



## **MUNICIPALITY OF THE COUNTY OF PICTOU TAX COLLECTION POLICY**

**POLICY # 2026-05-05**

### **PURPOSE**

This policy establishes guidelines for the effective and efficient billing and collection of property taxes within the Municipality of Pictou County. It ensures that all taxpayers are treated fairly, consistently, and equitably, while supporting the Municipality in the responsible collection of revenues required to deliver municipal services.

### **LEGISLATIVE AUTHORITY**

- Property tax billing and collection are governed primarily by the Municipal Government Act (MGA).
- This policy provides administrative guidance to staff in circumstances where the MGA allows discretion or where additional internal procedures are required to support effective administration.
- Where a conflict exists between this policy and the MGA, the provisions of the MGA shall prevail.
- Failure to strictly follow an administrative process described in this policy does not invalidate any tax collection or tax sale proceeding that otherwise complies with the requirements of the MGA.

### **GOVERNANCE AND ADMINISTRATIVE AUTHORITY**

- The administration of property tax billing and collection is carried out by municipal staff under the authority of the Chief Administrative Officer (CAO) or designate.
- Pursuant to Section 30 of the MGA, the CAO is responsible for the administration of municipal affairs and is accountable to Municipal Council for the proper administration of the Municipality.
- Under Section 30(3) of the MGA, Municipal Council provides direction on municipal administration through the adoption of by-laws and policies. Council therefore provides governance oversight of the tax collection process, while staff are

responsible for implementing this policy and carrying out tax collection activities in accordance with the MGA.

## **SCOPE**

- All municipal employees involved in the billing, collection, and administration of property taxes must adhere to the provisions of this policy.
- All tax levies, rates, charges, and amounts added as tax liens are subject to this policy.

## **DEFINITIONS**

- Arrears means Taxes, rates, or charges that remain unpaid after the due date.
- Interim Tax Bill means the Tax bill issued annually, generally calculated as 50% of the previous year's taxes multiplied by the current year's assessment.
- Final Tax Bill means Tax bill issued annually after the interim bill, reflecting the remaining amount due for the fiscal year.
- Payment Arrangement means a formal agreement between the Municipality and a taxpayer to pay outstanding taxes over time.
- Tax Sale Position means Status where a property is eligible or required to proceed to a tax sale under Part VI of the MGA.

## **TAX ACCOUNT BILLING**

- The Municipality will issue an Interim Tax Bill each year with a due date of June 15.
- The Municipality may adjust individual accounts where the variance between the prior year's taxes and the current year's assessment would result in a significant change in the interim amount billed.
- The Municipality will issue a Final Tax Bill each year with a due date of October 15. Any change to this due date requires approval of Municipal Council.
- Interim and final payments are applied as part payments for the current fiscal year and are subject to interest if unpaid by the due date.

## **INTEREST**

- Interest will be calculated and accrued monthly on all outstanding taxes, rates, and tax liens beginning immediately after the applicable due date.
- The rate of interest shall be established by Municipal Council through the applicable Interest Rate Policy.
- Interest will not be paid on credit balances except where the credit results from an overpayment of taxes following a successful assessment appeal. In such cases,

interest will be paid in accordance with the Policy on Interest Refunds - Overpaid Taxes as the Result of Successful Assessment Appeals.

### **TAX COLLECTION - GENERAL PRACTICES**

- The Municipality will make all reasonable efforts to collect taxes owed.
- Collection activities may include, but are not limited to:
  - Written notices and reminders
  - Direct communication with taxpayers
  - Use of external collection agencies where approved by the CAO
  - Tax sale proceedings as permitted by legislation
- The MGA requires that tax bills be mailed to the address shown on the filed assessment roll or to a more current address if known.
- It is the responsibility of property owners to ensure that their mailing address is current with the assessment authority and municipal records.
- If a taxpayer does not receive a tax bill, it remains the responsibility of the taxpayer to contact the Municipality to determine the amount owing.
- The Municipality is not responsible for notifying new property owners of arrears on properties purchased after the filing of the assessment roll. It is the responsibility of purchasers and their solicitors to ensure that taxes are paid as part of the property transaction.

### **PAYMENT ARRANGEMENTS**

- Staff may enter payment arrangements with taxpayers who have tax arrears. Payment arrangements shall normally:
  - Extend for a period of one or two years
  - Include payments sufficient to cover both tax arrears and current year's taxes
  - All payment arrangements must be documented on the tax account.
  - A property that is in tax sale position may have the tax sale proceedings deferred provided the taxpayer remains in compliance with the agreed payment schedule.
  - *If a payment arrangement is not honoured, the property may immediately proceed with the tax sale process.*

### **ANNUAL TAX SALE REVIEW**

- Each year staff shall review all tax accounts in arrears to determine which properties meet the requirements for tax sale under the MGA.
- This review shall normally occur prior to June 30 and shall include:

- Identifying properties eligible for tax sale
- Identifying properties required to proceed to tax sale
- Confirming ownership and assessment information
- Confirming outstanding balances including interest and applicable costs

### **PROPERTIES IN TAX SALE POSITION**

- The Municipality conducts tax sales in accordance with Part VI of the MGA.
- Tax Sale Eligibility is any property with taxes unpaid from the immediately preceding taxation year and outstanding as of June 30<sup>th</sup>.
- Required Tax Sales is any property with taxes unpaid for the preceding three fiscal years
- The Municipality may not commence tax sale proceedings if the amount of taxes due is below \$250.00 and less than 4 years in arrears

### **COLLECTION NOTICES AND REMINDERS**

- For properties not in tax sale position, reminder notices may be issued to property owners to encourage payment of outstanding balances.
- Generally, reminder notices will be issued:
  - July for outstanding balances from the Interim Tax Bill (due June 15)
  - November for outstanding balances from the Final Tax Bill (due October 15)
- Further collection communications may include:
  - February for Arrears Statements
  - May for Tax Sale Warning notices

### **TAX ACCOUNT ADJUSTMENTS AND WRITE-OFFS**

- Staff may write off or adjust accounts in the following circumstances:
- Errors on the assessment roll which cannot be corrected through the assessment appeal process
- Administrative errors approved by the CAO or designate
- Taxpayer discharge from liabilities through bankruptcy
- Where the cost of pursuing collection would reasonably exceed expected recovery, a write-off may be recommended to Municipal Council.

### **PROPERTY TAX DEFERRAL**

- Section 70 of the MGA allows Council to adopt by-laws permitting the postponement of tax payments.
- Applications must be submitted and approved in accordance with the applicable Tax Deferral by-law.

## **PAYMENTS**

- Payments must be received on or before the due date. Accepted methods:
- In person (cash, cheque, debit, money order)
- Mail (postmarked prior to due date)
- Drop box at the municipal office (located at the front entrance of the municipal building)
- Mortgage company payments
- Telephone or Internet banking (Taxpayers must allow 3-4 business days for the payment to reach the Municipality of Pictou County's financial institution for it to be considered received)
- Pre-authorized payment plans for special programs

## **POST-DATED CHEQUES**

- Post-dated cheques are not normally accepted, except for:
- Interim Tax Bill (due June 15)
- Final Tax Bill (due October 15)

## **RETURNED PAYMENTS**

- Payments returned for insufficient funds are subject to a handling fee equal to the cost charged to the Municipality by the financial institution.

## **REPORTING**

- The Deputy Treasurer or designate shall report quarterly to the Financial Services Committee, including:
- Total outstanding tax arrears
- Status of payment arrangements
- Tax collection activity
- Properties identified as eligible or required for tax sale

## **POLICY REVIEW**

- This policy shall be reviewed periodically to ensure compliance with the MGA and reflect best practices.

## **ADMINISTRATIVE**

- This policy provides administrative guidance and does not create any legally enforceable rights for taxpayers. The Municipality of Pictou County retains full authority and discretion under the Municipal Government Act (MGA), including, but not limited to, the collection of taxes, imposition of interest, or initiation of tax sale proceedings.

- Staff are required to exercise their duties in accordance with the MGA, applicable by-laws, and Council-approved policies, and to apply this policy at their professional discretion.

### **CONFLICT OF INTEREST**

- No council member or employee of a municipality that sells land for arrears of taxes or the council member or employee's spouse shall be eligible to participate in tax sale proceedings.
- No company in which a council member or employee or their spouse owns or beneficially owns the majority of the issued and outstanding shares shall be eligible to participate in tax sale proceedings.
- The Municipality shall use its best efforts to determine if a conflict of interest exists prior to the issuance of any deeds required as part of the tax sale process.

### **REPEAL**

All other policies related to Tax collection are hereby repealed namely policy # 2022-04-25.