
COVID-19 Property Tax Financing Program Policy

1. This Policy is entitled the “COVID-19 Property Tax Financing Program Policy.”

2. **Objective**

Colchester County is concerned about the health and safety of residents. Colchester County recognizes that facilitating the payment of property taxes in installments will 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 (the “Program”) for owners of 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 Policy.

4. **Scope**

4.1 Residential – The following owners of residential property are eligible to participate in the Program:

4.1.1 An owner of a residential property that is the owner’s primary residence, where the owner has experienced financial hardship through a significant reduction in income due to the State of Emergency declared by the Government of Nova Scotia in response to COVID-19, demonstrated through receipt of Provincial or Federal program assistance, or a Record of Employment (ROE) demonstrating layoff from employment after March 15, 2020;

4.1.2 Financial hardship of a residential property owner is defined as a 30% reduction in total household income from the prior year’s income as reported on a T1 form for income tax purposes;

4.1.3 Property owners who have quite their job voluntarily would not qualify for this program.

4.2 Commercial – the following owners of commercial property are eligible to participate in the Program:

4.2.1 An owner of a taxable commercial property where the property has a total taxable 2020 property assessment value equal to or less than \$750,000 and where the owner’s business or building located on the property has experienced financial hardship through loss of revenue related to the State of Emergency, demonstrated through the following:

- A projected loss of 30% in annual revenue for 2020 calendar year due to a closure or limited operations from COVID-19 restrictions;
- Property owners must be able to provide proof of a closure or limited operating hours outlined on Schedule A;

- Completing Schedule A form which determines the project loss of a Commercial entity based on COVID-19 implications.

4.3 Exclusions: Regardless of Sections 4.1 and 4.2 of this Policy, the following are not eligible to participate in the Program:

- 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 Properties occupied by daycare 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 for which there is an active tax agreement with the Municipality through legislation or by-law;
- 4.3.6 Properties owned by non-profit organizations that are funded by the Municipality or that are partially exempted from property tax;
- 4.3.7 All properties managed under payment-in-lieu-programs;
- 4.3.8 All properties assessed as Public Institutions are not eligible;
- 4.3.9 All properties assessed as commercial without real property (land without dwellings) are not eligible;
- 4.3.10 Property owner must have an active CRA business account to be eligible. The property must be associated with the business conducted under the CRA business account to be eligible;
- 4.3.11 Commercial properties must be operating an active business at the time of application to qualify for this program.
- 4.3.12 Commercial rental properties are not eligible for this program.

4.4 General Requirements

- 4.4.1 Installments shall be payable by the person, company or other entity assessed for the property for the current fiscal year;
- 4.4.2 In order for taxes for a property to qualify for the Program, the taxes for the property must not be in arrears at the time of application.

4.5 Application

- 4.5.1 Property owners wishing to apply to participate in the Program for a property must complete and submit to the Municipality an application in the form attached as Schedule "A" to this Policy;
- 4.5.2 The application deadline to participate in the Program is December 31, 2020.

5. Administration

5.1 Tax Installments

- 5.1.1 For applications meeting the Program criteria set out above, property tax payments normally due by August 31, 2020 for approved properties may be paid in installments as follows:
- 5.1.2 For each property, Program participants will pay tax installments in equal monthly payments that are payable on or before the last day of each month and continue for a 24-month period that begins September 1, 2020;
- 5.1.3 The rate of interest for the Program will be 1.35% per year;

5.1.4 Interest on amounts owing under the Program will be calculated commencing on the date the property tax payment is normally due and continuing until all installments have been paid.

5.2 Terms of the Program

- 5.2.1 The Treasurer, or his or her delegate, shall approve qualifying applicants.
- 5.2.2 Payments under the Program must remain in good standing with the Municipality throughout the duration of the Program.
- 5.2.3 Default in payment of one installment when due will result in the following:
 - 5.2.3.1 The balance of outstanding taxes on the applicable property and interest will become immediately due and payable; and
 - 5.2.3.2 The outstanding taxes and interest then owing will become subject to the Municipality's regular rate of interest for overdue taxes of 12%.
- 5.2.4 All amounts owing and payable on the property tax account that are not included in the Program are due on their normal dates and any amounts not paid when due will be subject to the Municipality's regular rate of interest for overdue taxes of 12%.
- 5.2.5 Payments received by the Municipality from a property owner will first be applied to any installments due under the Program, in priority to any other taxes or other amounts owing by the owner to the Municipality.
- 5.2.6 All participants must make payments through the pre-authorized payment program offered by the Municipality.

6. Responsibilities

- 6.1 Council will:
 - 6.1.1 Monitor the implementation and administration of this Policy and make any amendments required for the effective and efficient operation of the Program.
- 6.2 The Director of Corporate Services will:
 - 6.2.1 Be responsible for the administration and implementation of this Policy and the Program; and;
 - 6.2.2 Identify necessary amendments to this Policy in consultation with Council and managerial staff and make recommendations accordingly to Council.

7. General Provisions

Payments received by mail are deemed to be paid on the date received by the Municipality.

Clerk's Annotation For Official Policy Book	
Date of Notice to Council Members of Intent to Consider (7 days minimum): <u>August 10, 2020</u>	
Date of Passage of Current Policy: <u>August 27, 2020</u>	
I certify that this Policy was adopted by Council as indicated above.	
<u>Rob Simonds</u> Municipal Clerk	<u>September 17, 2020</u> Dated

Application for COVID-19 Property Tax Financing Program (Schedule A)

Residential Property

Civic address of property: _____

Assessments Account Number (as it appears on your tax bill): _____

Name of Owner (as it appears on your tax bill): _____

Mailing address (include civic number): _____

Phone number: _____

Email address: _____

I declare that:

- a) I have not received compensation from business interruptions insurance toward payment of property taxes in relation to the above property;
- b) The property is not occupied by a daycare centre in receipt of federal or provincial funding or other emergency funding;
- c) The property is not used for a landfill, pipeline, managed forest, or parking, and is not commercial vacant land;
- d) There is no active tax agreement in place with the Municipality with respect to property taxes for the property through legislation or by-law;
- e) The property is not owned by a non-profit organizations that is funded by the Municipality and the property is not partially exempted from property tax; and,
- f) The property is not managed under a payment-in-lieu-program.

I. Owner-occupied residents

I also declare that:

- a) I reside in the above property;
- b) I have experienced financial hardship due to a significant reduction in income as a result of the State of Emergency declared by the Province of Nova Scotia related to COVID-19; and,
- c) I am receiving federal or provincial assistance related to COVID-19 OR I was laid off from my employment after March 15, 2020.

Dated this _____ day of _____, 2020.

Signature of Owner

Enclose: **2019 T1 Filed**
 Proof of Loss of Employment (ROE)
 Proof of CERT Income (if applicable)

Application for COVID-19 Property Tax Financing Program (Schedule A)

Commercial Property

Civic address of property: _____

Assessments Account Number (as it appears on your tax bill): _____

Name of Owner (as it appears on your tax bill): _____

Mailing address (include civic number): _____

Phone number: _____

Email address: _____

I declare that:

- a) I have not received compensation from business interruptions insurance toward payment of property taxes in relation to the above property;
- b) The property is not occupied by a daycare centre in receipt of federal or provincial funding or other emergency funding;
- c) The property is not used for a landfill, pipeline, managed forest, or parking, and is not commercial vacant land;
- d) There is no active tax agreement in place with the Municipality with respect to property taxes for the property through legislation or by-law;
- e) The property is not owned by a non-profit organizations that is funded by the Municipality and the property is not partially exempted from property tax; and,
- f) The property is not managed under a payment-in-lieu-program.

I. Owner-occupied residents

I also declare that:

- a) I have experienced financial hardship through loss of revenue of my business or building located on the property as a result of the State of Emergency declared by the Province of Nova Scotia related to COVID-19; and,
- b) I total taxable 2020 assessed value for the property is equal to or less than **\$750,000**.

Dated this _____ day of _____, 2020.

Signature of Owner

**Enclose: 2019 T2 filed for Tax purposes
 Year to Date Financial Statement 2020**
