance paid to the person entitled to it. If purchaser fails to pay Council immediately, the property will immediately be put up for sale again
 - Future assessments will be assigned to the purchaser
 - If all provisions of the Act for arrears of taxes are met, a valid conveyance will vest the property to the purchaser.

TAX COLLECTION POLICY



All previous Town of Brigus Tax Collection Policies and amendments are repealed.

Mayor

Town Clerk/Manager

Deputy Mayor

Date