

BY-LAW
PROPERTY TAX COLLECTION AND TAX ARREARS
Municipality of Colinet
Effective Date: April 8, 2025

This by-law allows for effective and efficient collection of property taxes and ensures all taxpayers are treated fairly and equitably with respect to the collection of their property taxes.

The scope of this document is intended to cover the collection of property taxes and any amounts added as taxes for collection, such as waste management fees.

Definitions and Names

Tax Arrears Sale – means the sale of land for Tax Arrears according to the proceedings prescribed under The Towns and Local Service Districts Act.

Interest – means amounts applied by the Municipality to unpaid Property Tax accounts, in accordance with The Towns and Local Service Districts Act.

Property Taxes – means the total amount of taxes for municipal purposes levied on a property and includes other amounts, such as waste management fees, added to the tax roll as may be permitted by applicable Provincial Legislation.

Tax Arrears – means any portion of property taxes and fees assigned by the Municipality that remain unpaid after the date on which they are due.

Municipality – the Town of Colinet.

Accountability

The Town Clerk or delegate is responsible to ensure that outstanding property tax collection processes are performed in accordance with this by-law and all applicable legislation. In addition, the Town Clerk or delegate is responsible to:

- ensure this policy remains consistent with current legislation;
- ensure staff are aware of and trained on this policy;
- communicate any policy revisions to staff;
- assess overdue Property Tax accounts to ensure tax collection processes are performed in accordance with this policy.

Interest Charges

In accordance with The Towns and Local Service Districts Act, interest at a rate of 2% is added to previous years' arrears, to take effect January 1, 2026.

Interest charges are adjusted only in accordance with the following situations:

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- payments that have been received before month end but have not been processed through the payment system prior to interest being added;
- payments that have been approved by the Town Clerk as a clerical error.

Payments

Payment of taxes must be received in the Municipality's town office, on or before the due date. Payments not received on time are subject to interest. The following are the methods of payment available for a property owner's use:

- Internet Banking – Property owners and civic number must be identified;
- Pre-authorized Payment Plans;
- Post dated cheque(s);
- In person – at the town office by cash, cheque, or money order;
- Payments by a mortgage holder;
- Other alternatives as approved by Town Council, Colinet.

Receipts will be provided for all payments. To registered owners whose payments are made on their behalf by a mortgage company, the receipted tax bill will be sent to the registered owner once payment has been received.

Payments shall be applied as follows:

- outstanding interest charges;
- taxes starting with the oldest taxes up to the current taxes;
- other charges that have been added to the roll (if any).

Returned payments

Payments that are returned by the bank marked "insufficient funds or non-sufficient funds" will be subject to an NSF fee as set out in the Municipality's Tax and Fee Structure.

Tax Arrears Collection

Property taxes and fees prescribed by the Municipality may be recovered (with costs) as a debt to the Municipality from the registered owner and/or any subsequent owner of the property.

The Municipality will primarily use the following methods to collect Tax Arrears:

- Notice of tax arrears in July of the tax year;
- Notice of tax arrears in October of the tax year;

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- Sending a reminder letter to those approaching one year in arrears;
- Upon 18 months in arrears, a Notice of Arrears will be issued, a deadline date will be given; no further notices will be sent after that date.
- Tax Arrears Sale Proceedings

Payment arrangements may be entered into by the Municipality with a property owner who is in tax arrears, prior to sale of the property. Interest will continue to accrue during all such payment arrangements until full payment on the account has been made.

If acceptable payment arrangements are negotiated, the account will be monitored for compliance. If there are two consecutive returned payments, or two payments are returned or missed/not made within six months, the payment arrangement will be deemed void and the taxpayer will be advised that payment in full, by certified cheque, electronic bank transfer or money order, is required or municipal tax sale proceedings will be commenced.

Municipal tax sale proceedings

As per Section 146 of the Towns and Local Service Districts Act, where a real property tax, waste management or other town fee is in arrears for 18 months, the town clerk shall serve a notice of arrears on the owner, mortgagee, judgment creditor, lienholder or other person having a charge or encumbrance upon or against the real property.

If a Notice of Arrears has been registered against a property, no **partial** payments can be accepted by the Municipality. If acceptable payment arrangements are not negotiated prior to the deadline date provided in the Notice of Arrears, then all properties in excess of 18 months in arrears shall be subject to the arrears sale process, as outlined in Sections 150-152 of the Towns and Local Services District Act.

If there are no bidders or the town clerk fails to sell the real property for the full amount of the arrears of taxes and fees, the town clerk shall arrange an alternate arrears sale date, as set out in Section 153 of the Towns and Local Service Districts Act.

In accordance with Section 155 (1) – (3) of the Towns and Local Service Districts Act, the Town Clerk will distribute any balance remaining, after all real property taxes and fees owed to the Town have been paid, to the former property owner or to the Supreme Court in the event an application has been made by a person claiming entitlement to the balance.

In accordance with Section 155 (4) – (5), where the former owner of the real property is unknown or cannot be located and there is a balance remaining, the town shall pay the balance to the Supreme Court.

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Credit Balances

When a property tax account shows a credit balance as a result of a reduction in assessment, duplicate payment, or payment in error, credit balances may be refunded if the owner makes a request in writing and as long as all instalments billed have been cleared.

Reviewed and Approved at the Town of Colinet by Town Council on the 8th day of April, 2025.

V. Joan Nolan.

V. Joan Nolan, Mayor

Brenda Pike

Brenda Pike, Town Clerk

Date:

April 8/25