
Municipality of Cumberland Policy 20-04

COVID-19 Property Tax Financing Plan Policy

Title

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

Objective

2. The Municipality of the County of Cumberland is concerned about the health and safety of residents. The Municipality of the County of Cumberland 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 for residential and commercial properties negatively affected by the COVID-19 global pandemic.

Authority

3. Sections 111 and 112 of the *Municipal Government Act* give Council the authority to provide for the payment of taxes by installments.
4. 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.

Scope

5. Residential - the following owners of residential are eligible to participate in the Program:
 - 5.1 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 1, 2020;
 - 5.2 Property owned by a tourism operator registered as a Tourism Operator with Tourism Nova Scotia for the 2019 tourist season (excluding AirBNBs).

6. Commercial

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 two million dollars (\$2,000,000).

7. Exclusions

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

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

7.3 Properties occupied by day care centres in receipt of federal or provincial funding, or those in receipt of other emergency funding,

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

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

7.6 Properties owned by non-profit organizations funded by the Municipality or partially exempted, and

7.7 All properties managed under payment-in lieu-programs.

8. General Requirements

8.1 The installment shall be payable by the person or company assessed for the property for the current fiscal year.

8.2 To qualify for the tax installment pre-payment plan, the previous year's rates and taxes must be paid in full at the time of application. For greater clarity, an account is not in arrears if it has balance of \$0 or less in respect of prior years, or have a signed payment arrangement and have fulfilled all obligations under the arrangement to that date of application

8.3 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.

8.4 The application deadline for the program is **June 30th, 2020**.

Administration

9. Tax Installments

9.1 For applications meeting the preceding criteria, property taxes normally due on June 30th, 2020 will be eligible for this tax payment installment program.

9.2 Program participants will pay tax installments of **\$25 per month for six months**, from the date of the tax bill due date.

9.3 Following these six months at \$25 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.

9.4 The rate of interest for the program will be 1.35% per year.

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

10. Terms of the Program

The Treasurer, or his or her delegate, shall approve qualifying applicants.

10.1 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.

10.2 Default of payment of an installment when due will result in the following:

10.2.1 The balance of outstanding taxes on the applicable property and interest will become immediately due and payable; and

10.2.2 The outstanding taxes and interest then owing will become subject to the Municipality's regular rate of interest for overdue taxes of **15 % per annum**

10.3 All amounts owing and payable on the property tax account that are not included in the Program, including existing signed payment arrangements, 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 **15% per annum**

10.4 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.

11. Responsibilities

11.1 Council will:

11.1.1. Monitor the implementation and administration of this policy and make any amendments required for the effective and efficient operation of the Program.

11.2 The Chief Administrative Officer will:

11.2.1 Be responsible for the administration and implementation of this policy and the Program; and

11.2.2 Identify necessary amendments to this policy in consultation with Council and managerial staff and make recommendations accordingly to Council.

Clerk's Annotation for Official Policy Book

Date of Notice to Council Members of Intent to Consider (7 days minimum): May 6, 2020

Date of Passage of Current Policy: May 20, 2020

I certify that this Policy was adopted by Council as indicated above.

Clerk

Date

APPENDIX A

**Application for COVID-19 Property Tax Financing Program
Residential Property**

Civic address of property: _____

Assessment 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 interruption 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 bylaw;
- 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.

Complete one of I, or II

I. Owner-occupied residence

I also declare that:

- a) I reside in the above property;
- b) I have experienced financial hardship through 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 financial 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: Documentation (email, letter, payment statement, or other) showing that you are in receipt of federal or provincial financial assistance related to COVID-19 OR enclose a Record of Employment indicating that you were laid-off from your employment after March 1, 2020.

II. Registered tourism operator

I also declare that:

- a) I was a registered Tourism Operator with Tourism Nova Scotia for the 2019 tourist season with respect to the above property;
- b) There is no current agreement in place with the Municipality regarding payment of property taxes;
- c) I have experienced a significant reduction in income from the property as a result of the State of Emergency declared by the Province of Nova Scotia related to COVID-19; and
- d) The property is not used as an AirBnB.

Dated this ___ day of _____, 2020.

Signature of owner

Enclose: Documentation showing registration as a Tourism Operator with Tourism Nova Scotia for the 2019 tourist season.

Application for COVID-19 Property Tax Financing Program

Commercial Property

Civic address of property: _____

Assessment 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 interruption 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 bylaw;
- 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 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;
- b) The total taxable 2020 assessed value for the property is equal to or less than \$2,000,000;

Dated this ____ day of _____, 2020.

Signature of owner

Enclose: Documentation showing a comparison of the total business sales for the months of March, April, and May 2019 and 2020.