



## TOWN OF POUCH COVE

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## TAX COLLECTION & PAYMENT REGULATIONS

Pursuant to general powers conferred to the Town of Pouch Cove under the Municipalities Act, 1999, the following regulations have been made by the Town Council of Pouch Cove and were approved on March 4<sup>th</sup>, 2019 with an amendment on July 8<sup>th</sup>, 2019, September 23<sup>rd</sup>, 2019, and February 17<sup>th</sup>, 2020.

### 1. Title

These Regulations shall be known and cited as the Town of Pouch Cove "Tax Collection and Payment Regulations".

### 2. Interpretations: In these regulations unless the context otherwise requires:

- a) "Act": means the Municipalities Act, Chapter M-24, S.N. 1999.
- b) "Town" means the Town of Pouch Cove as defined by Order in Council.
- c) "Council" means the Town Council of the Town of Pouch Cove.
- d) "Taxes" in this regulation is limited to Business Taxes, Property Taxes, and Water/Sewer Taxes

### 3. Tax Imposition, Discounts, and Interest

- 1) Taxes imposed by Council are due by March 31<sup>st</sup> in a financial year
- 2) Residents in receipt of the Guaranteed Income Supplement are eligible for a 20% discount on Property Tax on their principle residence if an application is submitted in the required form.
- 3) Taxes not paid by March 31<sup>st</sup> in a financial year are subject to a 1% compounded interest applied at the end of each month starting on April 30<sup>th</sup>.
- 4) Residents may deposit post-dated cheques with monthly payment amounts of at least 10% of their bill that will cover the cost of Property Taxes and Water/Sewer Taxes on their primary residence by the end of the year. If such payments are honored, any interest fees will be waived.

### 4. Statement Reminders

- 1) Tax bills shall be sent by January 31<sup>st</sup> in a financial year
- 2) In the first week of June, reminder statements will be issued to residents with the April 30<sup>th</sup> and May 31<sup>st</sup> interest charges showing. Reminder statements for accounts in arrears will generally be issued every 3 months thereafter.
- 3) Reminders will not be sent for balances under \$10.00; however, such balances will continue to accrue interest.
- 4) It is the responsibility of all citizens to understand their tax and interest obligations regardless of any error in the issuance or receipt of notifications from the Town office.

**5. Collection Measures – starting in next year**

- 1) In next year's January tax levy, a warning will be issued to persons in arrears that collection measures will commence in accordance with this section of the regulations as follows:
- 2) First Week of February: If there is a tenant in the real property a rental seizure will be put in place as per Section 148 of the Municipalities Act, 1999.
- 3) First Week of May: Real Property owners with water and sewer service will be advised that water shut-offs will begin in the first week of May in accordance to Section 132 of the Municipalities Act, 1999.
- 4) First Week of July: Court action will take place for the current year and any prior year's taxes or the Town may initiate a Tax Sale. The preferred collection method of arrears under \$5000 will be Small Claims, arrears over \$5000 will be the Supreme Court, and Tax Sales will be used where ownership uncertainty is present.
- 5) The Town may cease collection measures for those who commence and honor a payment plan in accordance with Section 6 of these regulations.

**6. Arrears Payment Plans**

- a) **Monthly Payment Plan:** A person in arrears may commence a payment plan equivalent to 15% of one year's worth of current year tax paid monthly rounded to the nearest \$20. The first payment must be paid immediately upon registering for the payment plan. Any person on a monthly payment plan who has lapsed in making a full monthly payment will be required to switch to a bi-weekly payment plan.
  - i. A payment plan of 12.5% of one year's worth of current tax paid monthly rounded to the nearest \$20 may be accepted for a person who owes less than 2 years of their current year's tax bill.
  - ii. An alternate payment plan may be considered for a property that is in the process of being sold and there is ongoing reason to believe the sale will be completed in the foreseeable future.
- b) **Bi-Weekly Payment Plan:** A person in arrears may commence a payment plan equivalent to 10% of one year's worth of current year tax paid bi-weekly rounded to the nearest \$20. The first payment must be paid immediately upon registering for the payment plan.
- c) Payment plans must remain in force until all taxes are settled (including additional taxes that may be levied if a payment plan extends into a new financial year)
- d) Upon registration of a payment plan, interest charges will continue to accrue; however, these new charges may be waived at the discretion of council if a payment plan is honored in accordance with this section.
- e) Collection efforts shall resume for any person who misses a bi-weekly payment; however, efforts will not resume for a person who is unable to make a full bi-weekly payment but pays at least half of such payment on their required payment date. Collection efforts will resume if these half payments are submitted in-lieu of full payments more than twice in any 8-week period.
- f) If a person is experiencing undue financial hardship, a longer payment plan may be considered by making a special request in writing to the CAO with any conditions or supporting documentation required by the CAO.

**7. Outstanding Arrears One-time Interest Exemption (2018 Taxes and Prior)**

Council will offer a pre-authorized one-time interest exemption on arrears from 2018 taxes and prior years with the following terms:

- a) An application in the required form is submitted to council no later than Friday June 28<sup>th</sup>, 2019
- b) 100% interest exemption if principal balances for 2018 and prior years are paid in full at the time of application.
- c) Partial interest exemption corresponding to a portion of principal balances for the portion paid at the time of application and the person enters into an Arrears Payment Plan as defined in section 6 which is honored. Exempted interest will be reapplied if the Arrears Payment Plan is not honored.

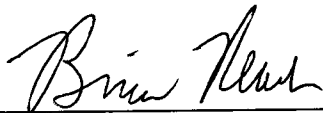
**8. Tax Adjustment Authorities**

- 1) The CAO is authorized to adjust any water and sewer accounts both current and historic and apply credits or refunds in light of the definition of serviceability and make any related determinations within his discretion.
- 2) The CAO is authorized to adjust Property Tax bills upon receipt of the Guaranteed Income Supplement discount offered under section 3(2) of these regulations.
- 3) The CAO is authorized to adjust bills and apply credits if it is determined to the satisfaction of the CAO that an error has occurred in the issuance of the bill.
- 4) The CAO is authorized to exercise discretion to provide interest relief up to \$500.
- 5) The CAO is authorized to exempt taxes associated with any property in the terms of an agreement to convey the property to the Town of Pouch Cove.
- 6) All other waivers, adjustments, or exemptions must be approved by a motion of Council.

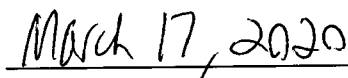
**9. Adoption**

Under section 413 of the Municipalities Act 1999, the Town Council of Pouch Cove adopts the Town of Pouch Cove *Tax Collection and Payment Regulations as approved (or as amended)*.

This policy will be reviewed at least every three (3) years and updated as necessary following new knowledge or new experience.



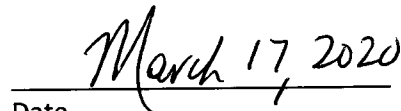
Brian Peach  
Chief Administrative Officer



Date



Joedy Wall  
Mayor



Date