

Municipality of the District of St. Mary's

COVID-19 Property Tax Financing Plan Policy



1. This Policy is entitled the "COVID-19 Property Tax Financing Plan Policy."

2. Objective:

The Municipality of the District of St. Mary's is concerned about the health and safety of residents and recognizes that facilitating the payment of the 2020/2021 property taxes in installments may 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 for residential and commercial properties negatively affected by the COVID-19 global pandemic.

3. Authority:

Sections 111 and 112 of the Municipal Government Act give Council the authority to provide for the payment of taxes by installments.

Section 113 of the Municipal Government Act allows Council to charge interest for non-payment of taxes when due, at a rate determined by the policy.

4. Scope:

4.1 Residential:

4.1.1 Registered property owners who are ordinary residents of Nova Scotia and who have experienced a significant reduction in income due to the State of Emergency, demonstrated through receipt of Provincial or Federal program assistance, or a Record of Employment (ROE) demonstrating layoff.

4.1.2 Property owned by a tourism operator registered as a Tourism Operator with Tourism Nova Scotia for the 2019 tourist season (excluding AirBNBs).

4.2 Commercial:

4.2.1 Owners of taxable commercial properties who have experienced financial hardship through loss of revenue related to the State of Emergency, and where the property is used as commercial, shopping, office, industrial, farm (cumulative assessment) and has a total taxable 2020 property assessment value equal to or less than \$400,000.

4.2.2 The program will include the following,

4.2.2.1 Land owned by a tourism operator registered with the Tourist Accommodations Registration Act (e.g., hotels, motels, bed and breakfasts),

4.2.2.2 Automotive and leisure/recreational dealerships who experienced financial hardship through loss of revenue related to the State of Emergency,

4.2.2.3 Private and non-profit recreation facilities including, but not limited to golf courses, indoor playgrounds, campgrounds, racing venues,

4.2.2.4 Hospitality industry, including but not limited to bars, cafes, and coffee shops,

4.2.2.5 Service industry, including but not limited to hairdressers, nail salons, gyms, tattoo parlours,

4.2.2.6 Health care providers that have been required to reduce hours including, but not limited to dentists, naturopaths, chiropractors, physiotherapists, and other doctors.

4.3 Exclusions:

4.3.1 Property owners who have not experienced financial hardship through loss of revenue related to the State of Emergency,

4.3.2 Property owners who have received compensation from Business Interruption Insurance towards the payment of property taxes,

4.3.3 Day care centres in receipt of federal or provincial funding, or those in receipt of other emergency funding,

4.3.4 Properties used for landfill, pipeline, managed forest, parking, and commercial vacant land,

4.3.5 Properties who have an active tax agreement with the Municipality through legislation or bylaw,

4.3.6 Non-profit organizations funded by the Municipality or partially exempted, and

4.3.7 All properties managed under payment-in lieu-programs. (Provincial, Federal and associated entities)

4.3.8 Industries may be removed from this program if additional federal or provincial financial support programs are introduced after the creation of this program.

4.3.9 Residentially assessed vacant land. Residential properties that do not have a dwelling attached to the assessment account number as determined by Property Valuation Services Corporation for the 2020 Assessment.

4.4.0 Accounts where property taxes are paid by mortgage companies are not eligible for the program.

4.4 General Requirements:

4.4.1 The installment shall be payable by the person or company assessed for the property for the current fiscal year (2020-2021) by way of automatic withdrawal from the Municipality on the first business day of every month.

4.4.2 To qualify for the tax installment pre-payment plan, the previous year's rates and taxes must be paid in full by July 15th, 2020.

4.4.3 The application deadline for the program is July 15th, 2020.

5. Administration

5.1 Tax Installments:

5.1.1 For applications meeting the preceding criteria, property taxes normally due on July 31st, 2020 will be eligible for this tax payment installment program.

5.1.2 Program participants will pay tax installments of \$10 per month for six months, from the date of the tax bill due date. This payment is considered interest and administration fees. It does not pay down the principle outstanding on 2020-2021 taxes.

5.1.3 Following these six months at \$10 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.

5.1.4 The rate of interest for the program will be 1.1% plus 25 basis points to cover administration fees, resulting in an interest rate of 1.35% per annum.

5.1.5 Interest will be calculated from the tax bill due date to the end of the tax installment payment period.

5.1.5 Tax installments are on the first business day of the month by automatic withdrawal. Applicants must provide banking information for automatic withdrawal to qualify for program.

5.2 Terms of the Program:

5.2.1 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.

5.2.2 Default of payment of an installment when due will result in removal from this program.

5.2.2.1 Removal from the program will result in the balance of outstanding taxes becoming immediately due and payable.

5.2.2.2 Removal from the program will result in the addition of municipality's normal rate of interest for overdue taxes to the Special Tax Installment Rate, resulting in a compound rate.

5.2.3 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 policy at the rate of 14% per annum.

5.2.4 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.

5.2.5 If during the duration of the payment plan term the property sells or changes registered ownership this payment arrangement is null and void and taxes become due immediately and are subject to regular Municipal interest charges.

6. Definitions

"Special Tax Installment Rate" - An interest rate of 1.1% based on the Municipality's cost of borrowing plus a small amount (25 basis points) to cover administrative costs resulting in an interest rate of 1.35% per annum. 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 tax interest rate of 14% per annum.

"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.

7. Responsibilities

7.1 Council will:

7.1.1. Ensure that the Municipality has in place a COVID-19 Property Tax Financing Plan Policy.

7.2 The Chief Administrative Officer will:

7.2.1 Administer and implement the COVID-19 Property Tax Financing Plan Policy of the municipality, and

7.2.2 Identify necessary revisions to the COVID-19 Property Tax Financing Plan Policy in consultation with Council and managerial staff.



Municipal Clerk



Date