



STAFF REPORT

To: Council
From: Michelle Williams, Director of Finance
Approved by: Trudy Payne, Chief Administrative Officer
Date: June 23, 2021
Subject: Collections Policy and Tax Sale Policy Amended

ORIGIN

Council requested, and the Collections Policy was amended February 2020, to include sending a Prewarning Letter in May of each fiscal notifying residents who were in arrears and eligible for the tax sale list in July no matter the value of arrears. At the June 9, 2021 Council meeting, Council requested these policies be amended.

RECOMMENDATIONS

THAT Council of the Municipality of the District of Shelburne approve the attached Collections Policy as amended.
 THAT Council of the Municipality of the District of Shelburne approve the attached Tax Sale Policy as amended.

DISCUSSION

At the June 9, 2021 Council meeting, Council requested that the revisions presented to the Collections Policy be amended to only send Pre-warning letters to residents who are in arrears \$5.00 or more starting 2022/2023 as the letter was already sent for this fiscal. As well, that residents will only be on the Tax Sale list and therefore receive a Preliminary Notice if they owe \$5.00 or more in arrears starting 2021/2022. This change would also need to be reflected in the Tax Sale Policy. Staff were asked to bring the amended policies be brought back to the June 23rd Council meeting to be adopted and June 9th served as the first day of the seven days' notice required to change a policy.

ATTACHMENTS

Collections Policy Amended
 Tax Sale Policy Amended



Policy 43
Collections Policy

POLICY PURPOSE

43.1 To provide the Finance Department with clear requirements related to the notification process for its accounts receivable.

POLICY DETAILS

- 43.2 Collection Letters are sent out every September and January for any properties that are in arrears of \$50.00 or more.
- 43.3 Tax bills are sent out in April and due June 30 for all properties, regardless of the amount. Amounts will include arrears.
- 43.4 Pre-warning letters are sent out in May for any properties that are going to be on the tax sale list generated in July. *Effective June 23, 2021, letters will only be sent if the arrears are \$5.00 or more.*
- 43.5 Monthly statements are sent for the Construction and Demolition Site (RMRF), Septage Receiving Station, Miscellaneous, RCMP and Sherriff for statement amounts that are \$2.00 or more.
- 43.6 Invoices created during the month are due the end of the following month before interest is charged, i.e. Invoice charged Nov. 3, Statement sent Nov. 30, due Dec. 31.
- 43.7 Residents will receive a receipt:
 - When the 'request receipt' box amount is checked on the Tax Bill, Statement or Collection Letter.
 - When a resident pays with cash.
 - If after a payment, there is any balance or credit on the account.
- 43.8 As of April 1, 2019, if a property is in arrears one year plus current, it will be on the tax sale list, regardless of the amount owed. *Effective June 23, 2021, a property will only be on the tax sale list if the arrears are \$5.00 or more.*

THIS IS TO CERTIFY that the Council of the Municipality of the District of Shelburne duly passed the policy respecting Collections on February 25, 2019.

SIGNED this _____ day of _____, 2021

WARDEN

CHIEF ADMINISTRATION OFFICER

Approved by Council: February 25, 2019

Effective Date: February 25, 2019

Amended Date: February 24, 2020

Amended Date: June 23, 2021 (amend sections 43.4, 43.8)



Policy 33 **TAX SALE**

POLICY PURPOSE

- 33.1 It is the Policy of the Municipality of the District of Shelburne that all property taxes be collected in a timely manner. Property tax accounts that fall into arrears will be subject to collection efforts that ultimately can result in tax sale.

POLICY DETAILS

- 33.2 Effective April 1, 2018 until March 31, 2019, property shall be sold for tax sale if taxes are in arrears for the preceding two fiscal years. Section 134(1) of the *Municipal Government Act* states “property *may* be sold for taxes if the taxes with respect to the property are not paid in full for the taxation year immediately preceding the year in which the tax sale proceedings are commenced, but the proceedings shall not commence before June 30th in the year immediately following that taxation year.” Section 134(2) of the *Municipal Government Act Section* states “property *shall* be put up for tax sale if taxes are in arrears for the preceding three fiscal years.”
- 33.3 **Subject to the collection limit identified in s. 43.8 of the Collection Policy, effective April 1st, 2019, property shall be sold for tax sale if taxes are in arrears for the preceding one fiscal year.** Section 134(1) of the *Municipal Government Act* states “property *may* be sold for taxes if the taxes with respect to the property are not paid in full for the taxation year immediately preceding the year in which the tax sale proceedings are commenced, but the proceedings shall not commence before June 30th in the year immediately following that taxation year.” Section 134(2) of the *Municipal Government Act Section* states “property *shall* be put up for tax sale if taxes are in arrears for the preceding three fiscal years.”
- 33.4 When Municipality of the District of Shelburne sends the Preliminary Tax Sale Notice, pursuant to Section 138 of the *Municipal Government Act*, it shall be policy of Municipality of the District of Shelburne that any person notified must provide payment in full to Municipality of the District of Shelburne within thirty days of the date of the preliminary notice.

REPEAL

- 33.5 Tax Sale Policy adopted by Council of the Municipality of the District of Shelburne on the 26 day of March, 2018, is hereby repealed.

THIS IS TO CERTIFY that the Council of the Municipality of the District of Shelburne duly passed the policy respecting Tax Sale on 26 day of March 2018.

SIGNED this _____ day of _____, 2021

WARDEN

CHIEF ADMINISTRATION OFFICER

Approved by Council: March 26, 2018

Effective Date: March 26, 2018

Amended Date: November 26, 2019 (amend sections include 33.2, 33.3, 33.4)

Amended Date: June 23, 2021 (amend section 33.3)